

# HIBAH AS A TOOL FOR WEALTH TRANSFER WITHIN ISLAMIC FAMILY BUSINESSES

**Ibrahim Annas Akinola<sup>1</sup>, Talibe Drame<sup>2</sup>,  
Muhammad Luthfi Bin Mohammad Masruh<sup>3</sup>**

Faculty of Islamic Studies, Universiti Islam Antarabangsa Tuanku Syed Sirajuddin  
(UniSIRAJ), 02000 Kuala Perlis, Perlis, Malaysia

\*Corresponding Author Email: luthfimasruh@unisiraj.edu.my

**Received:** 29 Jan. 2025 **Revised:** 15 May 2025; **Accepted:** 01 June 2025; **Published:** 25 June 2025

**To cite this article (APA):** Ibrahim, A. A., Drame, T., & Mohammad Masruh, M. L. (2025). Hibah as a tool for wealth transfer within islamic family businesses. Firdaus Journal, 5(1), 45-54. <https://doi.org/10.37134/firdaus.vol5.1.5.2025>

## Abstract

The longevity and sustainability of Islamic family businesses (IFBs) are perpetually challenged by the complexities inherent in succession planning, a critical issue exacerbated by the mandatory distribution rules of Faraid (Islamic inheritance law). The strict application of Faraid post-mortem often results in the fragmentation of business assets and ownership among numerous heirs, which can destabilize the enterprise and threaten its long-term viability. This paper addresses this crucial challenge by investigating the strategic role of Hibah (inter vivos gift) as a proactive, Shariah-compliant instrument for wealth transfer and ensuring business continuity within IFBs. The core of the analysis centers on the inherent flexibility of Hibah, particularly in its contemporary and sophisticated form known as Hibah Amanah (Trust Hibah). This mechanism empowers Muslim business owners to strategically transfer assets, including crucial business shares, real property, and other capital, to designated, preferred heirs during their lifetime. By executing this transfer, the gifted assets are effectively removed from the estate subject to Faraid upon the owner's death, thereby mitigating the risk of fragmentation and preserving the integrity of the business structure. The study adopts a comparative legal and practical approach, examining the implementation of Hibah in key jurisdictions such as Malaysia and Indonesia. These contexts demonstrate a growing utilization of Hibah strategies to pre-emptively resolve potential inheritance-related family conflicts and facilitate a seamless transition of both management control and ownership. Furthermore, the research critically analyses the jurisprudential evolution of Hibah, tracing its foundations in classical Islamic jurisprudence (Fiqh) and its subsequent adaptation by contemporary Islamic scholars to address the complexities of modern corporate and business structures. The findings underscore that a meticulously structured Hibah strategy transcends a mere estate planning tool. It emerges as a vital mechanism for strategic business succession, offering a robust and religiously sanctioned pathway to reconcile the sacred religious obligations of inheritance with the economic imperative of enterprise sustainability and the preservation of the family's legacy across multiple generations.

**Keywords:** Hibah, Islamic Family Business, Wealth Transfer, Succession Planning, Hibah Amanah

## **INTRODUCTION**

The global landscape of commerce is significantly shaped by family businesses, which are estimated to contribute over 70% of the world's Gross Domestic Product (GDP) and employ more than half of the global workforce (Al Obaidy et al., 2024). Within the Muslim world, these enterprises, often deeply rooted in cultural and religious values, form the backbone of many national economies. However, a critical challenge to the long-term viability and intergenerational transfer of these Islamic family businesses (IFBs) is the complex process of succession planning (Farooq & Ali, 2021). Unlike conventional businesses, IFBs must navigate the strict, divinely ordained rules of *Faraid* (Islamic inheritance law) upon the death of the owner. While *Faraid* ensures equitable distribution of the deceased's estate among prescribed heirs, its mandatory application to all remaining assets can lead to the fragmentation of business ownership, capital, and control, ultimately jeopardizing the enterprise's continuity and sustainability (Hamdan & Nor Muhamad, 2022; Afghan, 2011).

