

# Exploring the Shortcomings and Blockchain Potential of Estate Distribution in Malaysia: Fraud and Forgery Risks

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## ABSTRACT

Estate distribution in Malaysia plays a crucial role in ensuring a fair wealth transfer to beneficiaries. However, deficiencies in the existing system and concerns about fraud and forgery in this process have raised doubts about its reliability and deftness. This paper aims to investigate the prevalence, types, contributing factors, and legal implications of fraud and forgery in estate distribution in Malaysia. Additionally, it explores the potential of blockchain as a secure solution to mitigate these illicit practices. This extensive review employs a comprehensive search strategy to identify relevant studies from various databases – legal journals, academic repositories, and government publications where it focuses on studies that examine fraud and forgery in the estate distribution process in Malaysia, as well as the utilization of blockchain in estate administration. Findings reveal various forms of fraud and forgery prevalent in estate distribution in Malaysia – document manipulation, unauthorized asset transfers, and coercion of testators which are ascribed to weak authentication processes, lack of transparency, and complexities in traditional record-keeping systems. While Malaysia has legal frameworks in place to address fraud and forgery, they may not fully prevent or detect such activities. Therefore, this review emphasizes on the importance of exploring blockchain to enhance estate distribution security in Malaysia as implementing blockchain-based solutions can significantly reduce opportunities for fraud and forgery, foster transparency, and strengthen trust among stakeholders. Ultimately, the findings provide valuable insights for policymakers and legal professionals experts to design and implement effective strategies that leverage blockchain's security features. Henceforth, future research should focus on practical implementation, evaluating the efficacy of blockchain solutions, and addressing any legal and regulatory barriers to adoption.

**Keywords:** Fraud, Forgery, Estate Distribution, Security, Blockchain

## INTRODUCTION

Estate distribution refers to the process of dividing and allocating the assets and belongings of a deceased person among their heirs, beneficiaries, or other designated individuals according to their wills or the laws of inheritance. It may involve selling assets, paying off debts, as well as handling legal and financial matters before distributing the remaining assets to the rightful inheritors. The estate planning process is not merely about

collecting, managing, and protecting the property; the authorities, in fact, need to ensure that the property can be inherited and distributed properly without causing difficulties for the recipients of the property (Muhammad Saifullah & Mahamood, 2020). Assets such as land or houses that have been granted must be renamed to the surviving heirs. Similarly, a grant vehicle needs to be renamed to a living heir. In addition, savings and shares must be distributed to the heirs. For this purpose, the heirs need a power of attorney and a distribution order to change the grant's name and liquidate the money frozen in the existing accounts (Yaakob et al., 2020). In this process, various types of documents need to be submitted by the heirs to the property management to proceed with the application. However, matters pertaining to the distribution of inheritance seem inseparable with fraud problems, mainly due to the documents involved.

Documents are the most crucial proof in this day and age, whether in the Shariah or civil court. Document features, despite being spanned a long time, remain as the choice of evidence in many matters. Due to that reason, some parties falsify documents to gain profit or persecute others, including in matters related to inheritance (Wan Ismail et al., 2015). However, the latest information technology development has reached a level that significantly influences human life on assisting with various problems – especially on this matter. Yaakob et al. (2020) encouraged the use of an integrated electronic system where the property owner's death report can be integrated with e-land will help in discovering the number of properties owned and linked directly with evaluation at the property valuation and service office. This also includes links with legal provisions and related conditions as well as procedures (Ismail Omar, 2016; Azmi et al., 2026). Additionally, this can help the estate management monitor the flow of the property more efficiently.

As digitalization continues to advance rapidly, governmental bodies and public organizations are faced with the challenge of adapting to disruptive digital technologies. This challenge could be overcome since technology like Blockchain, integrated with Industry 4.0 advancements, presents a viable solution for addressing concerns related to estate distribution. Leveraging software and programming expertise, Industry 4.0 aims to harmonize digital, physical, and biological technologies. Notably, Peters and Panayi (2015) emphasize that the operation of blockchain differs from traditional databases as it employs encryption and distributed data storage across interconnected nodes, thereby mitigating the risks of a singular point of failure, fraud, or corruption.

### **Estate Distribution Process in Malaysia**

In Malaysia, the Small Estates (Distribution) Act 1955 provides a simplified process for the distribution of small estates. This act is designed to streamline the administration of estates that meet specific criteria in terms of value and assets. The process aims to facilitate a more efficient and cost-effective way of distributing small estates. To initiate a small estate distribution process, the estate must qualify under the Act, which means that the total value of the estate should not exceed RM5 million and can consist of both movable and immovable assets. Movable assets include cash, jewelry, stocks, and other personal belongings, while immovable assets include land, houses, shops, or offices. The current estate distribution process system is using the MyeTaPP platform by JKPTG, and the new system which is called MyLand has launched in July 2024.

