

WAQF IN ISLAMIC LEGAL SYSTEM AND TRUST SYSTEM IN THE UNITED KINGDOM: A COMPARATIVE STUDY

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ABSTRACT

This study is a comparison of the Trust System in the UK and Waqf in Islamic legal system. A comparison study to develop new research, to obtain and expand the evidence in Charitable Trusts. This study will give knowledge on the importance that charity could give to society, education, religion, and communities. To clarify some points of differences in Waqf in Islamic legal system and the Trust System in the UK, so it inspires others to do further research through those useful comparisons is the goal of this paper.

Keywords: Charity, trust, trustee, Waqf, Islam, Charity Commission, Parliament

INTRODUCTION

Charity is an act of kindness or generosity towards others. It came from Latin word "Caritas" which means care. The purpose is to help a group of people from suffering and to fulfill the needs that they could not meet by their resources. By this definition, for charity to be formalized based on the rule, it is institutionalized. The formation of Charitable Trust organizations and creation or measures is followed to ensure that they are faithful to their causes and avoid involvement of self-serving interests or motives.

Charitable Trust system contains activities, methods, and processes to be considered as legal entities. Constant monitoring of these things and setting basic standards if the said system is functioning right. Laws have special treatment to charitable organizations regarding tax obligations because they do have some responsibilities for the state. Examples are giving opportunities for improvement of society through livelihood programs, helping to take care of children and disabled elders.

This paper will focus on Waqf in Islamic legal system and Charitable Trust in the UK. Waqf is a religious Islam endowment. People voluntarily give some of his or her assets to an organization without receiving benefits in exchange. After voluntarily giving the asset, the person has no power over it. One of the primary objectives of Waqf is to provide help to groups or individuals their necessities to have better lives. Three types of Waqf currently exist, religious Waqf, philanthropic/humanitarian Waqf, and family Waqf.

In religious Waqf, the allocation of property is for mosques and religious schools. On the other hand, philanthropic or humanitarian Waqf, they give the assets to support poor and for social activities. Mostly this is for the library, educational centers, health and animal care. The last one is family Waqf, which describes Waqf from parents to children, so that poor people could still have a chance to receive extra income to be spent.

A Charitable Trust in the United Kingdom works on the same definition where the settlor voluntarily transfers the ownership of his or her assets to someone else. The beneficiaries will enjoy the property they received for their benefit. For an organization to be a valid Charitable Trust, it should have a purpose for public benefit. There are four categories, trusts for poverty, promotion of education, advancement of religion and others for public benefits. Charitable Trusts are not allowed to work for profit and should not be involved in political or legal change.

After the urban transformation and relocation of the historical racetrack, this study intends to have an in-depth observation of the effects of this change economically, well-examined documentation and comparison of architectural typology during and after relocation of the Hippodrome, determination of effects of this development to the people around the vicinity, and lastly, identification of influence by verifying gentrification weight.

STUDY HYPOTHESIS

Waqf in Islamic legal system and Charitable Trust system in the United Kingdom (UK) may have similarities and differences regarding definitions, purpose, administration, management. Under both systems, it is usual to reserve a property for the benefit of specific individuals for a charitable purpose. The only significant distinction between Islamic Waqf and English trust is the process of expressing to charitable purposes. Waqf is part of Islam religion but does not mean that this practice is solely for Muslim only. Other people could also benefit Waqf, however, since modern society comes in, the challenge is to preserve the traditional Waqf system.

Despite emerging and evolving environments, mechanisms, objectives and functions of Waqf and trust are identical. In historical terms, two institutions have delivered services for social welfare, advancement of religion, education, research and infrastructure development and well-being. During this period, Waqf suffered continuous downfall and decline while trusts experienced progress.

STUDY OBJECTIVE

The goal of this study is to review the Charitable Trust system of the United Kingdom (UK) and Waqf under Islamic Law.

This paper will define trust, identify its type, history and policies involve on it. Also, it will explain the issues with trust system and Waqf in Islam and its effect on lives of people. Include in discussion the management process of both charitable institutions and recent development in their area. The readers will appreciate the meaning of charity, whether it's under trust system in the UK or Waqf. This research could help other researchers to continue further study regarding this topic.

The study will demonstrate how people could help on advancing Waqf system like what it was before. Because of the continuous evolution and changes in the environment, it declines and needs improvement on modern times. Part of the discussions will be how management system can treat an institution as charity and how to classify the foundation as for poverty, education, and society.

PURPOSE OF THE STUDY

This study aims to give in-depth research on a difference of Waqf and Charitable Trust system in the United Kingdom, so it will be a key for others to research using existing study and demonstrate comparisons between modern, contemporary Waqf and Trust System in the UK. Besides, the aims of the fact-finding are to examine the history of Charitable Trusts and Waqf in the United Kingdom. It will explain the ability of two charities to be independent and will explore the possibilities of learning from the experiences of Charitable Trusts from Waqf.

This study examines the effectiveness of two institutions. The research employs a qualitative approach to analyze its performance. It also provides a list of recommendations for the enhancement of the effectiveness of Waqf.

IMPORTANCE OF THE STUDY

It will demonstrate the difference of trust in UK and Waqf in Islam. However, whether there will be the difference or not, it is essential to have knowledge of what is charity, what it can do to society, how it can improve the management system, how it can help the poor and how government can support this kind of institutions.

It is important that people see the benefits that charities bring. This investigation could help to gather more donors and not take charitable activities for granted. By having this kind of study, this will pave the way for continuous improvement in public and charities side.

Communities will benefit from this research once they appreciate the role of foundations on society. Moreover, the higher education concerned about conducting further studies and creating a metrics if these organizations improve over time. Policy makers will benefit from looking back on what charity policies and rules governing on it. Knowing the status of both charities will help decision makers to initiate projects and actions to improve the current process. International organizations will also benefit by supporting the purpose of Waqf and Charitable Trust system. This paper could aid international organizations to support the needs of Waqf by creating projects that aligned with a mission of waqf. Moreover, the scholars or students can also obtain the idea for a future study.

PROBLEM STATEMENT

This paper primarily aims to evaluate the performance, explain the history and difference of existing Waqf and Charitable Trust in the United Kingdom (UK). Also, it will discuss the challenges faced by systems, how it affects the status and how to improve the management organization that would benefit more people.

The researcher will expect to answer the following questions:

1. What is Waqf in Islamic legal system?
2. What is Charitable Trust system in the United Kingdom?
3. What is the aim that Waqf mandated for Muslims?
4. What is the difference concerning history and management practices?
5. How to improve Waqf and Charitable Trust system for a modern period?

LITERATURE STUDY

Trust is an interest by one person for the request of another for the beneficiary will receive benefit from it. The charity has four principal divisions: trust for poverty, trust for an advancement of education, trust for an advancement of religion, and trust for the community.

Trust for poverty is about giving gifts for the relief of poverty. The preamble of 1601 Act mentioned about this kind of charity. It states that this is for a relief of aged, impotent and poor people. Building cottages for old women are one example of this. Poverty indicates a condition of those who live in low economic level.

Also, it shows a status of those who stand in some particular needs or who are less well off than others. Included here are the people who have suffered because of some natural disaster were held to be charitable.

