

WAQF PROPERTY RENTAL MANAGEMENT IN KEDAH: ISSUES AND CHALLENGES

Marina Abu Bakar^{1*}

Shofian Ahmad²

Ahmad Dahlan Salleh³

Mohd Fairuz Md Salleh⁴

Khairul Anhar Fadzil⁵

¹ PhD student, Centre for Contemporary Fiqh and Islamic Compliance, Faculty of Islamic Studies, National Universiti of Malaysia (UKM), 43600, Bangi, Selangor & Lecturer, Kulliyah of Sharia and Law, Sultan Abdul Halim Mu'adzam Shah International Islamic University (UniSHAMS), 09300, Kuala Ketil, Kedah.

² Associate Prof Dr., Centre for Contemporary Fiqh and Islamic Compliance, Faculty of Islamic Studies, National University of Malaysia (UKM), 43600, Bangi, Selangor.

³ Senior Lecturer, Centre for Contemporary Fiqh and Islamic Compliance, Faculty of Islamic Studies, National University of Malaysia (UKM), 43600, Bangi, Selangor.

⁴ Senior Lecturer, Centre for Sustainable and Inclusive Development, Faculty of Economics and Management, National University of Malaysia (UKM), 43600, Bangi, Selangor.

⁵ Manager, Pengurusan Izzah Sdn. Bhd, Kedah Islamic Religious Council (MAIK), Kedah.

*Corresponding author (Email: cikmarina9@gmail.com)

Accepted: 5 Mac 2020, Process: 27 April 2020, Published: 30 September 2020

Abstract: *Waqf is the driving force of the ummah economy in a country. Waqf property rental is one of the activities carried out by the State Islamic Religious Council (MAIN) in generating waqf income in Malaysia. In Kedah, all matters relating to waqf are managed and administered by a body known as the Kedah Islamic Religious Council (MAIK). To assist the Kedah Islamic Religious Council (MAIK) to manage waqf properties, MAIK has established a subsidiary company named Pengurusan Izzah Sdn. Bhd, which was established by MAIK under Section 7A of the Islamic Religious Administrative Law of Kedah officially on 7th September 1998. The principal activity of this subsidiary company is in the field of property management, particularly in managing the rental collection, rental agreements and development of waqf properties owned by MAIK. However, there is a problem that arises in the issue of waqf property rental when such activities cannot be fully utilized to generate income. Therefore, the objective of this study is to identify the issues and challenges faced by MAIK in managing waqf properties rental in Kedah. The content analysis method was chosen as the design of this study. This study uses qualitative data collected through document analysis and interviews. Meanwhile, data analysis was conducted using a descriptive approach. The findings show that there are issues that arise and the challenges of the rental aspect, whether in the management of waqf property rental, current rental rates, law on violation of rental agreement and others, which must be addressed by MAIK to ensure Waqf property rental in Kedah state run smoothly. This study is expected to assist Pengurusan Izzah Sdn. Bhd, which is involved in managing the waqf property rental, particularly in the Kedah state to take seriously on the problems arising so that the waqf property rental activities can be optimally expanded as it has great potential.*

Keywords: *Waqf Rental, Waqf Management, Kedah Islamic Religious Council (MAIK), Waqf Issues, Challenges*

INTRODUCTION

Kedah or also known as “The rice bowl of Malaysia” is the oldest state in Malaysia and the earliest state practicing Islamic governance system. Under this system of governance, the Sultan became the Head of the Kingdom and the Head of Islamic Religion. In Kedah, everything related to Islamic affairs, including waqf, which is managed and administered by a body known as the Kedah Islamic Religious Council (MAIK). Under the administration of MAIK, the Waqf Division was established to manage the property of waqf according to Islamic law, besides developing waqf property for the well-being and social and economic development of the Muslim community in the state of Kedah. The existence of this Waqf Division has given many contributions to the community in Kedah in developing and improving their standard of living and socio-economic status. To facilitate the management of waqf properties, MAIK has established a subsidiary, namely Pengurusan Izzah Sdn. Bhd, which is specifically responsible for rental collection, rental agreements and development of waqf properties. Table 1 shows the total area of waqf land in Kedah by district in 2018 recorded by the Waqf Division, MAIK. The total number of land occupied is 1629 lots and 1204.5951402 hectares or 4185.87128 niches, which involve general and specific waqf land. Overall, this amount is large and requires systematic and dynamic management of waqf properties, in line with the importance of waqf as an effective instrument for increasing the wealth distribution of the Muslim community in Kedah. Meanwhile, Table 2 shows the number of waqf registration or application in 2018. This amount is expected to increase from year to year, and this proves that waqf has great potential to be explored and developed for the benefit of the people in Kedah. Table 3 refers to the addition of individual waqf land, which involves general and specific waqf and government waqf land in 2018. Until March 2018, it is found that the total amount of waqf land is 15 lots and 13.1942 hectares or 45.84878 niches. However, there is a problem, namely waqf property cannot be fully utilized to generate MAIK income. The waqf property rental activities conducted have been subject to several obstacles that affect the MAIK revenue generation process. Among them are increasing rental arrears, management problems or internal controls, current rental valuation rates and violation of rental agreement laws. Until today, the problem of waqf property rental is still ongoing even though the issue has long been said. Hence, the objective of this study is to identify the issues and challenges faced by MAIK in managing the rental of waqf properties in Kedah. This problem has affected the management of waqf properties, thus inhibiting the MAIK revenue generation process. The results of this study are expected to improve the management and waqf property rental by Pengurusan Izzah Sdn. Bhd.