### **My eTaPP and MyLand**

Estate planning today involves more than merely identifying and protecting property. Authorities are responsible for ensuring that such property can be distributed without hardship to rightful recipients. Heirs must undertake administrative tasks, such as transferring names on land titles, vehicles, and liquidating savings and investments. These tasks require legal authorizations and submission of various supporting documents to estate administrators.

Under the current MyLand system, both the application process and document submission are fully conducted online. Physical submission of documents is no longer accepted, as all required documents must be uploaded directly into the system. Previously, MyeTaPP only managed immovable properties. However, the JKPTG is now able to handle both movable and immovable properties following the amendment to the Small Estates (Distribution) Act 1955 (Amendment) 2022 [Act A1643].

Under the MyeTaPP system, applications could only be filed at the estate distribution office of the district where the deceased's immovable property was located. In contrast, MyLand allows applications to be filed in any state, subject to the location of the deceased's assets. In terms of the Notice of Hearing, there are three methods of notification under the MyLand system. The primary method is through notifications sent to the applicant's MyLand account. The second method involves email, WhatsApp, and phone calls, while the third is by hand delivery, which is usually applied to heirs who failed to attend the first and second hearings without a reasonable justification to ensure heirs receive a final (third) hearing notice before the estate application is cancelled.

Regarding the payment of estate order fees, the MyeTaPP system required manual cash payments at the office counter. The MyLand system now facilitates all payments through its e-payment gateway. Similarly, the purchase of copies of orders and other related documents, which previously required physical transactions at the counter, can now only be completed online via the MyLand portal (Azmi et al., 2026). Since the estate distribution process under MyLand is now fully digitalized, file movement and application status are more transparent and traceable. Heirs, as public users, can directly check the progress of their applications online. In contrast, during the MyeTaPP period, application tracking was limited due to the reliance on hardcopy documentation. Furthermore, limited manpower contributed to delays in the processing of estate applications.

Although MyLand has some level of integration that allows public institutions and agencies such as the High Court, Valuation and Property Services Department (JPPH), Road Transport Department (JPJ), and National Registration Department (JPN) to use it, the integration remains quite limited. Authorized officers are given individual IDs and passwords as users, enabling them to verify information submitted by the public (heirs). Once users submit their applications through the MyLand system, internal officers process and verify the provided information with the respective agencies.

## **The Concept of Fraud and Forgery**

### **The Definition of Fraud**

Inheritance is the legacy of the deceased that needs to be managed by the surviving heirs in an orderly manner. However, some individuals take advantage of the inheritance through fraud to make a profit. Fraud includes any acts of theft, bribery, conspiracy, embezzlement, money laundering, bribery, and extortion (Hemraj, 2002). Fraud also involves trickery to be dishonest in making personal gains or causing losses to others (Arowosaiye, 2020). Additionally, fraud is an activity involving some form of trickery where the dishonest act is intentional or intends to deceive which results in loss due to the performed fraud.

The offense of falsification, which is in correspondence with fraud, occurs when three key principles align: altering content as prescribed by law to intentionally deceive; harboring criminal intent; and yielding detrimental consequences for specific parties (Wan Ismail et al., 2015). Legally, fraud refers to deliberate deception involving false representation of existing facts by the defendant, made knowingly or with a lack of belief in its accuracy, done recklessly regardless of its truth with the aim of prompting the plaintiff's action resulting in their loss (Law Dictionary, 2008). Forgery pertains to the act of creating a false document with the intention of inducing someone including oneself to accept it as authentic; by doing so, causing harm to that person or others.

Meanwhile, the term 'fraud' in land administration used in the statements below refers to the misconduct of fraud and forgery according to the terms used in the National Land Code. Under Section 340(2)(a) of the National Land Code, it is stipulated that:

“(2) The title or interest of any such person or body shall not be indefeasible:

(a) in any case of fraud or misrepresentation to which the person or body, or any agent or body, was a party or privy.”

The provision of section 340(2)(a) of the National Land Code 1956 explains that if a person or his agent becomes a party or knows about the existence of fraud, the ownership rights obtained by the person in question will be rebuttable. This means, someone who has committed fraud will not be protected by registration. In conclusion,

fraud in inheritance involves deceptive practices aimed at exploiting the assets of the deceased for personal gain. It encompasses acts of dishonesty, misrepresentation, and forgery. The National Land Code recognizes the seriousness of fraud and forgery in land administration; therefore, they provide provisions to challenge and rebut the ownership rights obtained through fraudulent means.

