

Legal Issue of Cash WAQF Institution in Indonesia and the Legal Solution

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Abstract. The community's money waqf practice does not align with the law's mandate, as it does not transfer funds to Islamic Financial Institutions, also known as Cash Waqf Recipients. The study focuses on the institutional issue of money waqf law in Indonesia and its potential legal remedies. The type of field research and the approach are empirical and juridical. The results showed that the institutional problem of cash waqf law, namely the performance of Islamic Financial Institution Waqf Recipients and Indonesian Waqf Institutions, has not been optimal. In reality, the majority of people do not have money endowments in the Islamic Financial Institution Waqf Recipient, but instead have cash endowments with Nadzir. The reason is that the people are unfamiliar with Islamic Financial Institution-Cash Waqf Recipient and do not understand the existence of money endowments. Furthermore, the lack of coordination between the Islamic Financial Institution-Cash Waqf Recipient and the Indonesian Waqf Institution has made it challenging to control and evaluate the money endowments transferred from the Indonesian Waqf Institution to the Islamic Financial Institution-Cash Waqf Recipient. The legal solution involves optimizing the performance of both Indonesian Waqf Institutions and Islamic Financial Institution-Cash Waqf Recipients as money waqf legal institutions. This includes socializing the money waqf law in the community to increase trust and interest in public money endowments at the Islamic Financial Institution-Cash Waqf Recipient, thereby enabling the enforcement of money waqf law more effectively in Indonesia.

1. INTRODUCTION

Several Islamic countries, including Qatar, Kuwait, Malaysia, Saudi Arabia, and Indonesia, have adopted the practice of cash waqf in modern times. These countries practice cash waqf in various ways, including direct payments to waqf institutions, transfers via mobile banking, short message services, and the establishment of waqf corners. Cash waqf is a socially and religiously beneficial use of money, managed by Nadzir. Based on the principle of benefit, in 2001, the Islamic Development Bank (IDB) formed the World Waqf Institution to develop cash waqf management from productive business in the real sector, investment, and stock trading. Qatar and Malaysia develop cash waqf management through investments in Islamic banking, hotels, offices, and agriculture. Kuwait has established a cash waqf management institution called the Public Waqf Foundation (*al amanah al 'aamah li al-awqaf*) to develop cash waqf as an economic and social security instrument (Dennis, Qoyum, & Sakti, 2018). The Saudi Arabia government through the Ministry of Waqf, has given money in the form of shares to a profitable building contractor company. The country also manages cash waqf through cash waqf investment management in various sectors, such as, direct investment in companies or productive business units and investment in the Sharia financial sector, such as *mudharabah* deposits and sharia mutual funds. The profits from the cash waqf investment are distributed to the parties entitled to receive it to empower their economy (Dennis et al., 2018). In Indonesia, since the enactment of Law Number 41 of 2004 concerning waqf, which regulates the permissibility of cash waqf, it has increased public enthusiasm to donate money because the act of waqf is getting easier to do. Donating money doesn't need to wait until you are wealthy; you can donate as much as you can, and money can be easily obtained almost anytime we have money. Moreover, in today's digital era, conducting cash waqf online through cellphones and digital technology is becoming more convenient. According to data from the Indonesian Waqf Institution, it shows that cash waqf collected from 2011 to 2018 amounted to IDR 255 billion. In 2020, the amount of cash waqf in Islamic Financial Institutions-Cash Waqf Recipients was IDR 328 billion. Data from the Indonesian Waqf Institution indicates that the total cash waqf collected from 2011 to 2018 was IDR 255 billion. In 2020, the amount of cash waqf received by Islamic Financial Institutions was recorded at IDR 328 billion. Waqf embodies religious values such as *amal jariyah*, which refers to unending charity, even after the death of the wakif. This is what motivates people to make financial donations, even if they may not fully comprehend the concept of cash waqf. Considering the background above, Jokowi's government supports cash waqf activities by holding the National Cash Waqf Movement on January 25th, 2021, which was a follow-up to the national cash waqf movement program during the era of President Susilo Bambang Yudhoyono in 2010 (Suhairi, Nizaruddin, Hud Leo Perkasa Maki, Abror, & Muhammad, 2023). The government's support above aimed to increase the development of cash-waqf instruments in society. In addition, it greatly assisted the government in achieving national development goals, such as, improving the life of the nation, improving public welfare, eradicating poverty, and providing citizens with the right to practice religious teachings according to their beliefs, including waqf as part of practicing Islamic teachings in returning their wealth. Cash waqf has become a very important instrument of charity because it is dynamic and can be managed in a broader context. Management of cash waqf, if managed through a good and correct management system, can be one solution to overcome government problems in the economic sector by providing capital for small and medium economic entrepreneurs so that economic activities run smoothly and improve their welfare. Cash waqf is very flexible, considering that the lower middle or upper middle economic strata can contribute to donating part of their assets according to the income that they have. Cash waqf is an instrument that moves for socio-economic development, welfare, and poverty alleviation. Waqf has the potential to lower taxes, boost consumer and producer surplus, and positively influence aggregate production while simultaneously reducing expenditure costs. The allocation of cash waqf is not only limited to religious matters but also for sustainable development (Tamimah, 2021).

