

## ESTABLISHING PROPERTY MANAGEMENT VIA HIBAH TRUST TO UPHOLD SUSTAINABLE DEVELOPMENT GOALS (SDG)

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### Article Progress

Received: 6 June 2025

Revised: 1 July 2025

Accepted: 12 July 2025

<b>Abstract</b>	<p><i>An inventive initiative to promote sustainable economic practices through property management is the Hibah Trust for Sustainable Development Goals. This abstract explores the conceptual structure and operational dynamics of the Hibah Trust, emphasizing the crucial role it plays in promoting initiatives related to the Sustainable Development Goals. This qualitative study was carried out using content analysis and in-depth case study analysis. The findings were evaluated using both inductive and deductive methodologies. The findings indicate that hibah trust advances the Sustainable Development Goals (SDGs) in five areas: Gender Equality, No Poverty, Good Health and Well-Being, Decent Work and Economic Growth, and Gender Equality. In order to address this issue, this study emphasizes how important the Hibah Trust is as a catalyst for revolutionary change in promoting prosperity and economic resilience for present and future generations through appropriate property management. Moreover, this study provides further research that can link and relate the concepts found in hibah trust to modern and ongoing studies on a number of ideas, such as wasatiyyah, rahmatan li al-'ālamīn, and maqāsid sharia, enabling its application to be developed and approved by the entire nation.</i></p> <p><b>Keywords:</b> <i>Hibah Trust, Sustainable Development Goals (SDG), Property Management</i></p>
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## INTRODUCTION

Property management is emphasized in Islam. It ensures that property can be used and freely circulated for a wide range of human needs (Hasbulah & Daud, 2015). This commandment is mentioned in Surah al-Nisa verse 9, which emphasizes the importance of prudent property management and financial planning for the family's future. The words of Allah SWT:

﴿وَلْيَحْشَ الَّذِينَ لَوْ تَرَكُوا مِنْ خَلْفِهِمْ ذُرِّيَّةً ضِعَافًا خَافُوا عَلَيْهِمْ فَلْيَتَّقُوا اللَّهَ وَلْيَقُولُوا قَوْلًا سَدِيدًا﴾

Which means, “Let the guardians be as concerned ‘for the orphans’ as they would if they were to ‘die and’ leave ‘their own’ helpless children behind. So let them be mindful of Allah and speak equitably.” (al-Quran. Al- Nisa: 9).

The notion of property management implicitly accepts one person's ownership rights over another group. Efficient property management can act as a catalyst for a transaction, allowing all communities to benefit from the spread of property and wealth. As a result, systematic and orderly property management seeks to eliminate restraints that may impede the economic activity of the family, community, and country.

Although the concept of property management is regarded as critical and beneficial to all, many members of the community remain unaware of its importance and are unwilling to initiate property distribution plans (Bakar et al., 2020; Rashid & Ahmad, 2013; Rashid & Yaakub, 2010). It is the reason for the increase of frozen property (Yaakob et al., 2020). According to Haryati Mohd Ali, As-Salihin Trustee Berhad Islamic Estate Planning Professional Consultant, the current figures suggest that about RM90 billion in frozen assets are not effectively managed by heirs (Utusan Malaysia, 2021).

This figure reflects an increase in unclaimed property in 2007 to RM40 billion (Rahman et al., 2018). The majority of these principles are shared by our country's Muslims. If properly handled, it has the potential to help Muslims build their economies. According to Azhar Abdul Samat, Estate Consultant, about 95% of Muslims are still unaware of the significance of properly managing property before or after death (MyMetro, 2020).

Islam has proposed ways of managing property through hibah (Alias et al., 2014). This approach confers legal ownership rights on the recipient and is accepted as complete ownership in Islam (Muda et al., 2008).