Table 1. List of General and Specific Waqf Land Owned by MAIK for the Year 2018*

District	Types of Waqf			
	General Waqf		Specific Waqf	
	Number of Lots	Width	Number of Lots	Width
Baling	15	4.7505	130	99.0762
Bandar Baharu	4	5.02072	50	37.2931
Kota Setar	44	54.39973	317	145.23487
Kuala Muda	18	10.54226	206	132.63343
Kubang Pasu	56	34.6388	159	148.96995
Kulim	18	8.98631	128	136.22988
Langkawi	21	11.75777	47	39.89968

Padang Terap	5	4.0813	85	85.12706
Pendang	20	14.33638	69	61.62056
Pokok Sena	6	4.1089	49	47.99801
Sik	18	9.3249002	59	44.12703
Yan	12	4.1736	93	60.2642
Total**	237	166.1211702	1392	1038.47397

Source: Majlis Agama Islam Kedah (MAIK)

*January to March 2018

**Total waqf land: 1629 lots and 1204.5951402 hectares (4185.87128 niches)

Table 2. Total Registration / Application of Waqf Year 2018*

District	Type of Application	
	Waqf Land	Government Land
Baling	3	2
Bandar Baharu	0	1
Kota Setar	2	4
Kuala Muda	3	5
Kubang Pasu	4	5
Kulim	1	0
Langkawi	2	3
Padang Terap	2	0
Pendang	0	1
Pokok Sena	0	0
Sik	0	1
Yan	0	5
Total**	17	27

Source: Majlis Agama Islam Kedah (MAIK)

*January to March 2018

** Total: 17 Applications for Waqf Land and 27 Applications for Government Land

Table 3. List of Additional General / Specific Individual Waqf Land and Waqf Land of Kedah State Government for 2018*

District	Individual Waqf & Government Waqf					
	Individual Waqf General Waqf		Individual Waqf Specific Waqf		Government Land	
	Number of Lots	Width	Number of Lots	Width	Number of Lots	Width
Baling	-	-	2	0.6270	-	-
Bandar Baharu	-	-	-	-	-	0.3002
Kota Setar	-	-	3	0.6763	1	5.8457
Kuala Muda	-	-	3	2.2776	2	-
Kubang Pasu	-	-	3	0.4910	-	-
Kulim	-	-	1	2.600	-	-
Langkawi	-	-	1	0.3764	-	-
Padang Terap	-	-	-	-	-	-
Pendang	-	-	-	-	-	-
Pokok Sena	-	-	-	-	-	-
Sik	-	-	-	-	-	-
Yan	-	-	-	-	-	-
Total	0	0	12	7.0483	3	6.1459

Source: Majlis Agama Islam Kedah (MAIK)

*January to March 2018

**Total waqf land: 15 lots and 13.1942 hectares (45.84878 niches)

THE MANAGEMENT OF WAQF PROPERTY RENTAL IN KEDAH

History of Waqf Management In Kedah

Before Malaya achieved independence, Kedah was under British control. At that time, there was no specific law relating to the waqf. The State Government of Kedah at that time had created the Islamic Religious Ordinance. The administration of the Islamic religion was implemented through Majma' Masyaih Islam. Syeikhul Islam was appointed by the Sultan to lead the Islamic administration, while a Great Kadi was appointed as a special officer to administer Islamic Religious Affairs. The administration and management scenario of waqf land at that time was in accordance with local communities. The Imam or the head of the mosques managed the treasures of the mosque and Islamic cemetery. Meanwhile, for specific waqf lands, special administrator (nazir) has been appointed by the waqf giver to manage the waqf property according to the purposes and requirements of the waqf giver. However, land offices have played a role as the registrar of waqf properties, in which waqf properties registered as a government reserve land. Under the influence of the British administration, waqf lands were listed in the Land of RC (Reserve Certificate), waqf lands were registered and placed RC numbers, lots, land requirements such as mosque sites, Muslim burial grounds, religious school sites etc. as well as claiming rights holders such as the Great Kadi, Imam of the Mosque, the Head of the Mosque and others. The registration of such waqf was implemented until Malaya achieved independence and the Kedah State Islamic Religious Administration Enactment was established. In 1962, the Kedah Islamic Religious Council was established. Simultaneously with the establishment of MAIK, the Administration of Islamic Law was also approved. The matters relating to waqf have been provided under the Administration of Islamic Law (No. 9) 1962. Through this law, MAIK is recognized as a Single Trustee for all general and specific waqf properties in Kedah. In this case, MAIK is an administrator (nazir) or al-Mutawalli who is responsible for administering and managing all the waqf property and developing them in the state of Kedah. In 2008, the Kedah State Government approved the Islamic Law Administration Enactment (Kedah Darul Aman) 2008 to replace the Kedah Islamic Religious Administration Enactment No 9. This replacement was intended to improve and standardize the law among the states in Malaysia. Although the Islamic Religious Enactment in the State of Kedah has changed, but all the waqf property made by the previous Enactment is considered valid and applies to the purposes of this new Enactment. Whereas, for specific waqf, if it is made after the enforcement of this section, it is void and invalid unless it is expressly approved and confirmed by the Sultan on the advice of the Council. Similarly, all the waqf property made by the waqf giver when marad al-Maut, which exceeds one third of the property belongs to the waqf giver is considered invalid if it is made in the form of a will or not.

