



Smart Contract to Securitize WAQF Principle: Elevating Islamic Socio-Economic Instruments through Decentralized Trust, Transparency, and Compliance with Contemporary Standards

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Abstract

This paper examines the use of smart contracts to securitize the WAQF principle, a core Islamic socio-economic instrument, by leveraging blockchain technology to enhance trust, transparency, and Shariah compliance. The purpose of the research is to investigate how smart contracts can automate and enforce WAQF management while ensuring adherence to Islamic principles. The study employs an experimental methodology, designing and implementing a smart contract framework for WAQF securitization. The framework is tested for its effectiveness in decentralizing asset management, improving transparency, and automating compliance processes. Findings indicate that smart contracts can significantly enhance WAQF governance by providing immutable records, facilitating transparent transactions, and ensuring Shariah-compliant automation. The originality of this paper lies in its innovative approach, integrating smart contracts with Islamic finance to propose a modernized, secure, and efficient model for managing WAQF assets, offering practical insights into the fusion of blockchain and Islamic socio-economic systems.

Keywords: Blockchain, Distributed Ledger Technology (DLT), Smart Contract, Consensus Mechanism, Security Token Offering (STOs), Decentralized Finance (DeFi), Cryptocurrency, WAQF, Islamic Social Economy.

1. Introduction

WAQF, a cornerstone of Islamic social finance, is structured based on the fundamental understanding of the main sources of Islamic Shariah. It serves as an open platform designed to incentivize the participation of the public community in building Islamic economic solutions for the benefit of societies (Al-Fahim, 2020). The concept of WAQF is deeply rooted in Islamic tradition and is derived from the Arabic word 'Waqf,' which means 'to stop' or 'to hold.' In the context of Islamic finance, it refers to a charitable endowment made by a donor to dedicate a portion of their wealth or property for religious, educational, or social purposes with the intention of perpetuating the benefits for the community (Abdullah and Rahman, 2015; Laludin, et al., 2021).

The history of WAQF dates back to the time of Prophet Muhammad (peace be upon him) and has been an essential part of Islamic tradition and socio-economic development since then (Cizacka, 1997; Kahf, 2016). One of the most significant early examples of WAQF (Islamic endowment) is the endowment established by 'Umar ibn al-Khattāb (RA) from a piece of land he acquired at Khaybar, around 7 AH. According to a well authenticated hadith recorded in both *Ṣaḥīḥ al-Bukhārī* and *Ṣaḥīḥ Muslim*, 'Umar approached the Prophet Muhammad ﷺ seeking guidance after acquiring land that he considered particularly valuable. The Prophet ﷺ advised him: "If you wish, retain the property itself and give its produce in charity." Following this guidance, 'Umar dedicated the land as an endowment, stipulating that its principal could

not be sold, given away, or inherited, while its produce would be distributed among the poor, relatives, those seeking emancipation, charitable causes, travelers, and guests.

This account is particularly important in the history of Islamic waqf because it provides one of the earliest and clearest textual foundations for the essential characteristics of a waqf: preservation of the endowed asset, continuous use of its benefits, and dedication of those benefits to specified charitable or public purposes. The report therefore represents a crucial transition from individual acts of charity (*ṣadaqah*) toward a more structured and enduring institution of charitable endowment. This story highlights several key aspects of the WAQF system (Kahf, 2016):

1. **Trust:** The WAQF principle was built based on Trust among the muslim communities. The fundamental aspect of the WAQF platform serves as the backbone of its successful implementation and sustainability.
2. **Flexibility:** The WAQF system is flexible and accommodates the needs of individuals while still serving the broader community. The Prophet's (peace be upon him) acceptance of the lady's request illustrates that WAQF can be structured in a way that addresses the specific needs of the donor and their dependents while still serving the broader public interest.
3. **Inclusivity:** The WAQF system is inclusive and does not discriminate based on religion or social status. The fact that the lady was Jewish and still able to participate in the WAQF system demonstrates its universal and inclusive nature.
4. **Compassion:** The WAQF system is compassionate and considers the needs of the donor and their dependents. By allowing the lady to use part of the land's revenue to feed her children, the WAQF system ensured that her act of generosity did not lead to hardship for her family.

