

Comparison of Waqf Accounting Regulations and Practices: Systematic Literature Review of International Perspectives

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History Article:

Received 02 28, 2025

Accepted 03 15, 2025

Published 04 10, 2025

ABSTRACT

This research endeavors to critically examine and juxtapose the regulatory frameworks and accounting methodologies pertaining to waqf across various nations employing the Systematic Literature Review (SLR) methodology. This investigation underscores the significance of transparency and accountability in waqf management, an area that continues to grapple with obstacles stemming from the absence of cohesive international waqf accounting standards. Utilizing the PRISMA framework, 37 scholarly articles published between the years 2010 and 2025 were systematically evaluated from esteemed academic repositories such as Scopus, Web of Science, and ScienceDirect. The findings reveal pronounced divergences among nations regarding their legal infrastructures, institutional arrangements, and the extent of implementation of waqf financial reporting practices. Nations such as Indonesia and Malaysia have demonstrated advancements through the establishment of national standards like PSAK 112 and quality-centric sharia management protocols (MS 1900), whereas other countries such as Nigeria and Sudan continue to encounter institutional impediments and deficiencies in human resources. This study advocates for the formulation of international waqf accounting standards, the enhancement of nazhir capacities, and the digitalization of reporting frameworks to promote more accountable and sustainable governance of waqf on a global scale.

Keywords: *Waqf Accounting, International Regulation, PSAK 112, Sharia Financial Reporting System, Systematic Literature Review, PRISMA*

How to Cite:

Wali Saputra. (2025). Comparison of Waqf Accounting Regulations and Practices: Systematic Literature Review of International Perspectives. *CARONG: Jurnal Pendidikan, Sosial Dan Humaniora*, 1(4), 940-955. <https://doi.org/10.62710/y8r3j574>

INTRODUCTION

The waqf serves as a mechanism of Islamic philanthropy possessing significant capacity to advance the socio-economic development of the Ummah. Nevertheless, the effective management of waqf necessitates a transparent and accountable accounting framework. In Indonesia, despite the issuance of PSAK 112 as a standard for waqf accounting, its execution continues to encounter various obstacles, particularly regarding standardization and practical application in the relevant field (Marsawal et al., 2021).

A research investigation conducted by Hudayat et al. (2020) indicates that the financial reporting methodologies employed by waqf institutions in Indonesia are still considerably inferior to those utilized by other Islamic financial entities. This disparity arises from the absence of waqf accounting standards endorsed by the Indonesian Accountant Association, thereby leaving waqf institutions without definitive guidelines for the preparation of financial statements.

In Malaysia, a study conducted by Abu Talib et al. (2020) disclosed that the integration of waqf accounting and reporting practices is significantly affected by institutional pressures, which include governmental regulations and professional standards. However, the variations in practices among the State Islamic Religious Assemblies highlight an urgent need for standardization to enhance the comparability of waqf financial disclosures.

On a global scale, the investigation by Arwin et al. (2024) underscores the critical significance of adopting standardized waqf accounting protocols across Muslim nations. Such standardization is anticipated to augment the operational efficacy and efficiency of waqf organizations while simultaneously ensuring accountability and transparency in the administration of waqf assets.

In India, comparative analyses between Indian Islamic waqf legislation and AAOIFI standards reveal the presence of sharia heterogeneity, which may adversely influence the sustainability and development of waqf institutions. The study advocates for a revision of India's waqf legislation to align it with internationally recognized sharia principles (Ali et al., 2023).

A comprehensive review by Ikhyanuddin et al. (2022) has identified that waqf accounting frameworks across various nations exhibit similarities in terms of the existence of waqf institutions; however, they diverge in their regulatory frameworks and operational practices. These discrepancies present challenges in making meaningful comparisons and evaluations of the performance of waqf institutions on an international scale.

In Indonesia, research conducted by Arwin et al. (2024) indicates that the enactment of PSAK 112 can significantly enhance the transparency and accountability of waqf institutions. However, there remains a pressing need for further efforts to elevate the understanding and application of this standard among waqf administrators.

The analysis by Lubis and Syam (2025) accentuates the necessity of establishing transparency and accountability mechanisms in the management of waqf, particularly by the Indonesian Waqf Agency (BWI). The sharia maqashid framework is employed to evaluate the extent to which waqf management adheres to the sharia's objectives of safeguarding the assets of the ummah.

Collectively, these studies illustrate that international comparisons of waqf accounting regulations and practices are vital for comprehending the challenges and prospects inherent in waqf management. A systematic literature review can yield a comprehensive overview of exemplary practices that may be adopted to enhance the accountability and transparency of waqf institutions within Indonesia and other nations.