Administration of Islamic Law Enactment (Kedah Darul Aman) 2008

In Kedah, waqf is under the authority of MAIK. MAIK is the sole Trustee for all waqf properties in Kedah. This is in line with matters set out under List 2, State List, Ninth Schedule, Federal Constitution which provides that states in Malaysia have the power to make laws for the matters mentioned in the list. Waqf is one of the religious affairs which have been listed under the table as follows (List 2, State List, Federal Constitution, 2017):

“... except in relation to the Federal Territories of Kuala Lumpur, Labuan and Putrajaya, Islamic Law and the laws of the family and the family of Muslims,

including the Sharia Laws in relation to the inheritance of intestate and intestate, engagement, marriage, divorce, dowry, maintenance, adoption, child status, childcare, gift, distribution of non-charitable assets and trusts, Islamic waqf and definitions as well as regulations on charitable and religious charities, the appointment of trustees and corporations for people about giving in Islam and Khairat, foundation, trust ... ‘

Table 4 refers to the provisions relating to waqf contained in the Administration of Islamic Law Enactment (Kedah Darul Aman) 2008 as follows (Administration of Islamic Law Enactment (Kedah Darul Aman), 2008):

Table 4. Provision about Waqf in the Administration of Islamic Law Enactment (Kedah Darul Aman) 2008 of General and Specific Waqf Land Owned by MAIK for the Year 2018.

Enactment	Division	Section
Administration of Islamic Law Enactment (Kedah Darul Aman) 2008	Division IV- Finance, Waqf, Nazr And Trust	Section 52: The Council is the sole trustee of waqf, <i>nazr</i> and trust Section 53: Placement of waqf property, <i>nazr</i> and trust in the Council Section 54: Restrictions on the creation of charitable trusts Section 55: Income from waqf and <i>nazr</i>

Source: Majlis Agama Islam Kedah (MAIK)

Up to 2019, only six states in Malaysia have special Enactments for waqf, namely Selangor, Perak, Malacca, Negeri Sembilan, Terengganu and Sabah. Meanwhile, for other states which have no special Enactment of Waqf, waqf items are included in the general Enactment of State Administration such as Kedah. Until today, MAIK is still in the process of drafting a special Enactment for waqf for the state of Kedah (Hairani binti Saad, 2018).

WAQF PROPERTY RENTAL PROCEDURE IN KEDAH

1. Rental Application

Application for rental building and land owned by MAIK is divided into two stages, namely (1) submitting an application and (2) processing the application submitted. Here are the procedures adopted in the application (Standard Operating Procedure (SOP) Management of Building and Land Rental by Kedah Islamic Religious Council (MAIK), 2017):

a) The area requested for rental is the land or building owned by MAIK. b) Each application must be submitted in writing or come to the Office of Izzah Management Sdn. Bhd. c) Each application must be submitted to the Manager, Pengurusan Izzah Sdn. Bhd. Address: Bangunan Wan Mat Saman, 05000 Alor Setar, Kedah Darul Aman. d) Among the documents required is the photocopy of the applicant's identity card, company profile (if available for building and site rental) and bank account statement for the latest three months (for rental of buildings and sites). e) The company staff or MAIK involved will provide reports regarding the condition of the land or building sought to identify the real position, whether the rental can be done or vice versa. f) The Head of Waqf Division has the right to reject any incomplete application or if the land or building included in the application has been rented. In the rental application process, the procedures adopted are as follows:

a) To obtain confirmation from the Head of Division, the company will refer the application to the Head of Waqf Division to obtain confirmation whether the land or building included in the application can be rented or otherwise, the rental rate to be charged, the width of the land owned and the rental period. b) The company will arrange an interview session to make an application selection. Only successful candidates in the interview session will be offered rental of land or building. c) Once all of the matters in (a) and (b) are met, then the company will issue a joint offer with the invoice of rental payments to the applicant for approval purposes. d) If the applicant agrees with the offer, the applicant shall sign the offer letter and return a copy of the letter to the company. The company will register the applicant's name in the E-Hasil system in accordance with the relevant section. The company will also provide a rental agreement to be signed by the applicant and MAIK. e) The application for registration of new tenants will be sent to the MAIK financial department to be registered in the MAIK rental account and a copy of this application will be sent to the affected party.