### **The Definition of Forgery**

Forgery is the act of creating or altering a document with the intention to deceive or defraud someone. In Malaysia, forgery is defined under Section 463 of the Penal Code Act 574, which states that "whoever makes any false document or part of a document with the intent to cause damage or injury to the public or to any person, or to support any claim or title, or to cause any person to part with property, or to enter into any express or implied contract, or with intent to commit fraud or that fraud may be committed, commits forgery". This definition outlines the various scenarios by which forgery can occur. It includes creating a false document or modifying an existing document with the intention to cause harm, deceive, support false claims or titles, induce someone to give up their estates, or facilitate fraudulent activities.

The provision indicates the broad scope of forgery offenses. It encompasses both the creation of entirely false documents and the alteration of genuine documents. The act of forgery can involve any types of documents such as identification cards, contracts, wills, financial records, or any other written or printed material. The key element in forgery cases is the presence of intent. The offender must have the specific intention such as to cause damage, injury, or fraud by making or altering the document which distinguishes forgery from accidental errors or innocent mistakes (Azmi et al., 2026).

Under Malaysian law, forgery is indeed regarded as a serious criminal offense, and the penalties for such offenses can be severe. The punishment for forgery depends on various factors including the nature and extent of the forgery as well as the specific provisions of the law that have been violated. In the case of forgery involving valuable securities such as cheques or bonds, the penalties can be particularly stringent. This is due to the fact that, Section 463 of the Malaysian Penal Code Act 574, which defines forgery, does not specify a specific punishment for all instances of forgery. However, other provisions within the Penal Code Act address offenses related to valuable securities.

Section 468 of the Penal Code Act addresses forgery for the purpose of cheating. It states that "whoever commits forgery, intending that the document or electronic record forged shall be used for the purpose of cheating, shall be punished with imprisonment for a term which may extend to seven years, and shall also be liable to a fine." Moreover, Section 471 of the Penal Code Act deals specifically with forgery of valuable security or will. It states that "whoever fraudulently or dishonestly uses as genuine any document or electronic record which he knows or has reason to believe to be a forged document or electronic record, shall be punished in the same manner as if he had forged such document or electronic record." The punishment for offenses under Section 471 varies depending on the nature and value of the forged document or electronic record. In cases involving valuable securities that include cheques or bonds, the punishment can be up to life imprisonment or imprisonment for a term that may extend to twenty years along with a possible fine.

The severity of the penalties for forgery in Malaysia reflects the gravity by which the legal system treats such offenses. The intention is to deter individuals from engaging in fraudulent activities and protect the integrity of documents and electronic records. In addition to the Penal Code, there are also other laws and regulations in Malaysia that govern forgery and related offenses. For example, Anti-Money Laundering, Anti-Terrorism Financing, and Proceeds of Unlawful Activities Act 2001 (AMLA) that criminalizes the act of using or possessing forged documents for the purpose of committing money laundering or terrorism financing offenses.

Overall, forgery is a serious offense in Malaysia that carries severe penalties. Hence, it is important for individuals and businesses to be aware of the various types of forgery and to take appropriate measures to prevent and detect fraud in their dealings.

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## Types of Fraud and Forgery

Forms of document falsification and fraud in the estate distribution process in Malaysia can vary and evolve over time, making them challenging to detect due to advancements in technology and current facilities. Forgery can be classified into two – clear and blatant, as well as unclear.

Clear and blatant forgery refers to alterations made to a document that are evident and visibly affect the document's authenticity (Wan Ismail et al., 2015). An example of this would be directly copying someone else's writing or signature. In the context of estate distribution in Malaysia, fraud can occur through various means: forgery by amendment, forgery by deleting or adding information, and forgery of official stamps.

Firstly, forgery by amendment can be direct or indirect. Direct amendment involves copying, writing, or transferring signatures which can be confusing to distinguish between original and fake documents (Osborn, 1943). Indirect amendment involves fraudulent transfer of writing or signatures from the original document to a fake one, often using intermediaries or indirect methods (Al-Zanibat, 2005). In the estate distribution process, this could mean altering important information in land title documents or inserting additional data to deceive authorities (Zakariah, 2022). Additionally, fraud can also occur through the deletion or addition of information in documents (Al Hijaziyy, 2007). In the context of estate distribution, this could involve erasing or adding information to land title documents to misrepresent ownership or property details. Also, stamp forgery is another form of document falsification where individuals create fraudulent stamps to validate fake documents (Al-Zanibat, 2005). In the estate distribution process, a forged stamp could be used to deceive authorities and beneficiaries about the authenticity of certain documents.

