

WEALTH MANAGEMENT IN ISLAM

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QURANIC DESCRIPTION OF WEALTH MANAGERS CRITERIA

وَقَالَ الْمَلِكُ ائْتُونِي بِهِ اَسْتَخْلِصُهُ لِنَفْسِي فَلَمَّا كَلَّمَهُ قَالَ اِنَّكَ الْيَوْمَ لَدَيْنَا مَكِينٌ
اَمِينٌ

- And (upon hearing the confessions of the women) the king said: Bring Yusuf before me, I wish to make him a special person to consult with. After (Yusuf was brought before the king) and he had spoken with him (and knew about his wisdom), the king said: You are henceforth this day (O Yusuf) shall be of high standing with us, invested with all trust! [Yusuf:54]

قَالَ اجْعَلْنِي عَلَىٰ خَزَائِنِ الْأَرْضِ اِنِّي حَفِيظٌ عَلِيمٌ

- Yusuf said: Make me the treasurer of the treasures of the realm (of Egypt); I will indeed guard them carefully (*Hafiz*) for I know how to manage them (*Alim*). [Yusuf:55]

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PROPHET YUSUF'S CRITERIA

- Prophet Yusuf's Criteria as reference for wealth managers:

- 'Ilm
- Hikmah
- Sabr
- Nazahah
- Husn al-Khuluq

King's	Yusuf's	Musa's	Criteria
مَكِينٌ	عَلِيمٌ	القوي	Knowledgeable/Capable
أَمِينٌ	حَفِيظٌ	الأمين	Trustworthy

- The Islamic scholars stated that the Prophet Yusuf a.s. has asked for the position not for his sake but for the protection of the ummah's maslahah.

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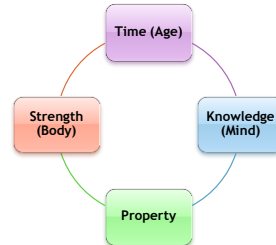
WHY ISLAMIC WEALTH MANAGEMENT?

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FOUR MAIN SOURCES OF HUMAN'S RESPONSIBILITY

- The Prophet PBUH said:



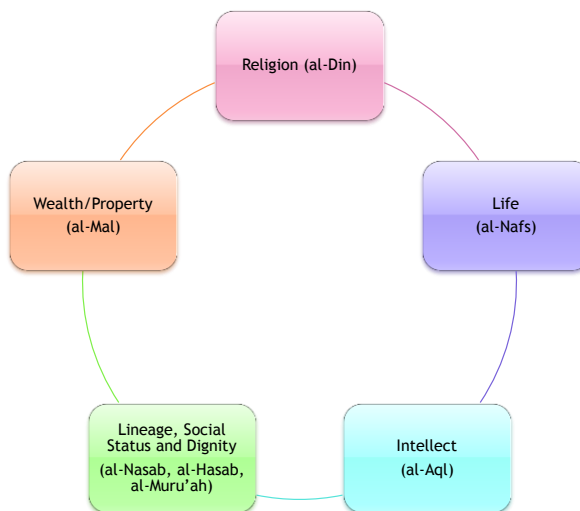
لَا تَزُولُ قَدَمَا عَبْدٍ يَوْمَ الْقِيَامَةِ حَتَّى يُسْأَلَ عَنْ عُمُرِهِ فِيمَا أَفْنَاهُ وَعَنْ عِلْمِهِ فِيمَا
فَعَلَ وَعَنْ مَالِهِ مِنْ أَيْنَ اكْتَسَبَهُ وَفِيمَا أَنْفَقَهُ وَعَنْ جِسْمِهِ فِيمَا أَبْلَاهُ

Meaning: “A person could not move his foot in the Hereafter until he is asked about: his age, where he expended it; his knowledge, where he practiced it; his property (wealth), from where he obtained it and where he spent it; his body (strength) for what he struggled for.”