2. Rental Collection Management

a) Tenants are required to pay the rent each month or season that has been set by the agreement. b) There are two payment methods that can be done, namely via Cash or Cheque and Electronic Fund Transfer (EFT). c) If the tenant does not pay within two months or successive seasons, notice of rental claim together with the letter from MAIK's attorney will be given to the stubborn tenant. d) If the tenant still has not settled the arrears for more than three months, the lawsuit will be continued by MAIK's lawyer until it becomes vacant possession and also get the rent arrears. e) If the tenant has settled all arrears with the company, the notice of arrears and a letter from the MAIK lawyer may be ignored.

3. Renewal of Rental Agreement

a) The company will identify the tenants who will end the agreement and inform the Waqf Division along with the proposed rental extension with the original rental price increase of 10% (maximum). b) After getting approval from the Head of Division, the company will offer the rent to the tenant. c) If the tenant agrees with the new rental, the company will provide rental agreement. d) If it is not approved, the company will negotiate with both parties to reach an agreement.

4. Rental Termination Application

a) The tenant must submit an application in writing three months prior to the date of vacating the building. b) The company will inform this application to the Waqf division for approval. c) A conditional approval letter will be issued by the affected party to the tenant. The tenant shall comply with all the conditions stipulated in the letter when returning the rented land or building. d) The company or MAIK will have an inspection visit to the land or building on the day of submission. If there are conditions that are not complied with and do not obtain consent from MAIK, the submission process is not accepted by MAIK until all the required conditions are met. e) If the conditions of submission are not complied with, the tenant will be subject to legal action by the MAIK Lawyer.

5. Agreement for Settlement of Rental Arrears

a) The company will identify tenants with rental arrears (Borang Aku Janji or Pledge Agreement Form). b) A meeting and consultation is held with tenants. c) Pledge Agreement Form is provided for the purpose of making a payment of arrears. d) Tenants get a briefing on the methods of payment of arrears and actions to be imposed or taken if this agreement is not

met. e) The amount of arrears payable in instalments is at the discretion of the company and agreed upon by both parties. f) Upon approval by both parties, the tenant is required to sign the Pledge Agreement form.

6. Complaints on Plant or Building Damage

a) The tenant must fill out the complaint form which has been prepared and the company will inform the complaints to the affected party. b) The staff of the company or MAIK involved will make the report of the damage for the purpose of reducing rent or restoration. c) Once the paddy is harvested, the tenant is required to submit a copy of the paddy sales receipt to the company for the purpose of the reduction process. d) The company will provide a memo to the affected party to apply for rent reduction. e) Rental reduction is only made if the application is approved by the affected party.

7. Application for Reinforcement of Land Size

a) Tenants are required to make an application in writing to the company to determine the actual size. b) The company will provide an application memo to re-measure the land to the affected party. c) This process will be done by MAIK staff. d) A complete report of the land-based result will be submitted to the company. e) If the land area is increasing or decreasing, the company will inform the tenant and the rent adjustment will be made.

8. Change of Tenant Name

a) The tenant must make a written application to the company by attaching a letter of consent to change the name of the old tenant to the new tenant. b) Both tenants have to come to the office to sign a letter of consent. c) The company will issue an application memo to approve the change of tenant's name and it will be sent to the relevant section. d) Upon approval from the relevant section, the company will provide an agreement with the new tenant. e) The company will issue a memo to MAIK's finance division to register the tenant's name.

METHODOLOGY

This article is a research conducted with qualitative approach. This study selected Pengurusan Izzah Sdn. Bhd due that the principal activity of this subsidiary company is in the field of property management, particularly in managing the rental collection, rental agreements and development of waqf properties owned by MAIK in Kedah. The objective of this study is to identify the issues and challenges faced by MAIK in managing waqf properties rental in Kedah. To fulfil the objective of this study, the content analysis method was chosen as the design of this study. The qualitative data was collected through document analysis and interviews. Meanwhile, data analysis was conducted using a descriptive approach. The research was conducted in Pengurusan Izzah Sdn. Bhd as a company that met the established research criteria. Pengurusan Izzah Sdn. Bhd was established by MAIK under Section 7A of the Islamic Religious Administrative Section of Kedah officially on 7th September 1998 and the business operations started on 2nd June 2002 with paid up capital of RM 250,002.00. Pengurusan Izzah Sdn. Bhd is also a business organization based on Sharia Law, where MAIK is the sole owner of the company and the company is fully responsible to MAIK. However, as a company, the direction of the company is to achieve profit for its owners while fulfilling the social and trust obligations given to MAIK. All profits earned by the company are the benefits of MAIK, and vice versa. There are many core activities that can be explored by the company. Nonetheless, at present, the company only focuses fully on the management of MAIK properties.

