

UNIVERSITI TEKNOLOGI MARA

**EXPLORING THE CHALLENGES IN
ADMINISTRATION OF FARAID IN ISLAM:
STAFF EXPERIENCE AT AMANAH RAYA
PERLIS**

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ABSTRACT

The administration of faraid, an important part of Islamic inheritance law, is essential for ensuring the fair and just distribution of wealth among rightful heirs. Despite its importance, the process faces many challenges that reduce its efficiency and effectiveness. This study aims to explore the challenges faced by Amanah Raya Perlis staff in managing inheritance under the faraid law. The main objectives of the study are to identify the challenges in inheritance administration, analyze the impact of these challenges on efficiency and effectiveness, and suggest strategies to overcome the challenges. The study uses a qualitative approach by interviewing five staff members from Amanah Raya Perlis who are directly involved in the inheritance management process. Semi-structured interviews were conducted to collect data, and thematic analysis was used to identify key issues. The findings reveal several major challenges, including the lack of understanding among heirs regarding faraid, incomplete documentation from heirs, pressure to speed up the process, bureaucracy with third-party institutions, and reliance on manual processes. These challenges cause delays, increase the workload for staff, and lead to dissatisfaction among the heirs. To address these challenges, the study highlights the need for strategic measures, such as integrating Amanah Raya's system with the National Registration Department (JPN) and the Central Bank of Malaysia (BNM), organizing Amanah Raya Open Days to engage with the community, universities, and schools, and using social media platforms to raise public awareness. These findings provide guidance for Amanah Raya to improve the effectiveness and efficiency of inheritance administration in the future.

Keyword: *Faraid, Challenges, Amanah Raya Perlis*

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter presents a comprehensive overview of the study. It includes an exploration of the research background, problem statement, research questions, research objective, research significance and scope and limitation. This study will focus on the challenges that faced by staff at Amanah Raya Perlis in administering faraid. This chapter also provided full details about this issue and explain why this research is important.

1.2 Research Background

The administration of Islamic inheritance, or known as faraid is an important aspect in estate distribution planning. This is to prevent the wealth left by the deceased from being frozen property. According to the report, the number of frozen assets recorded in Malaysia has reached 90 billion (Malaysia, 2024). In Malaysia, the distribution of inheritance is based on the faraid principle. The implementation of this faraid principle is to ensure that the inheritance can be distributed fairly to the rightful heirs. Amanah Raya Berhad is one of the companies that has expertise in managing the estate planning and distribution. Amanah Raya is a government linked trust company and it has been operating for 100 years. In fact, it has branches in all states in Malaysia including Perlis. However, despite its expertise in managing the estate planning and have well-established framework, Amanah Raya faces numerous challenges in administering Faraid (Abdul Rahman & Hassan, 2019).

One of the main challenge faced by staff at Amanah Raya Perlis is the complexity of the Standard Operating Procedures (SOPs) they must follow. Faraid processes involve numerous steps and strict legal requirements that ensure each heir's rightful share is allocated in accordance with Islamic principles. However, these detailed procedures can be time consuming and difficult to navigate, especially when cases are complex. Staff members often have to devote substantial time and effort to