tradition of scholarship and tradition of the community one lives in. The latter is especially important in this age of global monoculture and mass homogenisation. Islamic law itself sanctifies tradition, with one legal maxim reading *al-‘adah muhakkamah* (established custom carries the weight of law). “Tradition is homage to the past,” noted Umar Faruq Abd-Allah. It is not sentimentalisation of the past but something meant to be lived in the present: “If the tradition does not put you in the present, leave it in the past.” For this reason, tradition must self-correct and self-rectify, containing within itself the ways of removing error and excess. The speakers further and emphatically counselled Malaysian Muslims to embrace the spirit of Nusantara, which has allowed the development of a unique Muslim identity based on a distinctive culture, and which should be allowed to permeate the present (e.g. in mosque architecture).

The emphasis on tradition linked closely to the problem of extremism, for extremists in religion typically position themselves and their views in sharp contravention to tradition. Violent expressions of extremism have three principal causes: (1) geopolitical; (2) socio-psychological; and (3) ideological. The geopolitical factor has to be put at the forefront as violent extremism among Muslims is in no small part a desperate reaction to injustices inflicted by the neo-imperialist foreign policies of Western governments in places like Palestine, Syria, and elsewhere across the Muslim world. The socio-psychological dimension explains why seemingly ‘normal’ individuals become attracted to extremist causes, as their psychological profiles typically reveal a chequered past, including broken homes, dysfunctional families and traumatic childhoods. Such understanding could help design preventive policies and measures to counter the spread of extremism. And finally, the ideological dimension discloses how beliefs are rationalised within particular theological-ideological frameworks, transforming incoherent beliefs into systematic convictions, thereby bolstering the extremist cause.

**Seminar on Zakat, Waqf and Sadaqah 2017: Empowering Social Benefit Initiatives Through Engagement of IFIs**
*(Kuala Lumpur, 19 April 2017)*

*Apnizan Abdullah*

Over the last four decades, there has been a debate among Islamic scholars and economists about the need for Islamic financial institutions to actively participate in the social welfare sector if they are to claim to be in line with the principles of *maqasid al-shariah*. The proponents of Chapra’s model have argued that Islamic
financial institutions should actively embark on social welfare initiatives so as to
perfect the Islamic economic eco-system. Halim’s model, on the other hand, has
emphasised the active role of Islamic financial institutions in profit maximisation
endeavours, maintaining their pivotal role as financial intermediaries, arguing
that less involvement in social welfare initiatives and PLS activities will not
negate their contribution to the system.

Since Islamic banking and finance have seen promising growth over the last
two years, the issue of social welfare involvement has regained the market’s
attention. The current global quest for ethical banking has become prominent
across several jurisdictions. The financial inclusion agenda, as specified in the
Financial Sector Blueprint 2011-2020, is in line with this global development.
Since the Islamic banking and finance industries ride upon Islamic economic
principles, the incorporation of social elements within their structure is highly
welcome. To become more holistic and to enhance the intermediary role of Islamic
Financial Institutions (IFIs), it is pertinent for them to consider their participation
in the Community Empowerment Initiative (CEI), also known as the Social
Empowerment Initiative (SEI). The Shariah concepts that have been identified as
relevant to these SEI endeavours are zakat, waqf and sadaqah. Given the current
poverty rates in Malaysia, social empowerment initiatives based around these
concepts are seen as a timely tool to help the government alleviate poverty.

Recognising the promising potential of zakat, waqf and sadaqah, IRCIEF-
KUIS, with its strategic partner, BIMB, and other collaborators, including the
International Institute of Advanced Islamic Studies (IAIS) Malaysia and Islamic
Studies College of Johore (MARSAH), have spearheaded the promotion of these
concepts within the Islamic banking SEI agenda in order to, firstly, achieve
balanced economic growth and, secondly, perfect the Islamic economic system.

On 19 April 2017, at the Royale Chulan Hotel, Kuala Lumpur, a one-day
event entitled ‘Seminar on Zakat, Waqf and Sadaqah 2017’ was successfully held
with the theme, ‘Empowering Social Benefit Initiatives Through Engagement of
IFIs’. The seminar organised by the above-named institutions, featured important
presentations on selected essential topics identified by the committee. In the
morning, and on the topics of waqf and zakat, Dr Razali bin Othman of KUIPs
presented ‘Waqf: Big Potential for Social Benefit’, while Ustaz Mohd Nazri Chik
shared BIMB’s involvement in waqf-based products under the topic ‘Cash Waqf:
Industry – MAIN’s Experiences’. Additionally, Prof. Dr Mohammad Syukri
Salleh of ISDEV, USM, deliberated on ‘The Effectiveness of Zakat Distribution’.

After the morning break, the seminar continued with the ‘Viability of
Sadaqah House in Islamic Banking Environment’, which was followed by the
launch of the Green Report by Dato’ Dr Asyraf Wajdi Dusuki, Deputy Minister at
the Prime Minister’s Department, who also delivered a keynote speech entitled,
‘Empowering Socio-Economic Development for Social Benefit: Government’s Perspective’.

After the lunch break, the seminar featured another three presentations, namely ‘Governance Structure for Social Benefit Institution’, delivered by Mr. Nik Hasyudeen, ‘Taxation Aspects for Social Benefit Initiatives’ by Mr. Ya’acob Othman of the Inland Revenue Board, and ‘Social Benefit Initiatives for Financial Inclusion’ by Prof. Dr. Engku Rabiah Adawiah Engku Ali of the International Islamic University Malaysia.