Trust for the advancement of education must be for an educational purpose. This benefit is harder to satisfy compare to other two divisions. The concept of education is very broad to cover the promotion of conferences for discussions of different academic subjects to influence their countries who would both learn from the process.

There are two conditions to be fulfilled for it to be a valid trust. It must be a type which is accepted by the courts as a religion. The court will require evidence that it satisfies the public benefit test. Having that, it means that under this scope it involved man's relation to God and ethics. Also, it should promote and advance the religion.

The establishment of charity is exclusively for the benefit of public rather than private individuals. The government well recognizes the contribution in addressing social benefit. Trust for a community, the condition to demonstrate the presence of public benefit is very significant since not all purposes which are valuable to the community are charitable. A gift for the advantage of individuals considers as a private trust, and not as charitable.

The oldest documented charity in England dated to 597 C.E. when religious organizations gave the right to control assets and accept donations from private administrations or individuals. When the government comprehended the need to regulate endowments because of corruption committed by the trustees of properties intended for charitable purposes, they created laws that limit the management of endowed assets to incorporated organizations in the fourteenth century.

Donors must entrust their donation to a person or a corporation to be used by religious and charitable organizations. The Court of Chancery served as the regulatory body of Charitable Trusts. It also held cases against Charitable Trustees which gave rise to the Cy-Près Doctrine, a special provision that revokes Charitable Trusts because of their failure to serve the needs of their intended beneficiaries' fortuitous causes.

The Charitable Trusts Act of 1860 required the charging of annual stamp duties on all charities amounting to 1% of the gross income of the charity. This Act also allowed the Charity Commission to make decisions over Charitable Trusts, including the cy-près application of charity funds. However, the lack of personnel limited the capacity of Commissioners and made their regulatory processes less efficient. It was difficult for the Commission to proactively track charities whose purposes are already obsolete and relied on reports from sources that are external to the board about these claims. Only when these records can reach the Charity Commission that Commissioners can exercise their cy-près powers when needed. In 1862, the Charity Commissioners Jurisdiction Act was passed, stating that 'no provision of any Act of Parliament or decree of the Court of Chancery relating to any charity should exclude the jurisdiction which might otherwise be exercised by the Charity Commissioners. This amendment clarified that Charity Commissioners are still accountable to the Parliament and the Court of Chancery despite having been given functions related to regulating and monitoring the management of Charitable Trusts. Several years later, the Charity Organization Society (COS) established as a regulating and monitoring body for Charitable Trusts. Its formation is based on the principle that careless giving to charities is worse than not giving to charity at all.

As years passed, this organization is criticized for making the charity sector more administrative and exploitive. Tax exemptions to Charitable Trustees were granted by the Income Tax Commission in the UK in 1886 through an exemption provision in the Income Tax Act 1842 which states that rents and profits of lands vested in trustees are exempted if they were applied for charitable purposes. The Charitable Trustees Incorporation Act 1872 was implemented and stated the duties of corporations that manage Charitable Trusts.

Clearer policies, rules, and regulations governing Charitable Trusts that were put in place to support their continued growth and to ensure that they serve the purely charitable intention of the person who initiated the trust.

The Charity Commission is primarily responsible for the registration and regulation of charities in England and Wales. Its establishment aims to safeguard the interests of the public in supporting charities within the United Kingdom.

Among its responsibilities to the state are the following registration of eligible organizations for charitable purposes, examination, and implementation of the law in cases of suspected misuse or abuses committed by charitable institutions, administration, and management of charities and promotion of transparency and access to information regarding registered charities.

It is the mandate of the Charity Commission to preserve and keep public confidence in the charity sector, to monitor its compliance and liability to stakeholders and to improve the self-reliance of individual donations. Also, it is the duty of the Charity Commission to issue official statements in public when statutory inquiries into charities are made. These public statements are provided in the register of charities. Through its website and other available information channels, issues concerning charities are published to serve as guidelines that charitable organizations should follow. Among those that were published by the Commission are: its current

investigations, decisions, accounts monitoring work and other cases in line with its policy on reporting its regulatory work.

The first step in creating a charitable organization is determining if a charity is a right option. In the United Kingdom, charities are recognized to offer benefit to the public. Organizations that initiate pledge to charitable purposes are bound to the provisions of the Charities Act of 2011. Included in the list of rules that charities should adhere to is the policy that charities should register it with the Charity Commission if it is a Charitable Incorporated Organization (CIO). Also, if its annual income is more than £5,000 unless it is a charity that doesn't have to register.

The second step is deciding on the charity's purpose. This step is crucial as this will aid the Charity Commission to decide if the organization is indeed a charity and will likewise support the HM Revenue and Customs assess if it qualifies for tax relief.

In the United Kingdom, the purposes of a charitable organization must comply with the purposes identified by The Charities Act 2011. It also includes enumerating the duties of trustees in aiding the charity to achieve its purposes, such as fundraising collections and the like.

The third step involves choosing a structure. Based on The Charity Commission's website, there are four main classifications of charity structures: charitable incorporated organization, the charitable company limited by guarantee, unincorporated association, and trust.

The fourth step is writing a governing document that includes the following details on charitable organizations. These are names, charitable purposes, and activities align with its purpose, such as borrowing money, the officers, meeting procedures, policies on appointing trustees and their salaries, investments and holding land and how to close the charity.

The fifth step is choosing a name of the organization. The main rule for selecting a name is that it should not be confusing or already used by another charity. The name will also be subject to approval by The Charity Commission.

The sixth step for setting up a charitable organization is looking for a trustee who will help as the governing body of the charity. They may be called trustees and will oversee policymaking, management, and administration of a charity. The Charity Commission endorses at least three unconnected individuals to run the charitable organization.

The last step in setting up a charity is to offer funds for the charity's purpose. Accurate documentation of all financial related matters is necessary to receive this funds well. It also should have its bank account to keep its funds securely.

Waqf denotes an Islamic charitable institution. It is described as a sacred and Islamic trust. One of the most distinctive features is that it means a charity in perpetuity. The origin lies in the early phase of Islamic history. The idea of voluntary charity is greatly encouraged from several verses in the Qur'an. It is a sub-branch of the wider term in the Qur'an.

Waqf is a trust started to bring social services for a period to its beneficiaries. Waqf funded these social services which are income-generating and are forever inalienable. Shariah Law governs the Waqf and initiating it is a religious act. However, it is not a must that activities concerned with these are inherently religious or the beneficiary must only be Muslims. Waqf is like the Zakat in the sense that both involve charitable giving. Zakat is a requirement for Muslims in fulfillment of the five pillars of Islam. The difference is it can only be given to Muslims while Waqfs is applicable to both Muslims and non-Muslims.

The means of Muslim countries in different parts of the world is not solely measured by wealthy individuals or organizations but also by those who control and manage Waqfs. It delivers social, educational, and religious services. There are four building blocks: contributor, endowment, beneficiary, and trust deed. The contributor is the person who chooses to voluntarily submit his or her property for the benefit of a particular group of individuals. The endowment is the object of the Waqf, which may be a property that will be used to help a group. Waqf mostly focuses on the people whom they called the beneficiary. The deed is the written document which states the names of the contributor and the recipient; the object, property, or asset; and the charitable purpose as well as other relevant details.