Over time, the WAQF system evolved and became a foundational element of Islamic societies, supporting various social, educational, and economic initiatives. It continues to play a crucial role in addressing the needs of communities worldwide and is a testament to the compassionate and practical principles of Islamic social finance (El-Khatib and Ali, 2018).

Prominent Islamic scholars and jurists have also expressed their views on WAQF and its significance in Islamic society. Imam Abu Hanifa, Imam Malik, Imam Shafi'i, and Imam Ahmad ibn Hanbal, the founders of the four major Islamic schools of jurisprudence, all recognized the validity and importance of WAQF (Khan, 2015). They provided detailed guidelines on the establishment, management, and utilization of WAQF assets based on the principles of Islamic law.

Murad Cizakca's exploration into the realm of WAQF serves as a seminal work in understanding its historical and socio-economic relevance. In his comprehensive analysis, Cizakca meticulously deconstructs the socio-economic dynamics underpinning traditional WAQF practices, shedding light on how they have historically shaped communities and underscored social cohesion. Cizakca begins by detailing the origins of WAQF, tracing its roots back to the Prophet Muhammad's era (Peace Be Upon Him). He underscores the centrality of WAQF as an institution that goes beyond mere charitable giving, serving as an integral component of the Islamic economic system (Cizakca, 2000).

From the Socio-Economic Utility aspect: Central to Cizakca's discussion is the multi faceted socio-economic utility of WAQF. He asserts that WAQF was not just about religious philanthropy but was also an economic instrument that directly impacted job creation, infrastructure development, and urbanization. The establishment of schools, hospitals, caravanserais, and even markets was often financed through the WAQF system, leading to the

establishment of pivotal community infrastructures that enhanced living standards (Cizakca, 2000).

Cizakca delves deep into the relationship between WAQF and community development. Through a series of historical examples, he illustrates how the WAQF system was leveraged to finance public goods, from water facilities to educational institutions, playing a transformative role in the socio-economic upliftment of entire communities. Further, he emphasizes the intrinsic link between WAQF and social cohesion. The WAQF system, in his analysis, functioned as a social glue, binding members of the community together through a shared sense of purpose and mutual benefit. By providing for the common good, WAQF fostered a sense of unity and collective responsibility among beneficiaries (Cizakca, 2000).

Moreover, one of the distinguishing features of Cizakca's work is his comparative analysis between Islamic WAQF and Western philanthropic models. He posits that while there are similarities in terms of charitable objectives, the structural and functional modalities of WAQF distinguish it as a unique institution.

In particular, its self-sustaining nature, where the principal asset remains intact while only the returns are utilized for charitable purposes, sets it apart from many Western charitable constructs. Cizakca doesn't shy away from critiquing the historical lapses in WAQF management. He points to periods where mismanagement and external interventions hampered the efficacy of the WAQF system. Nonetheless, he concludes with a clarion call for the revival of WAQF, underlining its continued relevance in addressing contemporary socio-economic challenges (Cizakca, 2000).

In essence, Murad Cizakca's examination of the socio-economic dynamics of traditional WAQF practices is a masterclass in understanding its profound impact on community development and social cohesion. By juxtaposing historical insights with contemporary challenges, Cizakca offers a nuanced perspective on the enduring relevance of WAQF in the socio-economic tapestry of Muslim communities.

2. Problem Statements

The effective operation of the WAQF platform in the modern Islamic finance system faces several significant challenges, primarily related to trust, transparency, and efficiency. Traditionally, the administration of WAQF assets has been vulnerable to mismanagement, lack of accountability, and opacity in decision making processes, which hinder its potential for social welfare and economic development. These challenges have become more pronounced in a contemporary context, where stakeholders demand greater transparency, professionalism, and assurance of compliance with Islamic Shariah principles (Kahf, 2003; Ahmed, 2011).

One of the primary issues is the lack of transparency in how WAQF assets are managed and distributed. Currently, trustees or administrators often operate without adequate oversight or disclosure mechanisms, leading to questions about whether the assets are being used in accordance with donors' intentions and Shariah guidelines (Cizakca, 2011). This lack of visibility erodes stakeholder trust, particularly when instances of corruption or misallocation of assets occur. Without transparent reporting and robust accountability frameworks, the credibility of WAQF as a tool for promoting social welfare is significantly undermined (Obaidullah, 2015).

