

Comparative Study of Regulations, Governance, Management, and Innovation Models in the Development of Muhammadiyah Waqf with Malaysia and Brunei Darussalam

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Abstract

This study presents a comparative analysis of waqf regulation, governance, management, and innovation in Muhammadiyah (Indonesia), Malaysia, and Brunei Darussalam. The aim is to identify similarities and differences in their waqf systems and evaluate how governance and innovation impact community welfare. A qualitative library research approach was used, focusing on waqf-related regulations, management structures, and asset development strategies. Muhammadiyah manages the waqf independently through internal institutional policies, guided by Law No. 41 of 2004. In Malaysia, waqf is regulated by the State Islamic Religious Councils (Majlis Agama Islam Negeri, MAIN), which promote corporate-based management such as property development and Sharia-compliant investments, exemplified by the Selangor Waqf Corporation (Perbadanan Wakaf Selangor, PWS). Brunei Darussalam centralizes waqf under the Ministry of Religious Affairs (Kementerian Hal Ehwal Ugama, KHEU), with strict regulations and strong state support for Islamic economic empowerment. In terms of innovation, Malaysia demonstrates a more advanced corporate waqf model with productive asset management, while Brunei prioritizes centralized stability. Muhammadiyah continues to adopt new models such as cash waqf and Islamic investments, though improvement is still needed in professional asset governance and transparency. This research introduces a novel comparative framework by analyzing multi-country waqf governance and applying the concept of Good Waqf Governance, including transparency, accountability, and efficiency. Unlike previous studies that examined isolated cases, this paper maps cross-national governance strategies and their socio-economic outcomes. Furthermore, it highlights Malaysia's and Brunei's potential as models for Muhammadiyah's reform. One key recommendation is to integrate Malaysia's corporate waqf framework into Muhammadiyah's waqf strategy to enhance long-term sustainability and economic returns. The study contributes to the discourse on Islamic philanthropy by offering scalable strategies for revitalizing waqf institutions in the Muslim world.

Keywords: Waqf, Governance, Regulation, Innovation Mode, Muhammadiyah.

Introduction

Waqf represents one of the most powerful and sustainable mechanisms in Islamic social finance, with historical roots in supporting public welfare, education, healthcare, and religious development. In recent years, the revival of *waqf* as a productive and institutionalized economic tool has become a central discourse in both academic and policy domains.¹ In this context, many Muslim-majority countries have developed innovative governance models to optimize the management and impact of *waqf* assets. Malaysia, for instance, has institutionalized *waqf* under the authority of State Islamic Religious Councils (*Majlis Agama Islam Negeri*, MAIN), adopting corporate-based models and integrating *waqf* with Islamic finance through instruments such as Cash *Waqf* Linked Sukuk (CWLS).² Similarly, Brunei Darussalam applies a centralized *waqf* governance system under the Ministry of Religious Affairs, with a focus on sustainability, legal formalization, and digital asset documentation.³

Conversely, in Indonesia, *waqf* governance remains fragmented, and the state authority *Badan Wakaf Indonesia* (BWI) has limited implementation reach. Amid this gap, Muhammadiyah emerges as a major non-state Islamic organization with a long-established *waqf* infrastructure. It manages over 214 million square meters of *waqf* land across more than 20,000 locations, facilitating thousands of schools, hospitals, and religious facilities.⁴ Despite its impressive scale, research on Muhammadiyah's *waqf* management is largely descriptive and focused internally,^{5,6} without critically positioning it within a broader comparative framework.

Conversely, in Indonesia, *waqf* governance remains largely decentralized, and while the national body *Badan Wakaf Indonesia* (BWI) exists to coordinate policy, its operational impact is still limited and inconsistent across regions. Amidst this regulatory vacuum, Muhammadiyah emerges as a unique case of a non-state Islamic organization that independently manages extensive *waqf* portfolios. According to official reports, Muhammadiyah oversees over 214 million square meters of *waqf* land spread across more than 20,000 sites, supporting thousands of schools, universities, hospitals, and religious facilities.⁷ Despite its institutional strength, the academic literature on Muhammadiyah's *waqf* management tends to be internally descriptive rather than comparative or analytical. For instance, Latief (2018) emphasizes Muhammadiyah's historical leadership in philanthropic management but does not explore institutional innovation in regulatory frameworks. Similarly, Fahmi⁸ describe Muhammadiyah's integration of cash *waqf* and Islamic finance without assessing how it compares to regional governance models such as those in Malaysia or Brunei.

¹ Solihah, C., Mulyadi, D. & Nur, H. Muhammadiyah nazhir organization analysis of *waqf* management and development in Cianjur. *Jurnal Dinamika Hukum* 17, 125–131 (2017).