There are three types of Waqfs; religious Waqf, philanthropic or charitable Waqf and family Waqf. The religious Waqf is given for advancing religion. Real estate properties are managed to guarantee that places of worship will be preserved and their operating expenses are well funded. On the other hand, charitable Waqf is established to aid poverty and for the creation of social service facilities such as schools, libraries, hospitals, roads, bridges, and the like. This type of Waqf includes facilities for the care of animals and the environment. The third type of Waqf is that given to one's family members such as children and other descendants. A certain percentage of the benefits provided to family members and a portion allotted to disadvantaged groups or those who have special needs.

Being embedded in religion, many scholars trust that the institution Waqfs has its beginnings in the Quran that point out the formation of religious or charitable foundations. It is thought that a Waqf is a form of

charity for the sake of Allah which is documented by law because of its influence on sustainable development. The Muslim believe that the contributor gets the reward when the Waqf has developed with pure intention.

This sector is maintained by resources making it important in the social and economic life of Muslims. Waqf is involved in Islamic society, on its health, education and environment welfare, as well as, in social services such as scientific research, religious sciences, health care, and medicines. It could help a person in totality by making use of resources provided by Waqf institution such as Waqf-owned books and work for Waqf. In short, it is possible to meet first needs in Waqf.

The birth of Waqf also influences the English civilization on how people manage family wealth over time. However, some general similarities and differences will be explained in the later part.

One of the reasons why Waqf almost vanished is because of most Muslims do not possess knowledge about Waqf. Some Muslim countries have state-owned Waqf and this involved repossession of Waqf properties. Due to the shortage of funds, the government used Waqf system as a source of revenue. After it was abolished and nationalized, family Waqf was constrained, and some have banned the creation of new ones. Also, people have used Waqf for non-religious purposes such as tax avoidance.

The decline can be linked to an absence of entire Islamic legal system that can sustain its living. Second is political impacts, and it varies by every Muslim country. Their reason is to regulate assets to maintain their existence or power. Therefore, it is meaningless to connect the decline of Waqf in Islamic legal doctrine. The challenge is if the present Waqf management system is adaptive to a fast-changing economy.

RESULTS AND DISCUSSION

The origin of Charitable Trusts can be traced in the United Kingdom while historical documents trace the origin of Waqfs to Medina, Saudi Arabia. Second, the formal recognition of Charitable Trusts may be traced to the English Common Law in the 12th to 13th Century England whereas Waqfs have been traced by Islamic jurisprudence documents to exist since as early as 610 C. E. It is believed that the establishment of trusts in England was patterned after the Waqfs in Middle Eastern states when the British interacted with Islamic leaders, learned about the Waqf system and adopted it in the English Common Law. Third, Charitable Trusts are initiated by common individuals who are not bound by any obligation to initiate such trusts which are irrevocable, meaning the property or asset that was the object of the trust cannot be taken back by the settlor. Waqfs, on the other hand, are likewise irrevocable but are initiated only by those who adhere to Islamic faith and are based on Islamic teachings, particularly passages found in hadiths. There are no restrictions, however, as to whether the Waqfs will benefit Muslims or non-Muslims. Fourth, it has been earlier mentioned that The Charity Commission, the regulatory body of Charities and Charitable Trusts in the UK, governs Charitable Trusts. Ministries that are part of Islamic states' governance system, on the other hand, govern Waqfs. For instance, the Ministry of Waqf, Islamic Affairs, and Holy Places serves as the administrator of Waqfs in Jordan; the General Authority of Islamic Affairs and Endowments serves as the regulatory body of Waqfs in the United Arab Emirates; the State Islamic Religious Councils (SIRC) and the Department for Zakat, Waqf, and Hajj manages Waqfs in Malaysia; while the Turkish Republic Prime Ministry Directorate General of Foundations governs the Turkish varies. Fifth, while Charitable Trusts have five components, namely: (1) Settlor, (2) Trustee, (3) Beneficiary (4) Trust Deed (5) Property, Asset or Endowment; Waqfs only have four components: (1) Contributor who must be a Muslim, (2) Endowment, (3) Beneficiary and (4) Waqf Deed. Sixth, Charitable Trusts are exclusively for the benefit of the public and specialized groups in society, never for the benefit of its settlor and his family, out of one's voluntary and genuine intention of helping others. Waqfs, on the contrary, are initiated to express a Muslim's sincere love for Allah through giving up his or her assets for the benefit of others outside of himself or herself. Waqfs, though, unlike Charitable Trusts, may benefit the contributor's family and descendants. Seventh, as mentioned above, the purpose of Charitable Trusts is to provide relief to special groups in society with unmet needs out of one's sincere intention to help. Waqfs, meanwhile, are established with love for Allah at the core of the contributor's intentions but also for the benefit of groups that are in need. A special provision of Waqfs, however, is that it can be for the benefit of one's family and descendants. Lastly, Charitable Trusts, depending on the revenues they generate, are granted by the British government whole or partial exemption from income tax, corporation tax, capital gains tax, inheritance tax, stamp duty, and council tax. Waqfs, meanwhile, are also exempted from income tax under Islamic law, if the trust is purely for charitable purposes. Should be part of the trust, it will provide the financial benefit to the mutually (the manager of the trust) only that portion will be subject to taxation while the portion used for charitable purposes will not be taxable.

The founders of trusts are individuals who have donated considerable sums for the establishment of their foundation. Most trusts are established by founders to achieve specific charitable objectives. Thus, the founders' aspirations, vision, and mission play a critical role in chalking out the roadmap for the functions of the given trust. In comparison, there is limited parallel with a Waqf founded by any individual Waqf for serving similar charitable purposes by a single founder. Instead, most Waqf comprises several donations raised by

Muslim charity organizations rather than being set up separately with their well-determined aims. This variance between the nature of Waqf and trust founders impacts the sustainability and successful functioning of Waqf vis-à-vis trusts.

In general, most trust deeds are drafted in professionally and feature flexibility and discretion for trustees. The possibility for amendment in the deed of trusts accommodates the potential need for change with time. In contrast, there is scarcely a need for formulating a Waqf Deed as most of the Waqf constitute one-time charitable donations given by individuals to the charity organizations. This practice eliminates the requirements for a Waqf Deed, which is otherwise central for evaluating the performance of the Waqf about the vision and mission of the Waqf.

Clarity in the aims and objectives of the charity is crucial. Trusts are set up with clear targets and ambitions of their founders. However, this is not the case with current Waqf, as the Waqf in several instances donates solely in response to the appeal of different charity organizations and not by their ambitions and initiatives.

The management of trusts is by appointed trustees. In comparison, Waqf in the UK is managed by Muslim charity organizations as a collective pool of different donors.

Due to this, unlike with trusts, the independent nature of various Waqf is not maintained. In contrast to the performance of the various trusts, the performance of most Waqf in the country is subject to the fulfillment of the charity organization, which manages not only Waqf but also a myriad of various other donations as well. It can result in the incongruity between mechanisms for Waqf management and overall performance within the context of the charity.

