From Awqaf Sukuk to Awqaf Units

Instrument choice and accessible participation in Awqaf New Zealand's proposed Cash Waqf model

Husain Benyounis, Secretary-General, Awqaf New Zealand (Registered Charitable Trust CC46694)

Institutional working paper · Version 2.0 · 25 October 2026 · Not peer reviewed

DOI: https://doi.org/10.5281/zenodo.23634738

Abstract

Awqaf New Zealand was founded in 2011 to make fuller use of the resources released by the annual Qurbani — among them wool and hides — in support of livelihoods and social development. Securing a reliable supply of suitable livestock proved to be the practical constraint, which in turn created a financing need beyond seasonal collections.

In November 2016 the ISRA Council of Scholars approved in general a proposed structure for Awqaf New Zealand based on Temporary and Permanent Cash Waqf, signed by nine scholars. That structure was expressed as a Sukuk. Awqaf New Zealand subsequently decided not to pursue a Sukuk, and its current design intention is a small Unit of participation in a Cash Waqf arrangement.

This paper explains that decision. It is not a finding that Sukuk are unsuitable for Waqf, and it is not a claim of any new scholarly approval. The reasons are institutional and practical: Sukuk structuring is costly, slow and complex for an organisation of this size, and — decisively — it does not suit the contributor the model is built to reach, who is an ordinary Muslim in a Western country and is unlikely to have encountered a Sukuk. Against that, a small Unit, administered with capabilities now available to the organisation, offers a simpler act of participation and a simpler record of it.

Nothing here constitutes an offer. There is at present no Unit, no subscription, no term and no amount, and no offering exists in any jurisdiction.

Keywords: Cash Waqf; Temporary Cash Waqf; Permanent Cash Waqf; Sukuk; Awqaf Units; instrument choice; Islamic social finance.

1 Question and method

The question is narrow and institutional: why did Awqaf New Zealand move away from a Cash-Waqf Sukuk structure, and what does it propose in its place?

The method is a documentary account rather than a literature review, a fatwa or an evaluation of performance. The historical source is the signed endorsement of 3 November 2016 and its appended structure diagram [1]. The institutional reasoning is taken from Awqaf New Zealand's

own published statements, principally its written reply to Islamic Finance News of 10 September 2026 [4] and its engineering page [5]. Doctrinal references are limited to published resolutions of the International Islamic Fiqh Academy [2, 3].

Three limits apply. No farm is in operation, no capital has been deployed, and no Units have been issued, so no financial outcome is reported. Discussions with universities are exploratory and are not treated as agreements. And the jurisprudential question described in section 4 is before a competent forum, so this paper records it without arguing it.

2 The 2016 endorsement, and what it covers

The Council's letter of 3 November 2016 concerns the Awqaf New Zealand Sukuk Structure. It records consideration of ISRA Consultancy's research and of the structure at Appendix I, and approves in general a structure based on Temporary and Permanent Cash Waqf together with related Shariah preferences. It bears the signatures of nine scholars [1].

Appendix I already contains Permanent and Temporary Cash-Waqf components, Sukuk holders, a trustee, a qard hasan flow, farm acquisition, supply-contract profits directed to beneficiaries, guarantors and takaful. These are features of the endorsed historical design. They are not inventions of the later proposal, and the diagram is evidence of a structure that was approved in principle rather than of transactions that took place.

Two things follow, and the paper holds to both. The endorsement is a material foundation and should be cited exactly as what it is — an approval in general of the structure presented in 2016. It does not extend to instruments, contracts or regulatory positions settled afterwards. A change of instrument requires its own review; it does not inherit the earlier one.

3 Why the instrument was reconsidered

Awqaf New Zealand's reasons for leaving the Sukuk route are institutional, and it states them as experience and assessment rather than as measured savings [4].

- Cost. Sukuk structuring carries legal, advisory, arranging and ongoing costs that an organisation of six volunteers, with no paid staff and no capital, cannot carry at the scale contemplated.
- Time. The path from design to issuance is long. A decade has passed since the endorsement without an issuance, and the structuring burden is part of that.
- Complexity. A Sukuk requires a chain of parties, documents and intermediaries, each of which must be maintained. Complexity is itself a cost for a volunteer institution, and it is a standing risk to accuracy.
- Suitability for the contributor — the decisive reason. The model is built to reach individual Muslims in Western countries. Most of them have never encountered a Sukuk. That is a

design constraint rather than a criticism of them, and an instrument that has to be explained before it can be joined will not reach the people the model exists to serve.

