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Legal and Shariah Review of The Implementation of The *Wakalah* Model-Waqf in The *Takaful* Industry Indonesia: A Normative Study of Field Regulations And Practices

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Wakalah-Waqf, Takaful, Islamic Insurance, Regulation, Field Practice, Indonesia

Abstract:
This study examines the implementation of the Wakalah-Waqf model in the Takaful industry in Indonesia from a legal and sharia perspective. Takaful as a sharia-based insurance requires compliance with Islamic economic principles, but the implementation of the Wakalah-Waqf model still faces various regulatory and field practice challenges. Through a normative legal approach, this study analyzes the suitability of the regulation and implementation of the Wakalah-Waqf model with sharia principles and identifies obstacles in its implementation in Indonesia. The results of the study indicate that the existing regulatory framework does not fully accommodated the unique characteristics of the Wakalah-Waqf model, although in the sharia principle this model offers a comprehensive solution for the Takaful industry. This study recommends improving the Takaful regulatory framework by explicitly integrating the Wakalah-Waqf concept to strengthen the sharia insurance industry in Indonesia.

Kata Kunci:
Wakalah-Wakaf, Takaful, Asuransi Syariah, Regulasi, Praktik Lapangan, Indonesia

Abstrak:
Penelitian ini mengkaji penerapan model Wakalah-Wakaf dalam industri Takaful di Indonesia dari perspektif hukum dan syariah. Takaful sebagai asuransi berbasis syariah menuntut kepatuhan terhadap prinsip-prinsip ekonomi Islam, namun implementasi model Wakalah-Wakaf masih menghadapi berbagai tantangan, baik dari segi regulasi maupun praktik di lapangan. Melalui pendekatan yuridis normatif, penelitian ini menganalisis kesesuaian regulasi dan implementasi model Wakalah-Wakaf dengan prinsip-prinsip syariah serta mengidentifikasi hambatan-hambatan dalam penerapannya di Indonesia. Hasil penelitian menunjukkan bahwa kerangka regulasi yang ada belum sepenuhnya mengakomodasi karakteristik khas dari model Wakalah-Wakaf, meskipun secara prinsip syariah model ini menawarkan solusi yang komprehensif bagi industri Takaful. Penelitian ini merekomendasikan penyempurnaan kerangka regulasi Takaful dengan mengintegrasikan konsep Wakalah-Wakaf secara eksplisit guna memperkuat industri asuransi syariah di Indonesia.

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Introduction

The development of Islamic economics in Indonesia has experienced significant growth over the last two decades, marked by the emergence of various Islamic financial institutions that offer alternatives to the conventional financial system. Among these Islamic financial institutions, Islamic insurance and Takaful have a strategic role in risk mitigation based on sharia principles (Abdullah & Yaacob, 2012). As the country with the largest Muslim population in the world, Indonesia has a very large Takaful market potential, but it's the penetration of this industry is still relatively low compared to its potential (Permana & Putria, 2022). This shows a gap between the potential and realization of the development of the Takaful industry in Indonesia.

One of the crucial aspects in developing Takaful was the operational model used. In global practice, there are several operational models of Takaful, including the*Mudharabah, Wakalah*, and combinations of both. However, in the last few years, the Wakalah-Waqf model has gained attention as an alternative model that offers a more comprehensive operational framework and is in accordance with sharia principles (Abdullah & Yaacob, 2012). This model combines the concept of Wakalah (representation) with the institution of Waqf (waqf) which has strong roots in the Islamic tradition.

Although the Wakalah-Waqf model offers great potential for the development of the Takaful industry, its implementation in Indonesia still faces various challenges. Previous studies have examined various operational aspects of Takaful in Indonesia, such as the analysis of the Wakalah contract in Islamic financial institutions (Sahla et al., 2023), the implementation of the Wakalah contract in Islamic banks (Syipa Paujiah, 2022), and the analysis of compliance with the National Sharia Council's fatwa on Wakalah in the service activities of Islamic financing companies (Darwin & Siregar, 2020). However, there is a research gap regarding the specific implementation of the Wakalah-Waqf model in the context of the Takaful industry in Indonesia, especially from a legal and sharia perspective.

