

INTEGRATION OF ISLAMIC PHILANTHROPY WITH FINANCIAL TECHNOLOGY: The Case Study of Waqf towards Sustainable Funding in Indonesia

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Received: December 11, 2024; Reviewed: May 03, 2025; Accepted: June 18, 2025;

Published: June 30, 2025

Abstract

The rapid expansion of Indonesia's digital economy, bolstered by evolving financial regulations, presents a strategic opportunity to integrate Islamic philanthropy—particularly waqf—into fintech-based funding systems. This study explores the potential integration of waqf instruments within securities crowdfunding, as governed by OJK Regulation No. 57 of 2020

and its amendment, OJK Regulation No. 16 of 2021. The growth in sukuk issuances—from 59 in August 2023 to 105 by May 2024, comprising 30% of all securities—demonstrates a promising avenue for channeling waqf funds to support MSMEs and drive socio-economic development. Employing a normative legal research methodology, this study utilizes statutory and conceptual analysis, drawing on primary legal sources related to waqf and crowdfunding, as well as secondary data from the Financial Services Authority (OJK) and the Central Securities Depository (KSEI). Through descriptive-analytical methods and integrative legal theory, the research examines how regulatory frameworks can be aligned. The findings indicate a strong legal synergy between Islamic waqf law and fintech regulations, facilitating the development of a productive, Sharia-compliant waqf investment model. This study offers a conceptual and regulatory roadmap for leveraging waqf funds through digital platforms, enhancing their sustainability, accountability, and role in promoting inclusive Islamic economic growth.

Ekspansi pesat ekonomi digital Indonesia yang didukung oleh regulasi keuangan yang terus berkembang menghadirkan peluang strategis untuk mengintegrasikan filantropi Islam—khususnya wakaf—ke dalam sistem pendanaan berbasis fintech. Studi ini mengeksplorasi potensi integrasi instrumen wakaf dalam skema securities crowdfunding sebagaimana diatur dalam Peraturan OJK Nomor 57 Tahun 2020 dan perubahannya, yakni Peraturan OJK Nomor 16 Tahun 2021. Peningkatan jumlah penerbitan sukuk—from 59 pada Agustus 2023 menjadi 105 pada Mei 2024, yang mencakup 30% dari seluruh surat berharga—menunjukkan jalur yang menjanjikan untuk menyalurkan dana wakaf guna mendukung UMKM dan mendorong pembangunan

sosial ekonomi. Dengan menggunakan metode penelitian hukum normatif, studi ini menerapkan pendekatan analisis yuridis dan konseptual, dengan merujuk pada sumber hukum primer terkait wakaf dan crowdfunding, serta data sekunder dari Otoritas Jasa Keuangan (OJK) dan Kustodian Sentral Efek Indonesia (KSEI). Melalui metode deskriptif-analitis dan pendekatan teori hukum integratif, penelitian ini mengkaji bagaimana kerangka regulasi dapat diselaraskan. Temuan menunjukkan adanya sinergi hukum yang kuat antara hukum wakaf Islam dan regulasi fintech, yang memungkinkan pengembangan model investasi wakaf yang produktif dan sesuai dengan prinsip syariah. Studi ini menawarkan peta jalan konseptual dan regulatif untuk memanfaatkan dana wakaf melalui platform digital, guna meningkatkan keberlanjutan, akuntabilitas, serta peranannya dalam mendorong pertumbuhan ekonomi Islam yang inklusif.

Keywords: *integration, philanthropy, waqf, financial technology, securities crowdfunding.*

Introduction

The significance of waqf in Islam is indisputable.¹ Literature on waqf highlights its central role in Islamic civilization, both in terms of the breadth of services it offers and the vast territorial reach it has historically encompassed.² In its early development, waqf management was carried out through traditional methods with manual configurations. Fundamentally, every waqf

¹ Rahmatina Awaliah Kasri and Syafira Rizma Chaerunnisa, “The Role of Knowledge, Trust, and Religiosity in Explaining the Online Cash Waqf amongst Muslim Millennials,” *Journal of Islamic Marketing* 13, no. 6 (2022): 1334–50, <https://doi.org/10.1108/JIMA-04-2020-0101>

² Ahmad Zamri Osman and Gloria Agyemang, “Privileging Downward Accountability in Waqf Management,” *Journal of Islamic Accounting and Business Research* 11, no. 3 (2020): 533–54, <https://doi.org/10.1108/JIABR-05-2017-0064>

serves two core purposes: individual and social.³ The utilization of waqf assets commonly supports public religious functions, such as endowing land for the construction of mosques, orphanages, schools, universities, and cemeteries. Moreover, waqf aims to ensure that endowed assets are used effectively in accordance with their intended purpose.⁴ At its essence, waqf represents an Islamic practice of devoting wealth in the path of Allah.⁵

The evolution of Islamic economics has contributed to the transformation of waqf assets from immovable forms to movable assets, such as cash waqf. This type of waqf holds considerable potential for integration with Islamic financial instruments to support objectives like national food security.⁶ The productive development of waqf assets focuses on preserving their intrinsic value while enhancing their commercial potential such as through cash waqf that yields returns in the form of dividends or capital gains. As a form of Islamic philanthropy, cash waqf embodies a humanistic-functional aspect, reflecting values of compassion and social responsibility inspired by religious doctrine. It aims to foster meaningful connections among people, especially within economically disadvantaged communities.⁷ Cash waqf merges the philanthropic spirit of waqf with the concept of *tabarru'* a form of

³ Muhammad Usman and Asmak Ab Rahman, "Funding Higher Education through Waqf: A Lesson from Malaysia," *International Journal of Ethics and Systems* 39, no. 1 (2023): 107–25, <https://doi.org/10.1108/IJOES-12-2021-0217>

⁴ Yusep Rafiqi, Asep Suryanto, and Mohamad Anton Athoillah, "The Sumedang Larang Royal Waqf: Legal Perspective," *Abkam: Journal of Sharia Science* 23, no. 2 (2023): 377–402, <https://doi.org/10.15408/ajis.v23i2.29230>

⁵ Anna Che Azmi and Mohamed Hisham Hanifa, "The Sharia-Compliance of Financial Reporting Practices: A Case Study on Waqf," *Journal of Islamic Accounting and Business Research* 6, no. 1 (2015): 55–72, <https://doi.org/10.1108/JIABR-10-2012-0069>.

⁶ Raditya Sukmana et al., "Designing Waqf-Based Financing Model for Livestock Project: Empirical Evidence from Indonesia," *International Journal of Islamic and Middle Eastern Finance and Management* 17, no. 3 (2024): 599–617, <https://doi.org/10.1108/IMEFM-06-2023-0211>; Raditya Sukmana, "Critical Assessment of Islamic Endowment Funds (Waqf) Literature: Lesson for Government and Future Directions," *Helijon* 6, no. 10 (October 2020): e05074, <https://doi.org/10.1016/j.helijon.2020.e05074>.

⁷ Suryani Suryani and Yunal Isra, "Wakaf Produktif (Cash Waqf) Dalam Perspektif Hukum Islam dan Maqāṣid Al-Sharī'ah," *Walisono: Jurnal Penelitian Sosial Keagamaan* 24, no. 1 (2016): 17, <https://doi.org/10.21580/ws.24.1.680>.

voluntary giving associated with charity, care, and mutual assistance which aligns closely with modern economic principles. This integrative model supports the advancement of the Islamic economic ecosystem, particularly when combined with information technology in the processes of collecting, managing, and distributing the benefits of waqf assets.

The role of waqf aligns with the Sustainable Development Goals (SDGs) introduced by the United Nations (UN) as a global development framework.⁸ Meanwhile, the COVID-19 pandemic accelerated the pace of technological transformation, as governments worldwide adopted lockdown policies to mitigate the virus's spread. These measures significantly disrupted economic activity, including in Indonesia, leading to a general economic slowdown. However, they also catalyzed the digital transformation of key sectors such as public services, education, healthcare, and the economy. Education, traditionally conducted offline, rapidly shifted to online platforms, requiring teachers and educators to adapt to new information technology systems. The economy being particularly sensitive to policy changes underwent a notable transformation through the adoption of digital technologies, exemplified by the rise of e-commerce, online marketplaces, and other digital economic platforms. Similarly, Islamic teachings and philanthropic activities, including zakat and waqf, also experienced a digital shift, amplified through the dissemination of Islamic content on social media platforms. This digital transformation is underpinned by advancements in artificial intelligence (AI), which has already been applied in areas such as credit risk assessment by streamlining electronic data analysis, including credit histories and payment behaviours.⁹ Such technologies can be leveraged to enhance the management of

⁸ Siti Sara Ibrahim et al., "Waqf Integrated Income Generating Model (WIIGM) for Enhancing Sustainable Development Goals (SDGS) in Malaysia: An Evaluation of Behavioural Intention," *International Journal of Ethics and Systems* 39, no. 4 (2023): 841–58, <https://doi.org/10.1108/IJOES-02-2022-0030>.

⁹ Maria Elisabete Ramos et al., "Cooperatives and the Use of Artificial Intelligence: A Critical View," *Sustainability* 15, no. 1 (December 2022): 329, <https://doi.org/10.3390/su15010329>.

data, financial transactions, financial reporting, mobile applications, and the development of e-commerce platforms within the Islamic philanthropic ecosystem.¹⁰

The integration of Islamic philanthropy particularly waqf with financial technology (fintech) has become an increasingly urgent priority in the current era of digital transformation. The rapid digitalization of financial services has given rise to various innovative solutions, including technology-driven productive waqf instruments such as the Cash Waqf Linked Sukuk (CWLS). However, the implementation of this concept still encounters significant challenges, particularly in institutional and regulatory aspects. Although Indonesia has established a legal foundation through Law No. 41/2004 on Waqf, weaknesses in institutional structures and the absence of a fully integrated digital system have resulted in most waqf assets being managed in traditional and largely unproductive ways¹¹.