The classical hibah concept has been developed and merged with trust to create an alternative to existing property management instruments. Hibah trust gained popularity among Malaysia's Muslim community due to its speedier and more efficient approach. It is also a lifetime gift of property made by the property owner to someone else (Muda, 2008), whether or not the recipient is an heir. This hibah trust is lined up for implementation today because it aligns with the country's Sustainable Development Goals.

As a result, the purpose of this study is to investigate the potential of the hibah trust approach to empowering the country's aspirations through the Sustainable Development Goals.

## **LITERATURE REVIEW**

### **Concept of Hibah Trust**

Hibah trust is established by combining two different contracts: the hibah contract and the trust contract (Rahim et al., 2018). This contract is a hybrid and not a classical hibah (Moidin et al., 2023). This contract begins with the giver signing the hibah agreement and handing over the hibah property to the recipient. Then proceed with the second contract, the trust, in which the recipient entrusts the property to the trustee.

The formation of a hibah trust contract is considered completed after the beneficiary of the trust property appoints a trustee (Halim & Bustami, 2017), who can be from the the giver, an institution, or any individual he wishes to run the trust. Indirectly, this appointment allows the giver to use the property as a trustee for his lifetime after the hibah trust agreement is signed (Halim and Bustami, 2017). Legally, the trustee can be the legal owner (legal ownership), while the recipient can be the beneficial owner, as agreed upon. This principle is illustrated in the case of *Lee Ing Chin & Ors v Gan Yook Chin & Anor* [2003] 2 CLJ 19.

Trustees have control over hibah assets, as permitted by legislation. This issue was referred to as the second criterion in the case of *Milroy v. Lord* [1862] 4 De G.F. & J. The chief judge, Turner, stated that the conditions for the formation of a trust are as follows: 1) the trust maker can transfer the property to the trustee, and 2) the trustee can make a declaration that the trust property will be managed by the trustee using the trust concept (Halim & Bustami, 2017). The trustee will then transfer the full property to the recipient until the giver dies or the events agreed upon by both the giver and the receiver occur.

The implementation of the hibah trust is founded on the sense of love (Azhar, 2018; Rahim et al., 2018) that the giver has for the recipient. This aspect motivates the giver to freely give up his treasured possession without any compensation. Once this contract is in place, the gifted property is no longer part of the inheritance or faraid system. Giving property through a hibah trust transfers ownership of the hibah property from the the giver to the recipient and takes effect while both the giver and the receiver are alive. As a result of this contract, the giverr's heirs have no right to claim property that was legally provided as a hibah trust after the giver's death.

### **Sustainable Development Goals**

According to the Fourth Edition Hall Dictionary (2017), 'sustainable' means unchanging, permanent, and fixed. While preserve means to repair or maintain. Azman (2019) defines sustainability as encompassing social, environmental, and economic factors. According to Hasna (2007), sustainability refers to a continuous process.

The Sustainable Development Goals (SDGs) are an action plan developed by the United Nations (UN) in 2015 and adopted by all 193 UN member nations. It aspires to achieve a better and more sustainable future by 2030 (UN Sustainable Development Goals). This plan was created to solve global concerns such as poverty, inequality, climate change, environmental damage, prosperity, peace, and justice (Adenan & Ab Rahman, 2020). Figure 1 depicts the main thrust of the SDGs, which cover 17 goals and 169 specific targets that include various types of sustainable development, such as no poverty, no hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate act, life below water, life on land, peace, justice and strong institutions, and partnerships for the goals.

Figure 1: Sustainable Development Goals



*Source: United Nation, 2015.*

### **METHODOLOGY**

The study's design is exploratory, with qualitative methodologies used to examine the application of hibah trust in all institutions in order to empower sustainable development goals (SDGs) through case studies. This strategy allows the researcher to delve deeper, gain a better understanding, and see the topic from a broader perspective (Creswell 2012; Yin, 2015).