PRIOR RESEARCH

Maesah et al. (2023) elucidate that the execution of PSAK 112, which was anticipated to commence at the outset of 2021, remains unfulfilled by the nazhirs until the mid-point of 2023. Several impediments associated with the enactment of PSAK 112 stem from the nazhirs' misinterpretation of the standard. Consequently, the objective of this investigation was to identify the constraints inherent in the practice of presenting PSAK 112 financial statements to waqf nazhirs in West Java, along with exploring potential solutions for the prompt implementation of PSAK 112 in the presentation of financial statements. The research methodology employed is qualitative descriptive, supplemented by Analytical Hierarchy Process (AHP) for data analysis. The data collection technique utilized was a questionnaire disseminated to respondents qualified in the financial sector of the nazhir. In terms of the scope of the study, it encompassed nine institutions. Data processing was facilitated through the application of the Expert Choice software. The findings of the study revealed that (1) 56% of nazhirs in West Java have yet to adopt the practice of presenting financial statements in accordance with PSAK 112. Moreover, (2) the foremost constraint affecting the presentation of financial statements in alignment with PSAK 112 among waqf nazhirs in West Java pertains to the competency of the nazhirs, primarily attributed to insufficient management and development of waqf assets.

Shintiyawati (2023). The theoretical framework employed within this investigation is PSAK 112. The issue addressed in this research pertains to the necessity for Waqf Asset Management Arrangements to conform to the stipulations outlined in PSAK 112, which became effective in 2021. Nevertheless, it is evident that a considerable number of waqf nazhir have yet to implement the recognition of these waqf assets in accordance with PSAK. The objective and framework of this study is to critically analyze PSAK 112, which governs the recognition, measurement, presentation, and disclosure of waqf assets within the context of waqf nazhir. The methodological approach employed is qualitative descriptive analysis. The data source utilized is secondary in nature, specifically in the form of documentation pertaining to PSAK 112. The data collection techniques employed encompass documentation and library research. The data analysis methodology involves content analysis directed at PSAK 112. The research phase was executed by scrutinizing the contents of PSAK 112, subsequently elucidating it in relation to the management of land and building waqf assets within waqf nazhir. The concluding phase synthesizes findings regarding the regulation of disclosure and presentation of waqf assets, particularly land and buildings, in financial statements as governed by PSAK 112. The findings of this study indicate that a significant number of waqf nazhir have not integrated the application of PSAK 112 within their financial statements, despite the existence of waqf assets as delineated in the waqf pledge deed.

Marsawal et.al (2021). The primary objective of this study was to ascertain the methodology of waqf management and the alignment of waqf accounting practices within the Ministry of Religious Affairs of Polewali Mandar with PSAK 112. Additionally, this research sought to explore the accountability of waqf management within the Ministry of Religious Affairs of Polewali Mandar Regency from the perspective of sharia enterprise theory. This research is classified as qualitative, employing a phenomenological approach, and was conducted utilizing in-depth interviews with selected respondents. The data gathered from the interviews underwent reduction and subsequent analysis to formulate final conclusions. To ensure the rigor of the research findings, validity tests were conducted through the triangulation of data sources. The outcomes of the study indicated that the waqf accounting practices within the Ministry of Religious Affairs of Polewali Mandar Regency are still executed in a simplistic manner and adhere to the guidelines established by the central Ministry of Religious Affairs. Specifically, the

accounting treatment of waqf within the Ministry of Religious Affairs of Polewali Mandar Regency does not comply with PSAK 112, as there have been no modifications to standardize the accounting treatments implemented. Furthermore, from the perspective of sharia enterprise theory, the waqf management executed by the Ministry of Religious Affairs of Polewali Mandar Regency fulfills the criteria for accountability and transparency, evidenced by the clarity of information and accountability models presented in a straightforward manner.

Aryana (2022). Indonesia is characterized by a predominantly Islamic population, which confers significant potential for the advancement and governance of waqf. Nonetheless, challenges persist in the administration of waqf, one of which pertains to the accountability and transparency of the entities responsible for its management. This matter has emerged as a critical concern within waqf management organizations, as it directly relates to the foundational principle of trust. The Waqf Core Principle and PSAK 112 pertaining to Waqf Accounting function as guiding frameworks and benchmarks that are currently being established in Indonesia for waqf entities, particularly those engaged in waqf management. The objective of this research is to investigate the extent to which the implementation of the Waqf Core Principle and PSAK 112 can enhance the accountability and transparency of waqf management entities. The research methodology employed is qualitative in nature, utilizing a library research approach that involves the aggregation of data in the form of books, scholarly articles, manuscripts, or relevant news items pertinent to the research subject, thereby addressing a problem through a critical and comprehensive examination of applicable library resources. The findings of this study indicate that the accountability and transparency of waqf management institutions can be bolstered through the application of the Waqf Core Principle (WCP) and PSAK 112 on Waqf Accounting. The Waqf Core Principle (WCP) comprises 29 principles that delineate a clear and standardized framework regarding the supporting elements of the existing waqf system and exemplify the methods through which accountability and transparency can be attained within waqf management agencies. Moreover, PSAK 112 on Waqf Accounting is designed to specifically govern waqf transactions concerning the receipt, management, and development of waqf assets, encompassing the stipulations related to recognition, measurement, presentation, and disclosure. PSAK 112 serves as the analytical foundation for waqf transactions reported by organizations or legal entities and their representatives, in addition to functioning as a tool to evaluate the quality of accountable and transparent nazir reporting, thereby ensuring that the performance of the waqf is well-documented and contributes positively to the representation system.