Additionally, the management and distribution of WAQF assets are often hampered by inefficient processes, many of which are manual and prone to error. This inefficiency not only delays the allocation of funds but also creates opportunities for mismanagement or misappropriation, further reducing the trust in WAQF institutions. These operational shortcomings make it difficult for WAQF to fulfill its intended purpose of promoting social and economic development in a timely and effective manner (Rashid, 2018).

Moreover, ensuring compliance with Shariah principles remains a complex challenge in the administration of WAQF. The evolving legal and regulatory landscape requires WAQF platforms to continually adapt, ensuring that they align with both Islamic jurisprudence and modern financial standards. However, the absence of standardized mechanisms for verifying Shariah compliance across jurisdictions further complicates the trust issue.

Addressing these challenges is crucial for the WAQF platform to regain the trust of stakeholders and become a cornerstone of social and economic development in Islamic finance. By enhancing transparency, improving management efficiency, ensuring adherence to Shariah principles, addressing legal and regulatory challenges, promoting professionalism, and curbing corruption, the WAQF platform can be revitalized to meet its intended purpose. Without these reforms, WAQF will continue to fall short of its potential, limiting its role in Islamic socio-economic systems (Obaidullah & Shirazi, 2015).

3. Cryptocurrency: A Potential Catalyst for Change

Cryptocurrency, since its inception, has sparked intense debate, admiration, and skepticism in equal measure. Emerging from the shadows of the 2008 financial crisis, it presented itself not just as a novel form of digital currency but as a potential disruptor to the traditional financial paradigm (Ghosh, 2021). Beyond its intricate algorithms and the complex blockchain technology underpinning it, cryptocurrency embodies a philosophy.

It challenges the centralized nature of financial systems, advocates for transparency, and introduces a level of financial democratization previously deemed utopian (Casey, et al., 2018; Ghosh, 2021). As more people, businesses, and even nations begin to embrace cryptocurrencies, it's imperative to explore its multifaceted dimensions. This study delves deep into the world of cryptocurrency, analyzing its origins, potentials, challenges, and its undeniable role as a catalyst for change in the global economic landscape.

At first glance, the decentralized, digital nature of cryptocurrency seems like an ideal match for WAQF. Here's how:

1. **Transparency and Trust:** Cryptocurrencies operate on blockchain technology, which ensures transparency by recording each transaction on a public ledger. This could instill greater trust among donors, knowing that the utilization of their endowment is visible and accountable.
2. **Global Accessibility:** Cryptocurrency can democratize access to WAQF. With a global reach, individuals from anywhere in the world can contribute to or benefit from WAQF endowments.
3. **Efficiency:** The instantaneous nature of cryptocurrency transactions can streamline the process of making and managing WAQF contributions, cutting down administrative overheads.
4. **A New Avenue for Donations:** Cryptocurrencies, with their growing global acceptance, offer an additional channel for donations, broadening the donor base.

5. ***Instant and Cost Effective Transactions:*** Cryptocurrencies can facilitate quicker cross-border transactions with minimal fees, ensuring more funds are allocated to the intended beneficiaries.
6. ***Reimagining Financial Models:*** The integration of cryptocurrency allows WAQF to explore innovative financial models, such as micro-WAQF or tokenized WAQF assets, bringing modern finance techniques to a traditional system.
7. ***Enhancing Liquidity:*** Cryptocurrencies could help in improving the liquidity of WAQF assets, ensuring they are more easily convertible and can be used more effectively for community welfare.

4. Cryptocurrency and Shari'ah Compliances: A Gray Area

The world of finance stands at a unique crossroad, marked by the meteoric rise of cryptocurrencies on one side and the timeless tenets of Shari'ah, or Islamic law, on the other. As the allure of decentralized digital currency gains momentum globally, its compatibility with Shari'ah principles remains a subject of intense scrutiny and debate (Albalawee and Al Fahoum, 2023; Chowdhury et al., 2022). Shari'ah emphasizes not only moral and ethical values in financial transactions but also underscores clear prohibitions against speculation (gharar) and usury (riba). Consequently, the volatile nature of cryptocurrencies, coupled with their speculative tendencies, appears to be in stark contrast to these principles.