The momentum of digital transformation also influences the people's economic system, which aligns with Islamic principles particularly the value of mutual assistance. This principle is reflected in fintech-based funding mechanisms such as crowdfunding or joint venture schemes, which support the development of Micro, Small, and Medium Enterprises (MSMEs), start-ups, and small-cap businesses. MSMEs face a hierarchy of needs such as access to capital, information technology, service quality, competitiveness, and innovation that mirrors an economic interpretation of Maslow's theory of human motivation.¹² Capital accessibility remains a key issue in business

¹⁰ Faridzah Jamaluddin et al, "Cooperative Governance and Cooperative Performance: A Systematic Literature Review," *SAGE Open* 13, no. 3 (July 9, 2023), <https://doi.org/10.1177/21582440231192944>.

¹¹ Irma Suryani Lubis dan Muslim Marpaung, "Reconstructing the Role of Waqf in Indonesia's Islamic Financial Ecosystem: Institutional and Regulatory Analysis," *International Journal of Management Research and Economics* 3, no. 2 (Mei 2025): 174–199, <https://doi.org/10.54066/ijmre-itb.v3i2.3179>.

¹² Novta Winkey Pradana and Sumiyana Sumiyana, " Analisis Kebutuhan UMKM Indonesia Dengan Menggunakan Pendekatan Penalaran Hierarki Maslow Secara Organisasional," *ABIS: Accounting and Business Information Systems Journal* 11, no. 3 (2023): 260, <https://doi.org/10.22146/abis.v11i3.85988>.

expansion, particularly because MSMEs serve as the backbone of the people's economy.¹³ Meanwhile, the need for digital tools, quality services, and innovation can be addressed through inclusive securities crowdfunding cycles. Several European countries have successfully integrated digital technologies such as websites and social media platforms—as strategic tools to enhance visibility, marketing outreach, and e-commerce adoption, ultimately expanding markets and increasing revenue.¹⁴ Similarly, in Southern China, crowdfunding practices are employed to fund local cultural activities, such as the performance of Village Opera, supported by village committees and residents.¹⁵

The urgency of this study lies in the issues it addresses and the concepts it proposes. While existing academic research has explored the scope of waqf and crowdfunding, this study introduces distinct perspectives and practical implications that fill notable research gaps. For instance, Adelia Desrin Nasution and Fahmi Medias examine the role of waqf within institutional frameworks, focusing on outputs related to education and human resource development.¹⁶ Meanwhile, Ika Yunia Fauzia and Khairunnisa Musari present a crowdfunding-based waqf model, emphasizing contractual arrangements applicable to MSME financing in the ASEAN context.¹⁷ Similarly, Setiawan Bin Lahuri and Asti Lutfiah investigate the optimization of waqf assets

¹³ Anto Kustanto, "Usaha Mikro Kecil Menengah (UMKM) Sebagai: Pilar Ekonomi Kerakyatan Dalam Dimensi Politik Hukum Integratif," *QISTIE* 15, no. 1 (May 1, 2022): 17, <https://doi.org/10.31942/jqi.v15i1.6485>.

¹⁴ Javier Jorge-Vázquez, M. Peana Chivite-Cebolla, and Francisco Salinas-Ramos, "The Digitalisation of the European Agri-Food Cooperative Sector. Determining Factors to Embrace Information and Communication Technologies," *Agriculture* 11, no. 6 (June 2021): 514, <https://doi.org/10.3390/agriculture11060514>.

¹⁵ Qiao Chen, Tong Chen, and Yongjie Wang, "How the Expanded Crowd-Funding Mechanism of Some Southern Rural Areas in China Affects Cooperative Behaviours in Threshold Public Goods Game," *Chaos, Solitons & Fractals* 91 (October 2016): 649-55, <https://doi.org/10.1016/j.chaos.2016.08.015>.

¹⁶ A. Nasution and F. Medias. "Waqf Financing Model Through Crowdfunding Platform: An Indonesian Perspective." (2020): 661-665. <https://doi.org/10.2991/assehr.k.200529.138>.

¹⁷ Ika Yunia Fauzia and Khairunnisa Musari. "Waqf Crowdfunding for Financing the MSMEs." (2021): 37-49. <https://doi.org/10.4018/978-1-7998-6477-6.CH003>.

through cash waqf products, highlighting their use as financing solutions and tools for educational enhancement.¹⁸

However, several strategic points distinguish this study. First, the aforementioned works primarily emphasize the conceptual application of crowdfunding for waqf asset utilization, without extending into operational or product-specific details. In contrast, this study addresses both conceptual and practical dimensions by analyzing the output of specific financial instruments used in managing waqf assets. Second, the current use of crowdfunding in waqf contexts often remains rooted in traditional approaches, where waqf benefits are generally allocated to basic human capital development at an early stage. This research, by comparison, advances the discourse by proposing a framework for channeling waqf assets into structured financial products such as sukuk for the funding of commercial projects (e.g., the construction of public facilities). These commercial projects represent an evolved stage in waqf asset utilization, transitioning from basic social welfare functions to mechanisms that also generate employment and economic productivity through Sharia-compliant investments.

Third, this study aligns the essence of the Sustainable Development Goals (SDGs) with the practical application of securities crowdfunding (SCF), particularly through the concept of sustainable funding using endowment funds. In practice, waqf assets endowed through SCF can generate economic returns based on a profit-sharing (nisbah) model, as opposed to fixed-income mechanisms like sukuk. The nisbah-based returns are then reallocated for public benefit, ensuring that the principal value of the waqf remains intact and can be re-endowed. This mechanism establishes a form of perpetual funding effectively creating a sustainable waqf endowment model. The concept is proposed for managing Indonesia's waqf assets, which are valued at

¹⁸ Lahuri, Setiawan Bin, and Asti Lutfiah. "Optimization of Cash Waqf-Based Crowdfunding: An Alternative Finance for Quality Education." *Journal of Islamic Economics and Finance Studies* 5.1 (2024): 153-172. <https://doi.org/10.47700/jiefes.v5i1.7918>

approximately IDR 2,050 trillion as of September 2024.¹⁹ These assets largely consist of unproductive holdings such as land, mosques, and cemeteries. In contrast, productive waqf—particularly in the form of cash waqf amounts to only IDR 2.9 trillion as of November 2024.²⁰ While the Indonesian Waqf Board has not formally disclosed the number of digitalized nazirs, it reports 383 cash waqf nazirs, indicating the growing potential for digital management.²¹

Fourth, with respect to legal standing, this study outlines a detailed legal hierarchy to validate the proposed integration of waqf with securities crowdfunding. The analysis employs Romli Atmasasmita's Integrative Legal Theory, which synthesizes development law, progressive law, and the philosophical principles of Pancasila. This legal foundation is further expanded by incorporating fintech and Islamic philanthropic dimensions an approach not explored in previous studies. Another critical point addressed here is the ongoing reliance on traditional management of waqf assets, reflected in the dominance of unproductive assets as of November 2024. This trend underscores the limited capacity and understanding among waqf asset managers in transforming waqf holdings into sectors that are economically productive, transparent, and high-potential.²² Consequently, this research proposes a new mechanism for the utilization of waqf assets within productive sectors, reinforced by a legal integration framework and supervisory

¹⁹ Syaefullah, Aset Wakaf di Indonesia Capai Rp2.050 Triliun, Tapi Mayoritas Aset Tidak Produktif, 26 September 2026. Diakses Pada 26 April 2025. Link : <https://era.id/nasional/166545/aset-wakaf-di-indonesia-capai-rp2-050-triliun-tapi-majoritas-aset-tidak-produktif>

²⁰ Hanif Hawari, Wakaf Uang 2024 Capai Rp 2.9 T, BWI: Mudah-mudahan Tahun Depan Bisa Rp 5 T, Diakses Pada 26 April 2025. Link : <https://www.detik.com/hikmah/ziswaf/d-7652209/wakaf-uang-2024-capai-rp-2-9-t-bwi-mudah-mudahan-tahun-depan-bisa-rp-5-t>.

²¹ Badan Wakaf Indonesia, Data Nazhir Wakaf Uang yang Terdaftar di Badan Wakaf Indonesia. Link : https://www.bwi.go.id/storage/2023/10/Daftar-Nazhir-Wakaf-Uang-30_10_2023.pdf

²² Muhammad Budi Buchari Harahap and D. Darwanto. "Peran Strategi Badan Wakaf Indonesia (BWI) Dalam Meningkatkan Profesionalisme Nazhir Kota Semarang." *TAWAZUN : Journal of Sharia Economic Law* (2021). <https://doi.org/10.21043/tawazun.v4i1.10192>.

mechanisms. These mechanisms are designed to function through standard screening processes in both pre-market and post-market stages, thereby enhancing accountability, transparency, and adherence to good corporate governance principles. This model is aligned with regulatory standards found in Capital Market Law, Zakat Law, and the Financial Services Authority's regulations.