Al Habibullah et al. (2024). This investigation was undertaken to ascertain the execution of waqf accounting at the Darul Waqf Al-Hady Foundation. Concentrating on the methodologies employed by the agency in the recording, management, and reporting of waqf assets, the analysis will assess adherence to accounting standards, the efficacy of asset management, and the transparency of financial disclosures. In this inquiry, a qualitative descriptive approach was employed, with data gathered through observational techniques and interviews, subsequently analyzed via data reduction and triangulation methods. The findings of the study indicated that the Darul Waqf Al-Hady Foundation has not achieved comprehensive compliance with the PSAK 112 standard. Nonetheless, with respect to the recognition and measurement of waqf assets, compliance has been observed; however, there remain deficiencies in the presentation of financial statements. The existing financial statements have not adhered to the stipulations of PSAK 112, particularly concerning balance sheets, activity reports, cash flow statements, and disclosures. Overall, the institution has not attained full compliance with PSAK 112 due to numerous impediments, such as the inadequacy of nadzhir in preparing financial statements in accordance with PSAK 112. Enhancements are

necessary in the presentation and disclosure of financial statements to ensure complete adherence to these standards.

Khairani & Illahi (2023). Dit Wihdatul Ummah Foundation, Nazir med PSAK 112, a v 2022. This research endeavor seeks to gain a comprehensive understanding of the application of waqf accounting by the Nadzhir waqf of the Wihdatul Ummah Batusangkar Foundation in alignment with PSAK 112. The investigative approach undertaken by the authors involved field research through qualitative methodologies, specifically conducting a thorough analysis of the issues encountered in the field. The results of this study indicate that the recognition and measurement processes are in accordance with PSAK 112. The waqf Nazir Qurratta Ayyun Batusangkar has not demonstrated optimal management and presentation of financial statements pursuant to PSAK 112.

Muflihah (2023). The nadzir represents the entity entrusted with the management and development of waqf property bestowed by the Wakif, ensuring adherence to its intended purpose; however, the prevailing accounting policies have resulted in variability, as certain nazhir employ PSAK Number 109 concerning the Accounting of Zakat and Infak/Alms as their foundational framework for recording. Consequently, it is imperative that nazhir receive proper guidance and education regarding the implementation of PSAK Number 112 in relation to waqf, particularly for nazhir managing waqf funds, which encompasses waqf shares, thereby aspiring to deliver financial statements that are both accountable and transparent. The objective of this investigation was to elucidate the principles of stock waqf as delineated by PSAK Number 112 in the context of Waqf Accounting. This inquiry employed a literature review methodology. The outcomes of this study manifest as illustrative examples of share waqf transactions depicted through journaling in accordance with PSAK No. 112, addressing the dimensions of recognition, measurement, disclosure, and the presentation of financial statements.

Wahyuni & Handayani (2023). This research examined the alignment of waqf accounting practices within Bank Wakaf Mikro Bangkit Nusantara, aiming to scrutinize the aspects of recognition, measurement, presentation, disclosure, and reporting of waqf in accordance with PSAK 112. The research methodology adopted was descriptive qualitative in nature. Data collection was executed through interviews, observations, and documentation. The data gathering involved the waqf-receiving institution, specifically Bank Wakaf Mikro Bangkit Nusantara Rembang. The findings of this study reveal that the measurement practices at Bank Wakaf Mikro Bangkit Nusantara conform to PSAK 112. Nevertheless, the domains of recognition, presentation, disclosure, and reporting of waqf at Bank Wakaf Mikro Bangkit Nusantara do not adhere to the stipulations of PSAK 112. The financial statements generated by Bank Wakaf Mikro Bangkit Nusantara include the Financial Position Report and the Income Statement, whereas the financial reports that remain unprepared consist of reports on waqf activities, statements reflecting changes in waqf assets, statements of cash flows, and accompanying notes to the financial statements.

Tania (2023). The institution of waqf within Indonesia possesses substantial potential. The intrinsic value of waqf is manifested through the establishment of mosques and educational edifices, particularly those focused on Islamic education or pesantren, utilizing land procured through waqf. The primary objective of this research is to ascertain whether the accounting treatment of waqf at Pondok Pesantren aligns with the provisions set forth by the Indonesian Financial Accounting Standards (PSAK). It has been observed that the documentation of waqf at Pondok Pesantren Roudhotul Quran does not comply with Sharia Financial Accounting Standard (SAK) Article 112 regarding waqf, which became effective in January 2021. Ideally, the waqf records should adhere to the standards established by SAK. Such waqf reporting facilitates the wakif's access to information pertaining to the progression of their waqf assets. Moreover, temporary waqf assets, such as monetary contributions subject to management, must be

periodically reported to the wakif regarding the advancements and outcomes related to the management of the waqf.

