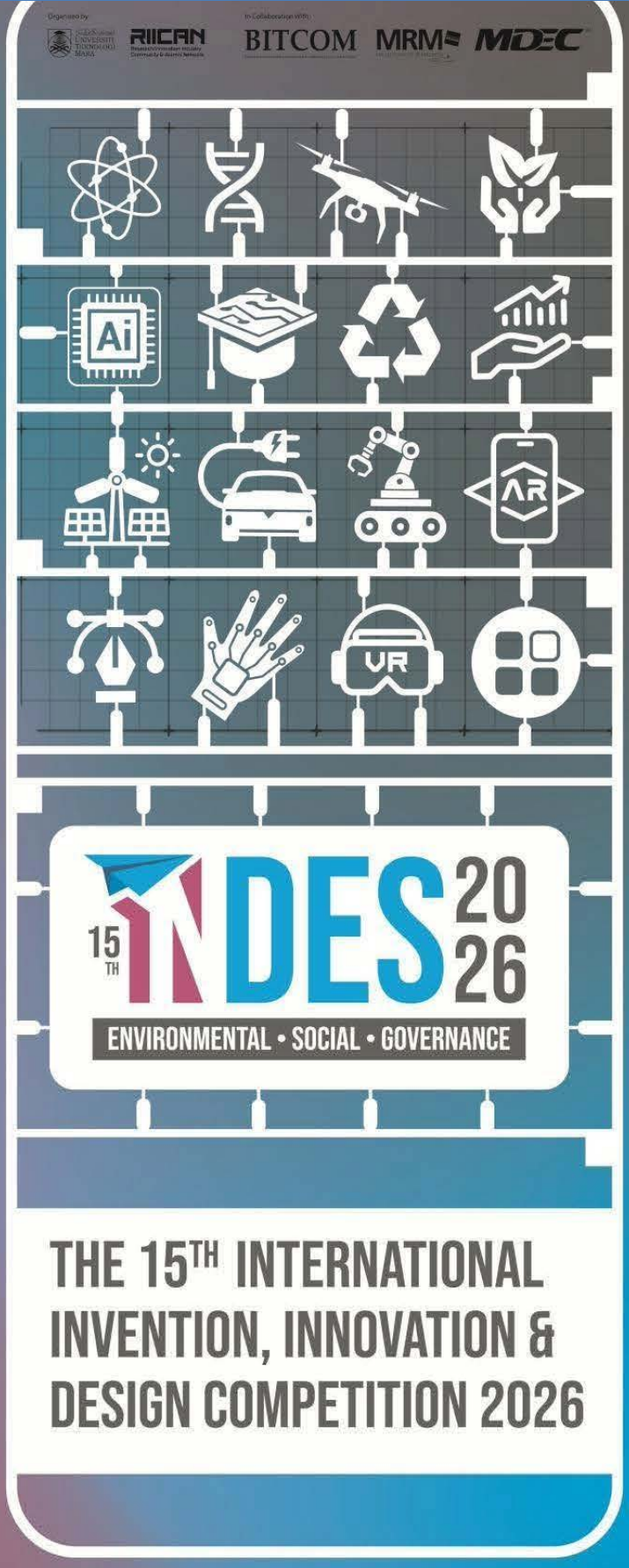

E-BOOK OF

EXTENDED ABSTRACT

E-BOOK OF EXTENDED ABSTRACT

THE 15th INTERNATIONAL
INVENTION, INNOVATION &
DESIGN COMPETITION 2026

Organized by:
Office of Research, Industry,
Community & Alumni Network
UiTM Perak Branch

© Unit Penerbitan UiTM Perak, 2026

All rights reserved. No part of this publication may be reproduced, copied, stored in any retrieval system or transmitted in any form or by any means; electronic, mechanical, photocopying, recording or otherwise; without permission on writing from the director of Unit Penerbitan UiTM Perak, Universiti Teknologi MARA Perak Branch.

Unit Penerbitan UiTM Perak,
Universiti Teknologi MARA,
Perak Branch, 32610
Seri Iskandar Perak, Malaysia.