The regulatory vacuum becomes even more apparent in the context of fintech integration with waqf. Instruments such as the Cash Waqf Linked Sukuk (CWLS) have been introduced to channel Islamic social funds into state-backed investments. However, the legal and operational frameworks necessary for broader implementation especially through digital platforms and securities crowdfunding remain underdeveloped²³. While numerous academic studies have addressed waqf and crowdfunding, most remain at the conceptual level and do not comprehensively explore legal integration. Accordingly, this study seeks to address that gap by employing Romli Atmasasmita's integrative legal theory, which combines legal, economic, technological, and philanthropic dimensions within a cohesive regulatory framework.²⁴

Fundraising in this model is grounded in the Financial Services Authority (OJK) Regulation No. 37 of 2018 on Equity Crowdfunding. This regulation was later revised to expand funding capacity through OJK Regulation No. 57 of 2020 on Securities Crowdfunding and subsequently simplified through OJK Regulation No. 16 of 2021, which streamlined the licensing process. These regulatory developments align with the principles of Islamic economics, particularly through the use of sukuk as a Sharia-compliant funding instrument. This transformation offers a pathway to integrate Islamic philanthropy especially waqf as a funding source for MSMEs, start-ups, and Islamic-compliant projects, such as those utilizing the cash waqf mechanism.

²³ Kiki Hardiansyah Siregar et al., "Model Sukuk Linked Waqf (SLW): Optimalisasi Underlying Asset Wakaf melalui Penerbitan Sukuk," *JEpa* 8, no. 1 (Januari 2023): 1–9, <https://jurnal.pancabudi.ac.id/index.php/jepa/article/view/1463>.

²⁴ Romli Atmasasmita, "Memahami Teori Hukum Integratif," *Legalitas* 3, no. 2 (2012): 1–17, <https://doi.org/10.33087/legalitas.v3i2.132>.

The integration of waqf and fintech represents both an opportunity and a challenge for advancing *hablum minannas* (human-to-human relations) within an information technology-driven economic support system for the ummah. The productive waqf management model proposed in this research presents a novel approach by integrating fintech-based legal structures with securities crowdfunding mechanisms. Unlike prior studies, which often focus on educational or MSME empowerment, this study proposes a concrete model for allocating waqf funds into sukuk investment instruments. This reflects a paradigm shift from consumptive waqf management toward more strategic and sustainable utilization based on the principle of productive *tasaruf*, aligned with the objectives of *maqāṣid al-shari‘ah*, particularly *hifz al-māl* (safeguarding wealth).²⁵ In this context, *hifz al-māl* is interpreted adaptively to reflect the modern economic cycle not merely as the protection of ownership, but as a commitment to preserving asset value and allocating it toward essential sectors that generate long-term development benefits. This vision is embodied in the use of waqf-based securities crowdfunding to support both private and public sector development projects.

This research offers a comprehensive integration of digital waqf management with innovative financing instruments. Its primary objective is to identify regulatory challenges and legal gaps in the governance of digital waqf, and to develop a financing model that integrates waqf with fintech platforms, supported by the relevant Financial Services Authority (OJK) regulations. In addition, the study aims to assess the potential of securities crowdfunding as a mechanism for mobilizing waqf funds and directing them into productive sectors. It also analyzes the role of waqf assets in sustaining and expanding the securities crowdfunding ecosystem both from historical and forward-looking perspectives. By drawing comparisons with international best practices, this study seeks to offer actionable policy recommendations for Indonesia.

²⁵ Imtiyaz Wizni Aufa, Anugrah Muhtarom Pratama, dan Umi Khaerah Pati, “Cash Waqf Linked Sukuk Through Securities Crowdfunding in Indonesia,” *Jambura Law Review* 5, no. 1 (2023), <https://ejurnal.ung.ac.id/index.php/jalrev/article/view/17539>.

Ultimately, it aims to fill existing research gaps and contribute a practical, policy oriented framework to promote inclusive and sustainable development within the Islamic economic system.

Research Methods

This study adopts a normative legal research approach, which is the most suitable method for examining the legal foundation, coherence, and regulatory potential of integrating Islamic endowments (waqf) with financial technology, particularly in the context of securities crowdfunding.²⁶ Unlike empirical or qualitative research, normative legal analysis concentrates exclusively on primary and secondary legal sources, interpreting and evaluating the textual content of statutes, regulations, fatwas, and scholarly doctrinal opinions. The legal materials analyzed in this study include Law No. 41 of 2004 on Waqf, Financial Services Authority (OJK) Regulation No. 57 of 2020, and OJK Regulation No. 16 of 2021, alongside fatwas issued by the DSN-MUI and related provisions under Indonesia's civil law. Secondary data such as regulatory reports from the OJK, Central Securities Depository (KSEI), publications from the Indonesian Waqf Board (BWI), and peer-reviewed academic journals are employed to enrich the legal interpretive context. Data were collected using documentary and library research methods, focusing on legislative texts, regulatory instruments, fatwas, and scholarly articles indexed in Scopus and SINTA. The data analysis applies a descriptive-analytical method, involving statutory interpretation, doctrinal clarification, and conceptual synthesis. The descriptive element is used to articulate the current regulatory landscape, while the analytical component critically examines the interconnection between waqf law and fintech regulations through the lens of Romli Atmasasmita's integrative legal theory. This approach facilitates the harmonization of Islamic values, financial innovation, and national legal objectives, enabling the development of a multidimensional legal model that

²⁶ Nursapia Harahap, "Penelitian Kepustakaan," *Iqra* 8, no. 1 (2014), <https://doi.org/http://dx.doi.org/10.30829/iqra.v8i1.65>.

addresses regulatory gaps and supports sustainable development through Islamic philanthropy. Key legal and financial concepts such as cash waqf, sukuk, nazir accountability, and Sharia-compliant crowdfunding mechanisms are analyzed through doctrinal legal reasoning and teleological interpretation, drawing from *maqāṣid al-shari‘ah* and *maṣlaḥah mursalah* frameworks. The research also incorporates comparative legal analysis to identify regulatory inconsistencies and propose legal reforms. By focusing on legal norms and their interpretive structures, this methodology provides a rigorous, coherent, and jurisprudentially grounded framework for assessing the integration of waqf and fintech as a novel model for Islamic economic innovation.

Discussion

Integration of Waqf with Financial Technology in Funding MSMEs, Start-ups and Publishing Companies

Romli Atmasasmita proposes the concept of integrative law within the framework of national (positive) law by synthesizing development law, progressive law, and the philosophical values of Pancasila. These three elements are harmonized with consideration of the prevailing social realities, leading to legal constructs that prioritize human needs over rigid legal formalism. In this view, if human interests are hindered by existing legal norms, the law must be adapted to fulfill those interests.²⁷ The integrative legal concept employs a living law approach, which actualizes values embedded in society, enabling the law to dynamically provide justice, legal certainty, and practical benefit.²⁸ In this study, the integrative legal approach is applied to bridge law, economics, and technology within the context of Pancasila's foundational values. The result is a proposed mechanism for national economic development that

²⁷ Romli Atmasasmita, "Memahami Teori Hukum Integratif," *Legality Edition December* III, no. 2 (2012): 1-17, <https://doi.org/http://dx.doi.org/10.33087/legalitas.v3i2.132>.

²⁸ Sayuti Sayuti, "Arah Kebijakan Pembentukan Hukum Kedepan (Pendekatan Teori Hukum Pembangunan, Teori Hukum Progresif, dan Teori Hukum Integratif)," *Al-Risalah: Forum for Legal and Social Studies* 13, no. 02 (December 1, 2018): 1-22, <https://doi.org/10.30631/al-risalah.v13i02.407>.

responds to community needs, particularly through a people-centered economy driven by MSMEs. This framework analyzes the intersection of Waqf Law and OJK regulations within the landscape of digital financial innovation.

Islamic education instills fundamental ethical values, including a conscience rooted in sympathy and empathy for others. As stated by the Prophet Muhammad, “The best of people are those who are most beneficial to others.”²⁹ The principle underlying waqf is *tabarru'*, or voluntary giving, which is characterized by altruism, mutual cooperation, and compassion all of which serve the public good. Sharia, in its comprehensive design, is grounded in the principle of *maslahah* (benefit) for both worldly and spiritual dimensions. Thus, any matter contradicting the values of morality, justice, compassion, or mercy is not considered part of Sharia.³⁰

Waqf represents a philanthropic contribution by Muslims to a fund manager (*mutawalli* or *nazhir*), who is entrusted with generating returns to support socio-economic development.³¹ The implementation of waqf, guided by these ethical and religious principles, aligns with the broader goals of community development and empowerment. The cultural practice of giving through alms (*sadaqah*), gifts, and grants is deeply embedded in Indonesian society and reinforced by Islamic philanthropic instruments such as zakat and waqf.³² According to the Waqf Law, waqf is defined as a legal act by the waqif (the person who endows), in which ownership of an asset is relinquished and transferred with the intention that it be used either perpetually or for a specific

²⁹ Abū al-Qāsim al-Tabarānī, *Al-Mu'jam Al-Awsat*, Juz VI (Cairo: Dār al-Ḥaramayn, n.d.). Page. 58; Al-Quḍā'i Abū Abdillāh, *Musnād Al-Ṣibāb*, Juz I (Beirut: Muassasah al-Risālah, 1986). Id. 108.

³⁰ Ibn Qayyim Al-Jauziyyah, *I'lām Al-Muwaqqi'in 'an Rabb Al-'Ālamīn*, Juz II (Cairo: Dār al-Ḥadīth, 2006). Id. 5. and Muḥammad Sa'ad ibn Aḥmad ibn Maṣ'ud Al-Yūbi, *Maqāṣid Al-Shari'ah Al-Islamiyyah Wa 'Alaqatuha Bi Al-Adillah Al-Shar'Iyyah* (Riyad: Dār al-Hijrah, 1998). Page. 61.