Arwin et al. (2024). PSAK 112, which delineates the accounting practices for waqf, enhances the transparency and accountability of waqf institutions in Indonesia. Through the implementation of these standards, waqf organizations are anticipated to deliver more precise and transparent financial disclosures. This transparency enables benefactors and the broader public to comprehend the management of waqf funds. Consequently, this fosters public trust in waqf institutions and incentivizes greater community engagement in providing support and donations. Conversely, PSAK 112 offers a definitive framework for waqf institutions concerning the formulation of financial statements and asset management. The adoption of these regulations streamlines audits, rendering them more systematic and objective, which in turn bolsters institutional accountability. Increased transparency allows waqf agencies to amplify their impact while optimizing available assets and financial resources.

Nawirah & Iqri (2022). The objective of this study is to analyze and develop the financial statements pertinent to waqf. This research is characterized as qualitative in nature, employing a descriptive methodology. The focal point of the investigation is the Cooperative of Masjid Sabilillah located in Kota Malang. The analytical technique employed aims to elucidate the treatment of cash waqf as received by the management of the Masjid Sabilillah Cooperative, with the cash waqf being assessed in accordance with PSAK 112 through an examination of the accounting treatment associated with the waqf. The subsequent phase entails the construction of financial statements congruent with the waqf accounting standards ratified by the Indonesian Accountants Association. The findings of this study indicate that the accounting treatment as per PSAK 112 is largely commendable and transparent in conveying information regarding the reception of cash waqf. The Masjid Sabilillah Cooperative has duly prepared financial reports, including an income statement, cash flow statement, and statement of financial position. However, certain reports remain unprepared in accordance with PSAK 112, specifically the report detailing waqf activities, the statement of changes in waqf assets, and the notes accompanying the financial statements.

Hasanah (2020). When a standard emerges as a consequence of the extensive curiosity exhibited by society regarding a regulation that can serve as a guideline for the management of an entity, the associated challenge lies in effectively introducing this standard as an accepted norm. In response to this phenomenon, the Indonesian Institute of Accountants (IAI) has promulgated a specific standard governing waqf. The ratification of PSAK 112 concerning Waqf Accounting, which became effective on January 1, 2021, with an option for early application, signifies a movement towards accountable and transparent waqf governance. The existence of this standard has prompted several waqf management organizations currently engaged in the empowerment of waqf (both the widely recognized waqf and productive waqf) to expedite the refinement of their reporting practices. The implementation of PSAK 112 for nazhir and waqif serves to standardize the financial reporting formats utilized by waqf institutions.

Dewi & Amrizal (2023). In the context of Indonesia, the enforcement of Statement of Waqf Accounting Standards No. 112 took effect on January 1, 2021, marking a novel regulation in the governance of waqf institutions. The primary objective of this study is to scrutinize the comprehension and execution of the waqf accounting standard. The subjects of this inquiry are philanthropic institutions, specifically Dompot Dhuafa and Wakaf Salman. Employing a qualitative research design, data was amassed through methods such as observation, documentation, and conducting comprehensive interviews with Nazir and the accounting department, while data analysis was conducted through content analysis. The findings of the investigation reveal that the nazhir of Dompot Dhuafa possesses a comprehensive understanding of the waqf accounting standards, which positively influences the application of entity reporting by nazhir,

whereas Wakaf Salman, which does not possess complete understanding, has been unable to implement these standards in their reports. The implications of this research are significant, as they can be utilized to supervise and motivate waqf institutions to prioritize adherence to the standard as a form of public accountability.

Tripalupi et al. (2024). This study examines the application of SFAS 112 within the financial statements of the Assyifa Waqf agency situated in Subang Regency. Utilizing qualitative research methodologies, the objective of the study is to accurately elucidate the financial statements of the agency through the incorporation of both primary and secondary data. The techniques employed for data collection encompass literature reviews, documentation, interviews, and observational methods. The recognition of waqf assets, grounded in nominal and fair values, alongside the presentation of financial statements—which include statements of financial position, activities, cash flows, and changes in assets under management—constitutes the principal areas of focus. It is observed that the comprehensive application of SFAS 112 within the Assyifa Waqf Board, particularly regarding the recognition, measurement, presentation, and disclosure of financial statements, remains unachieved. The outcomes of this study hold the potential to exert a substantial influence on the domain of Islamic economics and waqf practices, thereby offering valuable insights for prospective research and practical applications.

Damayanti et al. (2023). This scholarly investigation constitutes a qualitative study aimed at elucidating the implementation of PSAK 112 within the MUI North Sumatra Productive Waqf Development Center, as well as identifying the challenges encountered by PSAK 112 at the aforementioned institution's Nazhir. The methodological approach employed is a descriptive qualitative research methodology. Data acquisition was conducted through interviews, observations, and documentation. The data collection process involved the participation of both the supervisors and the treasurer of the North Sumatra MUI Productive Waqf Development Center. The findings of the research indicate that the Nazhir Center for Productive Waqf Development at MUI North Sumatra has adhered to the financial reporting standards outlined in PSAK 112 regarding recognition, measurement, and presentation, which encompasses a statement of financial position, a detailed asset report, and a cash flow statement. However, the notes accompanying the financial statements do not fully comply with PSAK 112, as they lack a written exposition of the accounting policies implemented by the Productive Waqf Development Center, along with information pertaining to the nadir that is articulated narratively within the financial statements. The MUI North Sumatra Productive Waqf Development Center functions as a social entity that is fundamentally reliant on community trust. Consequently, it is anticipated that the nadir will encompass information regarding the nadir, which is articulated in a narrative format, thereby enhancing the completeness of financial reports in accordance with PSAK 112.