In Malaysia, estate distribution fraud may involve individuals with access to executed documents or databases such as land office staff, system administrators, contractors, or vendors (Zakariah, 2022). Bribes might be given to those involved to facilitate the forgery process, and even superiors could be implicated. Among the most common types of document forgery in court cases are signature fraud and other forms (Wan Ismail et al., 2015). In this case, forensic experts play a crucial role in determining the authenticity of submitted documents, analyzing signatures, logos, paper quality, and print quality to spot discrepancies that raise doubts about document integrity (Wan Ismail et al., 2015).

To combat fraud and forgery in the estate distribution process, it is essential to be vigilant and take preventative measures. This includes implementing secure authentication methods, utilizing specialized expertise such as digital forensic analysis or handwriting analysis, as well as ensuring strong internal controls to safeguard against fraudulent activities. Moreover, the government needs to strengthen its systems and implement strict protocols to mitigate the risk of document fraud and forgery.

## Law Cases of Estate Distribution related to The Fraud and Forgery

Land law in Malaysia, especially the states in Peninsular Malaysia, is contained in the mainland law, the National Land Code 1965. The application of this law is based on the principles of the register known as the Torrens system. According to the Torrens principle, every transaction related to land must use the relevant forms that have been set and registered to guarantee the validity of every land transaction. Registration done following the established procedure will give inalienable rights to the owner. This means that according to the Torrens system, the rights of registered owners are absolute and cannot be questioned by anyone (Buang, 1993).

However, the inalienable rights given by the law to the registered owner will cause problems when a transaction is carried out with the existence of fraud and forgery. According to the provisions of section 340(2)(b) of the National Land Code 1965, if there is a falsification of documents in the transfer process, the registered title obtained later can be denied. Forgery can exist when a person misuses the registered owner's name and signature to effect a new ownership registration. In the case of *Pujaan Pertama Sdn Bhd v Yap Lee Chuan & Ors* [2023] 2 MLJ 74, the plaintiffs were the registered owners of a piece of land. However, they discovered that the land was no longer registered in their names. It was revealed that the land had been transferred to Fu Zhi Mao without the plaintiffs' knowledge or consent. Fu Zhi Mao subsequently sold the land to *Pujaan Pertama*, the appellant in the case. The trial judge found that the initial transfer from the plaintiffs to Fu Zhi Mao was a forgery based on

the testimony of the sixth defendant, Norizah, who denied attesting the signatures on the transfer document and provided evidence that she was not practicing with the firm mentioned on the document at the time. A handwriting expert testified that the signature purporting to be that of the second plaintiff was likely not his, and the signatures purporting to be those of the other plaintiffs were significantly different from their undisputed specimen signatures. The trial judge also found that Pujaan Pertama, as a subsequent purchaser from Fu Zhi Mao, could not avail itself of the proviso to Section 340(3) of the National Land Code to claim indefeasible title because Fu Zhi Mao did not defend the plaintiffs' allegation of fraud. Therefore, Pujaan Pertama's title was defeasible. In summary, the appellate court upheld the trial judge's findings. They concluded that the Form 14A transfer document was a forgery based on the evidence provided. The appellant's argument that they were a purchaser in good faith and for valuable consideration was rejected because they had dealt directly with Fu Zhi Mao, who was proven to have committed fraud.

There have been several reported cases of estate distribution fraud and forgery where individuals, often family members, and third parties have misappropriated assets or funds meant for distribution to the beneficiaries of a deceased person's estate. *Chia Tsai Looi v Pandian a/l Munusamy & Anor* [2022] 8 MLJ 97 is a case that deals with the issue of fraudulent land transfer and the importance of proper estate distribution. The case involved a dispute over the ownership of a piece of land that was inherited by the plaintiff and the first defendant from their deceased father. The second defendant was accused of fraudulently registering the land in his name and subsequently selling it to a third party. The High Court in Malaysia heard evidence from both sides and ultimately held that the plaintiff and the first defendant were the rightful owners of the land. The court also found that the second defendant had acted fraudulently by registering the land in his name and selling it to a third party. The decision in this case highlights the importance of proper estate distribution and the potential for fraud and forgery in such transactions. It also emphasizes the need for a reliable and transparent system to prevent fraudulent activities in estate distribution.