³¹ Ramdani Ramdani, Tika Widiastuti, and Imron Mawardi, “Implementation of Islamic Values in Waqf Governance: A Systematic Literature Review,” *Journal of Islamic Marketing* 15, no. 8 (2024): 1925–41, <https://doi.org/10.1108/JIMA-03-2023-0079>.

³² Suryani and Isra, “Wakaf Produktif (Cash Waqf) Dalam Perspektif Hukum Islam Dan Maqāṣid Al-Sharī'ah.”

period, for religious or public welfare purposes.³³ The realization of development and empowerment through waqf is reflected in the productive use of waqf assets or funds for economic growth. This includes market expansion, job creation, poverty reduction, and overall improvements in community welfare.

Waqf is a voluntary act of benevolence in Islam, intended for social, philanthropic, and familial purposes.³⁴ The essential components of a waqf include the waqif (donor), waqf pledge, *nazhir* (trustee), waqf assets or objects, the allocation of those assets, the duration of the waqf, and the official responsible for issuing the waqf pledge deed.³⁵ The waqf pledge functions as legal evidence, made official through an authentic deed issued by an authorized official. This documentation helps minimize disputes over waqf properties. Once the waqf assets are received by a *nazhir* either an individual or an institution the *nazhir* is responsible for managing them, whether through traditional or modern (productive) methods. With the evolution of economic and technological paradigms, waqf has transitioned from a traditional charitable model to a more productive one. In this framework, waqf assets are not directly allocated for public use but are instead managed to generate economic returns. These proceeds are then used to support community welfare initiatives.

Essentially, waqf refers to funds or assets donated by benefactors to generate ongoing income for the benefit of specific groups or individuals.³⁶ The

³³ Ahmad Riza Hidayat et al., "Manajemen Wakaf dalam Perspektif Hukum Islam dan Undang-Undang No. 41 Tahun 2004," *Filantropi: Jurnal Manajemen Zakat dan Wakaf* 4, no. 1 (April 10, 2023): 14-26, <https://doi.org/10.22515/finalmazawa.v4i1.8029>.

³⁴ Muhamad Firdaus Ab Rahman et al., "Proposed Temporary Waqf Model for Family Waqf Implementation in Malaysia," *Journal of Islamic Accounting and Business Research* 15, no. 1 (2024): 56–78, <https://doi.org/10.1108/JIABR-04-2022-0098>.

³⁵ Article 6 of Law No. 41/2004 on Waqf added the Waqf Pledge Deed Official to strengthen the element of waqf in the legal perspective.

³⁶ Inka Yusgiantoro, Putra Pamungkas, and Irwan Trinugroho, "The Sustainability and Performance of Bank Wakaf Mikro: Waqf-Based Microfinance in Indonesia," *International Journal of Islamic and Middle Eastern Finance and Management* 17, no. 1 (2024): 86–101, <https://doi.org/10.1108/IMEFM-06-2022-0233>.

underlying model for productive waqf is investment-based, with the *nazhir* managing waqf assets directly or indirectly to generate value. The development of the Islamic economic system has further expanded waqf practices by enhancing accessibility for Muslims who wish to donate without limitations of distance, time, or space. Modern waqf instruments no longer require donors to own immovable assets such as land; even a modest monetary contribution can be donated in the form of cash waqf. In this model, a waqif donates funds to a *nazhir*, who then manages the money in accordance with a designated waqf program.³⁷ Cash waqf can be structured as pooled donations collected by *nazhirs* from the public through mechanisms such as cash waqf certificates. These certificates are offered to and purchased by donors, with the capital remaining intact while the returns are distributed for social purposes. Alternatively, cash waqf may be defined as monetary or security donations managed by Islamic financial institutions, with the stipulation that the principal remains preserved.³⁸

The legality of cash or monetary waqf is affirmed under Law No. 41 of 2004 on Waqf, which categorizes money as a movable waqf asset alongside precious metals, securities, vehicles, intellectual property rights, and lease rights.³⁹ According to Book III, Article 215(4) of the Compilation of Islamic Law, waqf assets may include any movable or immovable objects with enduring utility, not intended for one-time use, and that hold Sharia-compliant value. Further, Circular Letter No. Dt.1.III/5/BA.03.2/2772/2002 from the Directorate of Zakat and Waqf Development of the Ministry of Religious Affairs stipulates that cash waqf donated by individuals or legal entities in the form of money or securities must comply with Sharia principles. The principal

³⁷ Abdul Mujib Arrijuddin and Nurwahidin Nurwahidin, "Optimalisasi Peran Wakaf dalam Pengembangan Pariwisata Halal di Indonesia," *Jesya (Jurnal Ekonomi Dan Ekonomi Syariah)* 6, no. 1 (January 1, 2023): 422-35, <https://doi.org/10.36778/jesya.v6i1.928>.

³⁸ Gustani and D. A Ernawan, "Cash Waqf as an Alternative Source of Capital for Islamic Microfinance Institutions in Indonesia," *Journal of Islamic Economics Lariba* 2, no. 2 (2016): 39-48, <https://doi.org/tps://doi.org/10.20885/jielariba.vol2.iss2.art2>.

³⁹ Article 16 (3) of Law No. 41/2004 on Waqf

value of a cash waqf must be preserved and may not be sold, donated, or inherited. Across these definitions and legal provisions, a consistent characteristic emerges: that movable waqf assets, including money, must possess economic value that can be developed, empowered, and utilized productively.

The concept of cash waqf can be developed as a sukuk-based funding source, through two primary models: sukuk-linked waqf and waqf-linked sukuk. The first model, sukuk-linked waqf, involves endowing assets that are intended purely for commercial investment purposes specifically, investments in sukuk securities issued by corporations or issuers for the construction of commercial properties on waqf land or for waqf-related projects. The second model, waqf-linked sukuk, refers to cash waqf that is managed to finance temporary social facilities over a predetermined period of continued use.⁴⁰ Through this model, cash waqf can be channeled to fund MSMEs, start-ups, or issuing companies via securities crowdfunding platforms that use sukuk-based securities offerings.

In the context of information technology-based funding, securities crowdfunding services involve the collaboration of platform operators, issuers, and investors. The process begins with the operator obtaining an operating license from the Financial Services Authority (OJK) to function as a financial services provider. The platform operator then facilitates the registration of issuing companies MSMEs, start-ups, or other corporations incorporated in Indonesia. Following due diligence and review, eligible issuers are allowed to offer securities through the platform's website or mobile application. Investors participate in the crowdfunding process by depositing funds through the platform to purchase the securities issued by the listed companies. The collected funds are subsequently transferred to the issuers, who are responsible for managing them in accordance with the project descriptions outlined in

⁴⁰ Saptono, I. T. (2020). Pengembangan Instrumen Wakaf berbasis Investasi Sosial Studi Wakaf Linkeded Sukuk. *Al-Awqaf: Jurnal Wakaf Dan Ekonomi Islam*, 11(2), 117-128. <https://doi.org/10.47411/al-awqaf.v11i2.20>

their prospectuses. In return, investors receive proof of ownership of the securities and are entitled to financial returns, such as dividends and capital gains, in the case of equity-based instruments. For debt instruments or sukuk, investors are entitled to the agreed-upon returns such as profit margins or rental income as well as the return of the principal at maturity. The distribution of dividends, returns, or margins is managed by the issuer through the platform and disbursed to investors accordingly.

This funding mechanism, with its socio-economic outreach⁴¹, can be effectively integrated with cash waqf through five key mechanisms (as illustrated in the model above). *First*, the role of the financier or investor is replaced by the waqif the individual who donates funds. The waqif cannot directly allocate funds to the issuer; instead, the donation must be channeled through a *nazhir*. The *nazhir* collects funds from multiple waqifs and manages them to finance securities issued by the target company, typically in the form of sukuk. In this model, the *nazhir* functions as an intermediary institution that not only aggregates public waqf funds but also reviews the viability of the securities to be financed. This review process may involve employing human resources with expertise in business analysis to evaluate projections, risks, and feasibility. It acts as a critical form of risk mitigation, ensuring that community-donated waqf funds are invested responsibly and sustainably.

Second, the *nazhir*, having collected waqf funds from the public, determines which securities to finance after conducting a comprehensive review. The collected funds are then transferred to the company or platform that operates the securities crowdfunding service. Importantly, the crowdfunding operator must not use personal or corporate bank accounts for transactions. Instead, it is required to establish and use an escrow account, which serves as a financial safeguard to prevent fund misappropriation, theft, or unauthorized use of the *nazhir*'s funds. An escrow account functions to

⁴¹ Kefi Miftachul Ulum, "Analysis of Securities Offering Regulations on Securities Crowdfunding Services Maslahah Approach Abstract" 11, no. 1 (2024): 29-42, <https://doi.org/10.24952/multidispliner.v11i1.10672>.

securely hold funds from investors or issuers under a formal agreement. The platform operator may only disburse funds from this account to the designated parties—namely, investors and issuers for the purpose of project financing and profit sharing, as agreed upon.

Third, once the *nazhir*'s funds are deposited into the escrow account, the crowdfunding platform distributes these waqf funds to eligible issuing entities, which may include companies, start-ups, or MSMEs. These issuers are required to manage the funds according to the terms outlined in their prospectuses and are fully accountable for their use. Additionally, issuers must distribute returns generated from the managed funds whether in the form of dividends, margins, or profit shares in accordance with the agreed schedule. Throughout the fund management process, the crowdfunding operator acts as a representative of both the waqif and the *nazhir*, holding the authority and responsibility to supervise, monitor, and audit the issuer's financial conduct. Both the operator and the issuer are jointly responsible for ensuring that the business or project is conducted in accordance with Sharia principles, under the oversight of a designated Sharia Supervisory Board.

