

Financing Awqaf Fiqh Study

Prepared by:

Prof. Dr. Abdullah bin Mohammed Al Omrani

Professor of Fiqh- Faculty of Sharia

Imam Mohammad ibn Saud Islamic University

Study Abstract

Financing Awqaf is one of the significant topics; it greatly contributes to developing, building, growing, and sustaining Awqaf. This research reviews the provisions of financing Awqaf, and how to get benefit of financing formulas. If Waqf requires finance for establishing a building on Waqf land, if Waqf management decides to buy real estate, or if Waqf requires operating expenses but the liquidity is not enough; then, the loan form, Murabaha to purchase orderer, and participating in revenue are all examples for appropriate forms to provide the required finance. Most of the jurists see that it is permissible to borrow for Waqf to finance it if there is a necessity and interest, but this should be controlled; in order to achieve Waqf sustainability. The idea of participating in revenue of applications on Waqf mentioned in this research is based on the Mugharasa contract in Fiqh. It is one of the legal contracts; as the financed land owner participates by providing an asset, and the financier develops this asset for a share of revenues. Thus, it is an appropriate form for founding Awqaf that needs significant capital finance.