However, it's not just a matter of contrasting philosophies; the real world implications are profound. As nations with significant Muslim populations explore the adoption of cryptocurrencies, the question of Shari'ah compliance becomes paramount. Will non-compliance impede the global adoption of cryptocurrencies? Or will a middle ground be found that harmonizes digital innovation with religious tenets? This exploration seeks to highlight the causes and effects of this convergence, unearthing the complexities of the dynamic interplay between modern finance and age old Shari'ah compliances.

Having said that, intertwining cryptocurrency with WAQF isn't without challenges. The primary concern emerges from the Shari'ah perspective. Some Islamic scholars argue that the speculative nature of cryptocurrencies might violate the prohibition of excessive uncertainty (gharar) and gambling (maysir) in Islamic finance. Additionally, from a legal standpoint, the regulatory framework for cryptocurrencies remains a patchwork across nations. The integration of WAQF, primarily a religious instrument, with a volatile and sometimes legally ambiguous financial tool like cryptocurrency, might pose compliance challenges.

5. Towards a Harmonized Solution

To harmonize cryptocurrency with WAQF, a multi-pronged approach is needed:

Shari'ah-Compliant Cryptocurrencies: These are digital currencies designed explicitly with Islamic financial principles in mind, ensuring that the tokens adhere to prohibitions against speculation and uncertainty.

Regulatory Collaboration: There's a need for close collaboration between Islamic financial institutions, cryptocurrency experts, and regulators to develop a framework that upholds the sanctity of WAQF while leveraging cryptocurrency's benefits.

Education and Awareness: Engaging the community, scholars, and WAQF beneficiaries in discussions can dispel misconceptions and build a collective understanding of the benefits and challenges posed by this confluence.

The potential marriage of WAQF with cryptocurrency symbolizes a broader conversation about how age old traditions can adapt in a rapidly changing digital era. While challenges exist, with careful navigation, innovation, and collaboration, cryptocurrency could indeed play a pivotal role in rejuvenating the principles and practices of WAQF for a new generation.

A. Decentralizing Finance: How Blockchain Technology is Redefining the Global Islamic Economic Landscape

The advent of blockchain technology is heralding a new era in the financial sector by introducing unprecedented levels of decentralization, transparency, and security (Aysan and Bergigui, 2021; Zaman et al., 2023). This technological revolution holds significant potential for the Islamic finance industry, aligning with its foundational principles and opening new pathways for economic activities that adhere to Shariah law. The integration of blockchain technology into Islamic finance is poised to redefine the global Islamic economic landscape, offering innovative solutions and fostering greater financial inclusion.

B. SHARI'AH Compliance Through Blockchain SHARI'AH

Blockchain's decentralized nature inherently supports the principles of Islamic finance, which emphasizes ethical conduct, fairness, and transparency. Smart contracts, a core feature of blockchain technology, facilitate automatic and transparent execution of agreements, ensuring compliance with Shariah laws that prohibit elements like interest (riba), excessive uncertainty (gharar), and gambling (maysir) (Chong, 2021; Khan and Rabbani, 2022). These self-executing contracts reduce ambiguity and ensure that financial transactions are conducted in a manner that is clear, predetermined, and free from unethical practices.

C. Enhancing Trust and Transparency

Trust and transparency are fundamental to Islamic finance, and blockchain technology excels in these areas. The immutable ledger of blockchain ensures that all transactions are permanently recorded and can be audited by anyone, enhancing accountability and trust among stakeholders (Chong, 2021). This transparency is crucial for Shariah compliance, as it allows for clear and verifiable records of all financial activities, ensuring that they meet the ethical and legal standards set by Islamic law. Additionally, blockchain's capability to provide real-time auditing and reporting enhances the credibility and reliability of Islamic financial institutions.