This company is wholly governed by a Board of Directors consisting of five members; Chairman of the Company, two members of the Board (businessman) and two Board members (professional). In daily operations, the company is managed by a Manager. He is responsible for managing all areas of company management, including property management affairs. All administrative work will be handled by two staff, namely the Administrative Assistant and the Company's General Assistant. When carrying out the responsibilities, the Manager is assisted by the Accountant who manages the company's financial, Secretary or representative tax, Auditor and Legal Advisor who was appointed. Among the main objectives of this company is to become the best Islamic Religious Council company in Malaysia and to become another model and model of the other State Islamic Religious Council (MAIN), adding value and developing waqf and baitulmal properties in accordance with Islamic law, utilizing the resources available in MAIK to generate maximum profits which will be used again to advance the ummah to be the best council and to manage the properties of waqf and baitulmal in a more professional way. The company's principal activity is in the area of real estate management, particularly rental collections, rental agreements and development. In addition, the company is also carrying out the relocation and re-burial of Islamic graves around the state of Kedah. In summary, there are two main functions of this company, namely; managing and developing properties owned by baitulmal and waqf property of MAIK as well as developing and establishing retail chain business in the entire Kedah State Mosque. Pengurusan Izzah Sdn. Bhd. has issued a Standard Operating Procedure (SOP) for managing the rental of buildings and land owned by MAIK. The purpose of this SOP is to describe the procedure for managing the rental of buildings and land owned by MAIK to be implemented more effectively. The scope for the implementation of this SOP includes rental applications, rental account opening, rental collection, payment method, agreement renewal and termination agreement, agreement to pay rental arrears, crop and building damages complaints, application to change of tenant's name and application to determine the land area.

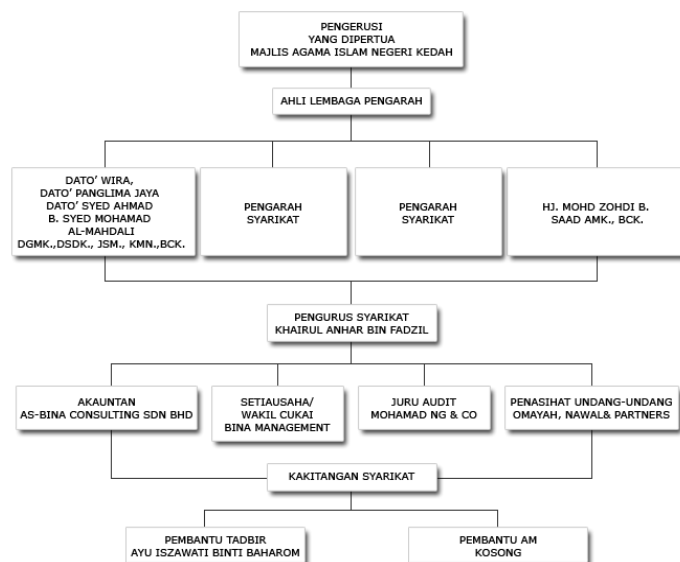


Figure 1. Organization Chart of Pengurusan Izzah Sdn. Bhd.

RESULTS

There are some issues that arise and the challenges faced by the MAIK and Pengurusan Izzah Sdn. Bhd in managing the rental of waqf properties in Kedah. Among the problems encountered are as follows (Khairul Anhar bin Fadzil, 2018):