In Malaysia, cases like this highlight the need for greater awareness and education on estate planning and distribution, as well as the importance of legal instruments such as wills and powers of attorney to ensure that assets are distributed according to the deceased's wishes. It also highlights the need for a reliable and transparent system to prevent fraudulent activities in estate distribution. Overall, the case of *Chia Tsai Looi v Pandian a/l Munusamy & Anor* [2022] 8 MLJ 97 serves as an important reminder of the need for proper estate planning and distribution, and the potential for fraud and forgery in such transactions.

In a nutshell, the cases discussed serve as cautionary tales, highlighting the importance of vigilance, proper legal documentation, and a robust legal system to combat fraud and forgery in property transactions and estate distribution. By upholding the principles of justice and ensuring the protection of property rights, Malaysia can strive to create a more secure and fair environment for individuals and their assets.

### **The Risks of Fraud and Forgery in Estate Distribution Process**

Property management involves the seamless integration of management practices, functions, processes, or activities tailored to meet the specific requirements of a given property. This integration encompasses various aspects of estate distribution including handling legal documents, financial transactions, and beneficiary information (Thorncroft, 1965; Scarrett, 1983; Staphleton, 1986; Singh, 1996). However, the existence of fraud and forgery in the estate distribution process has become a common concern. Fraudulent practices such as the creation of fake documents, manipulation of inheritance distributions, and misappropriation of assets can compromise the integrity of the entire process.

There are several shortcomings in the Malaysian estate distribution management system that have been identified as contributing factors to fraud and forgery. The shortcomings that cause this fraud to occur can be categorized into several peaks, namely lack of transparency, the weakness of the computerized land registration system usage control, weakness of physical security, and no proper procedure for registration.

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## **Lack of transparency**

There is a lack of transparency in the estate distribution process which creates opportunities for corrupt officials and intermediaries to exploit the system. This is detrimental since corrupt officials and intermediaries may swindle the opaque nature of the estate distribution process to serve their own interests. They may collude with beneficiaries or utilize fraudulent means to alter the intended distribution of assets, diverting them for personal gain or to individuals who are not rightfully entitled to receive them. Consequently, this can lead to malicious fraudulent practices: the creation of fake documents, the manipulation of inheritance distributions, and the misappropriation of assets.

Primarily, the creation of fake documents is a common fraudulent practice in estate distribution. Corrupt individuals may forge wills, manipulate identification papers, or fabricate relationships in order to falsely present certain individuals as legitimate beneficiaries. These fraudulent documents undermine the integrity of the distribution process and can induce significant financial losses to the rightful heirs. Additionally, lack of transparency also results in another form of fraud – the manipulation of inheritance distributions. Corrupt officials or intermediaries with inside knowledge of the process may manipulate the distribution to favor certain beneficiaries, exerting influence to secure a portion of the assets, or demanding illegal fees or commissions in exchange for facilitating the distribution. Besides, misappropriation of assets is also a serious concern resulting from the lack of transparency. Corrupt officials or intermediaries may divert estate assets to their personal accounts or divert them into illicit activities, depriving legitimate beneficiaries of their rightful inheritance.

These fraudulent practices do not only harm the rightful heirs and beneficiaries, but also erode public trust in the legal system and the fairness of the estate distribution process. In fact, they undermine the principles of justice and equal opportunity, leading to social and economic disparities.

This explains why Blockchain would prove to be useful as it enables a transparent and immutable ledger, where each transaction related to estate distribution is recorded and can be viewed by authorized parties. This visibility ensures that beneficiaries can track the progress of their inheritance, promoting trust and reducing disputes. Plus, Blockchain's decentralized and transparent nature makes it extremely difficult to tamper with or alter data once it is recorded on the blockchain. Wherefore, this enhances the security and integrity of estate distribution by reducing the risk of fraudulent practices.

## **Weakness of the computerized land registration system usage control**

The weakness of the computerized land registration system usage control lies in the inadequate management of Identity Document (ID) access. It has been observed that multiple officers or assistants share the same ID, which compromises the security and confidentiality of sensitive information (Idris, 2014). Allegedly, confidential matters such as land information, inheritance or assets should only be regulated by certain individuals so that important information or data cannot be easily manipulated. Plus, if there is an incident suspected of fraud, it is easy to identify the individual responsible for handling it.

In a computerized land registration system, it is crucial to ensure that access to confidential matters such as land information, inheritance details, and assets is strictly regulated and limited to specific individuals. By assigning unique IDs to authorized personnel, the system can maintain accountability and prevent unauthorized manipulation of important data. Owing to the fact that when multiple individuals share the same ID, it becomes challenging to identify the responsible party in case of suspected fraud or unauthorized access. Without a clear record of who accessed the system at a particular time, it becomes difficult to trace any malicious activities or address potential security breaches.

