# Harmonizing Islamic Social Finance and National Food Security: A Regional Legal Perspective on Waqf Crowdfunding in Southeast Asia

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## ABSTRACT

Food insecurity in Southeast Asia is shaped by availability, access, utilization and stability, while Muslim communities may also require halal assurance throughout food value chains. Waqf crowdfunding is a potential complementary source of finance, but donation-based waqf, investment and securities crowdfunding confer different rights and are governed by different laws. This paper presents a doctrinal and functional comparison of Malaysia and Indonesia, using ASEAN policy instruments as regional context. The Malaysian analysis covers federal law and illustrative Johor and Selangor waqf instruments; the Indonesian analysis covers national waqf, securities-crowdfunding and halal regimes. The paper's contribution is to map institutional responsibilities and legal classification, distinguish enacted obligations from proposed safeguards, and develop an evidence-ready pathway through which a lawful project might contribute to food security. It finds that Malaysia's State-based waqf administration differs from Indonesia's national statutory system, and that ASEAN policy does not displace either national framework. Existing scholarship largely addresses donor intentions, conceptual models or expert views; it does not establish causal gains across all four food-security dimensions. The paper therefore proposes separate donation and investment flows, project-failure controls that preserve the waqf purpose, and pilot evaluation using measurable production, access, nutrition and stability outcomes. It does not assume a universal guarantee of principal recovery or a proven food-security effect. Regional cooperation is best pursued through compatible disclosure, reporting and technical guidance, subject to domestic law and competent-authority approval.

**Keywords—** Islamic social finance, waqf crowdfunding, food security, Southeast Asia, ASEAN, Malaysia, Indonesia, legal coordination.

## INTRODUCTION

Food security has become a major regional concern in Southeast Asia. The region is exposed to climate-related shocks, supply-chain disruption, food-price volatility and structural inequalities in access to agricultural finance. These challenges are reflected in ASEAN's current policy direction. The ASEAN Food, Agriculture and Forestry Sectoral Plan 2026–2030 identifies food security, climate resilience, digital transformation, market connectivity and access to financing for small-scale farmers as regional priorities (ASEAN Secretariat, 2025a). The ASEAN Economic Community Strategic Plan 2026–2030 similarly calls for improved access to finance across food value chains and stronger regional resilience.

For Muslim communities, food security has an additional normative dimension because adequate supply must also be consistent with halal requirements. This is especially relevant to poultry, aquaculture and other non-ruminant sectors that provide important sources of protein and livelihood. Financing such sectors therefore requires attention not only to agricultural productivity but also to lawful fundraising, Shariah governance and continuing halal compliance.

Islamic social finance offers one possible complementary source of funding. Its principal instruments include zakat, sadaqah, qard hasan and waqf. Waqf is particularly significant because it is designed to preserve an asset or fund for a continuing charitable or socially beneficial purpose. Contemporary practice has expanded beyond immovable property to cash waqf, productive waqf and digitally mediated fundraising. Verified studies from Malaysia and Indonesia demonstrate increasing interest in crowdfunding as a means of widening participation in waqf and improving access to social finance (Alam et al., 2023; Ishak et al., 2026; Kamaruddin et al., 2023).

Nevertheless, waqf crowdfunding should not be treated as a single legal category. A platform may collect pure charitable contributions, create cash waqf, offer investment-linked arrangements, or facilitate securities-based funding. The applicable regulatory framework depends on the legal substance of the transaction and the rights granted to contributors. This distinction is important for any regional discussion because Malaysia and Indonesia regulate waqf, fundraising and halal assurance through different institutional structures.

The study therefore asks how the Malaysian and Indonesian legal frameworks may inform a broader Southeast Asian approach to waqf crowdfunding for food security, and what form of regional legal coordination is realistically achievable. Rather than advocating uniform legislation, the article examines whether common governance, disclosure, Shariah-compliance and halal-assurance principles could support cross-border learning and compatible national regulation.

The research gap is narrower than a claim that waqf crowdfunding itself is new. Existing Malaysian and Indonesian studies examine adoption intentions, contributor behaviour, or proposed waqf-finance models for small farmers; a review of waqf-and-food-security studies found that most were conceptual and called for feasibility and impact research (Thaker, 2018; Masrizal et al., 2023; Azganin et al., 2021; Listiana et al., 2021). This paper addresses the legal and institutional gap between those strands: it compares how waqf status, contributor rights, financial regulation and halal assurance interact, then relates those rules to a measurable food-security pathway. Its contribution is a structured legal map and a set of testable safeguards, not evidence that crowdfunding has already improved food security.