² Hasan, R., Ahmad, A. U. F. & BT. SIRAJ, S. A. Building trust in *waqf* management—implications of good governance and transparent reporting. *The Singapore Economic Review* 67, 459–475 (2022).

³ Febriana, A., Hamzani, A. I. & Taufik, M. Perbandingan pengelolaan wakaf di Indonesia dan brunei darussalam. *Jurnal Ilmiah Mahasiswa Perbankan Syariah (JIMPA)* 3, 65–74 (2023).

⁴ Muchlis, Z. & Hidayat, Y. Pengelolaan Wakaf Tunai Muhammadiyah Melalui Sistem Informasi Digital Terhadap Petani Indonesia. *Nur El-Islam: Jurnal Pendidikan Dan Sosial Keagamaan* 7, 72–88 (2020).

⁵ Aryana, K. Akuntabilitas dan transparansi lembaga pengelola wakaf melalui *waqf* core principle dan psak 112. *Jurnal Akuntansi Bisnis Dan Ekonomi* 7, 2065–2080 (2021).

⁶ Mahfudz, A. A., Syamsuri, S., Zein, A. R., Roslan, I. A. & Zeinullayevn, N. A. The Implementation of Socioeconomic Well-Being of *Waqf* and Properties in Muhammadiyah Regional Board Yogyakarta. *Afkaruna: Indonesian Interdisciplinary Journal of Islamic Studies* 20, (2024).

⁷ Mahfudz, A. A., Syamsuri, S., Zein, A. R., Roslan, I. A. & Zeinullayevn, N. A. The Implementation of Socioeconomic Well-Being of *Waqf* and Properties in Muhammadiyah Regional Board Yogyakarta. *Afkaruna: Indonesian Interdisciplinary Journal of Islamic Studies* 20, (2024).

⁸ Medias, F., Pambuko, Z. B., Praja, C. B. E., Aziz, M. R. Ab. & Donna, D. R. Developing Muhammadiyah *waqf* lands through Islamic investment model: special case in Indonesia. *Varia Justicia* 16, (2020).

While there is extensive research on state-led waqf systems in countries like Malaysia⁹ and emerging centralized models like Brunei,¹⁰ new studies have systematically compared a large-scale non-state Islamic institution like Muhammadiyah with these national models. In addition, existing scholarship often overlooks the translational potential how best practices in waqf regulation, digitalization, and financial integration in Malaysia and Brunei might be adapted or contextualized within the Muhammadiyah ecosystem. There is also a lack of frameworks that evaluate the effectiveness of waqf management based on measurable indicators such as transparency, governance accountability, and innovation performance across institutional types.

Thus, this study aims to comparatively analyze the waqf governance models, regulatory frameworks, and innovation strategies employed by Muhammadiyah, Malaysia, and Brunei Darussalam. By identifying institutional convergences and divergences, this research contributes to the discourse on productive waqf by offering a model that integrates Islamic values with contemporary governance practices. The findings are expected to inform both Islamic civil society organizations and state actors on how to enhance waqf professionalism, transparency, and socio-economic impact.

Research Method

The research method used in this study is literature review, aimed at conducting a comparative analysis of the regulations, governance, management, and innovation models in Muhammadiyah's waqf development compared to Malaysia and Brunei Darussalam. This study involves collecting, reviewing, and analyzing various sources of literature, including academic journals, books, policy reports, official regulations, and institutional documents related to waqf management in the three countries. The data collection technique is carried out through a systematic search in academic databases, institutional repositories, and official documents from governments and relevant organizations. The analysis is conducted using a descriptive-comparative approach to identify similarities, differences, and strengths of each waqf management model.¹¹ Additionally, the study employs content analysis to explore trends in waqf innovation applied by Muhammadiyah, Malaysia, and Brunei Darussalam. The findings of this study are expected to provide in-depth insights and recommendations for the development of waqf within Muhammadiyah and contribute to broader waqf management policies.

Discussion

Waqf Governance Management

The theory of waqf governance management is based on the principles of good waqf governance, which include transparency, accountability, effectiveness, and sustainability in waqf asset management. According to this theory, waqf management should follow a strategic management approach, where waqf assets are not only preserved but also productively developed to provide sustainable benefits to society.^{12,13} An effective governance model requires strong regulations, a well-

⁹ Ismail, M. Z., Rosele, M. I. & Ramli, M. A. Pemerkasaan wakaf di Malaysia: satu sorotan. in *Kertas Kerja yang dibentangkan dalam 5th Islamic System Conference (IECONS 2013) pada 4–5* (2013).