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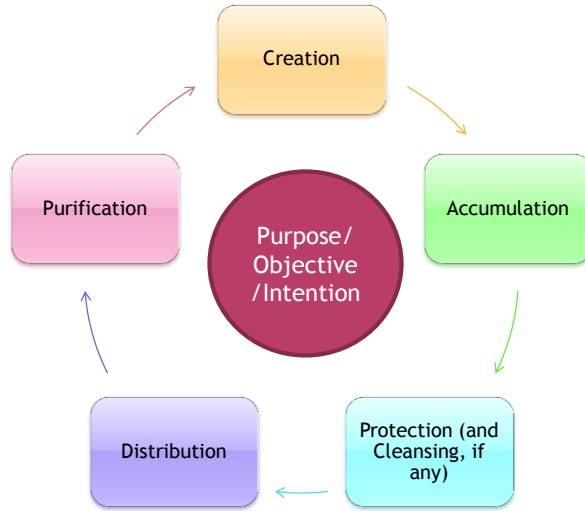
FIVE MAIN VITAL ELEMENTS OF HUMAN



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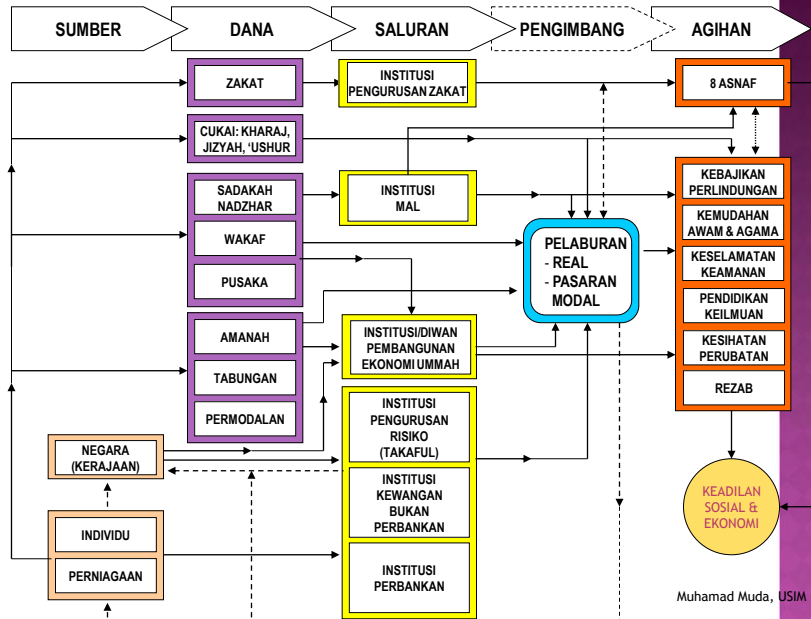
WEALTH MANAGEMENT IN ISLAM IS INTENTION-DRIVEN



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PURPOSES: IBADAH + MICRO + KHILAFAH + MACRO



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ZAKAT AS THE MAIN MOTIVATION AND FRAMEWORK FOR WEALTH MANAGEMENT

- The Prophet PBUH said:

اتجروا في أموال اليتامى ، لا تأكلها الزكاة

Meaning: “Make business (and earn profit) with the orphan’s property, so that the zakat will not diminish it.”



Zakat Elements	Indication of
Zakatable Assets/ Properties	The Real Wealth; Areas of Investment/ Business
Nisab	Minimum Wealth; Measurement of Wealth
Rate	Sustainable Growth; Break even point of wealth growth/return
Beneficiaries	Areas of concern; Areas of spending

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METHODS OF WEALTH MANAGEMENT IN ISLAM

- **Practical Methods:**

- Financial Planning: Zakat, Tax, Retirement, Takaful, Waqf, Wasiyyah and Inheritance, etc.
- Investment Portfolio Management: Risk Management, Investment Planning, etc.