# METHODOLOGY

## 2.1 Research Design and Functional Comparison

The study adopts doctrinal and comparative legal methods. Doctrinal research is used to identify, interpret and synthesise legislation, subsidiary regulations, regulatory guidelines, institutional materials and relevant legal principles. This approach is appropriate because the central issues concern the scope and interaction of waqf law, crowdfunding regulation and halal governance rather than empirical measurement of market performance (Majeed et al., 2023).

The comparative analysis uses a functional approach. Malaysia and Indonesia are not compared on the assumption that their institutions should be identical. Instead, the study examines how both jurisdictions address equivalent regulatory functions: legal authority over waqf, digital fundraising, protection of contributors, Shariah governance, halal assurance and public accountability. Functional comparison allows legal systems with different constitutional structures to be assessed according to the regulatory problems they seek to solve (Van Hoecke, 2015).

## 2.2 Scope, Source Selection and Legal Cut-Off

Primary Malaysian sources comprise the Federal Constitution; the Johor Islamic Religious Administration Enactment 2003, the Wakaf (State of Selangor) Enactment 2015; the Capital Markets and Services Act 2007 and Securities Commission Malaysia (SC) guidelines; and federal trade-description and halal-certification instruments. Indonesian sources comprise Law No. 41 of 2004 on Waqf and its implementing instruments, OJK Regulation No. 17 of 2025 on securities crowdfunding, and the halal-product-assurance legislation and regulations in force at the cut-off. Regional sources comprise ASEAN's Food, Agriculture and Forestry Sectoral Plan 2026–2030, the ASEAN Economic Community Strategic Plan 2026–2030 and the ASEAN Charter.

Secondary materials were selected for direct relevance to waqf crowdfunding, agricultural finance, halal integrity or food-security measurement.

Sources were selected purposively by legal function rather than by an exhaustive survey of every enactment in Southeast Asia. The source hierarchy was constitutional and statutory texts, gazetted subsidiary legislation and current regulator rules; official State-council or government legal records; official certification manuals and technical standards; then peer-reviewed scholarship and ASEAN/FAO policy materials. Official versions and revision dates were checked where available. Johor and Selangor are included as illustrative State examples because the former's verified waqf provisions sit in a general Islamic-administration enactment and related rules, while Selangor has a dedicated 2015 waqf enactment with express cash-waqf and wakaf-share provisions. They are purposive examples, not a representative sample of Malaysia's States. The Johor discussion is limited to the cited sections and is cross-checked against official MAIJ and JAWHAR materials; it is not presented as a complete inventory of Johor waqf law.

### 2.3 Analytical scope and limitations

The study is doctrinal and institutional, not a market study or programme-impact evaluation. It does not estimate crowdfunding volumes, investor returns, agricultural productivity or household food-security outcomes. The Malaysia–Indonesia comparison cannot represent all ASEAN legal systems; Johor and Selangor are not statistically or legally representative of every Malaysian State. No conclusion is drawn that any funding model causes food-security improvement. The article distinguishes the text of current law from administrative standards and from the safeguards proposed for future projects.

## LITERATURE REVIEW

### 3.1 Food Security and Regional Policy

Earlier ASEAN food-security policy was structured around the ASEAN Integrated Food Security Framework and the Strategic Plan of Action on Food Security 2021–2025. That framework aimed to ensure long-term food security and improve farmers' livelihoods. From 2026, the more relevant regional reference is the Food, Agriculture and Forestry Sectoral Plan 2026–2030, which aligns with the ASEAN Community Vision 2045 and places stronger emphasis on resilient food systems, digital innovation, financing, market connectivity and sustainable agriculture (ASEAN Secretariat, 2025a, 2025b).

The updated ASEAN policy context is important because it creates a legitimate regional entry point for alternative financing mechanisms. The ASEAN Economic Community Strategic Plan 2026–2030 expressly calls for better access to finance for small-scale farmers and other participants in food value chains, as well as accelerated digital transformation in agri-food production. Although ASEAN instruments do not specifically establish a legal framework for waqf crowdfunding, these priorities provide policy space for Member States to explore Islamic social-finance mechanisms where appropriate.

### 3.2 Waqf and Islamic Social Finance

The contemporary literature increasingly presents waqf as a productive social-finance institution rather than merely a mechanism for holding immovable charitable property. Cash waqf allows monetary contributions to be preserved or invested for continuing benefit, while productive waqf may support income-generating projects. Rahman and Awang (2018) identify both the potential and implementation challenges of cash waqf in Malaysia, and Mukhlisin (2026) highlights continuing governance issues associated with cash-waqf innovation across Islamic financial institutions.

Governance is particularly important because waqf funds are legally and ethically constrained by the purpose of the endowment. Malaysian research demonstrates that accountability, reporting, internal controls and institutional clarity are central to effective waqf administration (Kamaruddin & Hanefah, 2021). These issues become more complex when a digital platform, a waqf authority and a commercial project operator participate in the same funding arrangement.