One of the essential factors for successful trusts is that they assign greater significance to investment. An expert, prudent and active internal and external fund management team is central to successful trusts. Most trusts grow capital and maximize revenue through sensible risk mitigation. To this end, the trend in trusts' investments is a higher concentration in equities. For them, a long-term investment strategy is suited to the short-term volatility of capital markets, but long-term return and investment in assets comprises of 50 percent or more of most trusts' portfolios. In comparison, Waqf being regarded as too uncertain avoids exposure to equities. Most of the given trusts apply their ethical investment policies, which neither affects their financial performance nor hinders the fulfillment of their missions.

The efficiency of the given trusts can be certified through minimum administrative costs. This is achieved by providing the recruitment of a committed but unpaid board of trustees and by involving several volunteers to work for the charity.

Most of the trusts employ a reserve policy to safeguard them against occasions of poor return. Also, in general, charitable disbursement by the given trusts is subject to the performance of their respective investment portfolio each year, which plays an essential role in sustainability.

Waqf is virtually mandatory to incorporate a charity in action to attain validity. It stated in the deed that underprivileged members of his family should be considered for support and benefit from the trust. It is always mandatory to stipulate its objectives in charitable purposes, in case the number of members benefiting from the trust falls short of twenty, the unfilled positions would be occupied by other most eligible individuals as ultimate beneficiaries. In the classical Waqf for education, it was mutual to find stipulations demanding the beneficiaries to keep consistency in clothing and conduct. Waqf can permit the Mutawalli to apply his or her discretion regarding counting new receivers or excluding existing ones for not fulfilling certain conditions of the deed. The Mutawalli could be detached for being inattentive, incompetent, or for not discharging his allotted duties. Also, a dishonest trustee will be disqualified. The administrator could probably reserve the right to amend the clauses and conditions of his Waqf.

The purpose of charities:

1. The prevention of poverty
2. The development of education
3. The development of religion
4. The development of health
5. The development of community
6. The development of arts, culture or science
7. The development of amateur sport
8. The development of human right
9. The development of environmental protection or improvement
10. To help those in need due to age, ill-health, disability and financial disadvantage.
11. The development of animal welfare
12. Advancement of the armed forces, police, fire, rescue services or ambulance services.

The point of significance is to obtain the acknowledgment of charitable character and the objective must be associated with beneficiaries. The charitable purposes identified by the Charity Commission stand in

similarity with Islamic teachings and compliance of these charitable drives with Shari'ah guidelines and are critically crucial for Waqf. Additionally, like the requirements of Waqf, trusts were also continuous in nature, and the ownership of the same was supposed to be vested in Christ. In fact, this assertion further consolidates the conceptual likeness of trusts with Waqf.

However, experts have a constant claim on the current commonalities between the two institutions on the theoretical as well as at the organizational levels. The technical framework of a trust is obviously more amenable to the framework of Waqf than any other similar foreign legal device. The trust includes a similar framework to Waqf like the structure of Waqf, a trust under English law involves three parties, namely settlor, trustee, and beneficiary. Trusts recognize separation.

Waqf is by default perpetual in its nature while for a trust the character of perpetuity is developed only by specifying it into the deed. In other words, a trust is initially time bound, there is no need for a separate stipulation for a Waqf to become perpetual. When a trust is contrasted with Waqf, the option of cancellation in the former distinguishes it from the latter; as the latter (Waqf) cannot be revoked.

Regarding the potential subject matters, there is a minute but important difference between the two institutions. Whereas the scope of trusts is open to cover almost all valuables/assets as the subject matter of a trust, for a Waqf, the valuables/assets must fulfill the criteria of Shari'ah-compliance. An item which challenges the essential principles of Shari'ah, such as alcohol-related paraphernalia or gambling merchandise, would fall short of qualifying criteria for Waqf. For a trust, there are no such limitations on similar items. A Charitable Trust can be set up by bestowing land, buildings, cash and other investments. Waqf and trusts both equally involve fiduciary obligations for their Mutawalli and trustees. In simple terms, the trustees of both Waqf and trusts owe the fiduciary responsibility to their prospective beneficiaries. The trustee of a trust would have different responsibilities about a permanent and non-permanent trust. In this context, it is mandatory that the respective trustees and trusts to act carefully and take initiatives that are fit for the given trust and which are in the best interest of the beneficiaries. Similarly, endeavoring to satisfy the given purposes of Waqf or trust constitutes one of the fundamental responsibilities of the managers. Thus, there are significant similarities between the two concerning their management practices.

The key to the sustainability of a perpetual trust as well as a Waqf remains with the efficient management of their underlying assets. It is important to maintain the efficiency at all levels. The concept of effectiveness requires cost-effective administration of the institution along with securing a good return on their investments. In many instances, the dilemma of whether to prioritize a higher financial return over greater social impact remains critical but unsettled. This phenomenon is progressively sensitive for grantmaking organizations as well. These foundations need to choose on whether to follow a lower financial return but higher social impact or to target a higher financial return but lesser impact. The creative concept of social investment summarizes the idea of preferring effectiveness over efficiency. Institutions make social investments by extending loans to the organizations working to reach the objectives that correspond to the given objectives. This strategy generates greater benefits along with financial return.

Investment return is necessary for the sustainable functioning of a Waqf/trust; their trustees are obliged to confirm not only effective but also the efficient management of the institution. Therefore, setting up the objectives of a Waqf/trust in a clear way is vital to its sustainable functioning. The question that arises regarding asset management of a trust / Waqf is whether to emphasize on preserving the real value of the endowments or growing them through inflationary adjustments. It is significant in cash or liquid assets but not with immovable ones. Investing in fixed income instruments such as bonds have been criticized by some experts. Long-term, fixed income securities continue to become unresponsive to the impacts of inflation, which, over time may lessen the real value of the endowed capital. In turn, would follow the prospects for nourishing the capital in the future. It is sensible that the revised investment plan was based on the targeted future commitments or aims. Investments which target rewarding a social purpose are classed as program-related investments. The Commission holds a very positive view towards such creativities and tends to appreciate and endorse such an approach among charities.

The following are key features of trust:

1. Return on investment can be enhanced significantly, instead of concentrating on a property; funds are invested in equities and other liquid instruments.
2. If there is an instrument of securing Qard Hasan on demand, the presentation of the trust can be enhanced substantially. At times, there are attractive investment opportunities like low-cost auctioned properties but unavailable in the absence of an interest-free loan.
3. The veracity and trustworthiness of fundraisers are more vital than the popularity and integrity of the charity they are working.
4. The prospects for the donation pool can be improved if some fundraisers are contracted on a commission basis; though some trustees have reservations about Shari'ah-permissibility of this mechanism.

5. Only 30 percent of investment returns are used to fund projects, with the remainder used to for administrative costs, reinvestment or inflation-adjusted expenditure.
6. For effective fundraising, personal contacts of trustees with potential donors are vital.
7. There is no reporting mechanism; however, donors are kept abreast of the operation of the trust through published annual reports.
8. Due to ongoing conflict or humanitarian crises in many Middle Eastern or Muslim majority countries, many Muslim donor-clients inclined towards charitable or rehabilitative projects internationally, rather than developmental goals of communities at home.

