

UNIVERSITI TEKNOLOGI MARA

**LEGAL AND REGULATORY
FRAMEWORKS FOR WAQF LAND
DEVELOPMENT: THE ROLE AND
CHALLENGES OF THE SEBERANG
PERAI TENGAH DISTRICT AND
LAND OFFICE**

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ABSTRACT

Waqf is a valuable asset in Malaysian society. This study aims to explore the Legal and Regulatory Frameworks for Waqf Land Development through the Role and Challenges of the Seberang Perai Tengah District and Land Office in assisting local authorities such as the Penang Islamic Religious Council (MAINPP) and the Penang Waqf Board in addressing issues such as legal obstacles and underutilized waqf land, particularly in Seberang Perai Tengah. This study aims to assess the current state of underutilized waqf land within the Seberang Perai Tengah district, to explore the role of the Seberang Perai Tengah District and Land Office in assisting in the development of waqf land, and to examine the legal and regulatory frameworks that impact the development of waqf land in Seberang Perai Tengah and propose recommendations for improvement. The study employs a qualitative approach to collect data through interviews with experts and practitioners directly involved in waqf land management, providing insights into the effectiveness of the district office's initiatives in revitalizing waqf land. Using semi-structured interviews, the key findings reveal the important role played by the district office in facilitating legal compliance, introducing beneficial policies in the National Land Code, Penang Land Rules 2021, and other regulatory instruments to assist in the registration and development of waqf land, such as waiving fees for waqf land registration. This can address pressing issues like affordable housing, food security, and community welfare through well-planned development projects. Additionally, the study proposes several recommendations to address legal challenges, including granting mosques greater autonomy in managing waqf land by formalizing management agreements with MAINPP and streamlining approval processes for mosque-led projects.

Keywords: *Waqf Land, Seberang Perai Tengah District and Land Office, Legal and regulatory frameworks, Underutilized land*

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

Waqf, an Islamic endowment, represents one of the most enduring forms of philanthropy in Islamic history. It is a unique system where individuals dedicate assets, such as land, properties, or financial resources, to serve communal or charitable purposes. The distinctive characteristic of waqf is its perpetuity, ensuring that endowed assets remain preserved while their proceeds are utilized for the benefit of society. Rooted in the principles of Islamic law, waqf has historically facilitated the establishment of critical infrastructures, including schools, hospitals, and mosques, which continue to address the needs of communities across generations.

As a cornerstone of Islamic social finance, waqf embodies the values of sustainability, equity, and communal welfare. It bridges spiritual obligations with tangible socio-economic outcomes, making it a powerful tool for addressing poverty, fostering education, and enhancing public health. Çizakça (2000) highlights the instrumental role of waqf in shaping the socio-economic landscapes of Muslim societies, underscoring its contributions to public services that remain relevant to this day. Ismail et al. (2023) further emphasize waqf's long-term impact, noting its ability to drive economic sustainability while upholding Islamic principles of wealth distribution and community development.

Despite its historical significance and potential for contemporary application, waqf faces several challenges in realizing its full potential. In Malaysia, a substantial portion of waqf lands remains underutilized or abandoned. This underutilization stems from a range of factors, including legal ambiguities, administrative inefficiencies, and financial constraints. The complex interplay between federal and state governance often leads to overlapping jurisdictions and inconsistent management of waqf properties (Abd Mutalib, H., & Maamor, S, 2018). Administrative challenges, such as insufficient expertise and a lack of standardized procedures, further hinder the development of waqf assets. Financially, traditional fundraising approaches often fall short of generating the capital required for large-scale waqf projects.