### 3.3 Crowdfunding and Digital Waqf

Crowdfunding uses digital platforms to mobilise relatively small contributions from a large number of participants. The principal models include donation-based, reward-based, lending-based and equity-based crowdfunding. In Islamic social finance, however, the legal form of the contribution remains decisive. A charitable waqf contribution is not equivalent to an investment merely because it is collected through a digital platform.

Kamaruddin et al. (2023) show that financial-management practices, transparency and monitoring are important concerns in Malaysian Islamic donation-based crowdfunding. Ishak et al. (2026) examine the capacity of crowdfunding to widen waqf collection in Malaysia, while Alam et al. (2023) analyse a digital waqf crowdfunding model in Indonesia. These studies support the potential of digital mobilisation while also demonstrating the need for legal authority, transparent fund management and clearly defined platform roles.

### 3.4 Halal assurance and food-system governance

Halal assurance is related to, but legally distinct from, waqf validity and financial regulation. In Malaysia, the Trade Descriptions Act 2011 and the 2011 halal-definition and certification orders regulate halal representations and certification; JAKIM and State Islamic Religious Councils act as competent certification authorities. JAKIM's MPPHM 2020 and MHMS 2020 describe administrative certification and assurance procedures, while MS 1500:2019 is a technical standard rather than primary legislation. In Indonesia, BPJPH administers halal certification, LPH performs inspection, and the relevant MUI body or Halal Product Fatwa Committee determines halal status under the amended statutory framework. These separate roles matter for food projects: a valid waqf does not certify a product as halal, and halal certification does not validate the waqf or securities structure.

### 3.5 Regional Legal Cooperation and ASEAN Soft Law

ASEAN cooperation is primarily intergovernmental and often proceeds through declarations, sectoral plans, guidelines and coordinated national implementation rather than directly enforceable supranational legislation. This institutional feature is important for the present study. A regional framework for waqf crowdfunding would therefore be more realistic if expressed through common principles, model procedures or technical guidance rather than through a binding ASEAN-wide waqf code. Such an approach would preserve national sovereignty while still allowing Member States to coordinate on transparency, food-security financing and digital governance.

The Food, Agriculture and Forestry Sectoral Plan 2026–2030 strengthens the policy basis for this form of cooperation because it expressly links food security with access to finance, digital innovation, market connectivity and public-private partnership. These objectives do not convert waqf into an ASEAN-regulated instrument, but they provide a regional policy environment in which national Islamic social-finance initiatives may contribute to wider food-system resilience. The legal contribution of ASEAN is therefore facilitative: it can encourage compatibility and institutional dialogue without displacing domestic waqf, securities or halal law.

## National Legal Frameworks

### 4.1 Malaysia

Malaysia has a State-centred waqf structure. Article 74(2) of the Federal Constitution, read with Ninth Schedule, List II, item 1, assigns Islamic law relating to wakaf and Islamic charitable or religious trusts operating wholly within a State to State legislative authority; expressly excludes wakaf from the federal charities-and-trusts entry. State Islamic Religious Councils (SIRC) therefore act under their respective laws, while federal institutions regulate distinct fields such as securities and trade descriptions. For example, Johor's Islamic Religious Administration Enactment 2003, ss. 89–95, identifies the Majlis as sole trustee and addresses vesting, income, assets and registration. Selangor's dedicated Wakaf Enactment 2015, s. 4, makes MAIS the sole trustee and permits delegated administration. These examples show variation, not one uniform Malaysian waqf code

(Federal Constitution, art. 74(2), Ninth Schedule, List II, item 1 and List I, item 15(c); Enakmen Pentadbiran Agama Islam (Negeri Johor) 2003, ss. 89–95; Wakaf (State of Selangor) Enactment 2015, s. 4).

Crowdfunding is federally regulated when the transaction falls within capital-market activity. The Capital Markets and Services Act 2007 (CMSA), s. 2, defines securities and related capital-market products; ss. 34–36 establish the recognized-market operator framework, and s. 377 authorises Securities Commission guidelines. The current Guidelines on Recognized Markets, SC-GL/6-2015 (R14-2026), regulate equity-crowdfunding (ECF) and peer-to-peer (P2P) platforms in Chapters 13 and 14. For covered operators, these are applicable regulatory requirements, not merely recommendations. ECF concerns share offers; P2P concerns investment notes or Islamic investment notes carrying an expected financial return. The rules include operator registration, due diligence, disclosure, trust-account safeguards, issuer obligations, investor limits and default/complaint processes (CMSA 2007; SC, Guidelines on Recognized Markets).