This research gap becomes even more significant considering that the Wakalah-Waqf model offers a new approach in Takaful operations that can overcome the weaknesses of existing models. Abdullah and Yaacob (2012) highlighted that this model has the potential to resolve the sharia issues present in conventional Takaful models, such as the issue of fund ownership and surplus distribution. However, its implementation requires an appropriate legal and sharia framework, which has not been comprehensively studied in the Indonesian context.

The novelty of this research lies in the comprehensive analysis of the implementation of the Wakalah-Waqf model in the Takaful industry in Indonesia from two main perspectives: juridical and sharia. This study proposes two main problem formulations:

1. How does the existing regulatory framework in Indonesia fit with the implementation of the Wakalah-Waqf model in the Takaful industry from a legal and sharia perspective?
2. What are the obstacles and challenges in implementing the Wakalah-Waqf model in the Takaful industry in Indonesia and what are the potential solutions?

This study aims to analyze the suitability of the existing regulatory framework in Indonesia with the implementation of the Wakalah-Waqf model in the Takaful industry, and to identify obstacles and challenges in its implementation along with potential solutions. Thus, this study is expected to provide significant contributions to the development of the regulatory framework and practices of the Takaful industry in Indonesia, as well as enrich the academic literature on Takaful operational models that are appropriate to the Indonesian context.

Methodology

This study uses a normative legal approach with a qualitative research method to analyze the implementation of the Wakalah-Waqf model in the Takaful industry in Indonesia. The normative legal approach aspect and compliance with sharia principles, which requires an in-depth analysis of laws and regulations, fatwas of the National Sharia Council, and sharia economic law literature (Nugraheni, 2017). The data used in this study are secondary data consisting of primary legal materials in the form of laws and regulations and fatwas of the DSN-MUI related to sharia insurance and Wakalah, secondary legal materials in the form of books, journals, and previous research results, and tertiary legal materials in the form of dictionaries and encyclopedias related to Islamic economics. Data collection techniques are carried out through literature studies by collecting, identifying, and analyzing various studies related to the Wakalah-Waqf model in the Takaful industry. Data analysis uses a descriptive analytical method with a content analysis approach that emphasizes in-depth interpretation of the regulations and implementation practices of the Wakalah-Waqf model in the Takaful industry in Indonesia, and compares them with sharia principles and global best practices to produce comprehensive conclusions and recommendations (Abdullah & Yaacob, 2012; Permana & Putria, 2022).

Results and Discussion

A. Basic Concept of Wakalah in the Perspective of Fiqh and its Implementation in Islamic Financial Institutions

Wakalah etymologically comes from Arabic which refers to the submission, delegation, or granting of a mandate. In Islamic jurisprudence terminology, Wakalah is defined as a contract of granting power of attorney from one party (muwakkil) to another party (representative) to carry out certain tasks on behalf of the grantor of power (Rizal, 2022). The Wakalah contract has received sharia legitimacy based on the Qur'an, Hadith, and Ijma' of scholars, which shows the importance of the concept of representation in Islamic transactions.

From a fiqh perspective, the Wakalah contract has pillars and conditions that must be met for ensure its validity. Rizal (2022) emphasized that the pillars of Wakalah include the existence of a party granting the power of attorney (muwakkil), a party receiving the power of attorney (wakil), an object being represented (muwakkal fih), and ijab qabul (shighat). The conditions include that the parties to the contract must be legally competent, the object being represented must be clearly known and is something that is permissible according to sharia, and the sighat must clearly indicate the intention of the representative.

The implementation of the Wakalah contracts in Islamic financial institutions has undergone significant development. Sahla et al. (2023) explained that the Wakalah contract has been applied to various products and services of Islamic financial institutions, such as money transfers, clearing, collections, letters of credit, and Islamic insurance. In the context of Islamic banking, the Wakalah contract is often combined with other contracts to form a hybrid contract (multi-contract) such as Murabahah bil Wakalah, where the bank represents the customer to purchase the desired goods (Fauziah et al., 2021).

