

UNIVERSITI TEKNOLOGI MARA

**HIBAH IN THE PERSPECTIVE OF ISLAMIC
FINANCE: A STUDY ON THE PRACTICES
AMONG STAFF AT PEJABAT AGAMA DAERAH
KULIM (PADK)**

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ABSTRACT

Hibah usually takes place in the lifetime of the grantor and does not involve violence or threats. The transfer of ownership of property is usually pure from one part to another without any consideration or reward in return. Based on previous cases, Muslims in Malaysia rarely practice hibah in this country due to not exposing themselves to the implementation of hibah and not understanding what is hibah. Therefore, this paper aims to examine the practices, challenges, and obstacles faced by staff at the Pejabat Agama Islam Daerah Kulim in managing hibah. The implementation of hibah at the Pejabat Agama Daerah Kulim is discussed in this paper to provide a clearer understanding to the community. In this study, the researcher employs qualitative data collection methods such as interviews and document analysis to complete the findings which involve five staff of Pejabat Agama Daerah Kulim, with data analysed thematically. Interviews were conducted with selected informants based on their experience and criteria in various administration areas at the Pejabat Agama Daerah Kulim. The selection of informants was carried out by the researcher to gain deeper insights into the research questions and objectives. These interview sessions were limited to the Pejabat Agama Daerah Kulim. Additionally, the document analysis method was also used by the researcher to strengthen the study's findings. The study's findings indicate that although staff have a basic understanding of hibah, they also face various obstacles, such as the absence of standardized procedures, resource constraints, and limited public engagement. Effective strategies are therefore necessary to address these issues, emphasizing the need to enhance staff training, public education initiatives, and the establishment of a comprehensive framework to promote hibah as an essential tool in Islamic finance. This study also highlights the potential of the Pejabat Agama Daerah Kulim to serve as a central hub for promoting hibah, thereby increasing its acceptance and utilization within the Muslim community.

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CHAPTER ONE

INTRODUCTION

1.1 RESEARCH BACKGROUND

Hibah is a tool for dividing assets that may be applied in addition to the faraidh method. Hibah is frequently viewed as a solution to the problems with the use of faraidh, particularly the challenge of transferring properties to a loved one who supports the donor's decision and selection (Rashid & Ahmad, 2013). Hibah is also known as a system of Islamic property management that is mentioned in the Quran and Sunnah and is practiced by Muslims all over the world, including Malaysia. Besides, even though the meanings of hibah, gift, and sadaqah are almost the same, they are not the same. The difference lies in how the gift is intended to be used. A gift is anything given to another person out of gratitude and affection, but a sadaqah is something given in order to seek pleasure from Allah (Zuhaili, 1999). Thus, every gift and sadaqah has the potential to be a hibah, but not every hibah is a gift or sadaqah (Muda, 2008).

Furthermore, hibah and wasiat are two important instruments in property planning according to Islamic law. Hibah is one of the Islamic property management methods, along with wills, zakat, and waqaf. Hibah is one property management method that helps in addressing the issue of frozen and abandoned inheritance. Hibah is known as a gift from one person to another without expecting anything in return. A variety of Hibah can be donated under this concept, including cash (savings) and many forms of property or other valuable assets that can be possessed and transferred. The property might also take the form of wealth or valuable goods like homes, vehicles, and income like wages and fees (Kamarudin, et al., 2018) . Any type of property that is to be presented as a hibah must meet the requirements set out by Shariah Law, including the need that the asset be legitimate, belong to the actual owner, be transferable, and any additional requirements (Yusof & Ahmad, 2013).

Not only that, there is a faraidh system for distributing property which is a hibah instrument that actually more frequently used by the community for inheritance distribution. This is because property distribution by hibah has more advantages than distribution through faraidh. According to Ahmad et al., (2017), Malaysia has seen a