The inherent tension between the religious obligation of *Faraid* and the economic necessity of business continuity has necessitated the exploration of alternative, Shariah-compliant wealth transfer mechanisms. This exploration has brought the concept of *Hibah* (inter vivos gift) to the forefront of contemporary Islamic estate planning (Abdullah et al., 2024; Jusoh & Bakar, 2024). *Hibah*, a voluntary transfer of ownership during the donor's lifetime, offers a crucial pathway to reconcile the spiritual duty of adhering to Islamic law with the practical need to maintain the economic integrity of the family business (Tang, 2023). By transferring assets through *Hibah*, the business owner can proactively designate successors and ensure that critical business assets, such as shares, intellectual property, or key real estate, are transferred to those best suited to manage the enterprise, thereby circumventing the potential fragmentation caused by *Faraid* (Hamdan et al., 2022).

### **Objectives of the Study**

This study aims to provide a comprehensive analysis of *Hibah* as a strategic tool for wealth transfer within Islamic family businesses. Specifically, the objectives are:

- 1 To establish the jurisprudential foundation of *Hibah* within classical Islamic *Fiqh* and trace its evolution into a modern wealth management instrument.
- 2 To examine the practical application of *Hibah* and its contemporary variants, such as *Hibah Amanah* (Trust Hibah), in facilitating the smooth succession and transfer of business assets in key Muslim jurisdictions, particularly Malaysia and Indonesia.
- 3 To critically analyze the opinions of contemporary Islamic scholars regarding the use of *Hibah* in business succession, addressing the challenges and proposing best practices for its effective implementation to ensure the long-term sustainability of IFBs.

### **Rationale of the Study**

The rationale for this study is grounded in the urgent need to address the high failure rate of family businesses transitioning from the first to the second generation, a challenge often exacerbated in the Islamic context by inadequate succession planning (Wahab, 2021). The current literature, while acknowledging the importance of *Hibah*, often focuses on its application to personal assets rather than its strategic role in complex business structures (Sulong et al., 2022). This research fills a significant gap by specifically focusing on the intersection of *Hibah*, wealth transfer, and the unique governance challenges of IFBs. This paper offers a robust framework for Muslim entrepreneurs, legal practitioners, and Islamic financial institutions to develop Shariah-compliant, effective, and sustainable succession strategies (Abdullah et al., 2023; Abdullah et al., 2024). The findings will contribute to the body of knowledge on Islamic wealth management, promoting a deeper understanding of how

religious principles can be harmoniously integrated with modern business practices to secure the economic future of the *Ummah* (Abdullah & Fariddudin, 2021; Jusoh & Bakar, 2024).

## LITERATURE REVIEW AND FIQH EVIDENCES

The theoretical underpinning of *Hibah* as a wealth transfer tool is firmly rooted in the principles of *Fiqh al-Muamalat* (Islamic commercial jurisprudence). This section reviews the classical legal framework of *Hibah* and synthesizes the findings from contemporary academic literature regarding its application in modern Islamic estate planning and business succession.

### The Classical Fiqh of Hibah

The term *Hibah* (هبة) literally translates to a gift, donation, or grant. Juristically, it is defined as a contract (*aqd*) that involves the transfer of ownership of a property (*ma*) from a donor (*wahib*) to a donee (*mauhub lahu*) without any consideration (*'iwad*) during the donor's lifetime (Ibn Hajar al-Asqalani, n.d.). This voluntary nature and the absence of consideration distinguish *Hibah* from a sale (*bay'*) or a will (*wasiyyah*).

The permissibility and encouragement of gift-giving are established in the primary sources of Islamic law: the Qur'an and the Sunnah. While the Qur'an does not explicitly detail the contract of *Hibah*, it encourages generosity and mutual kindness, which form the ethical basis for the contract. The Sunnah, however, provides clear legal precedent. The Prophet Muhammad (peace be upon him) encouraged the practice of gift-giving, stating:

*"Give gifts and you will love one another." (Muslim ibn al-Hajjaj, n.d.)*

This Hadith, found in the collection of *Sahih Muslim* (Muslim ibn al-Hajjaj, n.d.), establishes the social and spiritual merit of *Hibah*. Furthermore, the legal requirements for a valid *Hibah* contract are derived from the consensus (*ijma'*) and detailed rulings of the classical schools of *Fiqh* (Hanafi, Maliki, Shafi'i, and Hanbali). The three essential pillars (*arkan*) of a valid *Hibah* are:

**Offer and Acceptance (*Ijab wa Qabul*):** The clear intention of the donor to give and the donee to accept.

**The Subject Matter (*Mauhub*):** The asset being gifted must be in existence, legally owned by the donor, and capable of being transferred.