1. Lack of Funds

Lack of funds and capital is a major obstacle faced by MAIK. This is because even though Kedah has a lot of waqf land, but they lack of capital to start each project to develop the waqf properties. The management of Pengurusan Izzah Sdn. Bhd and MAIK get a small return while the operating costs to be incurred are huge. MAIK as a Nazir or Mutawalli who is responsible for managing the waqf property in Kedah only takes 15% of the state waqf revenue. Based on this amount, the MAIK will also bear the cost of maintaining the building of a company, shop houses, residential houses and other waqf properties such as land and paddy fields. The revenue raised by MAIK from waqf land is very small compared to the cost of the proposed construction project which reaches millions of ringgit. In fact, the expenses for maintaining, repairing and administering waqf properties, including land tax costs, court hearing fees and other expenses are more than the annual income of waqf generated by MAIK. However, financial problems are not a barrier to the MAIK to develop the existing waqf lands. MAIK is still trying to develop their waqf land despite the limited finances. MAIK has established Cash Waqf Fund Scheme through the Kedah Baitulmal Trust Fund (TABK). The cash collected in this fund is under the management of a *nazir* entrusted to manage waqf for the purpose of financing activities and welfare. Waqf funds collected are then converted into permanent property that will be used for the welfare and benefits of Muslim communities such as the construction of mosques, prayer rooms, religious schools and cemeteries. Cash Waqf Fund Scheme is a way to encourage people to contribute and make investments as a charity (waqf) without limitation for charitable purposes and the benefit of the entire Muslim community. The scheme also facilitates Muslims to endow their property in the form of minimal cash donations because not all Muslims, especially in Kedah and in Malaysia, generally have permanent assets or possessions to be used as waqf properties such as land, buildings and so on. The revenue of cash waqf can be defined as the Waqf Fund for the welfare of Muslims in Kedah, generally and particularly. The use and distribution of money through this Waqf Fund will be determined by MAIK. For 2018, MAIK aims to build a mosque in Kg Hujung Keton, Mukim Padang Kerbau, Pendang District from the accumulated waqf funds. MAIK has managed to collect RM1.5 million within three years. MAIK still needs RM1 million for the purpose of building this mosque and it is the first project to be implemented since the Cash Waqf Fund Scheme was introduced in 2015. In 2016, UDA Holding Berhad through its subsidiary, UDA WAQF Sdn Bhd in collaboration with MAIK has built 286 units of special houses for Muslims on 11 hectares of waqf land in Telok Chengai, Jalan Kuala Kedah. The price of the house is cheaper than the market price from RM49,000 to RM53,300. The houses consist of 64 units of low-cost houses, 149 units of double storey houses, 56 units of semi-detached houses and 17 units of double storey shop offices. The project was built on a specific waqf land for the benefit of three mosques, namely Derga Mosque, Tanjung Musang Mosque and Jabi Mosque which was administered by the former State Secretary (SUK) during the reign of Al-Marhum Sultan Abdul Hamid Halim Shah, namely the late Mohd Ariffin Mohd Arsyad. In addressing the issue of lack of funds, MAIK needs to cooperate with stakeholders such as Tabung Haji, Permodalan Nasional Berhad (PNB), UDA Holding Berhad, Islamic finance and cooperative institutes, corporate members

and others who can assist in raising funds for the development and management of waqf in MAIK.

2. The Rate and Value of the MAIK Waqf Property Rental is Low

There are cases in MAIK where the rental rates are lower and less practical than current values. The rental rates set by MAIK are based on rates assessed by the Valuation and Property Services Department (JPPH). The Department has been authorized by the Ministry of Finance Malaysia as a reference to all Government departments and agencies to evaluate property rental rates. However, there is an issue where the MAIK has reduced rental rates stipulated by the Valuation Officer of JPPH on the grounds of considering appeals and problems faced by tenants such as business deterioration and tenant's ability to pay rent, particularly involving the rental of paddy fields. There are tenants who suffer from floods or paddy yields that do not cause MAIK to reduce rental rates. Some tenants also give the reason that they are not able to pay the rent, even if the rental rates charged should not burden them. Most low rental rates are past cases and MAIK has strived to meet the current rental rates set by JPPH. Tables 5 and 6 show examples of general and specific waqf rental rates for companies or shop houses, residential houses, land sites and paddy fields by districts in Kedah in 2017.

Table 5. Examples of General and Specific Waqf Rental Rates for Companies or Shop Houses and Residential Houses by Districts in Kedah from 2017-2018

District	Address	Type of Premises	Rental Rates	Type of Waqf
Bandar Baharu	No. 1, Bazar Wakaf Rakyat Masjid An-Naim, Kampung Sungai Kecil Ilir	Commercial	RM 110	Specific Waqf
Kota Setar	No. 2028, Taman Seri Kota, Jalan Kuala Kedah.	House	RM 500	General Waqf
	No. 2, Bazar Wakaf Rakyat Madrasah Terbiyatul Atfal, Alor Semadom	Commercial	RM 770	Specific Waqf
Kuala Muda	No. 1, Bazar Wakaf Rakyat Masjid Sultan Muzaffar Shah, Sungai Petani	Commercial	RM 300	Specific Waqf
Langkawi	No. 4, Bazar Wakaf Rakyat Masjid Ar-Rahman, Kampung Gelam	Commercial	RM 750	Specific Waqf
Padang Terap	No. 2, Bazar Wakaf Rakyat Masjid Mu'adzam Shah, Kuala Nerang	Commercial	RM 800	Specific Waqf
Pendang	No. 4, Bazar Wakaf Rakyat Masjid Tanah Merah Pendang	Commercial	RM 350	Specific Waqf
Pokok Sena	No.199 Rumah Kedai Taman Angsana, Jalan Angsana 9	Commercial	RM 2300	General Waqf
	No. 200, Rumah Kedai Taman Angsana, Jalan Angsana 9	Commercial	RM 2200	Specific Waqf
Sik	No. 1, Bazar Wakaf Rakyat Masjid Al-'Ula, Teloi Tua	Commercial	RM 250	Specific Waqf
Yan	No. 2, Bazar Wakaf Rakyat Masjid Nur Al-Iman, Sungai Udang	Commercial	RM 220	Specific Waqf

Source: Pengurusan Izzah Sdn. Bhd.