No claim is made that Sukuk are unsuitable for Waqf generally, that Units enjoy a different legal status, or that any regulatory requirement is avoided by the choice of name. The decision is specific to this organisation, this purpose and this contributor.

4 The jurisprudential question, recorded and not argued

Separately from the choice of instrument, a question of fiqh arose in the international workshops that followed the endorsement — Madinah at the end of 2016, Edmonton in February 2017 and Kuala Lumpur in October 2017: the distinction between Temporary Cash Waqf and benevolent cash lending, مسألة الفروق الفقهية بين الوقف النقدي المؤقت والقرض النقدي الحسن. Awqaf New Zealand did not proceed past it. It commissioned comparative research [6], submitted the question to the Kuwait Awqaf Public Foundation in 2025, and the question is now before the Twelfth Forum for Waqf Jurisprudence Issues, where it stands as the first topic. Awqaf New Zealand's own codification is held pending the Forum's conclusions. The organisation will not comment on that question ahead of the Forum, and will not open a parallel channel on a matter it has asked a competent body to determine [4]. Accordingly this paper records the question, and argues none of it. Its own stated principle applies: an institution that innovates an instrument should not get ahead of the jurisprudence that governs it.

5 What is proposed in place of a Sukuk

The present design intention is a small Unit recording participation in a defined Cash Waqf arrangement — in discussion, of the order of US$10 [4, 8]. The figure is an intention, not a denomination: no Unit has been created, no term or amount has been set, and nothing has been offered to anyone.

The purpose of a small Unit is reach. A sum of that order places participation within the ordinary means of a very large number of people, and makes the act itself simple to describe: a defined amount, dedicated for a defined period, to a defined use, with a record of what was done and what happens at the end of the term.

What a Unit would need to state is therefore a matter of documentation rather than of financial engineering: the amount endowed; whether the dedication is permanent or for a fixed term; the authorised use; the beneficiaries; who administers it and on what duties; what is reported, and how often; and what occurs on termination. A Unit is assumed to confer none of the following unless its terms expressly say so: ownership of any asset, a share of commercial profit, tradability, or a redemption claim.

6 What makes a small Unit administratively possible now

A Unit of this size is only workable if the cost of administering each participation is very low. The relevant change is not that technology has appeared in the world, but that particular capabilities are now available to an organisation of this size and were not in practice within its reach when the 2016 structure was designed [4, 5].

- Shared institutional infrastructure. Awqaf New Zealand holds Google for Nonprofits, and the shared workspace allows trustees in three countries to work on a single record.
- Digital governance. The trust deed was amended in August 2026 to permit asynchronous meetings and digitally verified votes carrying the weight of a written signature, which is what allows a board distributed across New Zealand, Australia and Bahrain to function at all.
- Document production and verification. Drafting, translation and checking across five languages, previously beyond the organisation's means, are now within them. Awqaf New Zealand discloses its use of generative AI, and requires significant documents to be attacked by independent evaluation before publication.
- Low-cost hosting and records. The public record, including the full version history of its research, is maintained at a cost a volunteer organisation can meet.

Taken together, these capabilities are not incidental to the proposal; they are what makes a Unit of this size administratively possible at all. Awqaf New Zealand holds a Google for Nonprofits (G4NP) workspace, and the practical consequence is that the record-keeping a Unit requires — a register of participations, the duration and authorised use attaching to each, the reporting owed to participants, and the audit trail behind every entry — can be maintained on infrastructure the organisation already holds, by trustees in three countries working on a single record, at close to no marginal cost per participation. Where a Sukuk requires intermediaries to be engaged and paid before anything can be recorded, a Unit requires a register that is accurate, auditable and cheap to keep.

That technical integration, and the operational method for issuing a small Global Waqf Unit, are set out at length in a separate paper accepted for the Eighteenth International Forum on the Maliki School, convened by the Ministry of Religious Affairs and Endowments of Algeria [8]. That paper treats the integration with G4NP as five axes of operational design, and addresses the same instrument question from the standpoint of Maliki jurisprudence. The present paper does not repeat that analysis.