Though the two institutions of Waqf and trusts evolved independently of one another, they have overlapping characteristics regarding their structures, mechanisms, technicalities and objectives. Waqf and trusts, therefore, both have their historical experiences and track records. Nonetheless, despite their past, a scope for further improvement needs exploration and is important in developing best practice.

There are noted differences between contemporary and traditional Waqf management paradigms. Conventional Waqf became static as there was the very limited adaptation to its jurisprudential principles. Kuran holds that it was not only the jurisprudence of Waqf but the whole jurisprudential structure of Shari'ah that stagnated after the first few centuries of the advent of Islam. He emphasizes "If you get stagnation in one area of law, it automatically causes stagnation other areas of law as well" and "If one area of law stands still, the change in another part of the law would look very abnormal."

In comparison to traditional Waqf, Kuran believes that contemporary Waqf is not only as effective as English trusts but is more advanced in countries such as Malaysia and Turkey, where Waqf has already developed into efficient non-profit corporations. These organizations have their legal entity and are governed by a board of trustees compared to conventional Waqf, which was managed by a single Mutawalli. Modern Waqf, therefore, has significantly more flexibility in adjusting to different legal and socio-economic paradigms. Additionally, compared to traditional Waqf, contemporary Waqf does not need to seek approval of a court judge (Qādi) to exercise changes or alterations to its function and management. Notwithstanding, Kuran holds that since there are variations in existing Waqf laws in different Muslim majority countries, contemporary Waqf is not a uniform institution. The effectiveness of Waqf has improved in countries where the legal framework of Waqf modernized. However, this notion cannot be generalized for other countries which have not responded to changing needs over time. For example, in countries such as Egypt, Syria and Algeria, the institution of Waqf remained relegated to a valueless industry. Since the institution of Waqf empowers communities and provides resources to religiously motivated organizations, it has always been a potential threat to the ruling classes. For this reason, the institution is marginalized in a few Muslim countries. Thus, many countries maintain restrictive forms of Waqf law to suit vested interests. In the view of Kuran and Habib Ahmad, legal ownership of Waqf in some countries has dampened public confidence in the institution. Highlighting a similar concern, Monzer Kahf points out "there is not even a single Wāqif who would wish governmental agencies to manage his or her Waqf. However, some governments have taken over Waqf against the will and aspirations of Wāqif." Ahmad looks at the problem of ineffectiveness in many Waqf from a different angle. Per him, the problem with Waqf is that in many jurisdictions it is not governed by Fiqh rulings but by the Waqf-laws of the country. It causes rigidity in its functioning and limits the potential effectiveness of the institution because the laws of the land are not necessarily as accommodative as the jurisprudence of Waqf. Ahmad elucidates, Waqf law in Bangladesh, for example, is very rigid and inflexible, requiring from each registered Waqf a payment of five percent of its total revenue to the National Waqf Board, a governmental body. Also, this board wields authority to interfere with the management of the registered Waqf. In contrast, the treatment of a registered trust is not the same, neither bounded by the payment of the five percent fee nor is it subject to governmental intrusion. In this environment, if one is given a choice between creating a Waqf or a Charitable Trust, it is more probable that the creation of a trust is preferred over Waqf. Apart from this, per Kahf and Ahmad, Waqf and trusts fulfill very similar objectives. However, their effectiveness is subject to the formulation of their deeds, functional structures, and paradigms of management. Per Kahn, permanent public endowments are compatible with the perpetuity feature of Waqf and similar to Waqf regarding their efficiency and effectiveness. However, Kahf underlines that the concept of performance has not dealt with in classical Fiqh. Though classical jurists have discussed the concepts of Amānah regarding the management of Waqf, classical Fiqh of Waqf needs to be embedded in contemporary Waqf to improve efficiency. In the view of Kuran, current Waqf practice is very flexible and does not specify adaptation from trusts; on the contrary, given the flexible nature of contemporary Waqf practices, it may need to learn from it. Current Waqf not only exhibits almost all the essential features of English trusts but also has all the merits of a modern non-profit corporation. Kuran agrees with Ahmad and Kahf in asserting that contemporary Fiqh of Waqf is flexible and no longer causes a hindrance in an efficient and effective management of Waqf. Despite this, Kuran suggests the following points for improvement of the effectiveness of Waqf:

1. The historical value of Waqf needs to be better understood by all its stakeholders.

2. The potential benefits of Waqf should be advocated among the broader community. There is a little understanding of how Waqf can empower communities through the provision of, for example, free social services, and how Waqf can solve many socio-economic problems, not only for Muslims but non-Muslims too.
3. Tackle any issues of corruption in existing Waqf and needs to safeguard against a fraudulent Waqf, who resorts to the mechanism to exploit its flexibility to serve their vested interests.
4. The jurisprudential principles of Waqf were based on analogical deduction (Qiyās), and thus further adaptation is possible where needs arise, provided these are carried out by Islamic scholars, and these adaptations are not contrary to the tenets of Islamic law.
5. A Wāqif should balance their discretionary powers with those of trustees, regarding adaptation in the clauses of the deed.

Classical Fiqh provides to the Wāqif absolute authority in setting the terms of the Waqf. Per Kuran, this provision causes rigidity in the institution of Waqf. Kahf, however, disputes this contention of Kuran, as he regards the provision entirely consistent with the theory of property rights in Shari'ah. Kahn emphasizes that there are technical differences between a Charitable Trust and a charitable endowment. Compared to an endowment, a Charitable Trust confers more power on trustees including the power of winding up the trust. However, donations are always perpetual. Thus, conceptually, the nature of permanent endowments, particularly public permanent endowments, is identical to that of Waqf. Regarding enhancing the prospects of Waqf-performance, Kahn suggests the following points:

1. The management of Waqf should not be handed over to a few individuals on a permanent basis. Rather, management may be relieved of their duties based on performance, rewarding high performers and dismissing underachievers.
2. Ideally, trustees' terms should be time-bound, nominally 3-5 years.
3. The efficiency characteristic of Waqf should be emphasized. The clause was not provided in classical Fiqh of Waqf, and thus there is a jurisprudential inadequacy concerning Waqf management to classical Fiqh. This existing gap should bridge modern Waqf management practice by embedding efficiency clauses in the deed.
4. While preparing a Waqf Deed, the Wāqif should insert clauses of efficiency, good governance, transparency, accountability, expected rate of return and reward for effective management into the contract.
5. Waqf managed by private entities are preferable and can perform better than those controlled by governmental bodies.
6. There is no rigidity in the principles of Waqf, but there is rigidity in the opinions of some of the Islamic scholars. In such cases, a moderate, facilitating opinion should be adopted.
7. The Fiqh of Waqf developed almost 1000 years ago. Consequently, many concepts of management are missing in its discourse. To this end, there is a need to learn from modern tools of management.
8. In line with the spirit of Prophetic Hadīth that "the one whose two days are the same, he is a loser," the concept of increment and growth should be emphasized in capital escalation strategy and revenue generation of existing Waqf.
9. There needs to be a policy for reinvesting accruing revenue from the existing Waqf. This practice ensures capital growth and maintains the sustainability of the Waqf on the one hand and continuously improves beneficiary impact on the other.