Cash waqf has long been practiced in various countries such as Bangladesh, Egypt, Kuwait, and other Islamic countries in the

Middle East. In Indonesia, the fatwa on cash waqf was only issued by MUI (the Ulama Council of Indonesia) on May 11th, 2002. The cash waqf instrument has recently experienced a very positive trend in Indonesia (Rahmania & Maulana, 2023). This indicates the commencement of a government-launched movement, the National Movement of Cash Waqf, on January 25th, 2021. The practice of cash waqf is the application of rules derived from religious values and state regulations. Waqf law, philosophically derived from Islamic law, is then strengthened by state regulations, in the form of statutory regulations, aiming to provide legal certainty and protection for *wakif* and *nadzir* and to save waqf assets so that they are useful in society (Donald, 2017). Laws on cash waqf, among others; Law Number 41 of 2004 concerning Waqf, Government Regulation Number 42 of 2006 concerning Waqf Implementation Regulations, Indonesian Waqf Institution Regulation Number 1 of 2009 concerning Guidelines for the Management and Development of Movable Waqf Assets in the Form of Money, Indonesian Waqf Agency Regulation Number 2 of 2009 concerning Guidelines for Receiving Cash Waqf for *Nadzir* of the Indonesian Waqf Institution (Islamiyati, Hendrawati, & Musyafah, 2021). The rules are written laws that must be obeyed by the community; however, in reality, the implementation of cash waqf still has several legal issues, namely, the implementation of cash waqf practices directly to the *Nadzir*, not at the Islamic Financial Institution Receiving Cash Waqf, as mandated by the Waqf Law, and coordination between cash waqf institutions and the Indonesian Waqf Institution is not optimal. This is what makes research on the Legal Issue of Cash Waqf Institutions and their Legal Solutions very important to do. The problem in this study is what are the legal issues of cash waqf institutions and their legal solutions? The purpose of the study is to identify and describe the problems of cash waqf institutions, analyze them, and find the legal solutions. The contribution of the study can be used as references for further research with the same theme and can be used as an idea for formulating policies for the government that are related to optimizing cash waqf institutions. The study's novelty lies in its focus on optimizing the cash waqf institution to provide the best service possible to the community. Indonesia has various types of waqf, such as cash waqf, waqf of intellectual property rights, and other movable property waqf, but land waqf still dominates in Indonesia. This is due to the importance of land to Indonesians, particularly those living in rural areas where farming and gardening are their primary occupations (Munandar, 2021). However, not all Indonesians are aware of the procedures for implementing waqf in accordance with applicable regulations. The public's lack of knowledge about waqf regulations in Indonesia, particularly Law No. 41 of 2004 concerning waqf, can be attributed to inadequate socialization of these regulations. Therefore, it is crucial for the public to understand these regulations in order to comprehend the waqf administration procedures (Islamy, Ariputri, Soegijanto, & Tanaya, 2023). Research on the theme of cash waqf problems and cash waqf institutions has been conducted by previous researchers, including Uswatun Hasanah, in the study of The Role of Indonesian Waqf Institution in Promoting and Developing Waqf in Indonesia, which showed that the Indonesian Waqf Institution is an independent institution appointed by the government to develop waqf in Indonesia. The Indonesian Waqf Board had the authority to establish more detailed regulations regarding waqf law in Indonesia; socialize waqf law in society; increase *nadzir* resources in managing waqf assets; and others. The role of the Indonesian Waqf Board in developing cash waqf is as a *nadzir* to manage cash donations and distribute the results to improve community welfare (Noipom & Hassama, 2017). Rusli, Darsono, Fauzin, Ridwan, and Hakim (2023), in a study entitled The Development of Cash Waqf in Indonesia and its Impact on the Progress of Islamic Boarding Schools, show that the development of cash waqf can reduce the budget deficit and government loans and improve community welfare if managed systematically through Islamic banks. The reasons are that Islamic banks have adequate equipment, both in terms of human resources and infrastructure; have a wide network so that the development of this cash waqf can be more optimal; and its distribution is even and full of justice, so that it can develop Islamic boarding schools. Aziz (2017) in his research on the Role of the Indonesian Waqf Institution in Developing the Prospects of Cash Waqf in Indonesia shows that the role of BWI in developing the prospects of cash waqf in Indonesia, among others, coaching for *nadzir* professionally, both individuals or legal entities which are given authority and responsibility as a *nadzir* of cash waqf; involving strategic business partners engaged in financial services (especially sharia-based), such as; sharia banks, cooperatives, Baitul wal Tamwil and others, in the process of promoting and socializing cash waqf which is being developed by the Indonesian Waqf Institution, so that the prospects and strengthening of public trust in cash waqf at the Indonesian Waqf Institution will increase. In a study on The Legal Issues of Cash Waqf in Central Java, Indonesia, Islamiyati et al. (2021) identified legal issues with cash waqf in Central Java. These issues included low public interest in cash waqf, a lack of coordination between waqf institutions, and a misunderstanding about the meaning of cash waqf and waqf through money. The legal solution involves socializing the regulations for cash waqf, optimizing the performance of Islamic Financial Institutions such as Cash Waqf Recipients and the Indonesia Waqf Institution, and enhancing the professionalism of *nadzirs*. The study's results indicate a lack of prior research on the issue of cash waqf institutions and their legal solutions. This study focuses on identifying the issues of cash waqf institutions and their legal solutions.