The National Sharia Council of the Indonesian Ulema Council (DSN-MUI) has issued Fatwa No: 10/DSN-MUI/IV/2000 on Wakalah which is the operational basis for this contract at Indonesian Islamic financial institutions. Nugraheni (2017) highlighted that the fatwa provides a sharia legal framework for the implementation of the Wakalah contract, including provisions on the pillars, conditions, and termination of the Wakalah contract. The Wakalah contract is also regulated in by various regulations of the Financial Services Authority (OJK) related to the Islamic financial industry.

A further development is the appearance of a variant of the Wakalah bil Ujrah contract, in wgich the beneficiary receives a reward (ujrah) for the services they provide. Nst and Soemitra (2023) explained that this contract is widely applied to products and services in sharia banking, zakat management, waqf, and sharia insurance. DSN-MUI has issued Fatwa No: 113/DSN-MUI/IX/2017 on Wakalah bill Ujrah which specifically regulates this contract.

B. The Concept of Waqf and Integration in the Islamic Financial System

Waqf (endowment) refers etymologically means to holding or preventing. In sharia terminology, waqf is defined as the retention of assets that can be utilized by maintaining the substance of the asset, accompanied by the cessation of all forms of direct use of the asset by the wakif (endowment giver) and the diversion of the use of the results for charitable purposes, both general and specific (Abdullah & Yaacob, 2012). The waqf institution has a long history in Islamic civilization and has played an important role in the socio-economic development of Muslim society.

In modern developments, the concept of waqf has undergone transformation and integration into the Islamic financial system. Wahid et al. (2021) explained that there are innovations in waqf models such as cash waqf, stock waqf, and sukuk waqf which allow the mobilization of waqf funds for productive investment. This opens up opportunities to integrate the concept of waqf into various Islamic financial instruments, including Islamic insurance (Takaful).

Farhand et al. (2020) stated that the integration of waqf into the Islamic financial system has great potential to support sustainable economic development. This is because the characteristics of waqf which are long-term oriented and focus on public welfare are in line with the principles of sustainable development. In the Indonesian context, Law No. 41 of 2004 concerning Waqf and Government Regulation No. 42 of 2006 concerning the Implementation of Law No. 41 of 2004 concerning Waqf have provided an adequate legal framework for the development of waqf, including productive waqf that can be integrated into the Islamic financial system.

C. Wakalah-Waqf Model in Takaful Industry: Concept and Operational Framework

The Wakalah-Waqf model in the Takaful industry is a combination of the Wakalah contract and the Waqf concept designed to overcome the weaknesses of conventional Takaful models. Abdullah and Yaacob (2012) explained that in this model, Takaful companies establish waqf funds with initial contributions from shareholders. This waqf fund is then managed by the Takaful company as a representative (manager) based on the Wakalah bill Ujrah contract, where the company is entitled to a fee (ujrah) for its management services.

Takaful participants who join make contributions to the waqf fund, which automatically becomes part of the waqf fund and no longer belongs to the participants. This fund is invested by the Takaful company as the waqf manager, and the profits from the investment are shared according to the agreed ratio between the waqf fund and the Takaful company. Participant claims are paid from the waqf fund, and if there is a surplus, they be redistributed to participants as grants, allocated as reserves, or used for social purposes in accordance with sharia provisions (Khan, 2015). Khan (2015) highlighted that the Wakalah-Waqf model offers solutions to the sharia issues that often arise in conventional Takaful models, such as the issue of fund ownership, surplus distribution, and deficit treatment. In this model, the legal status of Takaful funds becomes clear because they have become waqf funds managed for the benefit of participants collectively. In addition, this model also provides a clear framework for managing surpluses and deficits.

Abu Bakar and Mohd Nasir (2021) added that the Wakalah-Waqf model also opens up opportunities for better integration between Takaful and the Islamic social sector, because surplus waqf funds can be used for various social projects and economic development of the people. This strengthens the role of Takaful not only as a risk protection instrument, but also as a socio-economic development instrument in line with maqasid sharia (shariah purpose).