Perpustakaan Negara Malaysia Cataloguing in Publication Data

No e- ISBN 978-967-2776-67-3

Cover Design: Asrul Nizuan Ariffin

Typesetting : Georgia

EDITORIAL BOARD

Editor-in-Chief

Muhd Syahir Abdul Rani

Managing Editors

Muhammad Wajihuddin Johari
Paul GnanaSelvam A/L Pakirnathan
Nazirul Mubin Mohd Noor
Nurdiyana Mohamad Yusof
Halimatussadiah Iksan

Copy Editors

Sheema Liza Idris
Nurul Munirah Azamri
Zarlina Mohd Zamari
NoorAileen Ibrahim
Farahidatul Akmar Awaludin
Siti Syairah binti Fakhruddin
Noor Fazzrienee JZ Nun Ramlan
Madaha binti Hanafi @ Mohd Ghani
Halimatun Saadiah Abd Mutalib
Hanitha A/P Satthiananthan
Syaza Kamarudin
Iza Faradiba Mohammad Patel
Nuramira Anuar
Noorlinda Alang
Noraziah Azizan
Faridatul Akma Wan Mohd Rashdi
Azurawati Zaidi
Ong Elly
Noran Nur Munira Khalili
Amirah Athirah Amir Yazid
Nurshahirah Azman
Daljeet Singh Sedhu A/L Janah Singh
Budiman Sabri Ahmad
Amirul Farhan Ahmad Tarmizi
Sarah Sakinah Assa'adah Johari

SADAQA HOUSE 2.0: A REPLICABLE ISLAMIC SOCIAL FINANCE MODEL FOR FINANCIAL INCLUSION IN THE MALDIVES

Dr. Latifa Bibi binti Musafar Hameed, Dr. Nazifah binti Mustaffha, Ahmad Fatin bin Mohamad Suhaimi, Prof. Dr. Aishath Muneeza, Ahmad Yani Ismail and Nawal binti Sholehuddin

International Research Centre of Islamic Economics and Finance (IRCIEF)
Universiti Islam Selangor
Bandar Seri Putra, 43000 Kajang, Selangor

latifabibi@uis.edu.my

ABSTRACT

Sadaqa House by Bank Islam Malaysia Berhad is recognised as a social finance initiative dedicated to mobilising philanthropic capital through Islamic Social Finance (ISF) instruments such as *zakat*, *waqf* and *sadaqah* to generate positive and tangible impacts for underserved communities in Malaysia. Operating within an inclusive Islamic economic ecosystem, the initiative aims to uplift individuals and families through sustainable financial inclusion solutions. This study proposes a replication model of Sadaqa House in the Maldives to address socio-economic inequalities through Islamic Social Finance implemented via Islamic Financial Institutions (IFIs). Integrating ISF within Maldivian IFIs, particularly through the concept of sadaqa, offers a transformative opportunity to improve financial inclusion and social wellbeing. The study adopted a qualitative research methodology involving in-depth interviews, focus group discussions, roundtable discussions and strategic conversations with policymakers and industry stakeholders. Respondents included representatives from Islamic banks, the Maldives Monetary Authority (MMA) and relevant government agencies. Data were analysed using content, thematic and benchmark analysis. The findings outline a proposed operational framework for implementing Islamic Social Finance in the Maldives, including sources of funds, fund management mechanisms, governance structure and key distribution areas targeting vulnerable and underserved communities. The proposed model is expected to strengthen financial inclusion, enhance social wellbeing, and support a more inclusive and ethical financial ecosystem in the Maldives.

Keyword: *Sadaqa House 2.0*, Islamic Social Finance, Financial Inclusion, Maldives

1. INTRODUCTION

Islamic social finance has long been recognised as a powerful mechanism for addressing socio-economic inequality (Widiastuti, Ningsih, Prasetyo, Mawardi, Herianingrum, Robani, Al Mustofa & Hady, 2022). However, in many jurisdictions, including small island economies such as the Maldives, the impact of instruments such as *zakat, sadaqah* and *waqf* remains constrained by institutional fragmentation, limited coordination and weak intermediation between fund mobilisation and productive utilization (Othman, Rosman & Abdul Razak, 2023).