¹⁰ Yusuf, M. Z. Optimalisasi Wakaf Tanah Perspektif Istibdal (Studi Pada Harta Wakaf Pimpinan Daerah Muhammadiyah Kota Yogyakarta). *Jurnal Magister Ekonomi Syariah* 1, 63–73 (2022).

¹¹ Hasan, R., Ahmad, A. U. F. & BT. SIRAJ, S. A. Building trust in waqf management—implications of good governance and transparent reporting. *The Singapore Economic Review* 67, 459–475 (2022).

¹² Zeni, N. A. M. & Sapuan, N. M. Revitalizing waqf governance: A theoretical perspectives. *Int J Adv Biotechnol Res* 8, 305–311 (2017).

¹³ Morck, R., Wolfenzon, D. & Yeung, B. Corporate governance, economic entrenchment, and growth. *J Econ Lit* 43, 655–720 (2005).

structured administrative system, and strict supervisory mechanisms to ensure that waqf funds are managed in accordance with Sharia principles and applicable laws. In the context of Islamic economics, this theory also emphasizes the importance of professional *nazhir* (waqf managers) as key actors in optimizing waqf potential through asset diversification, Sharia-compliant investments, and the utilization of digital technology in waqf administration and benefit distribution.¹⁴ Thus, this theory highlights that good waqf governance should not only focus on financial sustainability but also consider social aspects and the long-term welfare of the Muslim community.

Although waqf governance management has developed based on the principles of good waqf governance, its implementation still faces various challenges that hinder the optimization of waqf benefits for society. One of the main issues is the lack of transparency and accountability in waqf asset management, which often leads to low public trust in waqf management institutions. Additionally, the limited capacity of *nazhir* (waqf managers) to manage waqf assets professionally remains a significant obstacle, particularly in terms of innovation and the development of Sharia-compliant investments. Moreover, regulations that are not yet fully integrated with the modern financial system hinder the utilization of digital technology in waqf administration and benefit distribution. If these challenges are not promptly addressed, the great potential of waqf as an instrument for economic empowerment and social welfare will continue to be underutilized. Therefore, waqf governance reform is essential, including: 1) Enhancing the capacity of *nazhir*, 2) Implementing technology-based transparency systems, and 3) Strengthening regulatory support to be more adaptive to the developments in the global Islamic economy.

Muhammadiyah Waqf: Regulation, Governance, Management, and Innovation Development Model

The regulatory framework governing waqf in Muhammadiyah has witnessed dynamic development, especially with the formal recognition of cash waqf as a contemporary (*mu'āshirah*) form of endowment during the 32nd Tarjih National Conference (*Munas Tarjih*) in February 2024.¹⁵ This decision signifies Muhammadiyah's strategic effort to modernize waqf instruments in response to evolving socio-economic needs while maintaining adherence to Sharia principles. However, the implementation of cash waqf also necessitates rigorous oversight to ensure that the perpetuity of waqf assets is preserved through Sharia-compliant and financially sustainable investment mechanisms. In the absence of sound governance, waqf funds risk depreciation or mismanagement, potentially undermining their intended role in community empowerment.

To mitigate these risks, Muhammadiyah has adopted a comprehensive waqf governance system grounded in the principles of good waqf governance: transparency, accountability, effectiveness, and sustainability. This is operationalized through the Muhammadiyah Asset Management Information System (*Sistem Informasi Manajemen Aset Muhammadiyah*, SIMAM), a digital platform used to inventory, validate, and monitor waqf assets. The process begins with legal verification and certification to ensure asset legitimacy, followed by strategic asset utilization across key sectors: education, healthcare, and community-based economic enterprises.

Oversight and policy formulation are carried out by the *Majelis Wakaf dan Kehartabendaan* (MWK), which ensures regulatory alignment with national law and Sharia. One of Muhammadiyah's most notable innovations is the digitization of asset governance via SIMAM, enabling real-time

¹⁴ Evrytanadha, A. & Erma, D. Peningkatan Kepercayaan Wakif Melalui Prinsip Transparansi dan Akuntabilitas. *Al-Awqaf: Jurnal Wakaf dan Ekonomi Islam* 17, 57–64 (2024).

¹⁵ Chusma, N. M. C., Sa'diyah, H. & Latifah, F. N. Wakaf uang sebagai instrumen perkembangan ekonomi Islam. *Wadiah* 6, 76–97 (2022).

transparency and efficient monitoring. Beyond preservation, Muhammadiyah embraces a productive waqf approach converting endowment assets into value-generating institutions such as universities, hospitals, and Sharia-based businesses. This model is further expanded through cash waqf platforms and digital waqf crowdfunding, enabling broader public engagement and flexible contribution schemes.