D. Promoting Financial Inclusion

One of the most profound impacts of blockchain technology on the Islamic economic landscape is its potential to promote financial inclusion. In many Muslim-majority countries, a significant portion of the population remains unbanked or underbanked, often due to lack of access to traditional banking services or distrust in conventional financial systems. Blockchain-based financial solutions, such as decentralized finance (DeFi) platforms, offer an accessible and inclusive alternative (Dahdal, Truby, and Ismailov, 2022; Kanwal, Tayyab, and Idrees, 2023). These platforms can provide a wide range of financial services, including microfinance, peer-to-peer lending, and crowdfunding, without the need for traditional banking infrastructure. By leveraging blockchain, these services can be made more accessible, affordable, and aligned with Islamic principles.

E. Innovation in Islamic Finance Products

Blockchain technology is enabling the development of innovative financial products tailored to the needs of the Islamic finance market. For example, sukuk (Islamic bonds) can be issued

and managed on a blockchain platform, ensuring that they comply with Shariah principles and are transparently tracked throughout their lifecycle. Similarly, halal cryptocurrencies and tokens can be created, offering new investment opportunities that adhere to Islamic ethical standards. These digital assets can be traded on blockchain-based exchanges, providing a secure and Shariah-compliant marketplace for investors.

F. Addressing Regulatory and Compliance Challenges

While the potential of blockchain in Islamic finance is immense, it also presents challenges, particularly in terms of regulatory and compliance issues (Abdullah and Rahman, 2015). Islamic financial institutions and regulators must work together to develop frameworks that accommodate the unique characteristics of blockchain technology while ensuring adherence to Shariah principles. This involves creating standards for smart contracts, defining the legal status of digital assets, and establishing guidelines for blockchain-based financial transactions. By addressing these challenges, the Islamic finance industry can fully leverage the benefits of blockchain technology.

G. WAQF principle in a Decentralized Financial Environment Using Distributed Ledger Technology

In a decentralized financial environment, the management and operation of WAQF can be enhanced using Distributed Ledger Technology (DLT), such as blockchain. This technology can provide a transparent, immutable, and efficient mechanism for recording and managing WAQF assets and transactions. The diagram below illustrates how WAQF principles are implemented in such an environment.