To mitigate this weakness, it is necessary to implement robust ID access management protocols. Each individual involved in the estate distribution process should be assigned a unique ID that can be tracked and monitored. This ensures that any actions taken within the system can be linked to a specific user, enhancing accountability and facilitating the investigation of fraudulent activities if needed. This can be achieved by implementing Blockchain as Blockchain offers enhanced security measures, including robust authentication, data immutability, decentralized storage, transparency, and privacy protection. Consequently, these features will mitigate the

weaknesses of the current system and provide a more secure and efficient platform for estate distribution. Most importantly, the control of the computerized Malaysia estate distribution registration system can be strengthened.

### **Weakness of physical security**

The physical security of the office and documents in the Malaysia estate distribution process exhibits weaknesses in terms of control and storage. One of the weaknesses is the lack of strict control over the entry of officers or staff into the vault where important documents are kept. Additionally, there is a lack of movement records of the officers entering and exiting the office, including access to sensitive documents such as land dealing forms, inheritance dealings, security papers, and land files. These weaknesses compromise the security and integrity of the estate distribution process (Ruslan, 2021). Another weakness lies in the insecure storage of land files, security papers, and other important documents. Measures of proper documents storage should be implemented to protect these documents from theft, loss, or damage.

Conveniently, Blockchain offers enhanced security measures that can mitigate the vulnerabilities associated with access control and physical document storage. Essentially, Blockchain can enable secure access control mechanisms using cryptographic keys. Each authorized individual involved in the estate distribution process can be assigned a unique digital identity and cryptographic key, ensuring that only authorized personnel can access sensitive documents and perform specific actions within the blockchain system. It also operates on a distributed network of computers, known as nodes, where documents and records can be stored across multiple nodes, ensuring redundancy and reducing the risk of data loss or unauthorized access. Even if one node is compromised, the data remains secure and accessible from other nodes in the network. Furthermore, Blockchain allows the encryption of sensitive data, ensuring that only authorized individuals with the appropriate decryption keys can access the information. This protects the privacy of estate distribution documents and mitigates the risk of unauthorized access or data breaches.

### **No proper procedure for registration**

There is no method to verify the validity of registration documents at the submission counter. The absence of a proper procedure for the registration of the estate distribution process can lead to significant vulnerabilities and the potential for fraud. The lack of document verification methods and expertise in identifying the validity of submitted documents creates an opportunity for irresponsible parties to exploit these weaknesses by forging documents or signatures for personal gain (Ruslan, 2021).

Nonetheless, this issue can be combatted with Blockchain-based Smart Contracts as it can automate the validation process by defining specific rules and conditions for document acceptance. Smart contracts can automatically verify the authenticity and validity of submitted documents, cross-referencing them with existing records or utilizing external trusted sources for verification. This eliminates the need for manual verification and reduces the risk of fraudulent submissions.

Overall, these weaknesses in the Malaysian estate distribution management system have created significant challenges in preventing and detecting fraud and forgery while in actuality, these issues relating to fraud and forgery in estate distribution can have severe consequences including financial losses, strained family relationships, and legal disputes. Addressing these weaknesses will require significant reforms and improvements to the legal and administrative frameworks governing estate distribution in Malaysia. Thus, integrating blockchain into the Malaysian estate distribution management system offers a robust solution to tackle shortcomings related to fraud and forgery by providing a tamper-proof, auditable, and transparent record of transactions, enhancing integrity and trustworthiness while ensuring efficiency and accountability.

### **Risks of Fraud and Forgery in The Estate Distribution Chain to Solve**

Many practitioners and experts have believed that blockchain can revolutionize a wide range of industries since 2008 (Beck et al., 2018). Blockchain is a database technology that can be used to replace the current technique of dealing with inherited property concerns. A blockchain acts as an open database in which all information is shared and accessible via each chain of participants, referred to as a node, wholly referred to as decentralized

system with no central server, no system owner, and no system controller. Therefore, everyone in the chain may see and examine all information or data. Ultimately, there is no secrecy in the blockchain system's operation – referred to as an open ledger system.

As a result of the controversy in the property administration system in Malaysia, causing unease in the community, a secured system must be introduced. Thus, a good inheritance management and administration system that is capable of preventing the community from struggling with recurring problems can be achieved. This achievement is realizable with Blockchain – a system that can give pleasure to all parties, including management and beneficiaries. With the increasing dominance of this technology in the global market, this system is expected to provide a high level of governance and be cost-effective compared to existing traditional methods (Pilkington, 2016).