D. Development of Takaful Regulation in Indonesia and the Position of the Wakalah-Waqf Model

Regulation of the Takaful industry in Indonesia has undergone significant evolution since its emergence in the early 1990s. The initial regulatory framework can be found in Law No. 2 of 1992 concerning the Insurance Business, although it does not explicitly regulate sharia insurance. The next development was marked by the Decree of the Minister of Finance No. 426/KMK.06/2003 which specifically regulates sharia insurance and was later strengthened by the Regulation of the Minister of Finance No. 18/PMK.010/2010 concerning the Implementation of Basic Principles for the Implementation of Insurance Business and Reinsurance Business with Sharia Principles (Mustaqilla, 2023).

An important momentum in Takaful regulation is the birth of Law No. 40 of 2014 concerning Insurance which explicitly recognizes and regulates sharia insurance. This regulation was then strengthened by various Financial Services Authority Regulations (POJK), such as POJK No. 69/POJK.05/2016 concerning the Implementation of Insurance Company Business, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies, and POJK No. 72/POJK.05/2016 concerning the Financial Health of Insurance Companies and Reinsurance Companies with Sharia Principles (Permana & Putria, 2022).

From a sharia perspective, the regulatory framework for Takaful in Indonesia also refers to fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). These fatwas include Fatwa No. 21/DSN-MUI/X/2001 on General Guidelines for Sharia Insurance, Fatwa No. 51/DSN-MUI/III/2006 on Mudharabah Musytarakah Contract in Sharia Insurance, Fatwa No. 52/DSN-MUI/III/2006 on Wakalah bil Ujrah Contract in Sharia Insurance and Sharia Reinsurance, and Fatwa No. 53/DSN-MUI/III/2006 on Tabarru's Contract in Sharia Insurance (Nugraheni, 2017).

Although the existing regulatory framework has recognized various operational models of Takaful, including the Wakalah bil Ujrah model, there is no regulation that specifically regulates the Wakalah-Waqf model. Darwin and Siregar (2020) highlighted that the existing regulatory framework focuses more on the pure Wakalah model or the combination of Wakalah and Mudharabah, while the integration of the waqf concept in Takaful operations has not received sufficient attention in Indonesian regulations.

E. Analysis of the Suitability of the Regulatory Framework in Indonesia with the Implementation of the Wakalah-Waqf Model in the Takaful Industry

The regulatory framework of Takaful in Indonesia can be analyzed in several dimensions. *First*, from the perspective of the hierarchy of laws and regulations, Law No. 40 of 2014 concerning Insurance was the main basis for the operation of sharia insurance in Indonesia. Article 1 paragraph (2) of the Law defines sharia insurance as "*a collection of agreements, consisting of agreements between sharia insurance companies and policyholders and agreements between policyholders, in the context of managing contributions based on sharia principles in order to help and protect each other*". This definition provides a basis for various operational models of Takaful, including the potential implementation of the Wakalah-Waqf model (Mustaqilla, 2023).

Second, from the perspective of operational technical arrangements, POJK No. 69/POJK.05/2016 regulates in more detail the implementation of sharia insurance business in more detail. Article 35 of the POJK stipulates that sharia insurance companies must separate the assets and liabilities of tabarru' funds from the assets and liabilities of the company. This provision is in line with the principle of the Wakalah-Waqf model which requires the separation of participant funds (which become waqf funds) from company funds (Abdullah & Yaacob, 2012). However, the POJK has not explicitly regulated the mechanism for managing funds in the form of waqf.

Third, from the perspective of sharia regulation, DSN-MUI Fatwa No. 52/DSN-MUI/III/2006 concerning the Wakalah bil Ujrah Contract in Sharia Insurance and Sharia Reinsurance has provided a framework for the implementation of the Wakalah bil Ujrah contract in the Takaful industry. This fatwa stipulates that sharia insurance companies act as representatives (who are authorized) to carry out tabarru' fund investment activities in accordance with sharia principles. However, this fatwa did not accommodate the concept of waqf as a container for tabarru' funds (Nugraheni, 2017).