Not every online waqf campaign is an ECF or P2P offer. A donation or cash-waqf contribution that gives the contributor no share, security, repayment entitlement or expected financial return does not, solely because a platform collects it, meet the ECF share-offer or P2P investment-note descriptions. The legal classification follows the rights created and the substance of the transaction, not its religious label. If the contributor receives shares, units, notes, Sukuk or an agreed financial return, the relevant securities rules may apply; a waqf label cannot avoid investor-protection requirements. This conclusion is limited to the capital-markets framework. Other laws governing charities, payments, consumer protection, data, fundraising or waqf administration may also be relevant and require separate review (CMSA 2007; SC Guidelines on Recognized Markets).

Halal assurance is a separate legal track. The Trade Descriptions Act 2011, ss. 5–7 and 28–29, prohibits false trade descriptions and authorises rules governing halal descriptions and certification. The Trade Descriptions (Definition of Halal) Order 2011, para. 3, sets criteria for food, goods and related services represented as halal; paras. 4–5 address misleading conduct and offences. Under the Trade Descriptions (Certification and Marking of Halal) Order 2011, paras. 3–7, JAKIM and the State Islamic Religious Councils are competent authorities for certification, marking and applications, including the rules for imported goods and recognised foreign certification bodies. These Orders must be read with their 2012 amendments. JAKIM's MPPHM 2020 and MHMS 2020 set the administrative certification and assurance procedures. MS 1500:2019 supplies technical halal-food requirements, but it is not an Act or a stand-alone criminal offence; its relevance arises through certification procedures or other valid legal incorporation. A project's certification duties depend on its claims, products, activities and jurisdiction (Trade Descriptions Act 2011; Definition of Halal Order 2011; Certification and Marking of Halal Order 2011; JAKIM, MPPHM 2020 and MHMS 2020; MS 1500:2019; Department of Standards Malaysia, FAQ on Malaysian Standards).

### 4.2 Indonesia

Indonesia's waqf system rests on a national statutory framework. Law No. 41 of 2004 (UU 41/2004), arts. 11–14, assigns nazhir duties to administer, manage and develop waqf in line with its purpose, protect the asset and report performance; arts. 47–50 establish BWI's national development, guidance and oversight functions. The wakif's designation governs the use of the property (arts. 22–23). For cash waqf, arts. 28–31 require the prescribed declaration, certificate and channel through a sharia financial institution appointed for cash-waqf administration (LKS-PWU); PP No. 42/2006, arts. 22–27, supplies registration and implementation detail. Nazhir, BWI and the LKS-PWU have different legal tasks and should not be described as interchangeable project operators (UU 41/2004; PP 42/2006).

Securities crowdfunding is separately governed by OJK Regulation No. 17 of 2025 (POJK 17/2025), and replacing POJK 57/2020 as amended by POJK 16/2021. Pasal 1 defines the regulated service as an electronic offer of securities by an issuer to investors; Pasal 7–20 and 30–35 address operator form, capital, licensing and fit-and-proper review. Pasal 59–74 impose operator due-diligence, disclosure, complaint, reporting and conflict-control duties; Pasal 85–101 address accounts, custody, payment and distributions; Pasal 103–128 cover issuer use of proceeds, continuing disclosure and investor protections. Pasal 6(b)'s explanation refers to social and benevolence funds, including waqf-related equity or Sukuk arrangements, but it is not a general licence for

donation-only campaigns. A pure waqf donation with no securities purchase is distinct from the regulated securities offer; a blended structure must identify and regulate each securities leg separately (POJK 17/2025).

Indonesia's halal-assurance law is based on Law No. 33 of 2014 as amended by Law No. 6 of 2023, implemented by Government Regulation No. 42 of 2024 and, at this article's cut-off, amended by PP No. 40 of 2026. BPJPH administers policy, certification, labelling and oversight; LPH conduct product examination; MUI or the relevant provincial/regency body determines halal status, with the Halal Product Fatwa Committee handling the statutory alternative in specified cases (UU 6/2023; PP 42/2024). PP 42/2024, arts. 2–3 and 50–67, requires certification for products entering, circulating or traded in Indonesia, subject to the stated exception for products made from haram materials, which must be clearly labelled non-halal. Businesses must maintain halal status, segregate halal and non-halal handling, appoint a halal supervisor and update material or process changes. PP 40/2026 revises staged deadlines in arts. 160–161, but it does not erase the distinction between waqf legality, securities compliance and halal assurance. The study treats these as parallel legal requirements, not as one unified certification test (PP 42/2024).