2. MATERIALS AND METHODS

This type of research, known as field research, took place in Semarang. The research sample consisted of several Islamic financial institutions—Cash Waqf Recipients, namely Bank Syariah Indonesia in Semarang, the Indonesian Waqf Institution in Semarang, and the Indonesian Waqf Institution in Central Java. The research uses an empirical juridical approach. Juridical research aims to investigate legal issues related to cash waqf institutions. Empirical research focuses on the application of cash waqf legal rules in society, the relationship between law and society, and the challenges and solutions associated with cash waqf practices in Islamic Financial Institutions, specifically Cash Waqf Recipients. This research is qualitative research that aims to describe and analyze the legal issue of cash waqf, and the results can build a theoretical concept based on data and research sources. The approach was taken by combining existing regulations or laws, in this case included in the type of secondary data (Faathir & Hasanah, 2022), together with primary data originating from the field, in this case the Islamic Financial Institution Bank - Cash Waqf Recipient in Semarang. The research data needed were primary and secondary. Primary data collection came from the interviews with Islamic Financial Institutions - Cash Waqf Recipients, the Indonesian Waqf Institution, and the community, as well as the documentation. Secondary data collection came from primary legal materials (legislation related to the duties of Islamic Financial Institution - Cash Waqf Recipient related to cash waqf), secondary legal materials (literature, journals, websites, and legal dictionaries related to cash waqf), and tertiary materials (non-legal dictionaries and non-legal literature). The research data was analyzed descriptively and analytically, meaning that the research results would be presented, and then it was analyzed to answer the research problems. Data processing was carried out by reviewing, organizing, conceptualizing or compiling data, synthesizing, analyzing, editing, coding and concluding so that the objectives and significance of the research would be achieved.