Ahmad views a few conceptual and technical differences between Waqf and trusts. Additionally, the jurisprudential doctrines of Waqf differentiate it from English trusts. For instance, whereas the ownership of Waqf rests with God, the legal and beneficial ownership of a trust rests with its Trustees and beneficiaries respectively. However, Ahmad counts the differences between the two institutions as superficial concerning their objectives and management. He stresses "the economies of both Waqf and trusts are almost the same; they can fulfill a similar purpose and both serve equally." Tahir Sabit echoes Ahmad's view, noting that "the model of English Charitable Trusts was borrowed from the concept of Waqf." Sabit holds that, in general, the functions of Waqf and trusts are similar in fulfilling certain objectives; however, there are some differences as well. Per him, "creation can be driven by a multitude of factors, but for Waqf, religious conviction is the main driver." Also, in the view of Sabit, "the requirement of Shari'ah-compliance in Waqf distinguishes it from trusts." Per Ahmad, drafting the deed of Waqf in an efficient manner is one of the most crucial steps towards its effectiveness. He believes that if the agreement is structured too narrowly concerning its objectives or management, the effectiveness of such a Waqf may be affected negatively. It has been the case with many traditional Waqf, as there are Waqf that was founded a long time ago, with very narrowly defined purposes, which are no longer relevant. For example, in India, there are instances of Waqf set up for benefiting the people of Medina, (one of the two holy cities in Saudi Arabia). However, given the reversal of affluence when comparing Saudi Arabia to India since the time of the establishment of these Waqf, this objective is no longer applicable, as the people of

Medina are in no need for financial assistance from foreign lands. Though Ahmad does not view contemporary Waqf to be as active as trusts, he asserts that there are examples of well managed Waqf. For instance, those managed by the Islamic Development Bank (IDB) are exemplary both for their efficiency and effectiveness. Furthermore, Ahmad asserts, the effectiveness of a Waqf vastly depends on the priorities, the purpose for which the Waqf has been created. He suggests that implementing a few points in current Waqf practice can be instrumental for its effectiveness, including:

1. Mutawalli's should give more discretionary power in deciding the purpose, management, and benefits of Waqf.
2. Efforts must be poured in to revive Waqf. It is crucial both for the empowerment of the communities they serve and for reinvigorating confidence in the institution of Waqf more broadly.
3. There are many Waqf lying ineffective due to underlying rigidity in their deeds. These deeds should be reviewed and restructured and their purposes redefined as per the needs of current circumstances.
4. Most traditional Waqf declined due to inefficient management, partially caused by a lack of expertise of the Mutawalli and through lack of accountability. These problems remedied by installing a proper mechanism of trustee selection and accountability.
5. In countries, such as the UK, there may be limited investment avenues for cash Waqf, resulting in the comparative disadvantage concerning potential return. Creation of new Shari'ah-compliant investment opportunities should be explored to solve this problem.
6. English trusts have improved their management through incorporating sophisticated and innovative means and methods of management.
7. Waqf should follow this example to achieve greater efficiency and effectiveness.
8. The legal framework of the UK should be broadly understood to adapt the functions of Waqf properly in the country. There are trust companies that manage trusts professionally, but such services are not available in the Islamic financial sector.
9. Re-emphasized the creation of new Waqf in the community, and promote the concept of Cash Waqf actively.
10. Efficient management of contemporary Waqf is key, not only in the short-term but also to secure the long-term sustainability of the organization. Adequate management of Waqf by the institutional Mutawalli strongly factors success of the institution.
11. It is critical for the effectiveness of Waqf that the most deserving beneficiaries are identified and served on a priority basis.
12. In defining the objectives of Waqf, examining the long-term socio-economic implications on the community is instrumental in their overall effectiveness.

Modern Waqf is still playing catch-up with the effectiveness of trusts. Compared to trusts, Waqf has a lag of almost two hundred years. This gap in the progress of the institution must bridge by expediting the renovation of its institutional edifice. Though there have been repeated calls for the revival of Waqf in past decades, this restoration process is slow, and Waqf needs to accelerate its progress to achieve the levels of sophistication and advancement experienced in trusts' management practices.

Rodney Wilson stresses that Waqf, particularly those functioning in the UK, must learn from the sophisticated mechanism wherever needed, should adapt to the requirements of the English legal environment. For this purpose, he adds, studies should be commissioned to examine not only the legal and management aspects of trusts but also to learn from the mechanisms for their governance, audit, transparency, tax-treatment and tailor-made structuring.

It believes that Waqf is relatively disadvantaged compared to trusts regarding generating competitive returns on investment. The prospects of full effectiveness of Waqf, Sabit underlines the following points to make Waqf more efficient:

1. Developing management skills in Mutawalli (individual or institutional) is more important than providing them training on Fiqh aspects of Waqf.
2. Both Mutawalli and beneficiaries inducted the spiritual nature of Waqf, altruism, volunteerism, and dedication to this pious cause should be understood by all stakeholders.
3. In countries where Muslims are in the minority such as the UK, immediate needs of the community should be assigned.
4. Innovative Waqf instruments should devise in line with the needs of different Wāqif and beneficiaries.
5. There is substantial scope for Waqf to learn from trusts; however, this should not lead to the 'secularization' of Waqf; the religious spirit of Waqf should not compromise and no violation of Shari'ah-principles should be tolerated in the process.
6. Waqf can learn from management techniques of trusts. The most important areas for Waqf to learn from include methods for maximizing its revenues in a tax effective manner and ensuring the protection of given assets.

7. A selective approach towards determining beneficiaries per their need should be emphasized.
8. Promotion of cash Waqf should be carried out by highlighting its significance and by dispelling any misconception regarding its Shari'ah permissibility.
9. There is a need to create and promote a special Waqf management fund in line with the mechanism of unit trust funds.
10. For corporate Waqf, the example of Johor corporate Waqf model in Malaysia can be used as a model for effective Waqf management.

Wilson holds that there are some variations in legal and jurisprudential aspects of Waqf vis-à-vis trusts. However, both devices can be employed interchangeably to serve similar objectives. Wilson further asserts that the tax treatment of Waqf and trusts plays a decisive role in their ultimate effectiveness. Additionally, the effectiveness of Waqf and trusts is subject to the given clauses of their deeds and structures, so generalizations of either effectiveness or ineffectiveness can be avoided as they cannot be authorized in practice. Regarding the comparison in terms of Waqf and trusts, Wilson points out that "in historical terms, there was a time when Waqf was very efficient; however, the Waqf is, perhaps, not as competent as the modern trust." In fact, contemporary Waqf has started incorporating almost all essential features of modern trusts into its mechanism; nevertheless, Waqf will require time to achieve its full potential. Wilson further stresses the significance of proper structure, function, operation and management of individual for achieving their objectives in an effective and efficient manner. He considers the classical Waqf relatively rigid, and this rigidity played a role in the overall stagnation and decline of the traditional process. However, he clarifies that this rigidity in classical Fiqh does not affect Waqf due to the significant change in its modern structure. Thus, the era of decline for Waqf is over now, as there has been noted progress in the process of development by the proactive involvement of the community and other stakeholders of the institution. For enhancing the efficiency and effectiveness of Waqf, Wilson offers fundamental suggestions for improvement, which was summarized in the following points:

1. Waqf managing institutions should introduce and follow good corporate governance practices.
2. The structuring of Waqf should be completed in compliance with the legal environment of a given jurisdiction and the tax implications of the governing authority.
3. For efficient management, if a range of small scale Waqf was consolidated, the resulting unified Waqf asset may be more advantageous.
4. Development of required skills and expertise for Waqf management should be emphasized.
5. International Waqf managing institutions should also focus on benefiting local communities.
6. Identifying the most deserving beneficiaries and serving them on a priority basis is vital for the actual deployment of Waqf resources.
7. Research should be conducted on successful examples of Waqf management in different countries to learn best practice.