### **Enhance transactional transparency**

In the estate distribution process, there is often a lack of transparency and difficulty in verifying the validity of manually filed documents. This poses challenges in ensuring the integrity of the distribution process and can lead to disputes and doubts regarding the authenticity of documents. To address these issues, blockchain technology offers a solution that enhances transactional transparency and provides a reliable system for verifying and recording estate distribution transactions.

Blockchain, as introduced by Chen et al. (2021), is a decentralized and open system that maintains the integrity of information. In the context of estate distribution, blockchain can be utilized to record all transactions and documents in real-time. The decentralized nature of the blockchain ensures that multiple participants maintain and validate the network, eliminating the need for a central authority. This increases transparency as authorized parties can access and verify the recorded transactions, ensuring the accuracy and authenticity of the information.

One important aspect of blockchain is the use of cryptographic techniques to secure transactions. In the case of estate distribution, the applicants can use their private key to sign documents in the blockchain-based smart contract. This ensures that only the authorized parties can sign the documents and have control over their private key. It serves as a unique digital signature that verifies the identity of the applicant and prevents unauthorized access or tampering of the documents; thus, enhances the security and integrity of the estate distribution process.

Moreover, the blockchain-based system allows heirs, including the applicant, heirs, and family members to verify the documents and compare the will signature information at any time. Each document and transaction recorded on the blockchain is transparent and can be accessed by authorized parties. This eliminates doubts and disputes regarding the validity of documents as the information is securely stored and can be easily verified by the involved parties.

By implementing blockchain in the estate distribution process, agencies and administrators can remove doubts about the document's validity and ensure proper distribution of the property. Above all, blockchain-based system provides an auditable and tamper-proof record of transactions, ensuring transparency, integrity, and security throughout the estate distribution process.

### **Eradication of corruption**

The utilization of blockchain in estate management offers significant potential in eradicating corruption and enhancing transparency. By digitizing transactions and removing the control of individuals or agencies, blockchain ensures a tamper-proof and immutable record of estate-related documents. Firstly, blockchain allows for the digitalization of estate transactions, eliminating the reliance on manual processes that are prone to corruption and manipulation. The use of electronic codes and chain structures makes it difficult for anyone to manipulate or alter the data stored in the blockchain (Salarzehi et al., 2010). This ensures the integrity of the estate records and reduces the possibility of fraudulent activities.

Furthermore, blockchain creates trust through its inherent mechanisms. The decentralized nature of blockchain ensures that the ledger, which contains all the transaction records, is replicated and synchronized across multiple

nodes in the network. This eliminates the possibility of falsifying records as any unauthorized changes would be rejected by the consensus mechanism of the blockchain (Alharti et al., 2020). The transparency and immutability of the blockchain provide a reliable and trustworthy source of information for all parties involved in the estate distribution process.

In terms of beneficiaries' rights, blockchain can ensure fair arbitration and prevent unfair practices. This is viable through smart contracts feature, which are self-executing contracts recorded on the blockchain; utilized to automate the distribution process and ensure that beneficiaries receive their rightful shares (Azmi et al. 2025). The rules and conditions of the estate distribution can be encoded in the smart contract, eliminating the need for intermediaries, and reducing the possibility of corrupt practices.

Moreover, blockchain enables direct transactions between parties without the need for intermediaries. This reduces the risk of corruption that may arise from the involvement of trusted third parties. With blockchain, individuals can securely transact with each other, even if they do not have a pre-established trust relationship. The transparency and immutability of blockchain create a level of trust that allows parties to engage in transactions without relying on intermediaries (Chen et al. 2021).

Conclusively, by leveraging blockchain in estate distribution, corruption can be mitigated by ensuring the integrity of records, promoting transparency, and establishing trust between parties. The decentralized nature of blockchain and the use of smart contracts eliminate the need for intermediaries and reduce the potential for corrupt practices. Overall, blockchain has the potential to revolutionize the estate distribution process by eradicating corruption and fostering a transparent and trustworthy system.

### **Immutability**

Immutability is the key characteristic of blockchain that plays a crucial role in enhancing the security and integrity of estate distribution processes. When a record is generated and added to a block within the blockchain, it becomes virtually impossible to alter or manipulate that record. In the context of estate distribution, immutability ensures that once a transaction or document related to the distribution process is recorded on the blockchain, it cannot be changed or tampered with without detection. This provides a high level of confidence and trust in the accuracy and authenticity of the recorded information.