3. RESULTS AND DISCUSSION

3.1. Legal Issue of Cash Waqf Institution

Waqf has a close connection to enhancing human welfare. The objectives of Islamic law for the welfare of mankind also connect to Waqf. *Al-maslahah*, a legal argument, provides the foundation and benchmark for determining the legal basis. The Ulama believe that every rule, whether it's based on *nash* or *jima*, stems from wisdom, whether it's for the purpose of reaping benefits or avoiding *mafsadah* (Lita, 2018). The development of waqf economics supports the utilization of waqf assets for economic growth in Malaysia. Because the majority of people in Malaysia are Muslims, several banking institutions have adapted to sharia, demonstrating the strength of Islamic financial aspects in contributing significantly to economic growth and the welfare of the Malaysian population (Rosli & Osman, 2024). Legally, a *nadzir* can separate and manage assets through a legal act known as waqf. Law No. 41 of 2004 concerning Waqf is a legal act that allows for the separation of part of an individual's assets for a specific period, in accordance with sharia, for the purposes of worship and/or public welfare. Despite waqf's significant role in community life and years of implementation, its effectiveness has been lacking in practice. Currently, waqf is only limited to immovable property and is intended for physical development purposes such as mosques, prayer rooms, Islamic boarding schools, graves, and others (Muflichah, 2017). The legal matter concerning the cash waqf institution aims to delineate and pinpoint the challenges associated with the implementation of cash waqf in Islamic Financial Institutions - Cash Waqf Recipients. Subsequently, it establishes a connection with the Indonesian Waqf Board, an autonomous organization with the authority to cultivate waqf in Indonesia, including cash waqf. This sub-chapter will first explain the legal regulations for cash waqf and then link the legal issue of cash waqf in Islamic Financial Institutions - Cash Waqf Recipients to the Indonesian Waqf Institution. The legal rules of cash waqf were initially contained in the MUI (the Ulama Council of Indonesia) Fatwa on the permissibility and general rules of cash waqf, issued on May 11, 2002. Furthermore, the government thoroughly explained cash waqf in Law Number 41 of 2004 concerning Waqf and Government Regulation 42 of 2006 concerning Waqf Implementation Regulations. Law Number 41 of 2004 concerning Waqf Article 16 explains the validity of cash waqf, that money is one of the movable assets that can be donated. At the same time, the provisions have been described in Article 22 of Government Regulation 42 of 2006: a) The currency for cash waqf donation is rupiah. b) The *wakif* who will donate his money must be present at the Islamic Financial Institution Receiving Cash Waqf to state his intention to waqf his money. c) If it is in the form of money, then cash waqf from residents is used to build religious facilities and their facilities, for example, the purchase of carpets, mats, speakers, domes, and others. d) The community has not been taught how to handle waqf money. e) No public trust in Islamic Financial Institutions - Cash Waqf Recipients as public servants in donating money. f) The community trusts more in managing waqf assets directly with the *nadzir*. g) When the community donates money, it is generally still traditional, verbally, and directly to the *nadzir* in cash waqf, not at Islamic Financial Institutions - Cash Waqf Recipients. h) The community has not entirely donated to Islamic Financial Institutions - Cash Waqf Recipients because they are unfamiliar with it and do not know its purpose.

So far, the Indonesian Waqf Institution has coordinated with the waqf administrators through training or workshops, but only in general. It did not explain in detail the concept and practice of cash waqf; those who attended also changed, so it was less effective and efficient. Waqf provisions in each country are different, such as Malaysia and other ASEAN (Association of Southeast Asian Nations) countries with a Muslim majority population that adhere to the *Sayfi'i mahzab*, while India adheres to the *Hanafi mahzab* and Middle Eastern countries adhere to the *Maliki mahzab* (Mohamad, Laeba, & Hamdan, 2021). This difference also determines the principles of waqf, which vary. There are various ways to practice waqf based on the school of thought it adheres to. Indonesia adheres to the *Shafi'i mahzab* with national regulations in Law No. 41 of 2004 concerning Waqf. Referring to the data above, it shows that in implementing cash waqf, the community is more dominant based on the rules in the form of values derived from religion, namely Islam, which are conveyed by the local *kyai* (expert in Islam/cleric) or *ulama*. The community often practices cash waqf by means of cash waqf, namely the *wakif* hands over cash to the *nadzir*, and the *nadzir* spends it in the form of fixed or movable assets according to the request of the *wakif*. Waqf through money and cash waqf have similarities, namely originating from the *wakif* in the form of money (Suyatno, 2023). The difference is that waqf through money is in the form of waqf property in the form of money; it cannot be replaced with another, while cash waqf, waqf assets can change from money to other waqf assets, for example, mosque buildings, prayer rooms, and others. Thus, the community understands more about the legal rules of cash waqf through religious law, not through legislation. The community is not yet familiar with waqf institutions, namely the Indonesian Waqf Institution and Islamic Financial Institution - Cash Waqf Recipient as explained in the Waqf Law. In fact, the Indonesian Waqf Institution has not been formed in each regency throughout Indonesia. As a result, the socialization of the legal regulations for cash waqf has not been effectively implemented (Iskandar & Sofuoğlu, 2023). Legal issues of cash waqf in the community that exist in cash waqf service institutions in the community, namely, the Islamic Financial Institution - Cash Waqf Recipient. So far, the community is not familiar with the Islamic Financial Institution - Cash Waqf Recipient, so the community does not donate money at the Islamic Financial Institution - Cash Waqf Recipient. The community prefers cash waqf that is deposited directly to the *nadzir* because the *wakif* finds it easier to know its use. Another legal issue with cash waqf at the Islamic Financial Institution - Cash Waqf Recipient is the cash waqf storage system, which is still under debate. This is because funds stored in banks are subject to tax or administration fees, despite the fact that waqf assets, according to their principles, cannot be spent. This is what makes some Islamic Financial Institutions - Cash Waqf Recipient not accept cash waqf but are advised to pay *zakat* or *infaq* only. The institutional problems of cash waqf above are also caused by the Indonesian Waqf Institution as the institution that is responsible for the implementation and development of waqf in Indonesia, not carrying out its duties and authorities effectively. The Indonesian Waqf Board is not fully aware of the progress report on cash donations in the community. There is no coordination with the Islamic Financial Institution - Recipient of Cash Waqf as the recipient and provider of cash donation services in the community. This is proven by the lack of data on the progress of the implementation of cash waqf by the Indonesian Waqf Institution, so that controlling and evaluating cash waqf is difficult to do (Ikhyannuddin, Raza, Akhyar, Arief, & Kusuma, 2022). The causative factor is that human resources are still lacking in understanding and managing cash waqf. The enthusiasm of the Indonesian waqf institutions to collaborate with other institutions, such as Islamic Financial Institutions—recipients of cash waqf, professional *nadzir*, universities, and others, is also still lacking. In addition, the funding factor from the government budget and the professionalism of *Nadzir's* work are still far from what is expected. As a result, the Indonesian Waqf Institution has struggled to fulfill its responsibilities and authority, particularly in promoting cash waqf. This is what causes cash waqf to experience legal problems; it is not yet effective in society because society does not fully know and understand cash waqf as stated in the laws and regulations. These are some of the factors that prevent the institutional aspect of the cash waqf law from being enforced in society, as the law's mandated cash waqf regulations remain unimplemented (Mohamad, Ab Rahman, & Marican, 2014).