To ensure long-term impact, Muhammadiyah employs a four-pronged strategy for sustainable waqf development: 1) Asset Optimization that is through educational, healthcare, and economic projects with measurable outcomes, 2) Digital Innovation exemplified by SIMAM for enhanced governance, 3) Expanded Participation by promoting cash waqf and digital inclusion mechanisms, and 4) Institutional Strengthening that is enhancing MWK's regulatory capacity as a waqf authority. Through these strategies, Muhammadiyah positions itself as a progressive Islamic institution capable of transforming traditional waqf into a dynamic and professionalized tool for socio-economic development. The convergence of Sharia integrity, institutional governance, and technological integration makes Muhammadiyah's model both scalable and contextually adaptable across the Muslim world.

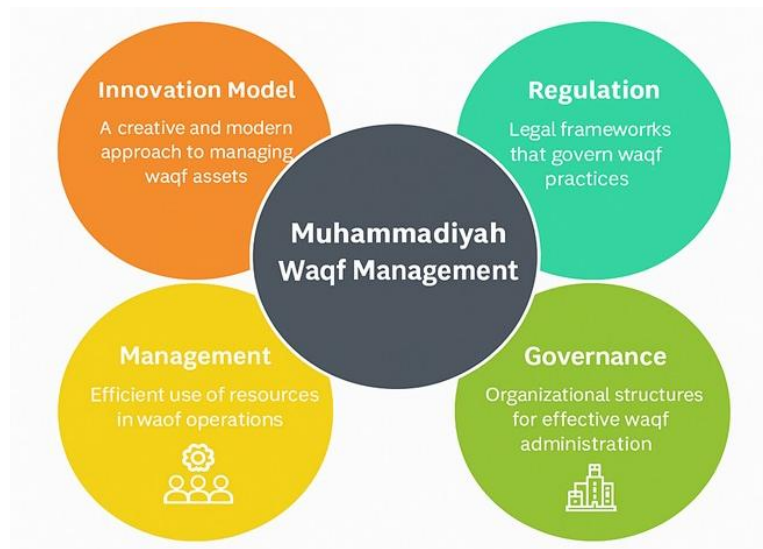


Figure 1. Innovation and Effective Governance in Muhammadiyah Waqf Management

The image is a visual representation depicting the strategic approach in the management of waqf by Muhammadiyah. This model emphasizes four main pillars that interact with each other to support innovative and effective waqf governance, namely: innovation model, regulation, governance, and management. These four elements form a conceptual framework that reflects the synergy between creativity, legal policies, institutional structures, and resource efficiency within the Muhammadiyah waqf ecosystem.

First, the innovation model element highlights the importance of a creative and modern approach in managing waqf assets. Muhammadiyah, in this regard, emphasizes that innovation is not only in the form of digital technology but also includes new models in the collection, management, and utilization of waqf that are relevant to contemporary socio-economic dynamics. This innovation is necessary for waqf to remain adaptive to the changing times and the needs of society.

Second, regulation highlights the legal framework that serves as the foundation and reference in the practice of waqf management. The existence of clear regulations that support the empowerment of waqf is an important aspect to create legal certainty and protection for waqf assets and

beneficiaries. Muhammadiyah utilizes national regulations and develops internal rules as a manifestation of consistency with Sharia values and institutional professionalism.

Third, governance refers to the organizational structure responsible for the administration of waqf. Good governance includes the principles of transparency, accountability, participation, and justice in the implementation of waqf management. This structure enables a focused decision-making process and solid coordination among the waqf management units within the Muhammadiyah environment.

Fourth, the management aspect emphasizes efficiency in the use of waqf resources. This involves the processes of planning, implementation, supervision, and evaluation of waqf assets to maximize benefits for the community. This efficiency includes the management of physical assets, finances, and competent and integrity-driven human resources.

By integrating these four pillars, Muhammadiyah demonstrates institutional capacity in creating sustainable, innovative, and contextual waqf governance. This model can serve as a reference in the development of waqf policies at both national and international levels, especially in the context of Muslim countries that are facing the challenges of modernizing the Islamic philanthropy system.

Muhammadiyah Waqf and Its Comparison with Endowments in Malaysia and Brunei Darussalam

The regulatory framework governing endowments (waqf) within Muhammadiyah is primarily based on Indonesia's Law No. 41 of 2004 on Endowments, supported by a set of internal policies coordinated by the Muhammadiyah Waqf and Property Council (*Majelis Wakaf dan Kehartabendaan*, MWK). Muhammadiyah's waqf management model is predominantly oriented towards social endowments for education, healthcare, and community welfare. While efforts to implement productive waqf such as asset-based development and Sharia-compliant investment are ongoing, they remain in an emerging stage of institutional maturity.¹⁶ In contrast, Malaysia has adopted a more advanced and corporatized model of waqf governance. The administration of waqf is legally mandated to the State Islamic Religious Councils (*Majlis Agama Islam Negeri*, MAIN), which collaborate with financial institutions to develop property-based productive waqf schemes through entities like the Selangor Waqf Corporation (*Perbadanan Wakaf Selangor*, PWS). In Brunei Darussalam, waqf management is highly centralized under the Ministry of Religious Affairs (*Kementerian Hal Ehwal Ugama*, KHEU), with a stronger regulatory regime and substantial state funding. Their system emphasizes cash endowments and productive waqf linked to state assets, reflecting deeper integration with national development agendas.^{17,18}