Fourth, waqf funds that have been disbursed to the issuer must be utilized appropriately. The issuer is obligated to return the principal amount of the waqf funds, along with the agreed profit. If the maturity period of the waqf exceeds one year, the issuer must distribute the agreed-upon profit annually, in accordance with the contract between the issuer and the waqif or *nazhir*. Profit distributions such as *nisbah*, margin, interest, or dividends are transferred by the issuer to the platform's escrow account. Although the waqif has a right to the financial return, the actual beneficiaries (*mauquf 'alayh*) are those who receive the social and economic benefits of the waqf, consistent with the fundamental nature of Islamic endowments.

Fifth, while the profit sharing derived from waqf investments is formally attributable to the waqif, it is ultimately intended for the benefit of the *mauquf 'alayh* the recipient of the waqf's charitable purpose. The platform operator,

upon receiving both principal and profit in the escrow account, transfers these to the *nazhir*. The *nazhir* then distributes the returns to the designated beneficiaries in accordance with the intended social use, such as community development projects. Regarding the returned principal, the *nazhir* may, with the waqif's consent, reallocate the funds to support new projects or investments. As compensation for their administrative role, *nazhirs* are entitled to receive up to 10% of the net profit generated from the management and development of waqf assets.⁴²

The cash waqf funding mechanism as a capital source can follow two distinct models. First, the waqif, acting as an investor, deposits capital directly with the crowdfunding platform operator. The operator then collaborates with the *nazhir* to manage the waqf funds, enabling a one-stop service model for the waqif. Second, the waqif donates cash waqf to a *nazhir* independently from the platform, though the *nazhir* may collaborate with the platform in utilizing the funds. In this arrangement, the *nazhir* collects and manages the waqf funds by investing in projects or businesses through the purchase of sukuk-type securities offered on the platform. These two models influence the respective roles of the waqif and the *nazhir*. In the first model, the waqif directly assumes the role of investor or financier. In the second model, however, while the waqif provides the initial funds, the *nazhir* acts as the representative and financial intermediary. This distinction has legal and operational implications for the contractual relationship and the post-investment process. In the first model, the principal value of the waqf is returned directly to the waqif, while the profit is distributed by the *nazhir* to the *mauqūf 'alayh*. In contrast, in the second model, both the principal and profit are first received by the *nazhir*, who then allocates the profit to the *mauqūf 'alayh* and returns the principal to the waqif.

In implementing this concept, a standardized screening process is required to audit issuing companies eligible to receive waqf-based financing via

⁴² Articles 11 and 12 of Law No. 41/2004 on Waqf

securities crowdfunding. This screening applies to both the pre-market and post-market stages of integrating waqf into the SCF (Securities Crowdfunding) scheme. The pre-market stage plays a critical role in ensuring Sharia compliance before waqf funds are utilized as capital. In this context, funds managed by *nazhirs* are allocated to projects that issue sukuk, equity, or debt instruments listed on the SCF platform. To ensure compliance, two primary screening methods must be applied: core business screening and financial ratio screening. Core business screening ensures that the issuer's activities do not violate Sharia principles, excluding industries such as alcohol, gambling, and interest-based finance, in accordance with OJK Regulation No. 35/POJK.04/2017, Article 2 (a-b). Meanwhile, financial ratio screening stipulates a maximum of 45% for interest-based debt relative to total assets, and a cap of 10% for non-halal income as a percentage of total income, as outlined in OJK regulations and DSN-MUI fatwas. Within the SCF framework, platform operators are obligated to thoroughly review each issuer's prospectus, financial statements, and operational track record before listing (see OJK Regulation No. 57/POJK.04/2020, Articles 11 and 31). Additionally, they must verify that the waqf funds sourced from *nazhirs* are legally valid under Law No. 41 of 2004 on Waqf, thereby ensuring the halal status of the capital used in funding.

The post-market stage represents an advanced phase in ensuring Sharia compliance in projects funded by waqf through the SCF (Securities Crowdfunding) platform. At this stage, both periodic and incidental evaluations must be conducted by the SCF operator to monitor the issuer's adherence to Sharia principles. This includes verifying the actual use of funds, assessing the alignment of project implementation with the initial prospectus, and reviewing ongoing Sharia compliance in business operations. In cases of non-compliance such as unauthorized changes in business activities or violations of Sharia principles the issuer may be subject to administrative sanctions, including project termination or redirection of funds, in accordance with OJK Regulation No. 16/POJK.04/2021, Articles 15A and 17, which

govern changes and disclosure obligations. The legal protection of waqf funds is essential, as they are sacred assets dedicated to public benefit. In this context, the Sharia Supervisory Board (DPS) plays a dual role: providing both moral and legal oversight to ensure the integrity of waqf fund distribution and returns. The post-market screening standard fills a notable regulatory gap in the governance of digital Islamic philanthropy, which remains insufficiently addressed in existing Islamic capital market and SCF regulations. This issue has been previously noted in critical academic literature, which highlights the need for harmonization between POJK No. 57/2020, POJK No. 35/2017, and Law No. 41/2004 on Waqf.

The transformation of waqf into a source of funding via digital financial services is firmly grounded in the Waqf Law, wherein the act of endowment by a waqif constitutes a legally binding civil act.⁴³ In this case, cash waqf involves the formation of a civil legal relationship once the waqif agrees to donate funds for sukuk financing, thereby generating rights and obligations between parties. Article 1313 of the Indonesian Civil Code supports this legal construct, where the agreement between the waqif and the securities issuer establishes binding obligations. The legal relationship also encompasses the role of the platform operator (as intermediary) and the *nazhir* (as the asset manager and distributor of waqf benefits to the *mauqūf 'alayh*), as determined by the chosen funding mechanism. This multi-party relationship results in a contractual agreement governed by Article 1233 of the Civil Code, further legitimized through the formal waqf pledge deed.⁴⁴ The role of the waqif as a capital provider is consistent with the definition of "investor" in OJK regulations, which permit individuals or legal entities to participate in SCF, in alignment with the Waqf Law. When the *nazhir* acts as the financier, serving as a representative of waqifs, such action constitutes that of an institutional or corporate financier,

⁴³ Article 1 (1) of Law Number 41 of 2004 concerning Waqf

⁴⁴ Article 1 (3) (6) of Law Number 41 of 2004 concerning Waqf

under the combined authority of the Waqf Law and the relevant OJK regulations.⁴⁵

The agreement between the waqif, nazhir, and platform operator regarding the allocation of waqf funds as a capital source for sukuk-type securities issuers is not explicitly detailed in the Waqf Law. Nevertheless, the legitimacy of such fund management is inferred from the law's general provisions, which permit waqf to be used for religious facilities and activities, educational and healthcare services, assistance to the poor (such as orphans and scholarship recipients), economic empowerment of the ummah, and the broader advancement of public welfare, so long as these objectives do not conflict with Islamic law or national legislation.⁴⁶ The clause on economic development and public welfare serves as the legal basis for allocating waqf assets as productive funding sources. In this context, publishing companies, for example, may receive capital through this mechanism to support market development and expansion. This not only contributes to economic growth but also creates employment opportunities and improves community living standards, aligning with the overarching purpose of waqf.

Waqf-based funding holds significant potential due to the synergy between economic and technological innovations supported by an integrative legal approach. It promotes inclusive economic empowerment by offering soft funding capital that is not tied to burdensome interest payments or collateral requirements. Instead, business actors remain accountable for the waqf funds they manage, including the obligation to return the principal and share in the agreed-upon profits. Moreover, the proper management of waqf funds can yield wide-ranging socio-economic benefits. These include stimulating local economic activity, expanding employment, and meeting the capital needs of micro and small businesses. Profits generated from these activities are then

⁴⁵ Article 56 of Financial Services Authority Regulation Number 57 of 2020 concerning Securities Offering Through Information Technology-Based Crowdfunding Services and Article 7 of Law Number 41 of 2004 concerning Waqf.

⁴⁶ Article 22 of Law Number 41 Year 2004 concerning Waqf

distributed to the *mauqūf 'alayh* the intended beneficiaries of waqf ensuring the philanthropic purpose is fulfilled. This creates a sustainable funding cycle in which waqf funds, once disbursed and returned, can be reinvested into new ventures, with profits continuing to support public welfare. The continuity of this cycle reinforces both religious and economic objectives, fostering long-term community development and economic resilience.

Indonesia's integration of the waqf fund concept into the Securities Crowdfunding (SCF) scheme has been initiated by several platforms. One of the most prominent examples is PT Dana Investasi Bersama (FundEx), which in 2023 introduced the Waqfestation scheme. This initiative mobilizes Islamic philanthropic funds including zakat and waqf to finance micro, small, and medium enterprises (MSMEs) through a Sharia-compliant SCF platform.⁴⁷ FundEx enables *nazhirs* (waqf fund managers) to act as financiers within the SCF system, channeling productive waqf funds into projects backed by sukuk or Islamic debt securities. FundEx is the first platform in Indonesia to explicitly develop a productive digital waqf scheme through SCF, positioning waqf funds as a source of sustainable investment capital also referred to as green financing under Sharia principles. The funds raised are not treated as pure donations; rather, they generate returns that can be allocated for social benefit. This innovation opens the door to expanding the role of productive waqf in the digital financial ecosystem, consistent with the spirit of Article 22 of Law No. 41/2004 on Waqf, which permits the use of waqf assets for economic empowerment of the ummah. However, the model introduced by FundEx differs slightly from traditional waqf doctrine. In classical jurisprudence, waqf is an asset irrevocably endowed in the path of Allah SWT for religious and public benefit. In the FundEx model, the *waqif* receives a share of the profit (*nisbah*) generated from the endowed assets, rendering the transaction partially commercial. The profit is typically divided into three parts: one for the *waqif*, one for the *nazhir*, and one for the *mauqūf 'alayh*. This approach raises critical

⁴⁷ <https://fundex.id/wakafestasi>

questions from a legal and ethical perspective. As highlighted in the earlier sections of this discussion, the model proposed in this research advocates for an alternative: the waqif retains the right to the principal amount endowed, but not to any portion of the profit, which is fully allocated to social beneficiaries in alignment with the core purpose of waqf.