Table 6. Examples of General and Specific Waqf Rental Rates for Land Sites and Paddy Fields by Districts in Kedah from 2017-2018

District	Address	Type of Premises	Rental Rates	Type of Waqf
Baling	Tanah Lot 9892 Mukim Pulai	Site	RM 1830	General Waqf
	Tanah Lot 33 & 36 Mukim Teloi Kanan	Site	RM 1740	Specific Waqf
	Tanah Lot 1913 Mukim Derga	Site	RM 147	Specific Waqf
Kota Setar	Tanah Lot 1095 Mukim Bandar Alor Setar	Site	RM 6505	Specific Waqf
	Tanah Lot 350 Mukim Kuala Kedah	Site	RM 133	General Waqf
	Tanah Bendang Lot 71 Mukim Tebengau	Site	RM 2360	General Waqf
	Tanah Bendang Lot 1187 Mukim Titi Gajah	Paddy field	RM 4800	General Waqf
Kuala Muda	Tanah Lot PT 72059 Mukim Sungai Petani	Site	RM1100	Specific Waqf
	Tanah Bendang Lot 617 Mukim Simpor, Daerah Kuala Muda	Paddy field	RM 160	Specific Waqf
	Tanah Lot 792 Mukim Jitra	Site	RM 182	General Waqf
Kubang Pasu	Tanah Bendang Lot 445 Mukim Ah	Paddy field	RM 1870	General Waqf
	Tanah Bendang Lot 314 Mukim Sanglang	Paddy field	RM 2000	Specific Waqf
Kulim	Tanah Lot PT 10090 Mukim Padang Serai	Site	RM 1000	Specific Waqf
Langkawi	Tanah Lot 769 Mukim Ayer Hangat Sungai Itau	Site	RM 2500	Specific Waqf
	Tanah Lot 650 Mukim Bohor	Site	RM 866	General Waqf
Padang Terap	Tanah Lot 10664 Mukim Tekai	Site	RM 170	General Waqf
	Tanah Lot 69 Mukim Tekai	Site	RM 1740	Specific Waqf
Pendang	Tanah Lot 554 Mukim Padang Kerbau	Site	RM 2000	Specific Waqf
	Tanah Lot 1149 Mukim Derang	Site	RM 200	General Waqf
Pokok Sena	Tanah Bendang Lot 193 Mukim Derang	Paddy Field	RM 543	Specific Waqf
	Tanah Lot 3126 Mukim Lesung	Site	RM 1740	Specific Waqf
Yan	Tanah Bendang Lot 1868 Mukim Bandar Yan	Paddy Field	RM 800	General Waqf
	Tanah Bendang Lot 2015 Mukim Sungai Daun	Paddy Field	RM 500	Specific Waqf

Source: *Pengurusan Izzah Sdn. Bhd.*

3. Increase in the Rental Arrears of Waqf Property

Although the MAIK imposes a low rental rate, MAIK still faces the problem of high rental arrears. MAIK is responsible for ensuring that rental arrears can be collected within the prescribed period. This is important to ensure that further action can be taken if the tenant fails

to comply with the agreement that has been agreed upon. In order to overcome the arrears of waqf properties, Pengurusan Izzah Sdn. Bhd took action to issue a notice of claim and a warning letter to the troubled tenant through the law firm appointed. Additionally, tenants have also been called to the office to discuss to settle the balance of the debt and sign the letter to pay the debt. Based on studies and reports from the National Audit Department 2016, it is found that the outstanding arrears for a few tenants are high due to the unresolved arrears and the tenant's attitude that does not make the current rental payments consistently (Auditor General's Report, 2016). MAIK also informed that most of the rental arrears are due to the old debt of tenants that have been collected since the 1980s. Among the factors that cause MAIK to face high rent arrears is that the task of collecting rent is only done by an officer and this task is performed at a certain time only. Significant problems arise when most rental revenue is not collected thoroughly. The weakness in monitoring the arrears of paddy field is that tenants do not pay rent despite the high yield of paddy sales. In some cases, MAIK also faces the case of tenant escape and cannot be traced. For arrears of paddy field rental, MAIK strives to take action to obtain outstanding payments such as issuing a notice of claim, legal action and temporary suspension of fertilizer subsidies to the Muda Agricultural Development Authority (MADA). Table 7 refers to MAIK's tenant or debtor statistics until the end of December 2016. It is found that over the past five years, starting from 2012 to 2016, the amount of the tenant or MAIK debtors is increasing. In 2012, RM997, 084.15 was the amount of outstanding payments. In 2013, the amount outstanding increased by RM1,114,288.91 and this number is increasing in 2014, totaling RM1,203,583.50. In 2015, MAIK was forced to incur rent arrears of RM1, 492,968.58. Until the end of 2016, MAIK incurred current arrears of RM1, 632,415.73. The trend of increasing the amount of the arrears of the tenant or MAIK debtors is seen increasing from year to year and is very alarming. This issue arises due to the lack of regular monitoring and schedule to detect related problems and some of the rental files are not updated. The list of incoming and outgoing tenants is also not recorded accurately.