An analysis of the regulatory framework above shows that although in general existing regulations have provided a basis for the operation of Islamic insurance based on the Wakalah principle, there is no regulation that specifically regulates the Wakalah-Waqf model. This regulatory gap can cause legal uncertainty regarding the implementation of the model in Indonesia.

F. Sharia Analysis of the Implementation of the Wakalah-Waqf Model

From a sharia perspective, the implementation of the Wakalah-Waqf model in the Takaful industry in Indonesia needs to be analyzed based on its compliance with sharia principles and fatwas issued by DSN-MUI.

First, the basic concept of Wakalah bill Ujrah which is one of the pillars of the Wakalah-Waqf model has gained sharia legitimacy through Fatwa DSN-MUI No. 52/DSN-MUI/III/2006. This fatwa stipulates that the Wakalah bill Ujrah contract can be applied in sharia insurance, where the insurance company acts as a representative of the participant to manage the tabarru' fund with a reward in the form of ujrah (fee). Nurjaman et al. (2022) asserted that the application of the Wakalah bill Ujrah contract in the sharia insurance industry has been in accordance with sharia principles as long as it meets the pillars and conditions stipulated in the fatwa.

Second, the concept of waqf as a container for tabarru' funds has not been explicitly regulated in the DSN-MUI fatwas regarding sharia insurance. However, in principle, this concept does not conflict with sharia. Abdullah and Yaacob (2012) highlighted that the use of the waqf concept in the Takaful industry can actually strengthen the tabarru' (donation) aspect which is the essence of sharia insurance. In the Wakalah-Waqf model, participant contributions are entered into waqf funds that are managed for the collective benefit of participants, in accordance with the principle of ta'awun (mutual assistance) in Islam.

Third, the surplus distribution mechanism in the Wakalah-Waqf model needs to be assessed for its compliance with sharia principles. DSN-MUI Fatwa No. 53/DSN-MUI/III/2006 concerning the Tabarru' Contract in Sharia Insurance stipulates that if there is an underwriting surplus, several alternatives can be carried out in accordance with sharia, such as being stored as a tabarru' fund reserve, being distributed in part to participants, or a combination of both. Khan (2015) explains that in the Wakalah-Waqf model, the surplus can be redistributed to participants as a grant or allocated for social interests, which is in line with the provisions of the fatwa.

The above analysis shows that in principle of sharia, the Wakalah-Waqf model does not conflict with the existing DSN-MUI fatwas. However, to optimize its implementation, a special fatwa is needed that comprehensively regulates the Wakalah-Waqf model in the Takaful industry in Indonesia.

Based on the legal and sharia analysis above, several regulatory gaps can be identified in the implementation of the Wakalah-Waqf model in the Indonesian Takaful industry:

First, there is no specific regulation on the use of the waqf concept as a container for tabarru' funds in sharia insurance regulations. Although Law No. 41 of 2004 concerning Waqf has provided a legal framework for the management of waqf in general, there is no regulation that specifically integrates the waqf concept in sharia insurance operations (Mustaqilla, 2023).

Second, Islamic insurance companies have no provisions mechanism for establishing waqf funds by Islamic insurance companies. Abdullah and Yaacob (2012) emphasized that in the Wakalah-Waqf model, companies establish waqf funds with initial contributions from shareholders. However, existing regulations do not yet regulate this mechanism, including aspects of its formation, management, and supervision. Third, there is no clarity regarding the legal status and treatment of waqf funds in the context of the Takaful industry. Farhand et al. (2020) highlighted the importance of clarity regarding the legal status of waqf funds to provide legal certainty for all stakeholders, including insurance companies, participants, and regulators. Fourth, there is no regulation on the mechanism of surplus distribution and deficit handling in the context of the Wakalah-Waqf model. Although the DSN-MUI Fatwa No. 53/DSN-MUI/III/2006 has regulates the distribution of underwriting surplus in general, there are no specific provisions in the context of waqf funds (Khan, 2015).