Data from the Indonesian Waqf Board (*Badan Wakaf Indonesia*, BWI) and the Islamic Religious Council of Singapore (*Majlis Ugama Islam Singapura*, MUIS) indicate that Malaysia and Brunei possess more institutionalized and technologically integrated waqf systems. In contrast, Muhammadiyah is still consolidating its internal infrastructure, particularly in digital transformation, legal certification, and investment capacity.¹⁹ The MWK serves as the central authority for Muhammadiyah's waqf registration, documentation, certification, and asset supervision. While it demonstrates commitment

¹⁶ Uyun, H. K. & Husaini, A. Analisis Perbandingan Kedudukan Nadzir dalam Hukum Islam dan Undang-Undang Wakaf No. 41 Tahun 2004. *Al-'Adalah: Jurnal Syariah dan Hukum Islam* 8, 344–360 (2023).

¹⁷ Pertiwi, R. S., Ryandono, M. N. H. & Rofiah, K. Regulations and management of waqf institutions in Indonesia and Singapore: A comparative study. *KnE Social Sciences* 766–783 (2019).

¹⁸ Qurrata, V. A., Narmaditya, B. S., Seprillina, L. & Hussain, N. E. B. The Implementation and Development Of Productive Waqf In Indonesia: Case At Malang Islamic Hospital. *Humanities & Social Sciences Reviews* 7, 533–537 (2019).

¹⁹ Febriana, A., Hamzani, A. I. & Taufik, M. Perbandingan pengelolaan wakaf di Indonesia dan brunei darussalam. *Jurnal Ilmiah Mahasiswa Perbankan Syariah (JIMPA)* 3, 65–74 (2023).

to modernization, Muhammadiyah continues to face significant challenges in achieving transparency, professionalization, and scalability in productive waqf management.^{20,21,22}

In Malaysia, the institutional structure allows for greater synergy between Islamic finance and waqf development. Strategic partnerships between MAIN and Islamic banks have facilitated the growth of innovative models such as waqf housing, commercial property portfolios, and Sharia-compliant REITs. In Brunei, the strong political will of the state enables waqf to be embedded within broader national economic and Islamic finance strategies. These systems stand in contrast to Muhammadiyah's relatively autonomous, non-state approach, which still relies heavily on internal resources and institutional networks without direct state facilitation. Therefore, the comparison highlights not only structural differences but also distinct institutional logics: Malaysia and Brunei represent state-centric and finance-driven waqf governance, while Muhammadiyah reflects a civil-society-based model that is gradually shifting towards institutional professionalism. Bridging this gap requires Muhammadiyah to adopt regulatory innovations, digital infrastructure, and investment strategies that ensure sustainability and maximize the socio-economic impact of waqf assets.