Table 7. Statistics for Tenant Arrears Rental or MAIK's Debtor for The Year 2012-2016

Year	Number of Tenant Who Doesn't Have Debt	Number of Tenants Who Are in Debt	Number of Tenants/MAIK'S Debtor	Total of Arrears Tenants/MAIK's Debtor (RM)
2012	45	161	206	RM 997,084.15
2013	44	169	213	RM 1,114,288.91
2014	25	187	212	RM 1,203,583.50
2015	33	208	241	RM 1,492,968.58
2016	22	231	253	RM 1,632,415.73

Source: Pengurusan Izzah Sdn. Bhd.

4. Violation of the Rental Agreement

The rental agreement document is an important document that needs to be provided. This is to ensure tenants and MAIK have clear legal obligations as well as to safeguard MAIK's interests. Tenants who agree to the terms of the rental agreement are required to sign the rental agreement for the period agreed. There is an unsigned and unstamped rental agreement. There are also cases where the rental agreement has expired and has not yet been renewed by MAIK.

Agreements that are not signed and unstamped, even they are not renewed cause difficulty in collecting arrears and legal action cannot be taken as the agreement documents are invalid.

5. The Problem of Illegal Invasion (Trespassing)

Illegal land occupation issue is part of the critical problem faced by MAIK. Until now, MAIK is seen to be in a dilemma to impose violent acts of law or even to safeguard the welfare of the occupants and safeguard MAIK's reputation as an entity that contributes to the welfare of Muslims in Kedah. The Kedah Islamic Religious Council Enactment provides for a fine not exceeding RM2,000 or imprisonment not exceeding 2 months or both against trespassing. From the aspect of Tort law, individuals who enter or encroach on the land which are not his property, are convicted as trespassers. In fact, the trespassing offense is also regarded as ghasb according to Islamic law, which is the crime of plundering the property of others. MAIK as a Single Trustee of waqf properties should prevent any individual who violates the MAIK order and impose appropriate penalties on the intruders involved.

6. Problems in Administration and Management of Waqf Property Rental

Organization Structure of Pengurusan Izzah Sdn. Bhd which combines all matters relating to the waqf and baitulmal properties under one administration is one of the problems that led to weaknesses in the administration and management of waqf properties in Kedah. This merger has great implications for creating imbalances between workloads, functions, activities and areas of work that need to be implemented. Overlapping management of waqf and baitulmal properties rental operated by an officer will affect every aspect of administration and management of waqf and baitulmal properties. To solve the problems faced by MAIK, Pengurusan Izzah Sdn. Bhd can change the structure of the administrative organization and the restructuring process can be seen through the total area of waqf and baitulmal land under the control of the company's manager and the burden of responsibility which has to be taken by the staff of the company, Pengurusan Izzah Sdn. Bhd.

CONCLUSION

The waqf activities in Kedah are evolving from time to time and this can be proved by the increasing waqf property each year. The waqf property rental activity is not an easy thing to manage because the implementation of waqf property rental must comply with the terms and procedures set out. However, Pengurusan Izzah Sdn. Bhd and MAIK are facing various problems and challenges in managing rental activities that can provide optimum returns to MAIK. Based on the actions taken by Pengurusan Izzah Sdn. Bhd and MAIK, it is found that these two parties have worked tirelessly to manage waqf property rental in Kedah in the best way. It is hoped that MAIK can do something to overcome the existing obstacles and try to find the best solution so that the waqf property rental in Kedah will generate lucrative income to MAIK.

ACKNOWLEDGMENTS

This article is part of the findings of the Research Project titled "Waqf Property Rental Management in Generating MAIK's Income: A Case Study on Pengurusan Izzah Sdn. Bhd", Short Term Research Grant without Funding, KUIN Phase 1/2018. The highest appreciation is dedicated to employees of Waqf Division, Kedah Islamic Religious Council (MAIK) and Pengurusan Izzah Sdn. Bhd for their cooperation when conducting this research.

REFERENCES

- Administration Of Islamic Law Enactment (Kedah Darul Aman) 2008. (2008). Kedah: Kedah State Government.
- Auditor General's Report. Management Of Government Department / Agency And Management Activities. (2016). Putrajaya: National Audit Department Of Malaysia.
- File No. 1, Pengurusan Izzah Sdn. Bhd., Kedah Islamic Religious Council (Maik) (2018). Unpublished.
- File No. 2, Waqf Division, Kedah Islamic Religious Council (Maik) (2018). Unpublished.
- Interview, Mrs. Hairani Binti Saad, Assistant Officer Of Islamic Affairs, Waqf Division, Kedah Islamic Religious Council (Maik), April 22, 2018, At 9.15am.
- Interview, Mr. Khairul Anhar Bin Fadzil, Manager, Pengurusan Izzah Sdn. Bhd, Kedah Islamic Religious Council (Maik), May 6, 2018, At 10.00 Am.
- Standard Operating Procedure (Sop) Management Of Building And Land Rental By Kedah Islamic Religious Council (Maik) (2017). Unpublished.