Research Gap

Absence of International Waqf Accounting Standards; The preponderance of existing literature predominantly examines waqf accounting within localized or national frameworks (e.g., PSAK 112 in Indonesia or MAIN practices in Malaysia), thereby neglecting the necessity and potential for the harmonization of waqf accounting standards on a global scale. Lack of Cross-Country Comparative Studies; Prior investigations have largely concentrated on singular national case studies, consequently failing to furnish a comprehensive understanding of the disparities in interstate waqf regulatory and reporting practices. The extant literature that juxtaposes practices across Southeast Asia, the Middle East, and Africa concurrently remains exceedingly scant. Lack of Integration of Sharia and Technical Perspectives of Accounting; Prior scholarly endeavors have predominantly emphasized the normative dimensions of sharia

in waqf management, yet they have not sufficiently integrated technical accounting aspects such as accrual accounting, fair value measurement, and sustainability reporting within the waqf context. Lack of Studies on the Role of Digitalization in Waqf Reporting; Despite the nascent growth in technology adoption, there exists a dearth of literature that specifically scrutinizes the impact of digitalization on waqf reporting practices and accountability within previous academic studies. Limited Critical Evaluation of the Implementation of PSAK 112 or Similar Systems; There exists a paucity of research that has systematically assessed the efficacy of the implementation of PSAK 112 or analogous regulations in other jurisdictions, along with the practical challenges encountered in its application across diverse waqf institutions.

Research Novelty

Comparative Systematic Literature Review Approach; This investigation employs the PRISMA-based Systematic Literature Review methodology to rigorously analyze and juxtapose the regulatory frameworks and accounting practices pertaining to waqf across diverse nations, thereby facilitating a more extensive and comprehensive scientific mapping. Focus on the International Harmonization of Waqf Accounting; Unlike prior studies that primarily concentrated on local or sector-specific issues, this research underscores the critical necessity of formulating global waqf accounting standards and establishes a robust academic foundation for this initiative. Integration of Regulatory, Technical Accounting, and Digitalization Aspects; This review concurrently examines three pivotal dimensions—the regulatory framework, accounting reporting practices, and the influence of digitalization—as fundamental components in enhancing contemporary waqf governance. International Database and Multi-Region Analysis; By referencing 37 articles from esteemed international databases, the study encompasses literature from various global regions (Southeast Asia, the Middle East, and Africa), a practice that has been infrequently undertaken in preceding studies. Strategic and Practical Recommendations for Global Policy; This research not only contributes theoretically but also proffers actionable policy recommendations for international organizations, governmental bodies, and waqf practitioners, aimed at achieving a standardized, transparent, and sustainable waqf reporting framework.

RESEARCH METHODOLOGY

Types of Research

This investigation employs the Systematic Literature Review (SLR) method to analyze and contrast the regulatory frameworks and accounting methodologies pertaining to waqf across various nations in a systematic and methodical fashion. The SLR was selected due to its capacity to yield a scientific synthesis of the extant literature while also identifying deficiencies in research that holds global significance.

Data Source

The data sources are derived from scholarly articles disseminated in esteemed journals, proceedings of academic conferences, official regulatory documentation, and reports produced by international organizations. The databases utilized encompass: Scopus, Web of Science, Science Direct, Springer Link, Emerald Insight, Google Scholar (as an ancillary resource).

Inclusion and Exclusion Criteria

To guarantee the integrity and pertinence of the scholarly literature, the following criteria are applied: Inclusion Criteria: Manuscripts that explicitly discuss the governance and methodologies of waqf

accounting. Research that integrates the viewpoint of a specific nation or region, whether in a comparative or singular context. Published works must fall within the timeframe of 2010 to 2025. Documents written in English or Indonesian. Articles published in peer-reviewed academic journals. Exclusion Criteria: Non-scholarly publications (including editorials, opinion pieces, and news articles). Research that solely examines waqf in a general context without concentrating on regulatory and accounting dimensions. Duplicate entries or articles that are not available in full-text format.

Stages in Systematic Literature Review

The Systematic Literature Review (SLR) process is carried out through the following series of stages:

Study Identification

The literature search is conducted by applying relevant keywords such as: "waqf accounting", "waqf regulation", "wakaf governance", "comparative waqf law", "international waqf accounting", "Islamic endowment accounting", "wakaf and regulation", and their variations. Boolean operators such as AND, OR, NOT are utilized to optimize the search process.

Study Selection

The results obtained from the search are meticulously filtered through the following process: Scrutinizing titles and abstracts Assessing the content of the article in accordance with the established inclusion-exclusion criteria Eliminating any instances of duplication

Data Extraction and Coding

Crucial information from each article is systematically compiled into a data extraction table that encompasses: The author and publication year The geographical location or region of the study The focal point of Waqf regulation The accounting practices employed The conceptual framework and methodological approach utilized The principal findings and recommendations derived from the study.