# COMPARATIVE FINDINGS AND DISCUSSION

## 5.1 Institutional Coordination

The main comparative difference is the allocation of authority, not the presence or absence of regulation. Malaysia assigns waqf principally to State institutions while federal agencies regulate securities and trade descriptions. whereby the Johor and Selangor provisions illustrate different State-law forms. Indonesia places waqf under a national statute and BWI framework, while OJK and BPJPH regulate separate securities and halal functions. In both systems, the body that holds or administers waqf property is not automatically the securities operator, project manager, halal certifier or food-safety regulator. Those roles should be named separately in project documents and in the analysis (Federal Constitution; Selangor Enactment 2015; UU 41/2004; POJK 17/2025; UU 6/2023).

A workable transaction therefore identifies the wakif or donor, the competent State Majlis or nazhir, the platform, the LKS-PWU or custodian where required, the farmer/cooperative or project company, the halal-certification actors and the authority responsible for enforcement. The trustee or nazhir remains accountable for the designated waqf purpose; the platform is accountable for its own licensing, disclosure and safeguarding obligations; and the project operator must satisfy operational, land, food and halal requirements. A memorandum of understanding cannot transfer a statutory power to an unauthorised actor. A responsibility map should name who receives each payment, who can authorise release, who certifies the food process, who checks the project, and who reports to contributors and regulators.

## 5.2 Donation-Based Waqf and Investment Crowdfunding

The governing distinction is the contributor's legal right, not the platform's name. A wakif makes a waqf contribution subject to waqf law and the stated purpose; a donor gives without a promised financial return; a lender has a repayment claim; and an investor or securities holder receives rights defined by the investment instrument. These categories must not be combined in disclosure. In Malaysia, ECF is a share-offer regime and P2P concerns investment notes; in Indonesia, POJK 17/2025 regulates an issuer's securities offer through an electronic service. A campaign that gives a return or securities right must be tested under the relevant financial law even if its marketing uses the term waqf (CMSA 2007; SC RMO Guidelines R14-2026; POJK 17/2025).

An illustrative domestic cash-waqf route is distinct from an investment offer. Under Selangor's Enactment 2015, s. 21, the Corporation may accept cash waqf; under Indonesia's UU 41/2004, arts. 28–31, cash waqf follows the LKS-PWU declaration, certificate and registration process. In a donation-only route, the contributor receives no share or agreed return and the funds remain subject to the waqf purpose and applicable trustee controls. By contrast, if a farmer cooperative raises money by offering shares, an investment note or Sukuk, that capital belongs to the securities or investment leg and must be documented with the relevant rights, risk disclosures, custody, reporting and exit terms. If a project uses both routes, the proposal should use separate agreements, ledgers and bank or trust accounts, state which asset each contribution acquires, and prevent the expected

investment return from being represented as a guaranteed waqf benefit. Online collection alone does not decide the legal classification; other payment, consumer, data and fundraising rules also require review.

### 5.3 Governance of Productive Waqf Projects

The literature indicates that digital social-finance platforms require robust governance, particularly in relation to collection, segregation, investment, disbursement and reporting of funds (Kamaruddin et al., 2023). Productive waqf projects add further complexity because funds may be converted into physical assets, operating expenditure and income-generating activities.

A complete governance plan should identify the legal recipient, the project owner, the purpose of each fund, the asset to be acquired, the permitted investment, the timing of disbursement, the treatment of income and any exit or recovery rights. Selangor's Enactment 2015, ss. 21–23 and 36–39, expressly provides for cash waqf, wakaf shares, donated securities, a Wakaf Fund and fund accounts. Section 38 specifies permitted uses of principal and benefit monies, so the article should not state that Malaysian waqf law universally requires the cash principal to remain untouched. In Indonesia, nazhir duties and investment controls arise under UU 41/2004, arts. 11–14 and 43, PP 42/2006, arts. 45–48, and BWI Regulation 1/2020. The two regimes protect waqf purpose in different ways and neither should be reduced to an abstract promise of principal preservation.

Project documents should distinguish four capital pools where they are used namely (1) perpetual waqf assets or cash waqf, subject to the waqf instrument and governing law; (2) time-bound cash waqf, for which Indonesia's PP 42/2006, art. 27, and BWI Regulation 1/2020, art. 12(3), require principal return at maturity through the prescribed institution; (3) non-waqf donations or grants; and (4) investment capital that carries share, repayment, profit or Sukuk rights. The statutory return-at-maturity rule for time-bound cash waqf is not a general guarantee against loss for perpetual waqf or every productive project. Indonesia's UU 41/2004, arts. 40–41, restricts transfer and exchange of waqf assets, subject to regulated exceptions; a project failure cannot be cured by an unauthorised sale or change of designation. Malaysia's Selangor s. 38 expressly permits specified uses of fund principal and benefits. These differences require instrument-specific drafting, not a region-wide assumption of identical principal rules.