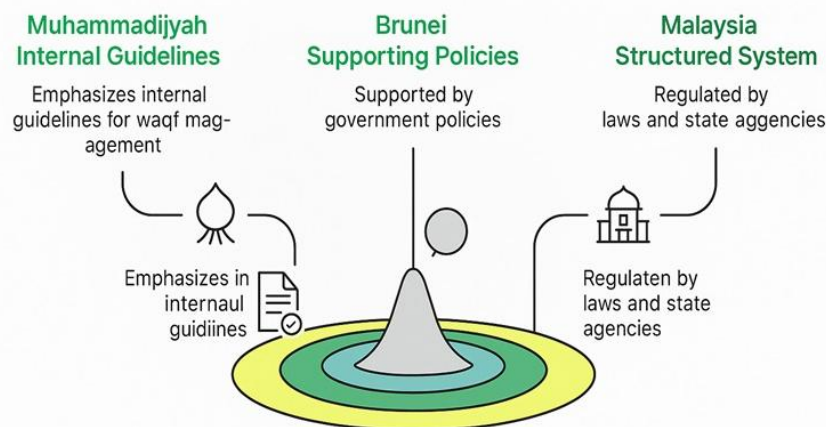


Figure 2. Waqf Regulatory Framework

The governance of waqf in Muhammadiyah is overseen by the Muhammadiyah Waqf and Property Council (Majelis Wakaf dan Kehartabendaan MWK), which is mandated to register, certify, and manage waqf assets in support of core sectors such as education, healthcare, and social services. While the institution exhibits commendable organizational structure, it continues to face notable challenges in areas such as transparency, digital integration, and the scalable development of productive waqf models. Efforts to modernize asset governance remain uneven across Muhammadiyah's decentralized networks, particularly in regions where legal documentation and investment literacy are still limited. In contrast, Malaysia's waqf governance is characterized by a more centralized and corporatized structure, managed through the State Islamic Religious Councils (Majlis Agama Islam Negeri MAIN). These councils actively collaborate with Islamic financial institutions and corporate actors to develop productive waqf schemes, including real estate projects, Sharia-compliant investments, and housing initiatives targeted at socio-economic upliftment.²³ This synergy between

²⁰ Ibid

²¹ Berakon, I., Aji, H. M. & Hafizi, M. R. Impact of digital Sharia banking systems on cash-waqf among Indonesian Muslim youth. *Journal of Islamic Marketing* 13, 1551–1573 (2022).

²² Nofianti, L., Mukhlisin, M. & Irfan, A. Cash waqf innovation in Islamic financial institutions and its governance issues, case studies: Indonesia, Malaysia, Türkiye. *Journal of Islamic Accounting and Business Research* (2024).

²³ Manik, S. P. & Juwono, V. Strategi transformasi digital dalam tata kelola pemerintahan: studi pada kementerian keuangan. *Briliant: Jurnal Riset dan Konseptual* 9, 1–16 (2024).

religious councils and financial instruments reflects Malaysia's capacity to integrate waqf into the broader Islamic finance ecosystem.

Brunei Darussalam adopts a state-centric waqf model, wherein endowment affairs are centrally regulated by the Ministry of Religious Affairs (*Kementerian Hal Ehwal Ugama*, KHEU). The government plays a direct role in funding, policy enforcement, and institutional development, enabling waqf to be embedded in national strategies for Islamic banking, education, and welfare. According to reports from the Indonesian Endowment Board (BWI) and the Islamic Religious Council of Singapore (MUIS), both Malaysia and Brunei have achieved a higher level of institutional maturity through the implementation of regulatory standardization, digital technologies, and investment integration. In comparison, Muhammadiyah's model though rooted in strong community values still requires substantial improvements in institutional professionalism, risk management, and digital governance to match the operational standards seen in more centralized national systems.

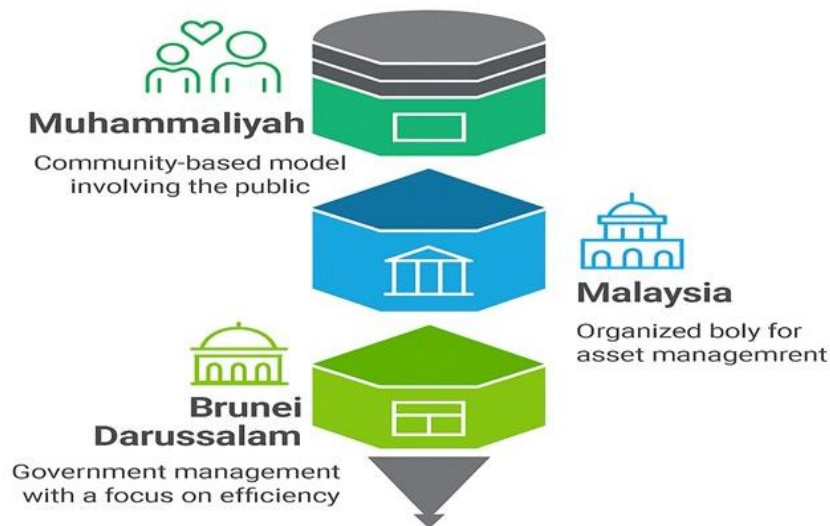


Figure 3. Waqf Management Approach

Muhammadiyah's current innovation model in endowment (waqf) management is undergoing a strategic transition toward productive and digitally integrated waqf systems. These efforts include the utilization of waqf assets for social enterprises, Islamic-based education, healthcare infrastructure, and digital waqf fundraising platforms supported by emerging Islamic fintech networks. However, the full realization of this model remains constrained by limited asset optimization, fragmented investment strategies, and the absence of a standardized framework for professional waqf management.^{24,25} While internal initiatives such as SIMAM (Muhammadiyah Asset Management Information System) demonstrate early progress in digital documentation, challenges persist in aligning local waqf administration with national legal and financial ecosystems.