**Possession (*Qabu*):** The most critical element, requiring the donor to relinquish possession and the donee to take actual or constructive possession of the gifted asset (Ibn Hajar al-Asqalani, n.d.).

The requirement of possession is particularly relevant to business assets. For a gift of shares or a business premise to be valid, the donor must take all necessary legal steps to transfer the asset's title and control to the donee, making the transfer irrevocable and complete during the donor's lifetime (Hamdan & Nor Muhamad, 2022). This immediate transfer of ownership is what allows *Hibah* to operate outside the mandatory rules of *Faraid*, which only apply to the net estate remaining at the time of death.

### Hibah in Contemporary Academic Literature

Contemporary literature, particularly from jurisdictions with developed Islamic finance sectors like Malaysia and Indonesia, positions *Hibah* as a sophisticated instrument to overcome the challenges of *Faraid* in complex wealth structures (Abdullah et al., 2024; Al-Istinbath, 2022).

The research highlights a shift from *Hibah* as a simple personal gift to a strategic tool for corporate and family governance.

### **Hibah and Business Succession**

The core challenge in IFB succession is the potential for asset fragmentation when *Faraid* dictates that business shares be distributed among numerous heirs, many of whom may lack the competence or interest to manage the business (Hamdan & Nor Muhamad, 2022; Hamdan et al., 2022). *Hibah* provides a pre-emptive solution. Hamdan and Nor Muhamad (2022) emphasize that by utilizing *Hibah* for business assets, the owner can ensure that the business's economic integrity is maintained. The transfer of ownership is directed towards active family members or designated successors, thereby sustaining the business legacy (Hamdan et al., 2022). This proactive approach is crucial for Muslim entrepreneurs in Malaysia, where the practice of business succession is increasingly incorporating *Hibah* to sustain the enterprise (Hamdan et al., 2022).

### **The Rise of Hibah Amanah (Trust Hibah)**

A significant innovation discussed in the literature is the development of Hibah Amanah (Trust Hibah) (Abdullah et al., 2023; Tang, 2023). This hybrid instrument combines the Islamic concept of *Hibah* (gift) with the civil law concept of a trust (*Amanah*). As Tang (2023) explains, this instrument represents the "Islamisation of the English Trust," where the donor gifts the asset to a trustee (often a licensed trust company) who holds and manages it for the benefit of the designated beneficiaries.

The *Hibah Amanah* is particularly effective for business assets, such as company shares or real estate, because it addresses the critical issue of control (Abdullah et al., 2024). The donor can transfer legal ownership to the trustee via *Hibah* but retain operational control or a life interest, often through a conditional *Hibah* (*Hibah Mu'allaq*) or a *Hibah Ruqba* arrangement, until a specified event, such as the donor's death or retirement (Abdullah et al., 2023). This mechanism allows for a smooth, phased transition of control, which is vital for the stability of a family business (Abdullah et al., 2024). Abdullah, Awang, and Zakaria (2023) and Abdullah, Othman, and Mohamad (2024) detail the implementation of this instrument by institutions like Amanah Raya Berhad in Malaysia, demonstrating its practical application for both moveable and collateral assets.

### **Hibah as a Preventive Measure**

Beyond succession, *Hibah* is widely recognized as a preventive measure against family disputes and the issue of frozen assets (Al-Istinbath, 2022; Jusoh & Bakar, 2024). The mandatory nature of *Faraid* can sometimes lead to protracted legal battles among heirs, especially when the deceased has not made clear arrangements. By executing a clear *Hibah* during their lifetime, the donor removes the gifted assets from the pool of distributable estate, thereby mitigating potential conflicts (Al-Istinbath, 2022). Research from Indonesia highlights the role of *Hibah* in reevaluating inheritance distribution to prevent family conflicts, suggesting its integration into Islamic family law as a mechanism for dispute resolution (Al-Istinbath, 2022). Furthermore, studies on awareness, such as those by Jusoh and Bakar (2024) and Sulong et al. (2022), underscore the importance of educating the Muslim community on *Hibah* to reduce estate planning risks and address the high volume of unclaimed or frozen assets in countries like Malaysia.