A proposed project-failure protocol should begin before collection. The trustee or nazhir and platform should document title or land-use rights, permits, project feasibility, operator capacity, farmer or cooperative selection, halal pathway, cash-flow assumptions and the use of each capital pool. Disbursement can be staged against verified milestones, with project accounts segregated, independent reporting and insurance or sharia-compliant guarantees where lawful and commercially suitable. These are proposed safeguards unless a cited statute or regulator rule makes a particular requirement binding. At a material delay or default, the protocol should stop undisbursed funds, notify affected parties, commission an independent review, preserve claims and audit records, and propose a lawful rescue, substitute activity or termination. Any change in waqf purpose, exchange or disposal must follow the statutory approval route; a contract cannot create a blanket right to seize or redirect waqf principal. Investor recovery rights should be separated from the waqf beneficiary's rights.

### 5.4 Halal Integrity and Food-Security Projects

Waqf validity does not establish that the underlying food or service is halal, and halal certification does not establish that a waqf or securities offer is legally valid. Malaysia's halal description and certification rules apply to the relevant representations and products; Indonesia's statutory certification rules apply to products entering, circulating or traded in the country, subject to the statutory exception and deadlines. Certification is an important control on halal integrity, but it is not itself evidence that local households can afford or obtain the food. A rigorous analysis must therefore report legal compliance and food-security outcomes separately (Malaysia Definition of Halal Order 2011; Certification and Marking of Halal Order 2011; Indonesia, UU 6/2023 and PP 42/2024).

For livestock, aquaculture and processing projects, project agreements should assign responsibility for certification applications, approved suppliers, segregation of inputs and equipment, slaughter or processing procedures where relevant, traceability, audits, change notification and corrective action. These operational

controls are proposed project safeguards unless they are already required by the applicable certification procedure or licence. A food-security evaluation should record whether products remain halal-compliant across the supply chain, but should not use certification as a proxy for production volume, affordability, dietary quality or continuity of supply. This distinction connects halal integrity to the food project without collapsing the applicable legal regimes.

### 5.5 ASEAN-Level Opportunities

ASEAN policy provides a credible setting for cooperation, not a regional waqf regulator. The FAF Sectoral Plan 2026–2030 identifies smallholder-friendly finance and technology, food security and nutrition, market connectivity, digital traceability, public–private partnerships and resilient value chains as priorities. The AEC Strategic Plan also calls for financing access for small-scale farmers, digital transformation and PPPs in agri-food systems. These priorities can support discussion of a waqf-funded pilot, but they do not decide who may collect or invest waqf money under domestic law (ASEAN Secretariat, 2025a; ASEAN Secretariat, 2025c).

The FAF Sectoral Plan, AEC Strategic Plan and Leaders' Declaration are policy instruments that rely on Member-State implementation and regional coordination. The FAF Plan assigns delivery to ASEAN Member States and relevant SOM-AMAF working groups, with annual priority-setting, reporting and monitoring; the AEC Plan likewise calls for national follow-up and detailed action plans. These instruments do not themselves enact domestic waqf, securities, banking, charitable-fundraising, food-safety, land, halal or data-protection rules. The ASEAN Charter is a separate legal instrument; its intergovernmental structure, national implementation and consensus provisions do not make every later sectoral plan directly applicable domestic law (FAF-SP 2026–2030; AEC Strategic Plan 2026–2030; ASEAN Charter).

Accordingly, the feasible aim is regulatory convergence in selected functions rather than uniform substantive waqf law. Candidate areas include a common description of donor, wakif and investor rights; minimum campaign disclosures; compatible reporting of use of funds and project outcomes; interoperable traceability fields; and contact protocols between competent authorities. Such guidance should be non-binding unless adopted through each jurisdiction's valid legal process. It should also state expressly that waqf authority, securities licensing, halal certification and remedies remain governed by the law of the relevant State or country.

### 5.6 Halal and Shariah Coordination

Halal and Shariah governance present both opportunities and limitations for regional coordination. ASEAN has long experience with food and agriculture cooperation, but halal certification remains primarily national. Mutual recognition should therefore not be assumed. Any cross-border project must comply with the legal requirements of the jurisdictions in which fundraising, production and sale occur.

Regional halal and Shariah coordination should focus on compatible documentation, not presumed mutual recognition. A project must meet the certification, registration and product rules in each place where it raises funds, produces, imports or sells food. A common reporting template can record the certifying authority, certificate scope, recognised foreign body where applicable, supplier and lot traceability, changes to inputs, audit findings and corrective actions. It cannot substitute for local certification or an applicable fatwa. The same principle applies to waqf, as common disclosure terminology can improve transparency while leaving the competent State Majlis, nazhir, BWI, SC, OJK and halal authorities with their respective statutory powers.