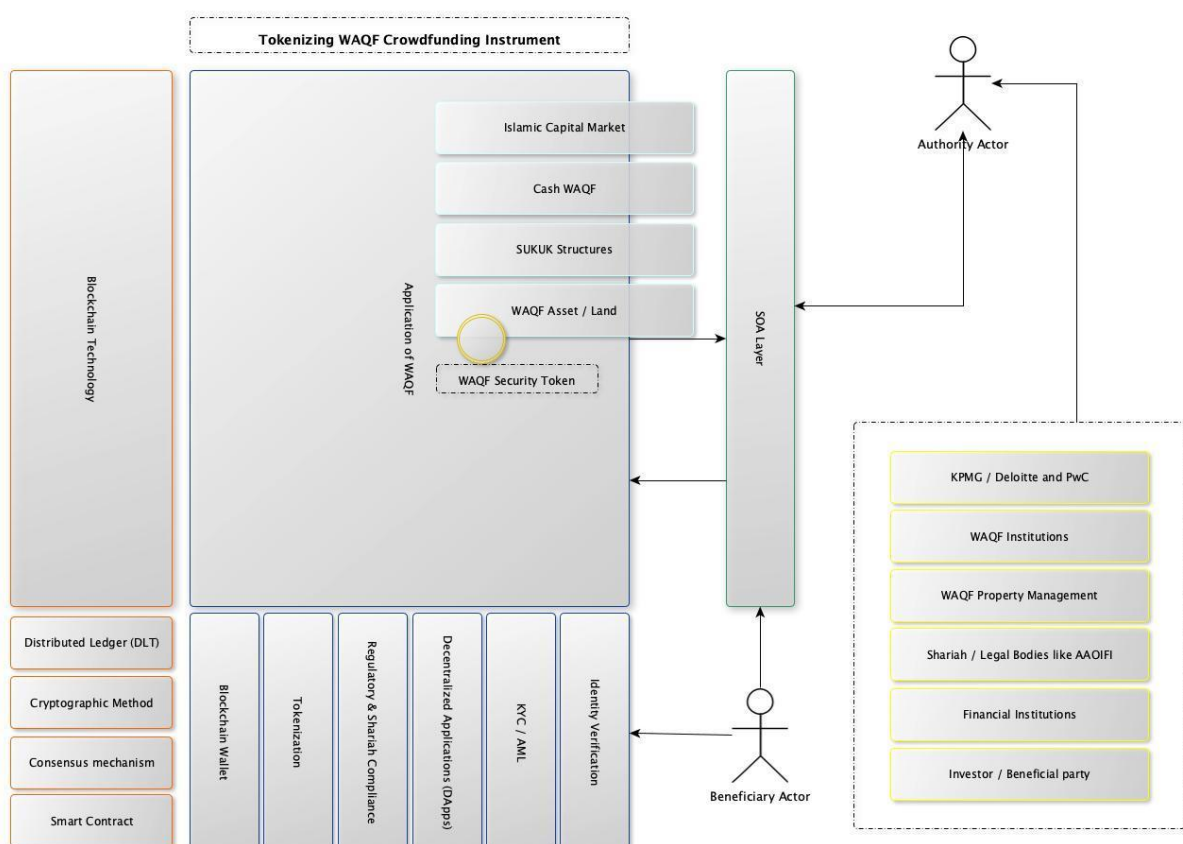


Figure 1. WAQF Principle in a Decentralized Financial Environment Using Distributed Ledger Technology

Source: Ali and Ahmad (2020)

1) Components and Explanation

- a) **Donor:** The individual or entity that donates assets to the WAQF. In the decentralized system, the donor can transfer the ownership of the asset to the WAQF trust through a blockchain-based transaction, ensuring transparency and immutability.
- b) **WAQF Asset:** The property or asset that is endowed. This can include real estate, cash, or other valuable items. The asset is tokenized on the blockchain, creating a digital representation of the asset that can be easily tracked and managed.
- c) **Smart Contract:** A self-executing contract with the terms of the agreement directly written into code. For WAQF, smart contracts define the rules and conditions of the endowment, including how the benefits are to be distributed and under what circumstances. These contracts ensure that the WAQF operates according to Shariah principles without the need for intermediaries.
- d) **Distributed Ledger:** The blockchain where all WAQF-related transactions and records are stored. The distributed ledger ensures that all transactions are transparent, tamper-proof, and verifiable by all parties involved.
- e) **Management Entity:** The organization or group responsible for managing the WAQF assets. In a decentralized environment, the management entity's actions are governed and recorded by smart contracts on the blockchain, ensuring accountability and transparency.
- f) **Beneficiaries:** The individuals or groups who receive the benefits of the WAQF. Smart contracts automatically distribute the benefits according to the predefined terms, ensuring that the intended charitable purposes are met efficiently and transparently.
- g) **Regulatory Oversight:** Regulatory bodies that oversee the compliance of the WAQF with Shariah principles and legal requirements. Blockchain provides a transparent and immutable record, making it easier for regulators to audit and verify the operations of the WAQF.

2) Workflow Explanation

- a) **Donation:** The donor initiates the donation by transferring the asset to the WAQF through a blockchain transaction. This transfer is recorded on the distributed ledger.
- b) **Tokenization:** The donated asset is tokenized, creating a digital representation that can be easily managed and tracked on the blockchain.
- c) **Smart Contract Activation:** A smart contract is activated, outlining the rules for the management and distribution of the WAQF benefits. This contract is immutable and self-executing, ensuring compliance with Shariah principles.
- d) **Management and Distribution:** The management entity oversees the WAQF assets according to the smart contract's terms. The smart contract ensures that the benefits are distributed to the beneficiaries as intended.
- e) **Monitoring and Auditing:** The distributed ledger provides a transparent and immutable record of all transactions and activities related to the WAQF. Regulators and auditors can easily access this information to ensure compliance and accountability.
- f) **Beneficiary Receipt:** The beneficiaries receive the benefits directly, with all transactions recorded on the blockchain, ensuring transparency and efficiency.

By leveraging Distributed Ledger Technology, the management and operation of WAQF can be significantly improved. Blockchain ensures transparency, immutability, and efficiency, aligning closely with the principles of WAQF and providing a robust framework for philanthropic activities in the Islamic economic landscape. This decentralized approach not only enhances trust and accountability but also ensures that the benefits of WAQF are distributed fairly and efficiently to those in need.