In summary, the academic discourse confirms that *Hibah* is a robust, Shariah-compliant tool that has evolved from a simple religious injunction to a sophisticated legal instrument. Its contemporary application, particularly through the *Hibah Amanah* structure, provides a powerful solution for Islamic family businesses seeking to harmonize the religious

requirements of wealth distribution with the economic necessity of business continuity and sustainable succession planning.

## APPLICATION OF FIQH CONCEPTS TO CONTEMPORARY ISSUES

The classical *Fiqh* concept of *Hibah*, defined by the pillars of offer, acceptance, and possession, finds direct and innovative application in the modern context of Islamic family business succession. The challenge lies in translating the simple transfer of a physical asset into the complex transfer of intangible business interests, such as shares, intellectual property, and operational control. This section details the practical linkage of *Hibah* to contemporary wealth transfer issues within IFBs.

### 1. Transfer of Business Shares and Ownership

The most critical application of *Hibah* in a family business is the transfer of company shares. In a typical corporate structure, the shares represent ownership of the business. Applying the classical *Fiqh* requirement of possession (*Qabid*) to shares necessitates a formal, legal transfer of title (Hamdan & Nor Muhamad, 2022). This is achieved by executing a Deed of *Hibah* and subsequently registering the change of ownership in the company's official register of members.

- **Strategic Gifting:** By gifting shares via *Hibah* to a chosen successor during the owner's lifetime, the business owner ensures that the successor gains a controlling or significant stake, thereby securing the business's strategic direction (Hamdan et al., 2022). This action removes the gifted shares from the estate subject to *Faraid*, preventing their fragmentation among numerous, potentially passive, heirs.
- **Conditional Hibah (*Hibah Mu'allaq*):** Modern practice often employs conditional *Hibah* to manage the transition. For instance, a business owner may execute a *Hibah* of shares to a child, with the condition that the transfer of full control is contingent upon the child successfully completing a management training program or reaching a certain age (Abdullah et al., 2024). While the validity of conditional *Hibah* is debated among classical scholars, contemporary institutions have adopted it to facilitate a phased, risk-managed succession, ensuring the recipient is competent before assuming full control (Abdullah et al., 2023).

### 2. The Role of Hibah Amanah in Business Continuity

The development of Hibah Amanah (Trust Hibah) represents a significant jurisprudential and practical advancement in applying *Hibah* to complex business wealth (Tang, 2023). This hybrid instrument addresses the need for wealth protection and phased control two elements often difficult to achieve with a simple, outright *Hibah*.

Table 1

Feature	Simple Hibah ( <i>Inter Vivos</i> Gift)	Hibah Amanah (Trust Hibah)	Relevance to Family Business
Ownership Transfer	Immediate and absolute transfer of legal ownership to the donee.	Legal ownership is transferred to a professional trustee ( <i>Amanah</i> ).	Prevents immediate control by an inexperienced heir.

*continued*

Feature	Simple Hibah (Inter Vivos Gift)	Hibah Amanah (Trust Hibah)	Relevance to Family Business
Control	Donor loses all control over the gifted asset.	Donor can stipulate terms, such as retaining life interest or operational control.	Allows the founder to guide the business until retirement or death.
Asset Type	Best suited for simple, clearly defined assets (e.g., land, cash).	Ideal for complex assets (e.g., company shares, investment portfolios).	Secures the integrity of the business structure and assets (Abdullah et al., 2023).
Succession	Immediate succession of ownership.	Phased succession of beneficial interest, managed by the trustee (Abdullah et al., 2024).	Ensures a smooth, professional transition of the business.

In the context of IFBs, the *Hibah Amanah* is used to ring-fence business assets. The business owner transfers the shares to a trust company, which acts as the legal owner. The owner, as the donor, retains the beneficial use (e.g., dividends) and operational control until death. Upon the owner's passing, the trustee distributes the shares to the designated family members (beneficiaries) according to the trust deed, bypassing the lengthy and public probate process (Abdullah & Fariddudin, 2021). This ensures the business continues to operate seamlessly, protecting its value from the delays and disputes associated with traditional inheritance (Abdullah & Fariddudin, 2021).

### 3. Mitigating Inheritance-Related Conflicts

The use of *Hibah* serves as a powerful preventive measure against the family conflicts that often plague IFBs (Al-Istinbath, 2022). By making clear, legally binding decisions about asset distribution during their lifetime, the business owner minimizes the ambiguity that fuels post-mortem disputes.