In comparison, the digitalisation of waqf in Malaysia has progressed to a more advanced stage, with ongoing explorations into the use of blockchain technology for waqf transaction tracking. This innovation aims to enhance transparency and accountability in the management of waqf assets. However, the legal infrastructure required to support blockchain integration remains underdeveloped, with several regulatory gaps yet to be addressed.⁴⁸ At present, such technological initiatives are largely limited to pilot programs, academic studies, and conceptual experimentation rather than full scale implementation.

In contrast to Malaysia, Indonesia has made more substantial progress in integrating waqf with Islamic financial instruments, particularly through the development of the Cash Waqf Linked Sukuk (CWLS) scheme. This initiative allows cash waqf funds to be invested in government-issued sukuk, with proceeds allocated to finance strategic social projects. CWLS has garnered strong institutional support from key stakeholders, including the Indonesian Waqf Board (BWI), Bank Indonesia, the Ministry of Finance, and the National Sharia Council Majelis Ulama Indonesia (DSN-MUI).⁴⁹ The scheme not only expands legal avenues for waqf fund mobilization through state instruments but also reinforces the productive function of waqf as a tool for socio-economic development. Recent academic proposals even advocate for the

⁴⁸ Zaki Ahmad, Mushtaq Ahmed, dan Mahvish Nawaz Mokal. "Waqf Management Through Fintech in Malaysia." *Journal of Islamic Finance* 12, no. 2 (2023): 114–125. <https://doi.org/10.31436/jif.v12i2.829>. and Mahfuzah Hamizah Mohd Ariff, Ahmad Basri Ibrahim, Nik Mohd Nor Nik Mahmood, dan Norsyahida Ahmad. "Pelaksanaan Wakaf Blockchain Dalam Sistem Kewangan Islam Di Malaysia." *Al-Qanatir: International Journal of Islamic Studies* 33, no. 3 (2024): 123–129. <https://doi.org/10.33102/alqanatir.v33i3.857>.

⁴⁹ Eko Fajar Cahyono dan Sutan Emir Hidayat. "Cash Waqf and the Development: A Case Study of Cash Waqf Linked Sukuk in Indonesia." *El Barka: Journal of Islamic Economics and Business* 5, no. 1 (2025): 45–58. <https://doi.org/10.21154/elbarka.v5i1.3713>.

integration of CWLS with green sukuk to support financing in sustainable agriculture an initiative aligned with the Sustainable Development Goals (SDGs).⁵⁰

By comparison, Turkey adopts a different model through the centralization of waqf asset management under the authority of the Vakıflar Genel Müdürlüğü (Directorate General of Waqf). This institution oversees waqf properties nationwide using a modern and professional governance system. While Turkey has not yet implemented large-scale waqf digitalization as seen in Indonesia or Malaysia, its institutional framework offers a stable and sustainable management model. This approach could serve as a valuable reference for strengthening Indonesia's institutional capacity, particularly in transforming the Indonesian Waqf Board into a more agile and technology-responsive entity.⁵¹

A comparative analysis of these three countries reveals distinct contextual strengths. Malaysia is leading in its exploration of emerging digital technologies such as blockchain and the development of waqf crowdfunding platforms, although regulatory alignment remains a key challenge. Turkey excels in centralized and well-established institutional governance, ensuring long-term sustainability in waqf administration. Meanwhile, Indonesia occupies a strategic middle ground with robust regulatory frameworks and an evolving collaborative ecosystem that brings together regulators, financial institutions, and nazhirs. A concrete example of this ecosystem in action is the collaboration between Dompet Dhuafa, Bank Syariah Indonesia, and CIMB

⁵⁰ Annisa Nur Salam dan Iskandar Iskandar. "Integration of Green Sukuk and Cash Waqf Linked Sukuk for Financing Agriculture Sustainable." *Ayy-Syari'ab: Jurnal Ilmu Syari'ab dan Hukum* 23, no. 2 (2022): 134–148. <https://doi.org/10.15575/as.v23i2.24059>.

⁵¹ Directorate General of Foundations, Turkey (Vakıflar Genel Müdürlüğü). "Waqf Management in Turkey." Official Website. Accessed June 10, 2025. <https://www.vgm.gov.tr>.

Niaga Syariah, which jointly funded an eye hospital project through a digital platform-based CWLS scheme.⁵²

The potential for waqf transformation is accompanied by a corresponding set of risks in funding issuer securities. These include the risk of default on sukuk coupon payments, failure to return the principal value of the waqf, misallocation of waqf funds, electronic system failures, civil liability (such as breach of contract), and criminal risks including embezzlement, theft, and fraud. Given its central and coordinating role, the platform operator who facilitates interactions among all parties must implement Know Your Customer (KYC) procedures⁵³ to rigorously screen all stakeholders involved, including investors, waqifs, *nazhirs*, and issuers. This step is essential as a preventive measure to protect users from both civil and criminal risks at an early stage. Beyond general due diligence, the screening process must also incorporate two specific compliance mechanisms: core business screening and financial ratio screening. These are critical to assess the Sharia compliance of issuing companies offering Islamic securities such as sukuk.⁵⁴

Analysing the Growth of Securities Crowdfunding on the Potential of Waqf as a Sustainable Source of Funding

The concept of gotong royong, which involves elements of the community in raising funds in Indonesia for commercial purposes as opposed to donations, gifts, or assistance was initiated in 2018. The collection of public

⁵² Dompet Dhuafa. "Cash Wakaf Link Sukuk, Solusi Pembiayaan Syariah di Era Ekosistem Digital." Dompet Dhuafa News, October 1, 2024. <https://www.dompetdhuafa.org/cash-wakaf-link-sukuk-solusi-pembiayaan-syariah/>

⁵³ Chapter IX Article 82 of Financial Services Authority Regulation Number 57 of 2020 regarding Securities Offering through Information Technology-Based Crowdfunding Services

⁵⁴ Kefi Miftachul Ulum, "Urgency of Standard Screening Regulation for Sharia Securities Offerings in Securities Services" (Universitas Islam Negeri Sunan Kalijaga, 2023), <http://digilib.uin-suka.ac.id/id/eprint/63450>; Kefi Miftachul Ulum and Mohammad Khoirul Ulum, "Screening Standards in Sharia Capital Market Investor Legal Protection," *El-Mashlahah* 13, no. 1 (June 30, 2023): 77-91, <https://doi.org/10.23971/el-mashlahah.v13i1.5791>.

funds is regulated through Financial Services Authority Regulation Number 37 of 2018 concerning Crowdfunding Services through Information Technology-Based Share Offerings. The impact of this regulation marked the beginning of fundraising growth to support MSMEs. In the early stage of 2018, funding was conducted through a securities offering scheme involving 14 issuers (MSMEs), with a total funding value of IDR 16.47 billion. In the following year, 2019, the number of issuers (MSMEs) receiving funding increased to 49, with a funding value of IDR 64.15 billion. By 2020, funding grew nearly threefold from the previous year, with 127 issuers (MSMEs) receiving a total of IDR 184.9 billion. This early-stage crowdfunding falls under the equity crowdfunding category, meaning that the funding is carried out through the offering of equity or stock instruments by the MSME issuers.

In 2020, a new regulation was introduced: Financial Services Authority Regulation Number 57 of 2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services. Following this regulatory shift, 195 issuers (MSMEs) received funding in 2021, amounting to IDR 413.19 billion. In 2022, this figure rose to 314 issuers with a funding value of IDR 661.32 billion. By 2023, the number of issuers conducting securities offerings reached 493, with a total value of IDR 1,004 billion surpassing IDR 1 trillion. This significant and consistent growth year over year is a direct result of the regulatory reform in 2020. The changes impacted the diversity of securities offered, making them more varied than before. This variation opens up greater opportunities for asset diversification for investors, while for issuers (MSMEs), it offers more flexible options for raising capital for their projects. The types of crowdfunding instruments now include equity crowdfunding (ECF) for equity securities such as shares, debt crowdfunding (DCF) for debt instruments, and sukuk, or securities based on Sharia principles.

The next regulatory change occurred in 2021 through the issuance of Financial Services Authority Regulation Number 16 of 2021, which amends Regulation Number 57/POJK.04/2020 concerning Securities Offerings

Through Information Technology-Based Crowdfunding Services. This amendment does not alter the core provisions of the previous regulation but instead introduces deletions and additions to technical aspects of the earlier rules. These modifications influenced the conceptual transition of securities offerings in funding MSMEs, start-ups, and issuing companies from being exclusively equity crowdfunding-based to becoming a broader securities crowdfunding framework. This regulatory shift also contributed to the steady growth of investors funding various types of securities and projects initiated by issuers (MSMEs). The number of investors participating in MSME funding began with 1,380 individuals in 2018, increasing to 5,063 in 2019. In 2020, following the regulatory change, investor participation rose significantly to 51,414 five times the previous year. The trend continued with 93,733 investors in 2021, 129,958 in 2022, and 167,788 in 2023. This consistent growth reflects increased public interest and trust in the securities crowdfunding scheme, as well as its appeal as a means of investment diversification.