H. The Role of Blockchain in Financial Decentralization

The advent of blockchain technology has posed a significant disruption to the global financial landscape. From the ways we conceptualize value transfers to the fundamental structures of financial governance, blockchain challenges many established norms. This study aims to provide an analytical overview of blockchain's role in catalyzing financial decentralization.

1. ***Enhancing Transparency and Trust:*** Blockchain's transparent ledger system offers unparalleled access to transaction histories. Every transaction, once added to the blockchain after consensus, becomes permanently recorded and accessible. This transparency fosters trust among participants, as activities are no longer obscured behind institutional barriers.
Analysis: Traditional financial systems often operate behind a veil, where the processes are only transparent up to a point. Blockchain's inherent transparency, while fostering trust, also demands rigorous security and privacy solutions to ensure data protection.
2. ***Facilitating Efficient Cross border Transactions:*** Blockchain eliminates the need for intermediaries in international transactions. Traditional cross-border transfers, riddled with multiple bank involvements, currency conversions, and associated fees, often take days. Blockchain-driven transactions can achieve this in minutes or hours.
Analysis: While blockchain offers a solution to the inefficiencies of traditional cross-border transactions, there are challenges in terms of blockchain scalability, energy consumption (in cases like Proof of Work systems), and the interoperability between different blockchain systems.
3. ***Financial Inclusion:*** Decentralized financial systems or DeFi platforms can provide services to those traditionally underserved or excluded from conventional banking, especially in regions with less developed financial infrastructures.
Analysis: The democratization of finance through DeFi is promising, but it's essential to address concerns about the ease of use, user education, and potential exploitation of uninformed users.
4. ***Smart Contracts and Automation:*** Smart contracts, self-executing contracts with terms directly written into code, can potentially redefine financial agreements. They ensure trust, as outcomes are guaranteed by code rather than reliant on intermediaries.
Analysis: While the automation of contracts can revolutionize many sectors, there are challenges. Coding errors or oversights can lead to financial losses, and the inflexibility of some smart contracts can lead to unintended consequences if not designed properly.
5. ***Reshaping Financial Governance and Regulation:*** Decentralized systems challenge the traditional regulatory models. With decentralized exchanges and peer-to-peer lending platforms, there's a shift from a centralized regulatory authority to a system where regulation needs to be more dynamic.
Analysis: This shift demands a reimagining of regulatory frameworks. While decentralized systems offer resistance against single points of failure, they also introduce concerns about oversight, accountability, and the potential for illicit activities.

Blockchain's role in financial decentralization is multifaceted, offering solutions to many of the inefficiencies and challenges of traditional systems. However, as with any disruptive technology, it introduces its own set of challenges. Analyzing its impact and potential helps in making informed decisions and guiding the evolution of decentralized financial systems to ensure they are robust, inclusive, and efficient.

6. Conclusion

This paper explored the potential of leveraging smart contracts to securitize the WAQF principle, with the goal of enhancing transparency, efficiency, and Shariah compliance within Islamic socio-economic instruments. Through the integration of blockchain technology, smart contracts can automate key aspects of WAQF management, including asset transfers, revenue distribution, and compliance enforcement. The findings from the research indicate that smart contracts significantly improve WAQF governance by providing immutable transaction records, facilitating transparent and auditable processes, and automating Shariah compliance. This automation minimizes the risk of human error and corruption, thereby strengthening stakeholder trust and ensuring that WAQF assets are managed efficiently and ethically.

Additionally, the research highlights the importance of adopting smart contract standards, such as ERC-20 for tokenizing assets and ERC-721 for managing non-fungible tokens (NFTs) that represent unique WAQF assets. These standardized protocols ensure interoperability, security, and regulatory compliance, making it easier to integrate the WAQF platform with other blockchain ecosystems. By adopting these standards, WAQF institutions can scale their operations, allowing for broader adoption and more efficient management of assets across different jurisdictions.

In short, the integration of smart contracts into WAQF not only modernizes the platform but also aligns it with contemporary financial standards, making it more resilient, transparent, and aligned with Islamic principles. By addressing the challenges of trust, transparency, and compliance, blockchain technology, through smart contracts, offers a transformative solution for WAQF management, paving the way for enhanced socio-economic impact in the Islamic world.

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