- **Spiritual Methods:**

- Worship: Remembrance of Allah (tasbih, tahlil, takbir, tahmid, hawqalah, etc), Prayers (Solah), Prayers (Doa), Istighfar, Quran Recitation, etc.
- Helping Others
- Tabarru’
- Silat al-rahm
- Spiritual Qualities: Tawakkal, Taqwa



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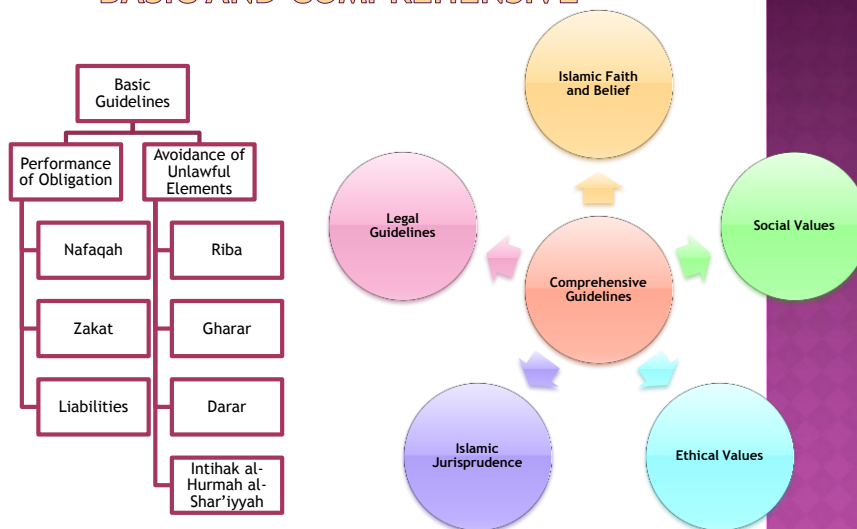
TABARRU'AT

Time of Tabarru'	Subject Matter	Contract	
Lifetime	Property	<u>Nafaqah</u>	Alimony
		<u>Zakat</u>	Alms Giving
		<u>Hibah</u>	General
		<u>Hadiyyah</u>	For showing respect or love
		<u>Sadaqah</u>	For helping needy and poor
		<u>'Atiyyah</u>	For children before the owner's death
	Benefit/Usufruct	<u>'Ariyah</u>	
	Yield/Produce	<u>Mani'ah</u>	
	Property, Benefit & Yield	<u>Waqf</u>	
	Debt Guarantee/ Security	<u>Kafalah/Daman</u>	On the guarantor's <u>dhimmah</u> (legal personality)
		<u>Rahn</u>	With pledge
	Effort/Work	<u>Ibda'</u>	Investing the capital
<u>Wad'ah</u>		Safekeeping the deposit	
<u>Wakalah</u> (without fee)		Acting on behalf of the principal	
Absolution of Right	<u>Ibra'</u>		
Time	<u>Qard</u>		
Organ	No specific term		
Reward of <u>'ibadah</u>	No specific term		
After death	Property	<u>Was'iyah</u> (with the condition of not exceeding 1/3 of his bequest/inheritance)	
	Property, Benefit & Yield		
	Absolution of Right		
	Organ		

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GUIDELINES OF WEALTH MANAGEMENT: BASIC AND COMPREHENSIVE



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ZUHD AND WEALTH MANAGEMENT

- The real meaning of zuhd is:
 - “Not having wealth in your heart even though it is in your hands.”
 - “Your sources and uses of wealth are lawful: Avoidance of six prohibited elements: al-shuhh, al-bukhl, al-taqtir, al-tabzir, al-israf, kanz al-mal”.
 - “Not loving the wealth for itself.”
 - “Dependence on Allah and not his wealth”.
- Wealth as means and not purposes.
- Zuhd is not contradict with the wealth management as it refers to the act of heart. Management is the practical aspect of life. It consists of the five Shariah rulings.

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CONCLUSION

- The real wealth in Islam is the first type:

This World	The Hereafter
Wealth/Assets	Wealth
Wealth/Assets	Liabilities

- Wealth (or financial) management is one of the main aspects of life management.
 - Ibadah and Knowledge Management
 - Time Management
 - Task Management
 - Financial Management
 - Health Management

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Allah Knows Best

THANK YOU

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