The organising companies that organised issuer funding (MSMEs) through the equity crowdfunding cycle in 2018 consisted of 2 companies. In the following year, the growth of host companies in 2019 doubled to 4 host companies and experienced no growth or *flat* in the following year 2020. Growth in the following year 2021 experienced an increase of 0.75 times or 75% with the number of organisers becoming 7 platform organisers. In 2022, companies that provide services as intermediaries for issuers and financiers increased to 11 companies/platform organisers. In 2023, the number of organising companies increased to 16 organising companies and at the exact time of June 2024 the number of organising companies was still the same.⁵⁵ Meanwhile, the data released by the Indonesian Central Securities Depository or KSEI shows that there are 14 platform providers.⁵⁶

⁵⁵Muhammad Rizki Vauzi, Pertumbuhan Securities Crowdfunding (SCF) dari 2018-2022, dan Target Tahun 2023 <https://emitennews.com/news/pertumbuhan-securities-crowdfunding-scf-dari-2018-2022-dan-target-tahun-2023>

⁵⁶ Indonesian Central Securities Depository, Data Penyelenggara SCF (Securities Crowdfunding) <https://www.ksei.co.id/services/participants/scf>

Growth projections in 2024 can be estimated using the method of calculating averages to determine projected growth for the coming year. Based on the previously presented data on funding value growth, the potential increase in 2024 is projected at 46%, or approximately IDR 468.8 billion, bringing the total to around IDR 1,472.6 trillion, up from IDR 1,004 trillion in 2023. The projected number of funded issuers (securities, MSMEs, and start-up companies) in 2024 is expected to increase by 48%, or 731 issuers, from 493 issuers in the previous year. Meanwhile, the number of investors or financiers is projected to reach 257,651, reflecting a 53% increase from 2023, which recorded 167,788 investors. These projections are purely statistical and do not yet take into account external factors such as economic conditions, policy shifts, or regulatory changes.

The Association of Crowdfunding Services (ALUDI), through its Secretary General Patrick Gunadi, released data indicating that the number of issuers from 2019 to 2023 has increased tenfold, reaching a cumulative total of 550 issuers. The overall growth in fundraising during this period reached IDR 1.1 trillion, supported by 168,149 investors. Looking ahead, projected targets aim to raise IDR 1.5 trillion in funding, supporting 825 issuers or MSMEs.⁵⁷ These projections are calculated using the Compound Annual Growth Rate (CAGR) method, which estimates future growth by referencing historical data from the previous year. The projections that have been calculated by the authors using the method of calculating average annual growth and calculations made by ALUDI can be integrated with the growth data of securities distribution in the *quarter report* below:

⁵⁷ Arif Ferdianto, Kinerja Industri Urun Dana Melesat di 2023, Begini Targetnya pada 2024. <https://keuangan.kontan.co.id/news/kinerja-industri-urun-dana-melesat-di-2023-begini-targetnya-pada-2024>

Table 1.
List of Securities Crowdfunding Providers and Securities (as of 7 May 2024)

No.	Code	Name	Products	Total
1.	BZHR1	PT Investasi Digital Nusantara (Bizhare)	ECF	99
			DCF	-
			Sukuk	15
2.	CRWD1	PT Crowd Dana Teknologi Indonusa (Crowddana)	ECF	33
			DCF	-
			Sukuk	-
3.	DSMB1	PT Dana Saham Bersama (Danaham)	ECF	2
			DCF	-
			Sukuk	-
4.	FNDX1	PT Dana Investasi Bersama (Fundex)	ECF	1
			DCF	-
			Sukuk	6
5.	LNDX1	PT ICX Bangun Indonesia (LandX)	ECF	40
			DCF	-
			Sukuk	-
6.	LBSU1	PT LBS Urun Dana (LBS)	ECF	5
			DCF	-
			Sukuk	21
7.	SDIM1	PT Santara Daya Inspiratama (Santara)	ECF	50
			DCF	-
			Sukuk	-
8.	SHFQ1	PT Shafiq Digital Indonesia (Shafiq)	ECF	1
			DCF	-
			Sukuk	57
9.	EKUI1	PT Likuid Jaya Pratama (Ekuid)	ECF	-
			DCF	7
			Sukuk	-
10.	DNMR1	PT Dana Aguna Nusantara (Danamart)	ECF	-
			DCF	12
			Sukuk	-
11.	FLSM1	PT Fintek Andalan Solusi Teknologi (Fulusme)	ECF	-
			DCF	1
			Sukuk	-
12.	VSKU1	PT Amantra Investama Indodana (Visiku)	ECF	-
			DCF	-
			Sukuk	-
13.	VSTR1	PT Halalvestor Global Asia (Vestora)	ECF	-

		DCF	-
		Sukuk	3
		ECF	-
		DCF	-
14.	URUN1	PT Urun Bangun Negeri (Urun RI)	Sukuk

Source : Otoritas Jasa Keuangan

Securities Data Description:

Equity Crowdfunding	:	231
Debt Crowdfunding	:	20
Sukuk Crowdfunding	:	105
Total	:	356

The significant growth of securities crowdfunding in Indonesia from only 14 issuers in 2018 to a projected 731 issuers and IDR 1.47 trillion in funding by 2024 presents a unique opportunity to leverage waqf as a sustainable financing mechanism for Micro, Small, and Medium Enterprises (MSMEs) and socially impactful economic projects. When examined through the lens of *maslahah* theory an Islamic legal doctrine that emphasizes public interest and welfare this innovation aligns closely with the foundational aims of Sharia (maqāṣid al-sharī‘ah), particularly in protecting wealth (hifz al-māl), enabling livelihood (hifz al-nafs), and advancing communal welfare (maṣlahah ‘āmmah).

In this context, waqf-based securities investments, such as waqf-linked sukuk, offer not only capital accessibility for underserved business segments but also generate recurring benefits for designated beneficiaries (mauqūf ‘alayh), thus operationalizing a continuous socio-economic impact loop. The integration of cash waqf into crowdfunding platforms provides a practical model of *maslahah mursalah* (public good not explicitly mentioned in scripture but serving collective welfare), empowering *nazhir* institutions to

allocate funds productively while ensuring capital preservation and profit distribution in accordance with Sharia principles.⁵⁸

Moreover, such a structure fulfills *darūriyyāt* (essential needs) by supporting economic stability through job creation and poverty alleviation, *hājiyyāt* (complementary needs) by enhancing financial inclusion via technology, and *tahsīniyyāt* (embellishments) by promoting ethical, transparent, and accountable governance practices.⁵⁹ In turn, the *nazhir* becomes a proactive agent in financial intermediation performing business vetting, risk assessment, and benefit allocation thereby strengthening the integrity of waqf governance and achieving multidimensional benefit as demanded by the spirit of *maqāṣid al-shari‘ah*.⁶⁰ Thus, the use of waqf funds to finance MSMEs and developmental projects via securities crowdfunding reflects a meaningful application of Islamic philanthropic capital within a modern fintech ecosystem, delivering both spiritual and material *maslahah* for broader society.

The authors' hypothesis, which projects that the number of issuers or securities to receive funding in 2024 will reach 731.4 with a funding value of IDR 1,472.6 billion, shows a high probability of realization. This hypothesis is supported by the latest securities distribution report presented in the table above, which records a total distribution of 356 securities, consisting of 231 equity securities, 20 debt securities, and 105 sukuk securities. The data, released by KSEI on 7 May 2024, reflects performance over the first five months of 2024, representing nearly 50% of the authors' projection. To achieve the projected target of 731.4 issuers or securities, at least 50% of the target must be fulfilled within the remaining seven months of 2024. The

⁵⁸ Saptono, "Pengembangan Instrumen Wakaf Berbasis Investasi Sosial Studi Wakaf Linked Sukuk."

⁵⁹ Suryani and Isra, "Wakaf Produktif (Cash Waqf) Dalam Perspektif Hukum Islam Dan Maqāṣid Al-Shari‘ah."

⁶⁰ Osman and Agyemang, "Privileging Downward Accountability in Waqf Management."

projection remains achievable if political and economic stability can be maintained throughout the year.

The hypothesis is built using a technical theory approach in analysing a trend pattern, namely *market action discounts everything*. The hypothesis will be realized if political and economic stability is maintained, as this theory posits that all influencing factors are already reflected in market movements. Conversely, instability in these areas will hinder the fulfillment of the hypothesis. The theory of *prices move in trends* is applied by observing the consistent annual growth of securities crowdfunding from 2018 to 2023, indicating a clear upward trend. This suggests a pattern of steady market expansion that is likely to continue. The last theory is *history repeat itself*, implying that historical growth trends tend to recur. This theory supports the notion that past performance can guide future projections. It also aligns with Newton's First Law, as presented in *Philosophiæ Naturalis Principia Mathematica*, which broadly states that a body in motion tends to remain in motion unless acted upon by an external force analogous here to market momentum maintaining its trajectory in the absence of significant disruptions.⁶¹

The growth targets and projections calculated using average annual growth and the CAGR method open up opportunities for waqf to serve as a funding instrument through digital platforms like securities crowdfunding. This transition enables waqf to contribute to economic development at the community level. Waqf can thus function as a sustainable source of funding by supporting issuers through the purchase of sukuk-type securities. As of May 2024, 105 sukuk have been offered, representing 30% of all Islamic securities compared to 231 equity and 20 debt securities. This marks an increase from August 2023, when sukuk made up only 22%, with 59 sukuk offered, compared to 199 equity and 10 debt securities. The growing share of sukuk

⁶¹ Edianto Oong, *Technical Analyst for Mega Profit* (Jakarta: PT. Gramedia Pustaka Utama, 2016). pp. 2-5.

indicates rising interest and trust in Sharia-compliant instruments within the crowdfunding ecosystem.