Data Analysis and Synthesis

The data were subjected to both descriptive and thematic analyses to discern comparative patterns among nations. A content analysis methodology was employed to categorize the variances and commonalities inherent in waqf accounting regulations and practices. Visual representations, in the form of tables or diagrams, will be utilized to enhance the comprehension of comparative analyses.

Validity and Reliability

To augment the validity: The process of article selection was conducted independently by two researchers. Discrepancies in selection outcomes were deliberated until a consensus was attained. Software tools such as Zotero, Mendeley, or Rayyan were employed to effectively manage references and facilitate the review processes.

RESULTS OF RESEARCH AND DISCUSSION

General Description of the Reviewed Study

The findings derived from the literature review and selection process indicate that a total of 26 scholarly articles published between 2010 and 2025 fulfilled the established inclusion criteria. These studies originate from nations such as Indonesia, Malaysia, Turkey, Saudi Arabia, Bahrain, Nigeria, and Sudan, which are characterized by robust waqf traditions and heterogeneous legal frameworks, including common law, civil law, and formal Islamic law. The distribution of articles by country is as follows:

Table 1
The Distribution of Articles by Country

Country	Number of Studies	Primary Focus
Indonesia	8	Reporting practices, BWI regulation, PSAK 112
Malaysia	6	The role of MAI, MS 1900, Sharia compliance
Turki	3	Historical accounting, reporting automation
Arab Saudi	2	Integration with the zakat system
Sudan	2	State-based Waqf Accountability
Nigeria	3	Governance and Islamic NGO
Bahrain	2	Islamic financial reporting

This table illustrates that each nation adopts a distinctive methodology and emphasis in the administration and disclosure of waqf financial activities. Indonesia and Malaysia are subjected to considerable scrutiny due to their relatively well-established regulatory frameworks and institutional practices concerning waqf. In contrast, nations such as Turkey, Sudan, and Nigeria underscore the historical dimensions, governance structures, and roles played by non-governmental organizations (NGOs). Saudi Arabia and Bahrain exemplify a comprehensive and financial-oriented methodology in waqf reporting.

Indonesia is recognized as the nation with the highest volume of scholarly research, indicating substantial focus on governance and transparency within waqf, particularly through formal regulatory measures and national accounting standards. Malaysia prioritizes sharia governance and quality certification of waqf institutions, signifying a standardized and systematic approach to sharia-compliant waqf management. Research conducted in Turkey tends to concentrate on the historical context and evolution of the waqf financial record-keeping system, alongside the modernization of reporting practices via digital technologies. Saudi Arabia investigates the synergies between two Islamic financial instruments (waqf and zakat), reflecting a comprehensive approach to the management of Islamic social finance. Sudan emphasizes the significance of accountability and oversight by the state concerning the institution of the waqf, highlighting the direct involvement of the government in its administration. The research focus in Nigeria pertains to waqfs managed by Islamic non-governmental organizations, with a particular emphasis on transparency and exemplary governance practices. Bahrain has developed a financial reporting framework for Islamic financial institutions, encompassing waqf, which adheres to international standards while remaining compliant with sharia principles.

Comparison of Waqf Accounting Regulations Legal and Institutional Basis

A majority of the nations examined possessed established legal frameworks that regulate the administration of waqf, yet the level of specificity and comprehensiveness displayed considerable variation: Indonesia is governed by Law No. 41 of 2004 pertaining to Waqf and PSAK 112, which serve as criteria for waqf financial disclosures. In Malaysia, the oversight of waqf has been entrusted to the Majlis Agama Islami Negeri (MAIN), bolstered by the Sharia Framework MS 1900 alongside the Islamic Financial Services Act. Sudan and Saudi Arabia implement state-administered waqf systems, wherein the management is intricately linked to the national fiscal infrastructure. Turkey boasts a historical tradition of social trust-oriented waqf, yet has embraced contemporary reporting standards facilitated by advancements in digitization.

Disparities in the Implementation of Accounting Standards

In Indonesia, the application of PSAK 112 has not achieved consistent execution among smaller waqf entities and mosques. Malaysia has yet to establish dedicated national waqf accounting standards; however, organizations such as MAIS and JAWHAR adopt reporting practices rooted in the principles of Islamic accountability. In nations such as Bahrain and Nigeria, comprehensive waqf accounting standards remain absent, although certain organizations implement Islamic finance reporting principles in a flexible manner.

Waqf Financial Accounting and Reporting Practices

Types of Financial Statements

Numerous scholarly investigations indicate that entities responsible for managing waqf typically generate financial statements that include: Waqf Balance, Waqf Asset Change, Report Social Activity and Investment Report, Sharia Compliance Report (notably in Malaysia). Nevertheless, in various nations, this practice is predominantly confined to larger institutions (institutional nazhir) and has not been extensively embraced by mosques or local communities.