The immutability of blockchain is achieved through the cryptographic hashing mechanism. Each block in the blockchain contains a unique cryptographic hash, which is generated based on the data within that block. Any modification to the data in a block will result in a change in its hash value. Since subsequent blocks in the blockchain store the hash of the previous block, any tampering with a specific block will be immediately detected when other nodes in the network attempt to validate the blockchain (Chen et al. 2021).

In the estate distribution process, immutability ensures that the records of transactions, documents, and beneficiaries' entitlements cannot be altered without leaving a trace. This eliminates the possibility of unauthorized changes to estate-related information, such as forging documents, manipulating distribution percentages, or misappropriation of assets. The transparent and tamper-proof nature of the blockchain provides an immutable audit trail that can be accessed and verified by relevant parties including beneficiaries, legal authorities, and administrators.

By leveraging the immutability of blockchain, estate distribution processes can be significantly enhanced in terms of security. The inability to modify or tamper with records stored on the blockchain reduces the risk of fraudulent activities and unauthorized access to sensitive information. It ensures the integrity and trustworthiness of the distributed estate records, creating a secure and reliable system for managing and distributing assets.

Furthermore, the immutability of blockchain enhances accountability and transparency in estate distribution. Each transaction and document recorded on the blockchain can be traced back to its origin, providing a clear and auditable history of actions and decisions. This transparency prominently helps to deter corrupt practices and promotes a fair and accountable distribution process.

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## Reduce the duration of the estate distribution process

The estate distribution process can be time-consuming and complex as it involves multiple administrative bodies and verification procedures to authenticate the assets and distribute them among the beneficiaries. This process often takes several months to a year to complete (Wan Muhamad Fokri et al., 2021). Fortunately, blockchain can significantly reduce the duration of the estate distribution process by streamlining and automating various steps involved. One of the key benefits of blockchain is its ability to securely record and manage digital assets including real estate certificates, property ownership records, and settlement details. By utilizing blockchain, all relevant information and documents can be stored and accessed in a transparent and tamper-proof manner.

When estate-related data is recorded on the blockchain, it creates a decentralized and distributed ledger that is accessible to all relevant parties involved in the distribution process. This eliminates the need for lengthy manual verification processes and enables real-time access to up-to-date information. Beneficiaries, administrators, legal authorities, and other stakeholders can access the blockchain network to verify ownership, validate transactions, and track the progress of the distribution process.

The transparency and immutability of blockchain also enhance the security of the estate distribution process. Each transaction and change made to the blockchain is recorded and linked to previous records, creating an auditable and tamper-proof history. This ensures that no data or evidence can be altered or destroyed without detection. As a result, the risk of fraudulent activities, document forgery, and unauthorized modifications is significantly reduced.

Moreover, blockchain can automate certain aspects of the estate distribution process such as the verification of beneficiary identities, the transfer of ownership, and the calculation of distribution percentages. Smart contracts, which are self-executing contracts programmed on the blockchain, can automatically enforce predefined rules and conditions for the distribution of assets. This eliminates the need for manual intervention and reduces human error, thereby expediting the overall process.

Additionally, by leveraging blockchain in estate distribution, the duration of the process can be significantly reduced as a result of the transparency, security, and automation offered by blockchain that streamline administrative procedures, eliminate intermediaries, and provide real-time access to verified information. Effectively, this enables a more efficient and expedited distribution of assets to the rightful beneficiaries.

In summary, incorporating blockchain into Malaysia's estate distribution management system provides a powerful and reliable solution to tackle fraud and forgery issues. Blockchain's transparency, immutability, and strong security measures guarantee a trustworthy and verifiable record of all estate transactions, ensuring fairness, honesty, and trust at every step of the distribution process. By utilizing blockchain, Malaysia can create a more secure, streamlined, and accountable estate distribution system which can significantly help in addressing concerns about fraudulent activities.

## CONCLUSION

In conclusion, fraud and forgery risks in the estate distribution process in Malaysia pose significant challenges, leading to financial losses, strained relationships, and eroding public trust in the legal system. To address these issues, blockchain offers a comprehensive solution. By leveraging blockchain's transparency, immutability, and enhanced security features, the estate distribution process can be transformed into a tamper-proof and auditable system. Blockchain also ensures the authenticity of documents, eliminates the need for intermediaries, reduces the duration of the process, and eradicates corruption. Prominently, it provides a trustworthy and efficient platform for managing estate transactions, promoting fairness and accountability among beneficiaries, administrators, and legal authorities. In essence, integrating blockchain into Malaysia's estate distribution management system offers a promising way to safeguard against fraud and forgery, ensuring a seamless and reliable process for all stakeholders involved.

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