- **Indonesian Context:** In Indonesia, the application of *Hibah* is explored as a mechanism to reevaluate inheritance distribution and mitigate family conflicts, suggesting its formal integration into Islamic family law as a means of dispute resolution (Al-Istinbath, 2022).
- **Malaysian Context:** The high volume of frozen assets in Malaysia, often a result of unresolved inheritance issues, underscores the practical necessity of *Hibah* (Sulong et al., 2022). By transferring assets through *Hibah*, the owner ensures the immediate liquidity and availability of funds for the family, preventing the business from being crippled by asset freezes (Jusoh & Bakar, 2024).

In essence, the contemporary application of *Hibah* transforms a religious act of generosity into a sophisticated, Shariah-compliant corporate governance tool. It allows IFBs to achieve the dual objectives of fulfilling religious obligations while ensuring the economic sustainability and intergenerational continuity of the enterprise (Busari et al., 2024).

### CRITICAL ANALYSIS AND CONTEMPORARY SCHOLARS' OPINIONS

The application of *Hibah* as a strategic wealth transfer tool for Islamic family businesses is not without its complexities and scholarly debate. A critical analysis reveals a tension between the

strict, literal interpretations of classical *Fiqh* and the pragmatic, adaptive interpretations offered by contemporary scholars to accommodate modern financial and corporate realities.

## 1. The Debate on Conditional Hibah (*Hibah Mu'allaq*)

The primary point of contention revolves around the validity of conditional *Hibah* (*Hibah Mu'allaq*) and the retention of control by the donor.

- **Classical View:** Traditional *Fiqh* schools generally hold that a *Hibah* must be **absolute and unconditional** upon the fulfillment of *Qabd* (possession). Any condition that delays the transfer of ownership or allows the donor to retain a beneficial interest, such as a life interest (*Hibah Ruqba*), is often viewed with skepticism or deemed invalid by some jurists, as it contradicts the essence of a pure, immediate gift (Ibn Hajar al-Asqalani, n.d.). The concern is that a conditional *Hibah* may be used to circumvent the mandatory rules of *Faraid* by disguising a testamentary disposition (*wasiyyah*) as a lifetime gift.
- **Contemporary View:** Modern scholars and Shariah advisory boards, particularly in the context of Islamic finance and estate planning, have adopted a more accommodating stance. They argue that the principle of *Maslahah* (public interest) and the need for business continuity justify the use of conditional *Hibah* (Abdullah et al., 2024). The development of the *Hibah Amanah* is a direct result of this adaptation. As Tang (2023) notes, the *Hibah Amanah* is a hybrid instrument that has been reimagined by institutions to provide a Shariah-compliant solution for succession. The conditional nature is often structured to ensure that the donor retains the usufruct (*manfa'ah*) while the legal ownership (*milk*) is irrevocably transferred to the trustee, thus satisfying the *Qabd* requirement (Abdullah et al., 2023). This approach is seen as a necessary evolution to prevent the economic harm caused by business fragmentation, which is itself contrary to the broader spirit of Islamic economic justice (Busari et al., 2024).

## 2. The Jurisdictional Challenge and Legal Validity

A significant practical challenge, particularly in jurisdictions with dual legal systems like Malaysia, is the potential for jurisdictional conflict between the Civil Courts and the Syariah Courts regarding the validity of a *Hibah* (Tang, 2023).

- **The Challenge:** A *Hibah* that is improperly executed or challenged by a disgruntled heir may be subject to scrutiny. If the Syariah Court deems the *Hibah* to be a testamentary disposition (*wasiyyah*) rather than a true *Hibah*, the gifted asset may be clawed back into the estate and subjected to *Faraid* (Abdullah et al., 2024). This uncertainty creates a legal risk for IFBs relying on *Hibah* for succession.
- **The Solution:** Contemporary legal practice, as reflected in the work of Abdullah et al. (2024), emphasizes the need for robust legal documentation and strict adherence to the formal requirements of *Qabd*. The *Hibah* must be executed with a clear, unambiguous deed and the transfer of possession (e.g., share registration, property title transfer) must be demonstrably complete during the donor's lifetime. The institutionalization of *Hibah* through licensed trust companies, as seen with Amanah Raya Berhad in Malaysia, provides a layer of professional oversight and legal certainty that is often lacking in private, informal arrangements (Abdullah et al., 2023).