Data was gathered using bibliographic and content analysis, specifically previous studies, muamalat jurisprudence books, fatwas, and legal documents. Scopus, Emerald Insight, Elsevier, EBSCOhost ebook, Lexis Advanced Malaysia, Jurnal Hukum, and Google Scholar databases provide access to journals, articles, proceedings, and pamphlets. The study data was then examined utilizing thematic, inductive, and deductive methodologies.

## **RESULTS AND DISCUSSION**

The findings of this study demonstrate the results of the content analysis of the literature study. Data was evaluated using inductive and deductive methods to develop a coding procedure and then produce themes. A theme analysis was undertaken to investigate the concept of hibah trust that support sustainable development goals (SDGs). As a consequence of the theme analysis, the trust hibah's execution enables the five cores' sustainable development goals (SDGs). The study's findings are as follows:

### **Sustainable Development Goal (SDG) 1: No Poverty**

Implementing property management through hibah trust has the potential to eradicate poverty in families and communities. Along with its main goal, SDG 1 seeks to eliminate all types of extreme poverty. SDG 1 focuses not just on persons living in poverty, but also on the services they utilize and the social policies that promote or prevent it.

The notion of hibah trust allows the person who gives the property to specify who will get the hibah property and how much property he want to give. The receiver of the hibah is not limited to the heirs who will be barred from obtaining the inheritance; anybody might be the recipient of the hibah. Whether it's between family members or friends, even if the recipient is not Muslim. The overall percentage of the property to be given is not limited to one-third of the donor's property. This is because the hibah trust uses the concept of a hibah rather than a will. Hibah legislation does not limit the amount of property that can be given as long as the property meets the conditions of the hibah that is owned by the giver, is halal (mutaqawwam property), exists, is known and can be handed over, and can be recognized or distinguished (Mustafa al-Khin, 1992 & Al-Sharbaji, 2003; Azhar, 2018; 'Abd al-Barr, 1998; 'Amru, 2008).

The primary goal of developing hibah trust products is to provide a community service that may help families and communities overcome financial difficulties and eradicate poverty. Furthermore, the gift of property through a hibah trust is critical to providing security for the family's future. According to the hadith of Bukhari's narration numbered 2742, it is forbidden to abandon a family member in poverty and begging.

### **Sustainable Development Goal (SDG) 3: Good Health and Well-Being**

SDG 3 strives to ensure healthy lifestyles and promote well-being for people of all ages. It aims encompass and focus on numerous elements of healthy living and lifestyle. The implementation of the hibah trust will enable SDG 3 to ensure the benefits of the recipients, who are children and the disabled.

This hibah trust is granted to care for the property of the disabled, such as children and the disabled themselves. The giver can impose requirements on the trustee to administer, care for, and manage the property as he sees fit. For example, a giver who is a parent or guardian of a child or a disabled person can require that the trustee use the hibah property to pay the recipient's medical expenses.

As a result, even if the giver has died, the hibah trust can directly ensure the recipient's health and well-being for the remainder of his or her life. This is because the property has been entrusted to a trustee, who is solely accountable for carrying out the wishes of the givers, the parents or guardians.

### **Sustainable Development Goal (SDG) 4: Quality Education**

Furthermore, the adoption of hibah trust has the potential to strengthen SDG 4's goal of providing quality education. As previously stated, the concept of hibah trust is meant to

provide property to persons who lack the necessary skills to manage property, such as children and the disabled. This is because the hibah trust is an effective tool for protecting the interests of this group through the nomination of trustees.

The trustee must carry out the trust that has been placed in him to handle the recipient's property as specified. Parents who make hibah can impose conditions and entrust the institution as trustee to handle the property for the benefit of the hibah recipient's education. Among the conditions or trustees that can be imposed is that the trustee use the hibah property to pay school fees and extra classes, purchase school supplies, distribute money for school expenditures, and so on, so ensuring that hibah recipients receive a quality education.