It is also worth noting that the growth of securities crowdfunding (SCF) in Indonesia over the past five years has shown significant progress, with total funding reaching IDR 1 trillion, supporting 481 business units and involving over 160,000 investors by 2023.⁶² This growth highlights the potential of SCF as an inclusive, efficient, and technology-based alternative financing mechanism that can enhance the role of waqf in productive investment. Waqf funds managed by *nazhirs* are no longer confined to traditional assets like land or buildings but can now be invested in productive ventures via Sharia-compliant SCF schemes. This transition marks an evolution in the scope of *tasaruf* waqf from consumptive to strategic allocation aligned with the principles of *maqāṣid al-shari‘ah*, particularly in supporting the MSME sector. In this framework, SCF providers act as intermediaries between *nazhirs* (as waqf investors) and sukuk issuers, enabling more transparent, measurable, and impactful digitalization of Islamic philanthropy.

The role of waqf becomes fundamental in increasing micro, small, and medium enterprise (MSME) financing by adopting the concept of securities crowdfunding (SCF), particularly through the issuance of sukuk. According to the latest data, sukuk accounts for 30% of financing in SCF, with 105 out of 356 financing schemes involving Islamic securities. Sukuk, as an Islamic investment instrument that reflects ownership of underlying assets generating returns, embodies key principles of productive waqf specifically, maintaining the principal value (*habs al-asl*) and ensuring the continuous distribution of benefits (*taṣarruf al-thamarah*). The integration of waqf and the SCF model creates a sustainable funding cycle, whereby waqf funds managed by *nazhirs* are productively endowed to projects that issue sukuk or other Islamic-compliant

⁶² PT Shafiq, Pendanaan melalui SCF Tembus 1 T: Dukung Kemajuan UMKM Indonesia, <https://www.shafiq.id/berita/264/pendanaan-melalui-scf-tembus-1-t-dukung-kemajuan-umkm-indonesia/baca>

debt securities through SCF platforms. In this framework, waqf functions as a philanthropic investor, aiming not only for financial returns but also for social objectives and public welfare, in alignment with the principle of *maṣlahah*. Through strict screening standards at both the pre-market and post-market stages such as core business screening and financial ratio screening in accordance with POJK No. 35/POJK.04/2017 and POJK No. 57/POJK.04/2020 the channeling of waqf funds to Sharia-compliant projects can be assured, free from elements of *maisir*, *gharar*, and *riba*. This sustainable funding cycle is further strengthened by the SCF-based sukuk waqf model, where the waqf principal is preserved, and only the returns are utilized for ongoing social and religious purposes. This has already been implemented by platforms such as FundEx, in collaboration with *nazhir* institutions, to direct waqf funds into Islamic MSMEs.

Referring to the data presented earlier, the annual growth in sukuk financing under the SCF model represents a concrete opportunity for the government and *nazhir* institutions to establish an investment waqf portfolio that both preserves capital and amplifies social impact. The strategic placement of waqf funds into SCF sukuk opens financing channels for halal and productive MSME sectors, while ensuring transparency and accountability in line with disclosure requirements outlined in POJK No. 57/POJK.04/2020, Articles 34 and 36, and oversight by the Sharia Supervisory Board (DPS). This integration not only supports the advancement of the Islamic economy and digital financial inclusion but also offers a financing innovation that is sustainable, legally secure, and aligned with the core values of Islamic philanthropy.

The success of waqf SCF integration ultimately depends on the harmonization of regulatory implementation under the Financial Services Authority framework. As previously described, the technical integration involves clear roles for the organiser, issuing company, and financier, as well as waqf donation mechanisms whether the waqif donates directly via the SCF

platform or channels it through a *nazhir*. As a model for practical collaboration, this research supports the scheme in which the waqif donates waqf to a *nazhir*, who then invests the funds in potential financial sectors or Sharia-compliant securities via SCF. This approach simplifies transparency in waqf fund management by centralizing accountability within the *nazhir* institution, which handles financial reporting and fund governance in a professional and institutionalized manner. It also enhances system efficiency through a single-entry channel, with the *nazhir* serving as the main recipient of waqf assets. After this collaborative process, technical supervision continues under the established screening mechanisms, as previously outlined.

This growth presents both an opportunity and a challenge to productively deploy waqf funds into more dynamic sectors, particularly to finance small-cap economic clusters through issuer securities offerings (MSMEs). At the development stage, waqf-based securities crowdfunding can be used to finance sukuk-type instruments, easing the transition for waqifs and *nazhirs* in adopting digitally managed productive waqf with characteristics similar to capital markets. This also becomes a strategic approach to attract Muslim participation in waqf through the concept of digital Islamic investment. With this innovation, both waqifs and *nazhirs* gain a wider range of options to utilise waqf assets for sustainable, interest-free, and capital-friendly economic development. They also assume a productive and proactive role in contributing to Islamic and national economic progress, especially by supporting underprivileged community clusters. For *nazhirs*, this innovation is an opportunity to evolve into transformative, professional legal entities by upholding principles of responsibility, transparency, corporate social responsibility, and good corporate governance.

Another challenge lies in the willingness of *nazhirs* to shift their orientation from traditional waqf asset management to digital-based waqf governance, which includes improving their institutional welfare through entitlement to up to 10% of the net profit from the managed waqf assets. The

waqf assets, once endowed by the waqif, are reallocated through the recurring purchase of sukuk-type securities in accordance with the waqf pledge. The principal value of these assets may also be returned in full to the waqif, depending on the agreed terms. This innovation also poses a regulatory challenge for the Indonesian Waqf Board (BWI) and the Financial Services Authority (OJK) in developing and implementing supervision mechanisms over *nazhirs* managing waqf assets within SCF services. While *nazhir* supervision falls under BWI's authority, SCF platform regulation remains under OJK, raising questions about whether oversight should be conducted partially or through an integrated one-door system. Furthermore, this transition challenges *nazhirs* to demonstrate institutional readiness in terms of human resources, electronic systems, and risk mitigation protocols.⁶³ Only through such transformation can *nazhirs* become professional, adaptive, transformative, and solution-oriented institutions that inclusively support both Islamic and national economic development.

Conclusion

This study concludes that the integration of Islamic philanthropy particularly waqf with financial technology through securities crowdfunding (SCF) presents a viable and sustainable funding mechanism aligned with Sharia principles. By analyzing regulatory developments and funding growth trends, the research highlights the increasing potential of waqf, especially cash waqf, as an alternative capital source for MSMEs, start-ups, and other socio-economic development projects. The evolution of SCF platforms has fostered a dynamic ecosystem in which waqf can be productively deployed through sukuk-based instruments, providing long-term financial benefits to the *mauquf 'alayh* while preserving the principal value. This financial innovation supports national economic development and strengthens the Islamic economic system

⁶³ Article 12 (1) and (2), Article 13 (1) letters i and j, Articles 16, 24, 47, 66, POJK No. 57 2020 and Article 6 (1) letter e, Articles 75, 76, 91, 93 of Law 17 2012.

through an inclusive, participatory, and technology-driven model. Anchored in the theory of *maslahah* (public benefit), the integration of waqf into crowdfunding not only meets essential economic needs (darūriyyāt), but also fulfills complementary (hājiyyāt) and ethical (taḥṣīniyyāt) dimensions of Sharia objectives. This model promotes financial access, reduces economic inequality, fosters job creation, and encourages the ethical distribution of surplus wealth within the community thus generating both material and spiritual benefits. Furthermore, the role of the *nazhir* as an accountable and professional fund manager is central to maintaining the integrity, transparency, and effectiveness of the waqf system in the digital era. Their active involvement ensures that waqf assets are invested in accordance with Islamic principles and deliver measurable social impact. In conclusion, securities crowdfunding powered by waqf not only complements state-driven economic initiatives but also revitalizes Islamic philanthropic traditions in a form that is scalable, sustainable, and responsive to the demands of the digital economy. Future research and regulatory advancement should focus on strengthening the legal, institutional, and ethical frameworks necessary to optimize the transformative potential of waqf as a driver of inclusive and Sharia-compliant economic growth.

Based on the findings of this research, it is recommended that the Indonesian government particularly the Financial Services Authority (OJK) and the Indonesian Waqf Board (BWI) collaborate to establish a comprehensive legal framework for the integration of digital waqf within the SCF ecosystem. This includes issuing specific regulations or technical guidelines governing the use of waqf funds on fintech platforms, developing standardized screening mechanisms (pre- and post-market) to ensure Sharia compliance, and mandating transparency and accountability protocols for *nazhir* institutions acting as fund managers. Additionally, institutional support should be directed toward capacity building for *nazhir* human resources, digital infrastructure development, and the establishment of robust risk

mitigation tools to protect public trust in waqf-based financial innovations. Such regulatory harmonization is essential for transforming waqf into a sustainable, productive, and legally sound funding instrument for MSMEs and developmental projects, in accordance with the principles of *maqāṣid al-shari‘ah* and national economic objectives.

Acknowledgment

The authors express their gratitude to Lembaga Pengelola Dana Pendidikan (LPDP) Indonesia for supporting the publication of this article through scholarship.

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