In contrast, Malaysia offers a more mature and corporatized innovation model, where State Islamic Religious Councils (MAIN) collaborate with Islamic banks and private sector actors to develop high-value commercial waqf projects including hotels, residential complexes, and retail centers. Institutions like the Selangor Waqf Corporation (Perbadanan Wakaf Selangor PWS) manage billions

²⁴ Junarti, J., Alhabshi, S. M., Mardika, I. H. & Anwar, S. Sustainability of Waqf Muhammadiyah: A Historical Study from Past to Present. *The International Journal of Business Review (The Jobs Review)* 4, 41–54 (2021).

²⁵ Umam, M. R. K. Organizational Commitment in the Waqf Organization of Muhammadiyah: A Perspective from Social Exchange Theory. *Al-Tahrir: Jurnal Pemikiran Islam* 20, 51–73 (2020).

of ringgit in waqf assets, demonstrating a robust synergy between religious endowments and Islamic capital markets. The Malaysian model also benefits from a well-defined legal infrastructure that facilitates Sharia-compliant investment instruments and tax incentives for donors.

Brunei Darussalam adopts a state-centered innovation strategy, where the Ministry of Religious Affairs actively channels waqf assets into Islamic banking, education endowments, and cash waqf schemes. The state plays a direct operational role, ensuring that waqf projects are aligned with national Islamic economic development plans.²⁶ According to the Indonesian Waqf Board (BWI) and the Islamic Religious Council of Singapore (MUIS), Malaysia and Brunei have effectively integrated digital infrastructure, regulatory stability, and Islamic investment vehicles into their waqf innovation ecosystems. Muhammadiyah, by comparison, remains in a formative phase of this transition, striving to modernize its waqf management through digitalization and professional capacity-building.²⁷ Bridging this gap requires strategic policy reform, multisectoral collaboration, and alignment with broader Islamic financial frameworks.

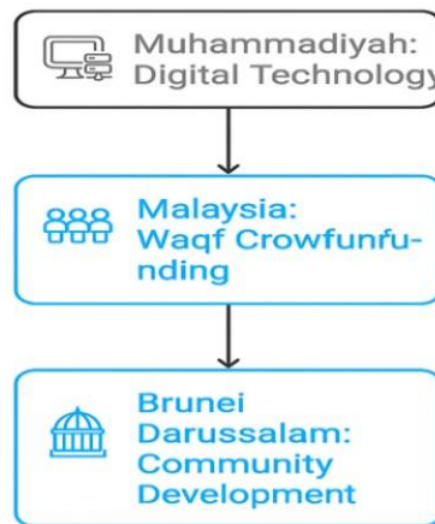


Figure 4. Waqf Innovation in Muhammadiyah, Malaysia, and Brunei Darussalam.

The image represents the conceptual model of waqf innovation applied in three entities: Muhammadiyah (Indonesia), Malaysia, and Brunei Darussalam. This visualization depicts the differentiation of innovative approaches in the management of waqf based on the institutional and national contexts of each country. First, Muhammadiyah as a modernist Islamic organization in Indonesia adopts a digitalization approach in the management of waqf. This innovation is evident through the implementation of information technology to support transparency, accountability, and efficiency in the management of waqf assets. The use of digital platforms enables the tracking of waqf assets, online donations, and the development of data-based waqf information systems.

Second, Malaysia implements a waqf crowdfunding model, which is a digital-based collective fundraising for the collection of waqf from the community. This approach represents a form of financial innovation that enables broader community participation and accelerates the accumulation of waqf funds. This model also reflects a response to the increasingly inclusive development of the digital economy. Third, Brunei Darussalam adopts a community development-based innovation model. In this context, waqf is utilized as a social instrument for community development, including in the

²⁶ Febriana, A., Hamzani, A. I. & Taufik, M. Perbandingan pengelolaan wakaf di Indonesia dan brunei darussalam. *Jurnal Ilmiah Mahasiswa Perbankan Syariah (JIMPA)* 3, 65–74 (2023).

²⁷ Darussalam, S. W. T. D. B., Ummah, S. K. A. P. & Mohiddin, H. M. N. H. Konsep Wakaf

sectors of education, health, and economic empowerment of the community. This approach emphasizes the social orientation of waqf in supporting sustainable development.

Methodologically, this visualization can be analyzed through a descriptive comparative approach by examining the characteristics, strategies, and outcomes of the waqf innovations implemented by each entity. This image provides an initial representation of the diversification of contemporary waqf practices in Southeast Asia and opens up space for further studies on their effectiveness and impact on the socio-economic development of the community.