3.2. Legal Solutions to the Legal Problems of Cash Waqf from the Institutional Aspects

Starting from the legal problems above, the legal solution is to try to ensure that the implementation of the cash waqf law is by the mandate of the Waqf Law and that the practice of cash waqf obtains legal legality. One of the legal solutions involves ensuring that the elements of the cash waqf pillars are fulfilled (Rusydiana, 2018). The pillars of cash waqf are identical to those of waqf in general, which include wakif, waqf assets, nadzir, and a waqf pledge made in front of the Islamic Financial Institution - Recipient of Cash Waqf, along with the purpose of the waqf and two witnesses. Furthermore, the legal solution for cash waqf is grounded in the aforementioned legal problems (Ihsan, Sulaiman, Mohammad Alwi, & Adnan, 2017). First, the Indonesian Waqf Board requires professional human resources to enhance its quality, enabling it to enforce the law on cash waqf. The Indonesian Waqf Board assumes the role of a waqf administrator, responsible for managing and empowering waqf assets both nationally and internationally, thereby enabling the community to reap its benefits. The community eagerly anticipates the Indonesian Waqf Board's role in safeguarding the waqf through waqf acts, ensuring legal certainty and protection, and realizing their intention to worship for amal Kariya. Secondly, enhancing the performance of the Indonesian Waqf Institution is crucial for fostering cooperation with Islamic Financial Institutions, specifically Cash Waqf Recipients and Cash Waqf Administrator institutions. The Indonesian Waqf Institution cooperates with Islamic Financial Institutions—Cash Waqf Recipients—so that it can monitor the dynamics of community enthusiasm for donating money. Regarding the development of donated cash assets, the Indonesian Waqf Institution should collaborate with the cash waqf administrator/nadzir to enhance the administrators' performance, thereby ensuring that the community benefits from the cash waqf assets. Due to the structural relationship between the Indonesian Waqf Board and the nadzir, the Indonesian Waqf Institution is also responsible for supervising, guiding, and controlling the nadzir's performance. The Indonesian Waqf Institution Regulation Number 1 of 2007 talks about the organization and work procedures of the Indonesian Waqf Institution. Article 8 of that regulation spells out the Indonesian Waqf Institution's duties and powers toward the nadzir (Rusydiana, Hidayat, Widiastuti, & Rahayu, 2021). Third, the way the government handles cash waqf institutions (its political will) should make it easier for people to understand the legal rules of cash waqf by making funds available for discussion. Moreover, society has not yet become familiar with the existence of the cash waqf law; therefore, coordination with various parties and elements of society is necessary to effectively explain the concept of cash waqf. There should be no confusion between cash waqf and other donations, like faq, sadaqah, and zakat. Many people believe that waqf solely pertains to fixed assets. However, since the government enacted the Waqf Law, the scope of waqf assets has expanded to include fixed, non-fixed, and money assets (Article 16). Suppose the public already understands Cash Waqf and its technical instructions. We hope that the public will be enthusiastic about waqfing money as a continuous charity to gain rewards in this world and the hereafter (Nugraha, Susilo, Huda, Athoillah, & Rochman, 2022). Furthermore, the government should not only establish Islamic banking as a custodial bank that accepts cash waqf but also legalize it to function as a nadzir for cash waqf (Herindar & Rusydiana, 2021). This is due to the fact that Islamic banking, as one of the Islamic financial institutions, is considered capable of managing cash waqf. This can be achieved not only through deposits but also through the development of cash waqf assets, which the community can then utilize. Researchers suggest that the government should implement a policy that extends the availability of cash waqf services beyond Islamic Financial Institutions and Cash Waqf Recipients. However, other socio-religious institutions have the qualifications and ability to manage cash waqf, such as Tabungan Wakaf Indonesia, affiliated with Dompot Du'afa, Baitul Mal Mu'amalat, and Posko Keadilan Peduli Ummat. The government's task is to provide direction, legislation, and monitoring in the supervision framework so that the institutions that serve cash waqf can carry out their duties trustworthily and do not deviate from Islamic provisions (Siregar, 2024).