The original Sadaqa House model introduced in Malaysia (implemented by Bank Islam Malaysia Berhad) demonstrated the potential of integrating multiple Islamic social finance instruments within a structured institutional platform (Musafar Hameed, Muneeza, Mohd Dasar, Ismail & Mohamad Suhaimi, 2024). Nevertheless, its design remains largely context-specific and institution-centric, limiting its scalability and cross-country applicability.

This study introduces *Sadaqa House 2.0* as a re-engineered Islamic social finance model that shifts from institutional replication to system-level design. The model is conceptualised as a modular and

transferable architecture capable of operating across diverse regulatory and socio-economic environments. It is specifically positioned to support the Maldives Islamic Social Finance Initiative (MISFI), where structural constraints such as market size, geographic dispersion, and institutional capacity necessitate a more integrated and adaptive financial intermediation approach (Munawar, Hamdi, Shaugee, Rashfa, Rasheed, Musafar Hameed, Muneeza & Mohamad Suhaimi, 2025).

The paper aims to develop a theoretically grounded and operationally viable model that enhances financial integration, improves allocation efficiency and aligns Islamic social finance with broader development objectives.

2. METHODOLOGY

The study will be using the qualitative method. Qualitative methods include in-depth interviews, content analysis, focus group discussions, roundtable discussions, benchmark analysis and strategic conversation. An in-depth interview was conducted among the higher management staff from the Maldives Monetary Authority (MMA) to get a view on the policies. An in-depth interview is also conducted with the senior management of two Islamic banks in the Maldives, namely the Islamic Bank of Maldives and Bank of Maldives, to gather their feedback on their readiness to implement Islamic Social Finance. A focus group discussion was conducted among the selected Ministries, such as the Ministry of Social and Family Development, and NGOs such as Cancer Society of Maldives, National Social Protection Agency, to investigate the potential supports that can be given via Islamic social finance instruments. A roundtable discussion was conducted with all the experts from Islamic banks in the Maldives and the Maldives Monetary Authority and independent researchers to examine the viable model for the implementation of Islamic Social Finance in the Maldives.

3. CONCLUSION

This study provides a transformative opportunity to address the country's most pressing socio-economic challenges through a well-structured, inclusive and sustainable Islamic Social Finance framework. By focusing on charitable, social and developmental projects, this study not only aims to support immediate relief for the most vulnerable but also paves way for long-term empowerment and systemic reform. The initiative directly contributes to the country's progress towards the SDGs while reducing long-term fiscal pressure on the government through strategic investments in healthcare, education, skill development and economic participation.

REFERENCES

Othman, N. B. M., Rosman, R., & Abdul Razak, M. Z. (2023). An integrated model of Islamic social finance towards sustainable funding. Bank Kerjasama Rakyat Malaysia Berhad.

Munawar, A., Hamdi, A. A., Shaugee, I., Rashfa, M., Rasheed, S., Musafar Hameed, L. B., Muneeza, A., & Mohamad Suhaimi, A. F. (2025). Maldives Islamic Social Finance Initiative (MISFI): Launching a new era of Islamic social finance in the Maldives. Maldives Monetary Authority & Selangor Islamic University.

Musafar Hameed, L.B., Muneeza, A., Mohd Dasar, M. H., Ismail, A.Y. & Mohamad Suhaimi, A. F., (2024). Sadaqa House: Inspiring 'Adl and Ihsan in the Realm of Islamic Banking. IRCIEF-UIS

Widiastuti, T., Ningsih, S., Prasetyo, A., Mawardi, I., Herianingrum, S., Robani, A., Al Mustofa, M. U., & Hady, A. F. (2022). Developing an integrated model of Islamic social finance: Toward an effective governance framework. Heliyon, 8(9), e10383. https://doi.org/10.1016/j.heliyon.2022.e10383

E-BOOK OF EXTENDED ABSTRACT THE 15th INTERNATIONAL INVENTION, INNOVATION & DESIGN COMPETITION 2026

eISBN 978-967-2776-67-3

9 789672 776673

Date of Publication: 13 July 2026

UNIT PENERBITAN UITM PERAK

(online)