CONCLUSION AND RECOMMENDATIONS

For Trust System

Based on what has been discussed and analyzed in the previous sections of this report, it is reasonable to believe that contemporary Waqf is undergoing a process of revival and renewal and new patterns, paradigms, and programs of Waqf management are emerging. There is a common perception that traditional Waqf gradually devised over time to becoming practically ineffective. In comparison, contemporary Waqf is potentially on par with the effectiveness of modern trusts. However, there is a blurred line on the causes of Waqf decline. In general, both ineffective and inefficient management of traditional Waqf has been identified as the root causes for the overall poor condition of the institution. Given this background, to achieve its full potential, new Waqf needs to learn from both; adverse experiences of traditional Waqf and the positive experience of new trusts. To this end, contemporary Waqf requires the critical attention of its stakeholders into four areas; conceptual, management, investment and governance aspects of the institution. Even before exploring the details of these recommended areas, it is pertinent to examine and analyze the key success factors of trusts in the UK. This analysis may, in turn, underline the building blocks for contemporary Waqf, which would help develop a new paradigm for efficient management in the country. There follows a summary of the distinctive elements of trusts, which make them relatively more useful compared to Waqf.

Best practice lessons from trusts

1. Founders: The founders of trusts are individuals who have donated considerable sums for the establishment of their foundation. Most trusts are established by founders to achieve specific charitable objectives. Thus, the founders' aspirations, vision, and mission play a critical role in chalking out the roadmap for the functions of the given trust. In comparison, there is limited parallel with a Waqf founded by any individual Waqf for serving similar charitable purposes by a single founder. Instead, most Waqf comprises several donations raised by Muslim charity organizations rather than being set up separately with their well-

determined aims. This variance between the nature of Waqf and trust founders impacts the sustainability and successful functioning of Waqf vis-à-vis trusts.

2. **Deeds:** In general, most trust deeds are drafted in professionally and feature flexibility and discretion for trustees. The possibility for amendment in the deed of trusts accommodates the potential need for change with time. In contrast, there is scarcely a need for formulating a Waqf Deed as most of the Waqf constitute one-time charitable donations given by individuals to the charity organizations. This practice eliminates the requirements for a Waqf Deed, which is otherwise central for evaluating the performance of the Waqf to the vision and mission of the Waqf.

3. **Clarity in the aims and objectives of the charity** is crucial. Trusts are set up with clear ideas and ambitions of their founders. However, this is not the case with current Waqf in the UK, as the Waqf in several instances donates in response to the appeal of different charity organizations and not by their ambitions and initiatives.

4. **Management:** The management of trusts is by appointed trustees. In comparison, Waqf in the UK is managed by Muslim charity organizations as a collective pool of different donors.

5. Due to this, unlike with trusts, the nature of different Waqf is not maintained. In contrast to the performance of different trusts, most Waqf in the country is subject to the presentation of the charity organization, which manages not only Waqf but also a myriad of various other donations as well. It can result in the incongruity between mechanisms for Waqf management and overall performance within the context of the charity.

6. **Investment approach:** One of the essential factors for successful trusts is that they assign greater significance to investment. An expert, prudent and active internal and external fund management team is central to successful trusts. Most trusts grow capital and maximize revenue through sensible risk mitigation. To this end, the evident trend in trusts' investments is a higher concentration in equities. For them, a long-term investment strategy is suited to the short-term volatility of equity markets, but long-term return and investment comprises 50 percent or more of most trusts' portfolios. In comparison, Waqf avoids exposure to equities regarded as too uncertain.

7. **Investment restrictions:** Most of the given investment apply their ethical policies, which neither affects their financial performance nor hinders the fulfillment of their missions.

8. **Efficiency:** The efficiency of the given trusts was partially ensured through minimum administrative costs. It is achieved by certifying the recruitment of a committed but unpaid board of trustees and by involving many volunteers to work for the charity.

9. Most of the trusts employ a reserve policy to safeguard them against occasions of poor return. Also, in general, charitable disbursement is subject to the performance of their respective investment portfolio each year, which plays an essential role in sustainability.

For Waqf

The following are recommendations for the further enhancement of the overall effectiveness of Waqf:

- a. The principles of Shari'ah and Fiqh are paramount in the establishment of Waqf and should not compromise the faith-driven spirit of Waqf.
- b. Like the practices of trusts, Waqf deeds should incorporate more discretionary powers to trustees concerning need-oriented application.
- c. Waqf deeds should have greater clarity concerning vision, mission, and objectives.
- d. As the example of successful trusts, the selection criteria for Waqf trustees should be standard and the process should be fully transparent.
- e. There is a need for Waqf management to enhance governance, transparency, and accountability.
- f. Waqf should also adopt a policy of reinvesting accrued revenue. This practice is essential in ensuring capital growth and continuity of benefits to beneficiaries.
- g. Trusts have improved their efficiency and effectiveness by adopting sophisticated and innovative means and methods of management. Waqf should emulate this, to achieve greater efficiency.
- h. The legal framework of the UK in general and tax implications for non-conventional trust-structures must be better understood, to enhance the functions of Waqf towards being more in tune with accounting principles of trusts.
- i. In contrast to companies that manage trusts, the Islamic financial sector does not offer services to manage Waqf as a profession, which is a gap that needs addressing.
- j. Waqf is relatively disadvantaged compared to trusts regarding generating competitive returns on investments. This situation was remedied by adopting an investment strategy for Waqf that would include establishing equity market portfolios.

