

UNIVERSITI TEKNOLOGI MARA

**THE IMPLEMENTATION OF SADAQA HOUSE IN
MALAYSIA**

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledge as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

Sadaqa House is a new product by Islamic Financial Institution (IFI) in Malaysia, as an initiative of the institution to strengthen the value of Islam in economic and financial activities. The idea of Sadaqa House was proposed by Dato Dr. Abdul Halim Ismail in his speech during the Global Islamic Finance Forum 2014. The Sadaqa House Special Task Force was then established in 2017, in order to implement the idea of Sadaqa House in Islamic Banking environment in Malaysia. This study will review on: (1) the concept of *sadaqah* in Islam and its impact to the community, (2) the existing models of Sadaqa House and other related models such as *zakat* and *takaful*, and (3) suggestion on the appropriate model of Sadaqa House to be implemented in Malaysia. This mixed method study collected data through interview and questionnaire survey to achieve the above objectives. Based on the data from the respondents, it is found that Model A is highly selected compared to Model B and C. However, researcher tend to propose that Model C is more appropriate to be implemented in Malaysia due to few elements; 1) tax exemption given to the bank as well as donors, 2) establishment of new entity according to the depth analysis from the opinions of the practitioners in Islamic banking sector and respondents.

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