### **Sustainable Development Goal (SDG) 5: Gender Equality**

The implementation of hibah trust can ensure equal economic distribution among family members who receive hibah property. The concept of property management through succession in Islam has previously established the takharrij technique, which involves relinquishing rights. An heir may forgo this entitlement by splitting the inheritance equally. However, this technique requires the heirs' approval and will be executed only after the property owner's death.

On the other hand, the notion of hibah trust allows property owners to give away property to whomever they wish, with no fixed rate of gifting. This means that the giver is free to transfer his property to the receiver, including the option of giving equally, and that this giving occurred within the giver's lifetime. This method can prevent conflicts among hibah recipients because everyone receives an equal share. In the hadith reported by Nu'man bin Bashir, the Prophet SAW also urged that parents give to their children equally in order to avoid future fights and dissatisfactions. Specializing a child with a gift can result in sin ('Abd al-Barr, 1998).

The notion of this hibah trust is strongly tied to the aim of SDG 5, gender equality. Through Target 5.A, SDG 5 provides for equal access to economic resources, property ownership, and financial services. Giving property through a hibah of trust that can be made equitably confers ownership of the hibah property, which is an economic resource for the hibah receiver. It also ensures better survival for the family and community.

### **Sustainable Development Goal (SDG) 8: Decent Work and Economic Growth**

The primary goal of implementing the hibah trust is to avoid inheritance that is poorly managed by the heirs and eventually frozen. A succession of asset freezes has had a devastating influence on Muslim property, as well as the country's economy. Heirs are unable to use frozen assets, forcing them to live in poverty. It also has the potential to reduce the asset's economic value.

If the property is land or a house, the freezing of assets may result in the land or residential area being looted. It is exacerbated if the land is located in the heart of the city, which prevents economic development and gives the area a negative reputation. It has the potential to have an indirect detrimental influence on tourism activities and the country's economic growth.

These issues can be addressed through prudent property management during the property owner's lifetime and through a hibah trust. It can indirectly improve the economic success of hibah recipients, i.e. family members, while also having a good impact on the community's economic activity. The hibah property can be used in any transaction, whether exchanged or cared for, and will contribute to long-term economic progress. In line with SDG 8's goal of ensuring economic progress, as well as targets 8.1 (sustainable economic growth), 8.8 (supporting labor rights and providing a safe working environment), and 8.9 (promoting useful and sustainable tourism).

Finally, it can be argued that the adoption of property management through hibah trust contributes significantly to the empowerment of the sustainable development goal (SDG) agenda. The application of hibah trust reflects the balance and fairness indicated in

Islam's property management system, as well as the principles of sustainability in Madani Malaysia's three key pillars: sustainability, well-being, and kindness (ihsan).

## **CONCLUSION**

Islam requires everyone to follow maqāsid sharia. One of them is to care for property. Many passages in the Qur'an emphasize the need of good property management. There are also certain verses that serve as priority recommendations for distributing property, beginning with family and kin. This verse explains the principle of giving and brotherhood in Islam, which is the foundation of economic sustainability and can be achieved through hibah trust.

As a result, this study offers additional research that can relate and connect the ideas found in Islamic property management through hibah trust to contemporary and current studies, allowing its application to be developed and approved by the entire country. Research can be based on several concepts, including maqāsid sharia, wasatiyyah, and rahmatan li al-'ālamīn. A study like this is critical because it may educate the Muslim and non-Muslim publics in the country and overseas about how Islam has supplied guidance for current challenges and how to employ the ways found in Islam. In reality, it is the obligation of Muslim researchers to bring Islam's teachings to the attention of society as a whole, thereby transforming abstract Islamic knowledge into something more useful.

## **ACKNOWLEDGEMENTS**

This paper is the product of research funded by an Industry Grant titled "Produk Hibah Amanah Di Malaysia: Amalan Industri dan Analisis Terhadap Isu-Isu Syariah Dan Undang-Undang ", Code: 100-TNCPI/PRI 16/6/2 (039/2021). The researchers express their heartfelt gratitude to Permodalan Nasional Berhad for allocating and financing this research.

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