For Conceptual Aspects

1. Promote the Shari'ah significance of volunteerism, altruism and charitable giving through various community-based programs.
2. Disseminate proper information about the spiritual merits of Sadaqah Jāriyah among the community in general and to potential donors.
3. Promotion of the concept of Cash Waqf while dispelling the existing misconceptions regarding its Shari'ah-compliance.
4. Provision of focused Tarbiyah programs to the entities involved in managing Waqf; inculcating in them a sense of duty towards beneficiaries as well as to the Divine.
5. Provision of a consultative mechanism for potential donors; guiding them on preparing deeds of Waqf; how to assess and define the purposes and beneficiaries of their donated Waqf.
6. Application of the objectives, or the Maqāsid alShari'ah perspective in determining the nature of prioritized purposes and persons to be benefitted by Waqf.
7. Prioritize beneficiaries from Waqf donations.
8. Pre-assessment of Waqf-based welfare schemes and their possible impact on the overall socioeconomic health of society.
9. Ensuring the involvement of the community in the institution at all levels

Recommendations: Management Aspects

1. Provision of specialized training programs on Waqf management to the key entities involved in the organization; both at an individual as well as institutional levels.
2. Establishing training to the management team on the values, vision, mission and ideals of the Waqf institution.
3. Pre-determination of short and long-term management goals and periodic assessment of their accomplishments.
4. Limiting the time-span for services of Mutawalli/ trustee e.g. between three to five years' tenure with the provision of their re-installment based on good performance.
5. Examining the feasibility and prospects for collaboration with Charitable Trusts to exchange knowledge and best practice experience of managing endowments.
6. Promotion of professionalism in the management of Waqf.
7. Provision of reward/incentives for good management of Waqf.
8. Employment of Waqf management teams with proven management experience.
9. Involving volunteers at all levels.
10. Efficient allocation of given donations with minimal administrative costs.
11. Examining the prospects for collaboration among different Muslim charities involved in Waqf management in the UK.
12. Create specialized Waqf management funds.

Recommendations: Investment Aspects

1. Employ internal asset managers along with outsourcing services of external asset managers.
2. Pre-determination of investment aims and objectives with the expected rate of return.
3. Deliberation on how to maximize the prospects of financial return by prudent portfolio diversification.
4. Examine the feasibility of higher investment in Shari'ah-compliant equities.
5. Allocation of special funds (through reserves) for the enhancement of capital growth for existing Waqf.
6. Exploring the viability of financing the development of existing but unproductive Waqf.
7. Deliberation on how to maximize the prospects of the social return on the investment of Waqf (CSR).

Recommendations: Governance Aspects

1. Appointment of reputed and credible Trustees with proven moral integrity and full conviction in the values of the institution.
2. Introducing the best practices of corporate governance for Waqf managing institutions.
3. Installment of a proper mechanism of transparency and accountability.
4. Involvement of Shari'ah experts as internal auditors with the responsibility of advising and auditing Shari'ah issues.

Conclusion

Based on a comprehensive review of the literature on Charitable Trusts and Waqfs, at the core of their similarities lies the intention of voluntarily giving up one's assets or property for the sake of others, especially those in need, with the settlor/contributor's agreement to an irrevocable trust. While Charitable Trusts in the UK are not governed by the values and beliefs rooted in religion, it ensures the commitment of the charitable organization to its cause through measures that enable them to assess the operations of charitable institutions. It ensures that they do not exist to achieve self-serving interests of individuals and groups, like what happened in earlier periods of English History. Waqfs, on the other hand, are rooted in Islamic religion and allow its

contributors to allocate their properties or assets for their children and descendants. Islam put strict restrictions and connected it with religion and the financial system, so Waqf money will not be wasted or be misused by a personal interest. However, many scholars pose challenges to policies on Waqfs at present as many issues arise from the overlap of religious laws and State laws. The general purpose of Waqf Money spending is Charity, with the preservation of the original funds, and restrict the donor and others to use it so the outcome is to be used to spend on a charity party to be closer to the Mighty God. Thus, further research on policies and possible interventions to resolve these issues must be developed and implemented. This comparison study has tried to show the significance of Waqf and the Trust System in the UK. Although not the same in Basis of Policies and Components, they still use these systems to benefit the public although the Waqf can also benefit private groups. The advancement of Waqf as a socio-economic institution entailed several benefits for early Islamic societies and since then, the institution of Waqf has played a critical role in the provision of social security and necessities to the masses. The role of Waqf has been instrumental in the advancement of education, religion, spirituality and general welfare for all. In brief, the institution of Waqf provided a channel for sustainable charity across the Muslim world and beyond. The mechanism of Waqf has parallels with English trusts and there is strong evidence that English trusts' conceptual and structural frameworks are rooted in Waqf origins from around the twelfth century. Like the institution of Waqf, the role of trusts has been crucial in institutionalizing charity in English society. Waqf originated as an Islamic charitable institution and constantly maintained its religious character throughout history. The religious nature of Waqf entailed many distinctive implications for the institution, which distinguish it from English trusts. the Waqf is necessarily required to comply with Shari'ah in terms of its structural formation, administrative framework, intended objectives and applied methods of management. In comparison, despite having close affinities in its structural formation with Waqf, English trusts transformed into a secular device, free from religious regulation. Waqf and trusts both have their own history of effectively serving a multitude of charitable objectives within their own contexts. However, the two institutions witnessed divergent experiences of prosperity and decline during the phases of their prolonged history. After functioning actively for almost one thousand years, during the nineteenth and twentieth centuries, Waqf encountered setbacks, which posed the serious threat to its viability as an institution. In comparison, trusts experienced no significant negative experience hindering progression. Despite this difference, the revival of Waqf in the modern age is in progress and promises to enable the institution once again to compete with an equal effectiveness of trusts. As far as the comparative of the two institutions is concerned in the present day, there is no scope for generalization. In contrast, the effectiveness of Waqf or trusts can be assessed and ascertained by juxtaposing their functions, management, and outreach on an individual basis. In general, there are discrepancies between Waqf and trusts' management practices in the UK. Firstly, whereas there are many well-established charities functioning purely based on permanently endowed lump sum capital, specialized Waqf-based endowment on a parallel footing are negligible. Secondly, most of the examined trusts place a substantive proportion of their capital in equities, Muslim charity organizations scarcely invest Waqf donations into stock. Instead, investment in the property market is, evidently the priority area for Waqf-based capital investment. This divergence in the approaches between Waqf and trusts causes a comparative disadvantage for Waqf regarding return on investment. Thirdly, since most Muslim charities have comparatively smaller levels of capital investment, there are limitations for the proper diversification of their investment portfolios. Finally, there is a shortage of Shari'ah-compliant investment avenues for the investment of Waqf-based capital and this phenomenon limits available options for Muslim charities into a limited area of possible investment vehicles. This paper examined the areas of similarity and difference between Waqf and trusts in their conceptual, structural and administrative frameworks, and a critical analysis of their objectives and comparative effectiveness, particularly in the context of the UK charity sector. For developing a comprehensive understanding of how the functions, structures, and management of trusts in the UK are different from that of Waqf, the annual reports of five selected trusts were examined and analyzed. The focus of the study was to pinpoint the most critical elements of success in trusts and the prospects for their incorporation into Waqf. The paper presented recommendations aimed at enhancing the institution of Waqf in a contemporary context and to improving its effectiveness vis-à-vis English trusts in the UK. It was also found that Waqf management practices in the UK are not as effective as practices within trusts' management. The fundamental difference between the two institutions lies in the orientation of their deeds, precision of their objectives, flexibility of their structures, the professionalization of their approaches, policies regarding the treatment of their capital and strategies of their investment. Also, this paper highlighted areas for further research with recommendations on how to address existing disparities between the practices of Waqf and trusts' management in the UK. Finally, the paper recommended more focused research on the process of reviving Waqf along with ascertaining underlying areas of disparity from traditional Waqf.

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