Transparency and Accountability

Both Indonesia and Malaysia exhibit favorable trends in the facilitation of transparency through online reporting mechanisms and the implementation of waqf management applications. Conversely, in Nigeria, the level of accountability remains significantly diminished due to insufficient oversight and an absence of technical regulatory frameworks. In Sudan and Saudi Arabia, it is observed that a state-centric (top-down) approach enhances control; however, it concurrently restricts public engagement.

Thematic Findings from the Literature

Based on the thematic analysis, four principal themes were identified:

1. The gap between regulation and implementation; Numerous nations possess waqf regulations; however, they frequently lack a comprehensive and obligatory accounting framework for effective implementation.
2. Lack of Global Standards; The nonexistence of internationally recognized waqf accounting standards results in considerable disparities among nations concerning the structure, terminology, and accountability of financial reports.
3. Dominance of Normative Sharia Approach; A significant number of scholarly articles continue to prioritize sharia and spiritual dimensions, while failing to adequately address the technical facets of financial reporting.
4. The Need for Digitalization of Waqf Accounting; Research conducted in Turkey, Indonesia, and Malaysia is beginning to underscore the critical importance of technology-driven systems to enhance efficiency and transparency in waqf accounting.

The results of the literature review indicate that the governance and practice of waqf accounting is shaped by the distinct social, legal, and religious contexts prevailing in each nation. Countries such as Malaysia and Indonesia are leading the charge towards the formalization of waqf reporting; however, they continue to encounter difficulties related to: Nazhir HR Capacity, Comprehensive adoption of standards, Technology-driven supervision and auditing.

Variations in regulatory frameworks are also affected by the organizational structure of the waqf (individual/community versus institutional/state-controlled). This situation has contributed to the inability of waqf accounting practices to achieve global consistency and emphasizes the necessity for international initiatives, such as the development of IFRS-Waqf or a standards framework by AAOIFI/IAI that is more inclusive of waqf entities.

Discussion

The findings indicate that the regulatory frameworks and practices pertaining to waqf accounting exhibit significant variability across different nations, contingent upon the prevailing national legal structures, the historical context of the waqf institution, and the extent of advancement of the sharia financial system. Nations characterized by robust waqf traditions, such as Indonesia, Malaysia, and Turkey, have commenced the development of more formalized waqf reporting and accounting frameworks, albeit the implementation of these frameworks has not been uniformly applied across the various waqf management entities. Conversely, countries such as Nigeria and Bahrain exhibit shortcomings in standardized regulatory and reporting dimensions.

In Indonesia, the introduction of PSAK 112 by the Indonesian Accountant Association represents a pivotal development in promoting enhanced accountability and transparency in waqf accounting practices. PSAK 112 delineates the structure of financial statements for waqf entities, encompassing reports detailing changes in waqf assets and accounts of socio-economic activities. Nonetheless, scholarly literature indicates that the execution of PSAK 112 remains predominantly confined to larger institutions or institutional nazhirs, while the management of waqf at the mosque and local community levels continues to exhibit minimal engagement in formal reporting methodologies.

Malaysia, despite the absence of nationally specific waqf accounting standards akin to PSAK 112, showcases more systematic management practices facilitated by the involvement of Majlis Agama Islam Negeri (MAIN) and organizations such as JAWHAR. Financial accountability is enacted through the implementation of MS 1900 (Shariah-based Quality Management System) along with the integration of sharia financial reporting principles. Research conducted in Malaysia has underscored the necessity for the digitization of the waqf system and the enhancement of the capabilities of nazhir institutions.

Turkey presents a distinctive perspective, having a rich history of waqf management dating back to the Ottoman period, and is presently embracing modernization principles in waqf financial reporting via digital systems and automation. The study conducted in Turkey emphasizes the critical role of information technology in bolstering transparency and efficiency in the administration of waqf assets, particularly within the education and health sectors. Nonetheless, the complete integration of sharia accounting principles into Turkey's financial reporting system has yet to be realized.

Research from Sudan and Saudi Arabia illustrates a more "state-centric" paradigm wherein the government assumes a predominant role in the oversight and management of waqf. This framework tends to be effective in regulatory control, yet it constrains civil society participation and diminishes the adaptability of waqf institutions. In this national context, waqf accounting generally adheres to the principle of public reporting, though it has not yet fully embraced participatory and inclusive sharia principles.

Within the context of Nigeria and several other African nations, studies reveal persistent deficiencies in the formal regulatory framework governing waqf. The majority of waqf management is conducted by community organizations or Islamic NGOs employing non-standard financial reporting practices. This situation poses significant challenges concerning transparency, public trust, and accountability regarding the utilization of waqf funds for social initiatives.

A salient finding from the study was the conspicuous absence of international waqf accounting standards. In contrast to the sharia finance sector, which benefits from the support of AAOIFI and IFSB, the waqf sector currently lacks a global reporting framework amenable to adoption across various countries. Consequently, waqf reporting is heavily reliant on localized policies and initiatives from each respective

agency. These discrepancies impede international benchmarking and the dissemination of best practices among nations.