3.3. Islamic Financial Institutions – Cash Waqf Recipients

Islamic Financial Institution—Cash Waqf Institutions providing cash waqf services expect the recipient to take on a greater responsibility in raising public awareness about cash waqf. Islamic Financial Institutions - Cash Waqf Recipients should strive to communicate with the public to ensure that their responsibilities in providing cash waqf services align with the planned targets. This can be achieved by a) increasing the presence of Islamic Financial Institutions - Cash Waqf Recipients in the community, thereby increasing public familiarity and understanding, which in turn will boost public enthusiasm for money donations. b) Aim to boost the revenue from cash waqf services provided by Islamic Financial Institutions - Cash Waqf Recipients, thereby enhancing the enforcement of the cash waqf law. c) Foster a positive image of Islamic Financial Institutions and Cash Waqf Recipients in the community, with the aim of enhancing public trust in their satisfactory performance. d) Provide special services regarding cash waqf, including transaction forms used to include the names and signatures of witnesses and *nadzir* so that the legality of cash waqf is fulfilled. This is to ensure the continued development of Islamic Financial Institutions - Cash Waqf Recipients, their growth, and the promotion of national economic progress. e) Form a mutually beneficial partnership with professional nadzirs for the management and development of cash waqf. f) Collaborate with the Indonesian Waqf Institution in the execution of cash waqf, with the aim of promoting collaboration between the Islamic Financial Institution - Cash Waqf Recipient - and the government, thereby influencing the government's policy towards the enforcement of cash waqf law.

4. CONCLUSIONS

The aforementioned explanation leads us to the conclusion that the Islamic Financial Institution—Cash Waqf Recipient—is the institution responsible for implementing cash waqf, which presents an institutional challenge. Due to its suboptimal performance, the Islamic Financial Institution—Cash Waqf Recipients did not implement cash waqf in accordance with the law's mandate. In addition, the performance of the Indonesian Waqf Agency was also not optimal in coordinating with the Islamic Financial Institution—Cash Waqf Recipient. Hence, the progress data on implementing cash waqf by the Indonesian waqf institution was unknown. Consequently, the Indonesian Waqf Institution has not achieved full success in managing cash waqf. The legal solution involves optimizing the performance of both the Indonesian Waqf Institution and the Islamic Financial Institution—Cash Waqf Recipient, which serves as a legal institution for cash waqf. The Ministry of Religious Affairs has designated the LKS-PWU Lembaga Keuangan Syariah—Penerima Wakaf Uang, a legal corporation in Indonesia that operates in the field of Islamic finance, as an Islamic Financial Institution. Amic Financial Institutions: Cash Waqf Recipients and the Indonesian Waqf Institution are expected to cooperate with professional nadzir to provide benefits and develop asset investments to enforce cash waqf law.

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The authors declare that they have no competing interests.

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All authors contributed equally to the conception and design of the study. All authors have read and agreed to the published version of the manuscript.

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