Table 1. Principle of Good Waqf Governance in Muhammadiyah, Malaysia, Brunei Darussalam

Prinsip Good Waqf Governance	Muhammadiyah (Indonesia)	Malaysia	Brunei Darussalam
Transparansi & Akuntabilitas	Starting to implement digitalization but still facing challenges in information transparency and systematic audits.	High transparency with open financial reports and strict regulations through the State Islamic Religious Council (MAIN).	Strict regulations with full control from the government through the Ministry of Religious Affairs (KHEU).
Effectiveness & Efficiency	Waqf is still largely social in nature and has not yet been fully optimized for productive waqf. Asset management and investment are still in the development stage.	An effective corporate waqf model with investments in property and the Islamic financial sector.	High efficiency with a centralized waqf management system directly supported by the government.
Community Participation	High participation in charitable enterprises, but public involvement in productive waqf still needs to be enhanced.	The community can contribute through cash waqf, waqf sukuk, and Sharia-based investments.	Public participation is more limited as waqf is directly managed by the government, but there is a cash waqf program for community contributions.
Sustainability & Innovation.	Currently developing a productive and digital waqf model, but not yet fully integrated with Islamic banking and long-term investments.	A sustainable waqf model supported by Islamic banking, fintech, and waqf properties.	Waqf is managed within the national Islamic economic policy, with investments in the education, health, and Islamic banking sectors.

From this table, it can be seen that Malaysia and Brunei have a more structured, modern, and Shariah-based investment endowment system, while Muhammadiyah is still in the process of strengthening governance and innovation to optimize productive endowment management. Based on the principles of Good Waqf Governance, the management of endowments in Muhammadiyah, Malaysia, and Brunei Darussalam differs in terms of transparency, effectiveness, participation, and sustainability. In terms of transparency and accountability, Malaysia excels with a strict auditing system and open financial reports through the State Islamic Religious Council (MAIN), while Brunei has more centralized control through the Ministry of Religious Affairs (KHEU). Muhammadiyah, despite

implementing digitalization, still faces challenges in information transparency and waqf asset certification.

Regarding effectiveness and efficiency, Malaysia has a corporate waqf model that integrates the Islamic banking sector and property investment, whereas Brunei benefits from full government support to ensure optimal waqf management. Muhammadiyah, being a community-based organization, has an extensive network of charitable enterprises but still needs to enhance professionalism in managing productive waqf assets. In terms of public participation, Malaysia is more advanced, with public involvement through cash waqf and Shariah-based investments, while Brunei follows a more centralized approach under government control. Muhammadiyah has high community participation in charitable enterprises but requires more innovation in attracting waqf funds and managing them productively. For sustainability, Malaysia and Brunei have developed integrated waqf models linked to financial and technological systems, while Muhammadiyah is still in the process of strengthening innovation through digitalization and social enterprise-based waqf asset management. To enhance the effectiveness of waqf management, Muhammadiyah needs to accelerate digitalization, improve the capacity of *nazhir* (waqf managers), strengthen collaboration with Islamic financial institutions, and develop investment-based waqf models to ensure greater sustainability and impact on society.

Conclusion

A comparative study on the regulation, governance, management, and innovation models in waqf development between Muhammadiyah in Indonesia, Malaysia, and Brunei Darussalam shows that each country has a different approach to waqf management, tailored to its legal structure and policies. The regulation of waqf in Muhammadiyah refers to Law No. 41 of 2004 on Waqf and various internal organizational regulations managed by the Muhammadiyah Wakaf and Property Council (MWK). In Malaysia, waqf management is more structured through the State Islamic Religious Council (MAIN), which collaborates with Islamic financial institutions and corporations to develop productive waqf. Meanwhile, in Brunei Darussalam, waqf is centrally managed by the Ministry of Religious Affairs (KHEU) with strict regulations and direct financial support from the government, ensuring that waqf assets are integrated into national development policies. In terms of governance and management, Muhammadiyah independently manages waqf through an organization-based internal system, optimizing waqf assets primarily in the education and social sectors. Malaysia applies a more modern and corporate-based management system, including the development of commercial waqf properties and Shariah-based investments through institutions such as the Selangor Wakaf Corporation (PWS). Brunei Darussalam, with its state-based waqf model, prioritizes the sustainability of waqf assets to support the Islamic economy, including investments in Islamic banking and the development of religious infrastructure. Regarding innovation models, Malaysia is the most advanced in developing productive waqf through the corporate waqf concept, involving the private sector in managing waqf assets for the economic benefit of the Muslim community. Muhammadiyah has made efforts to develop waqf innovations, such as cash waqf and Shariah-based investments, but still requires further optimization in governance and transparency. Brunei Darussalam focuses more on utilizing waqf on a national scale, with a highly structured approach oriented toward public welfare through government regulations.

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of this study will contribute to the development of waqf governance and innovation, particularly in the context of Muhammadiyah, and serve as a reference for policymakers in improving waqf management in Indonesia.

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