### 5.7 Legal Risks of Cross-Border Waqf Crowdfunding

Cross-border projects add questions that a domestic campaign may not face among others, which entity receives the waqf; whose law governs the waqf instrument and project contract; whether a foreign platform or securities offer triggers host-country registration; how currency, remittance, tax and payment rules apply; which court or agreed forum hears disputes; how personal and beneficiary data move; and whether a foreign halal certificate is recognised. A Malaysian waqf asset does not become Indonesian waqf simply because a project spends funds there, and an ASEAN policy plan does not provide a mechanism for transferring title. Each participating

authority and legal entity should therefore be identified before funds are solicited (Federal Constitution; UU 41/2004; POJK 17/2025; PP 42/2024).

Regulatory arbitrage should also be avoided. A platform should not rely on the least demanding jurisdiction while directing an offer at contributors elsewhere. Before a cross-border pilot, counsel should produce a jurisdiction-by-jurisdiction matrix covering the place of establishment, residence of targeted contributors, location of the waqf asset, country of the project and each food market. The matrix should address securities, fundraising, payments, consumer protection, data, tax, land rights and halal certification; it should identify the responsible authority and approval for each activity. If any material authority or transfer question remains unresolved, the pilot should remain domestic or be delayed rather than assume regional harmonisation.

### 5.8 Food Security and Socio-Economic Potential

Waqf crowdfunding may support one or more stages of a food value chain namely irrigation, equipment, seed or livestock inputs, storage, processing, cold chain, aggregation, transport or market access. The mechanism is indirect. Funding must first be lawfully received and deployed; the project must then operate and deliver outputs before household food outcomes can change. ASEAN's FAF Sectoral Plan supports these channels through its priorities for smallholder finance, technology, logistics, traceability and value-chain resilience. Existing waqf-finance studies include proposed agricultural and livestock models, but most rely on literature review, expert consultation or model design rather than measured food-security effects (Azganin et al., 2021; Majid & Sukmana, 2023; FAF-SP 2026–2030).

Food security should be assessed across four dimensions that must be achieved together namely availability, access, utilization and stability. Availability measures production, stocks and trade; access concerns household income, expenditure, markets and prices; utilization concerns diet, preparation, care, health and nutrition; stability concerns whether the other dimensions persist over time and withstand shocks (FAO, 2008). A project can report production or storage outputs without demonstrating household access, nutrition or resilience. The literature review also indicates that many waqf-food proposals remain conceptual or descriptive, for example, project-specific output figures do not by themselves establish a counterfactual effect on nutrition or food access (Listiana et al., 2021; Fanani et al., 2022). The article therefore treats waqf crowdfunding as a possible complement to public and commercial finance, not as a proven food-security intervention.

A pilot should pre-register indicators before funds are raised. Availability indicators could include hectares or facilities brought into production, yield, post-harvest loss, storage days and volume released to local markets. Access indicators could include participating farmers' net income, farm-gate and retail prices, distance to market, and household experience of food access, using a consistent validated measure where feasible. Utilization indicators should include food safety, dietary diversity or nutrition measures suitable to the beneficiary group; halal certification is recorded separately as a compliance condition. Stability indicators should track the continuity of supply, seasonal price or yield variation, and disruption recovery across more than one relevant production cycle. Baseline and endline data, a comparison group or another credible counterfactual, disaggregated beneficiary data and independent verification are needed before causal language is used (FAO, 2013; UN SDG 2,).

### 5.9 Regional Policy Recommendations

First, Malaysian waqf authorities and federal financial regulators should develop a coordination protocol that does not transfer the State's constitutional role. It should identify the State Majlis and waqf instrument, the platform's legal classification, and when SC registration or another federal approval is triggered. Indonesia should similarly map nazhir and BWI responsibilities against OJK's securities regime and BPJPH's halal-assurance role. Such protocols would be administrative proposals unless issued under valid authority; they cannot amend the Constitution or replace statutory licences.

At ASEAN level, recommended minimum disclosures could state the campaign's legal type, competent waqf institution, contributor rights, source and use of funds, project operator, fee structure, risks, halal status, reporting interval and complaint route. Recommended monitoring fields could separately record capital received, assets

acquired, disbursements, production, local access and beneficiary outcomes. These safeguards are proposed regional guidance, not existing ASEAN legal duties, and should be adopted only through competent national or State channels.

A cross-border pilot should proceed only after each participating jurisdiction confirms its legal authority and approvals. The written arrangement should name governing law, the trustee or nazhir, platform and project operator, permitted payment route, securities classification, halal-certification route, data controller, audit rights, complaints forum, termination process and lawful destination of unspent or recovered funds. It should have a small, defined beneficiary group and independent monitoring. No pilot should promise capital preservation or food-security results that the applicable law and project evidence cannot support.