The existing body of literature indicates that the majority of the regulatory frameworks and reporting methodologies pertaining to waqf remain predominantly anchored in normative-sharia paradigms, with limited engagement regarding the intricate technical-accounting dimensions. Research conducted in Indonesia and Malaysia, for instance, continues to underscore the significance of intention, trust, and the religious values inherent in waqf management, yet it has not thoroughly incorporated contemporary financial governance tenets such as accrual accounting, fair value measurements, and sustainability disclosures.

The phenomenon of digitization emerges as a salient trend discerned from the outcomes of the literature review. Nations such as Turkey, Indonesia, and Malaysia are initiating the development of digital infrastructures aimed at enhancing waqf management and reporting, encompassing nazhir management applications, public reporting dashboards, and integration with the national sharia financial framework. Although this initiative is still in its nascent phases, it presents substantial opportunities for augmenting transparency, operational efficiency, and public engagement in the oversight of waqf resources.

In summary, the research elucidates that the comparative analysis of regulatory and waqf accounting practices reveals the existence of inter-state disparities in terms of legal, institutional, and technical reporting frameworks. A concerted collaborative endeavor among academic institutions, regulatory bodies, and international organizations is imperative to formulate a framework for global waqf accounting standards that can be adapted with flexibility by individual nations. Furthermore, it is essential to enhance the capabilities of nazhir institutions, promote digitization, and implement community-based oversight as pivotal agendas in the pursuit of a transparent, accountable, and sustainable waqf reporting system.

CONCLUSION

The findings of this systematic review indicate that the regulation and practices pertaining to waqf accounting on an international scale exhibit considerable heterogeneity, shaped by variations in legal frameworks, the extent of waqf institutionalization, and the institutional capabilities present in each respective nation. Nations such as Indonesia and Malaysia are demonstrating noteworthy advancements through the establishment of national regulatory frameworks and sharia-compliant waqf financial reporting methodologies. Nonetheless, the practical implementation of these frameworks continues to encounter numerous obstacles, including an absence of universally accepted standards, restricted human resource capacities, and inadequate integration of information technology.

Furthermore, the investigation uncovered that there exists no singular international benchmark that thoroughly governs waqf accounting, in stark contrast to the domain of sharia finance, which is already supported by guidelines from organizations such as AAOIFI and IFSB. This inconsistency results in discrepancies in reporting practices, diminished transparency, and restricted consistency in cross-national data. Additionally, the prevailing reporting methodologies remain predominantly grounded in the normative dimensions of sharia, while the technical and financial sustainability facets of waqf have not garnered sufficient focus. Consequently, a comprehensive approach is imperative, one that not only fortifies the regulatory and technical dimensions of accounting but also facilitates digital transformation and encourages community engagement in the participatory oversight of waqf resources.

The research proffers several policy recommendations, which include: firstly, the Development of International Waqf Accounting Standards; it is recommended that organizations such as AAOIFI, IAI, or the Islamic Development Bank (ISDB) spearhead the formulation of global waqf accounting standards (e.g., IFRS-Waqf) to provide a reference framework for nations with active waqf systems. Secondly, the Implementation of Mandatory and Binding Regulations; it is essential for governments in countries with substantial waqf institutions, including Indonesia and Malaysia, to establish reporting standards (such as PSAK 112) as mandatory regulations applicable to all nazhir, encompassing mosque and community levels. Thirdly, Strengthening Human Resource Capacity and Digitalization of Waqf Institutions; there is a critical need for continuous training and certification programs for waqf managers in sharia accounting, alongside the development of cloud-based digital platforms for waqf reporting that are readily accessible to the public. Fourthly, Integration of the Waqf System with National Sharia Finance; it is necessary to harmonize sharia financial regulations and the Islamic banking framework with the waqf reporting system to foster a transparent and mutually reinforcing Islamic philanthropic ecosystem. Fifthly, Transparency and Public Engagement; the government should incentivize waqf institutions to routinely disseminate their financial statements and reports on social activities online to cultivate public trust and enhance community participation.

The investigation additionally offers subsequent recommendations for further research, which include: firstly, an Empirical Analysis of the Implementation of PSAK 112 and MS 1900; subsequent inquiries may examine the degree to which standards such as PSAK 112 and MS 1900 are operationalized within minor waqf institutions, alongside an analysis of the obstacles and facilitators present. Secondly, the Development of a Digital Waqf Accounting Model; experimental investigations could be conducted to devise a prototype blockchain-based waqf accounting information system or smart contract, as a means to enhance operational efficiency and transparency. Thirdly, a Qualitative Comparison of Waqf Practices Across Nations; cross-national field studies are requisite to thoroughly comprehend waqf accounting practices from the perspectives of practitioners (nazhir), sharia auditors, and the broader community. Fourthly, an ESG-based Evaluation of Waqf Governance (Environmental, Social, and Governance); advanced scholarly endeavors could investigate the incorporation of sustainability principles within waqf reporting, aiming to steer Islamic philanthropic initiatives towards sustainable societal advancement. Lastly, a Review of Crowdsourced Auditing for Waqf Oversight; research regarding the implementation of crowdsourcing in the regulatory framework of waqf financial statements might represent a novel community-oriented strategy to ensure waqf accountability.

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