The above regulatory gaps indicate the need for refinement of the regulatory framework to accommodate the unique characteristics of the Wakalah-Waqf model in the Takaful industry in Indonesia.

G. Identification of Obstacles and Challenges in the Implementation of the Wakalah-Waqf Model and Potential Solutions

Regulatory Barriers and Sharia Compliance

The implementation of the Wakalah-Waqf model in the Takaful industry in Indonesia faces several regulatory and sharia compliance barriers. First, the regulatory gap as previously identified causes legal uncertainty for sharia insurance companies that wish to adopt this model. Mustaqilla (2023) emphasized that legal uncertainty can be a significant barrier to innovation and the development of new business models in the sharia financial industry. Second, the diverse interpretation and implementation of sharia principles can pose challenges in the standardization of the Wakalah-Waqf model. Nurjaman et al. (2022) explained that differences in interpretation of fiqh between sharia insurance institutions can result in different practices, which in turn can reduce public trust in the Takaful industry. Third, existing regulations related to waqf still focus on conventional waqf in the form of immovable assets, while the concept of cash waqf and corporate waqf which are the basis of the Wakalah-Waqf model have not been regulated comprehensively. Wahid et al. (2021) highlighted that the development of cash waqf requires a clear regulatory framework to provide legal protection for all stakeholders. Fourth, there are challenges in the harmonization between insurance regulations and waqf regulations. Law No. 40 of 2014 concerning Insurance and Law No. 41 of 2004 concerning Waqf have different supervisory frameworks, where sharia insurance is supervised by the OJK while waqf is supervised by the Indonesian Waqf Board (BWI). Syipa Paujiah (2022) emphasized that coordination between various regulators is a challenge in itself in implementing a model that integrates various concepts of sharia finance.

Operational and Technical Barriers

In addition to regulatory and sharia compliance barriers, the implementation of the Wakalah-Waqf model also faces operational and technical barriers. *First*, there are challenges in designing Takaful products based on the Wakalah-Waqf model that are in accordance with the needs of the Indonesian market. Khan (2015) explains that Takaful product design requires a balance between commercial and social aspects, which becomes more complex in the Wakalah-Waqf model because of to the integration of the waqf concept. *Second*, waqf fund management requires specialized expertise that may not be widely available in the Indonesian Takaful industry. Abu Bakar and Mohd Nasir (2021) highlighted that waqf fund management requires a deep understanding of sharia principles, investment management, and waqf law, which may not be possessed by all sharia insurance companies. *Third*, the existing information technology system may not be able to accommodate the unique characteristics of the Wakalah-Waqf model. Putri et al. (2023) explained that the implementation of a complex sharia business model requires the support of a capable information technology system, which may require significant investment from sharia insurance companies. *Fourth*, there are challenges in educating and literacy of the community about the Wakalah-Waqf model. Permana and Putria (2022) emphasized that the public's understanding of sharia insurance in general is still limited, especially regarding specific models such as Wakalah-Waqf which are relatively new and complex.

Potential Solutions to Overcome Barriers and Challenges

To overcome the obstacles and challenges in implementing the Wakalah-Waqf model in the Indonesian Takaful industry, several potential solutions can be considered:

First, we developed a comprehensive and integrated regulatory framework for the Wakalah-Waqf model. This solution includes updating OJK regulations related to sharia insurance to accommodate the Wakalah-Waqf model, as well as coordination with BWI for the harmonization of waqf regulations (Mustaqilla, 2023). DSN-MUI also needs to issue a special fatwa on the Wakalah-Waqf model in the Takaful industry to provide clarity from a sharia perspective. *Second*, the development of operational standards and guidelines for the implementation of the Wakalah-Waqf model. Farhand et al. (2020) suggest the preparation of standards and guidelines that cover aspects of waqf fund establishment, participant contributions, waqf fund investment, claims handling, surplus distribution, and deficit handling. These standards and guidelines will provide a clear operational framework for the Takaful industry in implementing the Wakalah-Waqf model. *Third*, the capacity for human resources in the Takaful Industry is increasing. Nurjaman et al. (2022) emphasized the importance of developing specific training and certification programs on the Wakalah-Waqf model to improve the competence of Islamic insurance practitioners. Collaboration with higher education institutions and professional certification institutions can support this effort. *Fourth*, the development of an integrated information technology system to support the operational Wakalah-Waqf model. Putri et al. (2023) suggest investing in the development of a system that can accommodate the unique characteristics of this model, including the separation and management of waqf funds, calculation of contributions and claims, and transparent reporting.