### 5.10 A Staged Regional Implementation Model

A staged model can make domestic readiness a genuine entry condition rather than a repeated recommendation. Stage 1 is a written legal-readiness opinion that identifies the competent waqf authority, governing instrument, platform classification, required approvals, halal pathway, land and operating permissions, and lawful treatment of each fund. A project that cannot document those items should not solicit contributions. Stage 2 is operational readiness such as separate accounts and agreements, named officers, due diligence, disbursement milestones, project-failure steps, disclosure templates, traceability and baseline outcome measures. An independent reviewer should confirm the stage gate before public fundraising begins.

Stage 3 may be a domestic pilot monitored across a complete production cycle before any cross-border element is added. If the domestic pilot is lawful and operationally sound, a bilateral authority-to-authority process may then compare disclosure, reporting and data fields without harmonising the substantive waqf laws. Each stage should have a stop/continue decision, written reasons and a responsible authority. Evaluation should cover legal compliance, complaints, fund reconciliation, halal findings, project outputs and the four food-security dimensions; scale-up should require evidence of both legal readiness and acceptable outcomes, not simply collection volume or platform uptake.

Any later cross-border pilot should add a transaction-specific legal opinion for every jurisdiction involved, including any rule triggered by where contributors are solicited, where securities are offered, where the waqf asset is held and where food is produced or sold. The pilot agreement should define choice of law, dispute forum, currency and remittance, custody, local certification, data transfers, audit access, default response and the treatment of assets and unspent money on termination. Results should be published in aggregate, including adverse outcomes and missing data, so that further regional guidance rests on evidence rather than assumptions.

### 5.11 Limits of Regional Harmonisation

The comparative sample is deliberately narrow: it covers Malaysia's federal framework with two illustrative State examples and Indonesia's national framework. The ASEAN texts provide regional policy context, not a survey of every Member State's waqf, charity, securities, land, halal or food law. National constitutions, waqf trusteeship, financial regulators, certification bodies, market structures and implementation capacity differ. Any proposed template must therefore be checked against the local law and authority in each additional country; findings from Malaysia and Indonesia cannot be presumed to apply uniformly across Southeast Asia.

The article uses regulatory convergence to mean compatible principles and administrative cooperation while domestic institutions retain legal authority. The FAF Sectoral Plan and AEC Strategic Plan are implemented through Member States and regional working groups; neither creates a directly applicable ASEAN waqf or securities code. The ASEAN Charter's intergovernmental structure, domestic implementation and consensus provisions reinforce this limit (FAF-SP 2026–2030; AEC Strategic Plan 2026–2030; ASEAN Charter).

The evidence also limits the substantive claim. Adoption surveys measure intention; conceptual models and expert discussions support feasibility hypotheses; descriptive project records may show outputs. None alone demonstrates that waqf crowdfunding caused improvement in availability, access, utilization and stability. The appropriate next step is a legally monitored pilot with a baseline, pre-specified indicators and a credible

counterfactual. Public infrastructure, agricultural extension, logistics, veterinary services, market rules and social protection remain necessary complements; waqf crowdfunding cannot substitute for them.

## CONCLUSION

This paper compares Malaysia's federal and State-based waqf arrangements, using Johor and Selangor as illustrative examples, with Indonesia's national waqf framework. The comparison shows that waqf governance, securities regulation and halal assurance are separate legal tracks, even when they intersect in one food project. The central contribution is a source-based map of institutional roles and contributor rights, together with a distinction between requirements already imposed by law and safeguards proposed for a future project.

The paper also clarifies what the available evidence can support. Waqf crowdfunding may provide complementary capital for production, storage, processing or distribution, but existing studies predominantly examine intention, conceptual design or expert views. They do not establish causal effects across availability, access, utilization and stability. Nor does the law in either jurisdiction create a universal make-whole guarantee for every failed perpetual waqf project. Principal treatment depends on the governing waqf instrument and applicable statutory rules. ASEAN's food and agriculture plans offer policy space for cooperation on smallholder finance, digital traceability, resilience and public–private partnerships, but they do not displace domestic constitutional or statutory authority. Malaysia and Indonesia therefore inform, but do not represent, all ASEAN Member States. Any regional approach should remain non-binding unless adopted through competent legal procedures and should account for country-specific regulation.

The recommended pathway is staged: verify legal authority and fund classification; separate donation, waqf and investment flows; make trustee, platform and project responsibilities explicit; plan for delay and project failure within waqf-law limits; and evaluate a pilot against pre-registered, multidimensional food-security outcomes. Broader claims should follow only if the project is lawful, independently monitored and shown to produce sustained benefits. This is a testable reform proposal, not a claim of proven regional impact.

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