None of this removes the obligations that attach to taking money from the public. It lowers the administrative floor; it does not lower the legal or jurisprudential one.

7 What this paper claims, and what it does not

It claims that the move from Sukuk to a small Unit is a reasoned institutional choice about cost, time, complexity and reach, and that the choice is coherent with the organisation's stated purpose.

It does not claim any of the following, and none should be inferred: that the 2016 endorsement extends to the proposed Unit; that the jurisprudential question has been settled; that a Unit avoids financial markets, trust, charity or custody requirements in any jurisdiction; that costs have been measured to be lower; that guarantees or takaful cover are available; or that any university, scholar or institution named as a source has endorsed this work.

Awqaf New Zealand has raised no capital since 2018, has never solicited donations in New Zealand or overseas, and does not do so now.

8 An agenda for examination

This paper is published to be examined, and the organisation would rather receive a correction than a compliment. Four lines of scrutiny would be useful.

- Legal. Whether a registered New Zealand charity may lawfully offer such a Unit to fund its own charitable activity, and the effect on its charitable status, donee status and obligations under the Financial Markets Conduct Act 2013. No legal opinion has been obtained on this question.
- Operational. Whether participants understand draft documents; whether participation and any lending records can be reconciled; and what it actually costs to administer a Unit of this size, including under failure — late repayment, death of a participant, early termination, project failure.
- Comparative. Whether other small Waqf institutions face the same instrument-choice problem, and whether the reasoning here transfers to them.
- Jurisprudential. Reserved to the Twelfth Forum for Waqf Jurisprudence Issues, on the question put to it. This paper defers to it.

Declarations

Institutional interest. The author is Secretary-General of Awqaf New Zealand and has a direct role in the model's development. This is an institutional account, not an independent assurance report.

No offer. Nothing in this paper is an offer, invitation or recommendation to acquire any financial product in any jurisdiction, and no such offer exists.

Sources and third parties. The scholars of the ISRA Council, the author of the comparative study and any institution named are cited as sources. None is a co-author, and none endorses this paper.

AI assistance. This paper was prepared with generative AI assistance for source organisation, analysis and drafting. The author has verified the argument, the references and the final wording and takes responsibility for the released work.

References

[1] ISRA Council of Scholars. (2016, 3 November). Awqaf New Zealand Sukuk Structure. Signed endorsement letter and Appendix I. Copy held by Awqaf New Zealand; the underlying ISRA research report was not available for this paper.

[2] International Islamic Fiqh Academy. Resolution 140 (15/6), Investment of Waqf assets and their proceeds. https://iifa-aifi.org/ar/2157.html

[3] International Islamic Fiqh Academy. Resolution 178 (19/4), Islamic Sukuk: contemporary applications and trading. https://iifa-aifi.org/ar/2300.html

[4] Awqaf New Zealand. (2026, 10 September). Written reply to Islamic Finance News (REDmoney Group). Institutional statement of record.

[5] Awqaf New Zealand. Digital Cash Waqf Engineering. https://awqafnz.org/engineering/en.html

[6] Qaddawi, ‘Abd al-Qadir Jilali. (2024). Al-Furuq bayna al-Waqf al-naqdi al-mu’aqqat wa-al-qard al-naqdi al-hasan. First edition. KIE Publication. Cited here only as the commissioned comparative study; its conclusions are the author’s and are not argued in this paper. [Romanisation of the author’s name to be confirmed before release.]

[7] Awqaf New Zealand. (2026, 8 September). Measuring Zero Qurbani Waste — the Qurbani Utilisation Index (QUI-ANZ). CC BY-NC 4.0. https://www.awqafnz.org/en/research/measuring-zero-qurbani-waste.html

[8] Benyounis, H. (2026). Automating Temporary Cash Waqf through digital governance platforms: the “Smart Waqf Fund” model of Awqaf New Zealand and its technical integration with Google for Nonprofits [in Arabic: أتمتة الوقف النقدي المؤقت عبر منصات الحوكمة الرقمية]. Paper accepted for the Eighteenth International Forum on the Maliki School (الملتقى الدولي للمذهب المالكي), Ain Defla, Algeria — Ministry of Religious Affairs and Endowments. 1447H / 2026. Forum scheduled for late 2026 or early 2027; accepted, not yet presented.