Fifth, strengthening public education and literacy about the Wakalah-Waqf model. Permana and Putria (2022) suggest a targeted educational campaign to increase public understanding of the concept and benefits of this model. This campaign can be carried out through collaboration between the Takaful industry, regulators, academics, and the media. *Sixth*, the pilot project for implementing the Wakalah-Waqf model in a sharia insurance company that is designated as a pilot. Abdullah and Yaacob (2012) suggest a gradual approach in implementing the new model, starting with a pilot project that can be a learning experience for developing the model more broadly.

Implementation of the above solutions requires close collaboration between various stakeholders, including regulators (OJK and BWI), sharia authorities (DSN-MUI), Takaful industry, academics, and the community. With effective collaboration, obstacles and challenges in implementing the Wakalah-Waqf model in the Indonesian Takaful industry can be overcome, so that the potential of this model can be optimized for the development of the sharia insurance industry in Indonesia. This study contributes to the following aspects: First, a theoretical contribution in the form of a comprehensive analysis of the Wakalah-Waqf model in the Takaful industry from a legal and sharia perspective. This analysis enriches the academic literature on Takaful operational models, especially in the Indonesian context. This study also provides an analytical framework to examine the suitability of regulations with the implementation of innovative models in the Islamic financial industry. Second, a practical contribution in the form of identifying regulatory gaps and obstacles in the implementation of the Wakalah-Waqf model in Indonesia, as well as potential solutions to overcome them. These findings can be input for regulators in developing a more comprehensive regulatory framework for the Takaful industry in Indonesia. For the Takaful industry, this study provides guidance for developing an operational model that is more in line with sharia principles and the needs of the Indonesian market. Third, a social contribution in the form of an analysis of the potential of the Wakalah-Waqf model in integrating the commercial and social dimensions of the Takaful industry. This model not only offers solutions for sharia-based risk protection, but also for empowering the people's economy through optimization of waqf funds. Thus, the implementation of this model can support the achievement of broader socio-economic development goals in Indonesia. Fourth, the methodological contribution in the form of an interdisciplinary approach in analyzing the implementation of the Wakalah-Waqf model, which combines the perspective of positive law (juridical) with Islamic law (sharia). This approach can be a model for similar studies in the field of Islamic economics and finance which often require multidimensional analysis.

Conclusion

This study analyzes the implementation of the Wakalah-Waqf model in the Takaful industry in Indonesia from a legal and sharia perspective. The results of the study conclude that although the existing regulatory framework has provided a basis for the operation of sharia insurance in general, there is no regulation that specifically regulates the Wakalah-Waqf model. This regulatory gap includes the absence of regulations on the use of the waqf concept as a container for *tabarru'* funds, the mechanism for establishing waqf funds, the legal status of waqf funds, and the mechanism for distributing surpluses and handling deficits in the context of the Wakalah-Waqf model. From a sharia perspective, the Wakalah-Waqf model does not conflict with the existing DSN-MUI fatwas in principle, but a special fatwa is needed that comprehensively regulates the implementation of this model to provide sharia certainty. The implementation of the Wakalah-Waqf model also faces operational and technical obstacles, including challenges in product design, waqf fund management, information technology systems, and public education and literacy. Various potential solutions have been identified to overcome these barriers, which require close collaboration between regulators, sharia authorities, the Takaful industry, academics, and the community. Recommendations for further research include conducting empirical studies on consumer perceptions and preferences for Takaful products based on the Wakalah-Waqf model, as well as comparative studies on the implementation of this model in various countries to identify best practices that can be adopted in Indonesia.

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