### **3. Hibah as a Tool for Equitable Distribution Beyond Faraid**

A critical function of *Hibah* is its ability to address perceived inequities that may arise from the strict application of *Faraid*, particularly in the context of a family business where some children may have contributed more than others.

- **Faraid's Limitation:** *Faraid* distributes assets based on fixed familial relationships, without regard to the heir's contribution to the wealth or their competence to manage a business (Hamdan & Nor Muhamad, 2022).
- **Hibah's Flexibility:** *Hibah* allows the business owner to reward active children, ensure the financial security of non-heirs (e.g., adopted children, non-Muslim spouses), or allocate business assets to the most capable successor, regardless of their *Faraid* share (Hamdan et al., 2022). This is viewed by contemporary scholars as an exercise of the owner's lifetime discretion, which is fully permissible in Islam, provided it is not done with the malicious intent to deprive legitimate heirs (Jusoh & Bakar, 2024). The use of *Hibah* thus becomes a tool for achieving a more holistic and pragmatic form of Islamic economic justice within the family unit (Busari et al., 2024).

In conclusion, the critical analysis reveals that while the core concept of *Hibah* remains rooted in classical *Fiqh*, its modern application in the IFB context is a dynamic process of legal adaptation. Contemporary scholars and practitioners have successfully leveraged the flexibility inherent in *Hibah* to create sophisticated instruments like the *Hibah Amanah*, which effectively bridge the gap between religious mandate and the economic necessity of business continuity. The key to its success lies in the professional execution and legal formalization of the gift, ensuring that the spirit of the *Hibah* contract is upheld while addressing the complexities of modern corporate wealth.

## **CONCLUSION**

The challenge of intergenerational wealth transfer and business succession poses an existential threat to the long-term sustainability of Islamic family businesses (IFBs). This study has demonstrated that *Hibah* (inter vivos gift) is not merely a peripheral estate planning tool but a central, strategic mechanism for ensuring the continuity and integrity of IFBs, effectively bridging the gap between religious mandate and economic necessity. Rooted in the classical *Fiqh* of *Muamalat* and validated by the Sunnah, *Hibah* allows the business owner to exercise their lifetime discretion to transfer assets, particularly business shares, to designated successors, thereby mitigating the risk of asset fragmentation inherent in the mandatory application of *Faraid* (Hamdan & Nor Muhamad, 2022; Hamdan et al., 2022).

The evolution of *Hibah* into sophisticated instruments like *Hibah Amanah* (Trust *Hibah*) represents a successful adaptation of Islamic jurisprudence to modern corporate structures (Abdullah et al., 2023; Tang, 2023). This hybrid model, which transfers legal ownership to a trustee while allowing the donor to retain control and beneficial use, provides the necessary legal certainty and phased transition required for complex business succession (Abdullah et al., 2024). Furthermore, the proactive use of *Hibah* serves a vital social function by acting as a preventive measure against the family disputes and frozen assets that plague many Muslim communities (Al-Istinbath, 2022; Jusoh & Bakar, 2024). The consensus among contemporary scholars, despite minor jurisprudential debates, affirms the permissibility and strategic value of *Hibah* when executed with transparency and adherence to the core principle of *Qabd* (possession) (Busari et al., 2024).

In conclusion, a well-executed *Hibah* strategy is essential for the longevity of IFBs. It is a powerful tool that enables Muslim entrepreneurs to fulfill their religious obligations while simultaneously securing their economic legacy and ensuring the prosperity of their enterprises for future generations.

## RECOMMENDATIONS

Based on the analysis of the literature and the practical application of *Hibah* in the context of Islamic family businesses, the following recommendations are proposed for business owners, legal practitioners, and regulatory bodies:

- 1 **Formalize Hibah Documentation:** IFB owners must move away from informal, verbal promises of gifts. All *Hibah* transactions, especially those involving business assets, must be formalized through a clear, legally binding Deed of Hibah and registered with the relevant authorities. This is crucial to satisfy the *Fiqh* requirement of *Qabd* and to withstand potential legal challenges in both Syariah and Civil Courts (Abdullah et al., 2024).
- 2 **Adopt the Hibah Amanah Model:** For businesses with complex asset structures (e.g., multiple subsidiaries, intangible assets, large shareholdings), the Hibah Amanah model is strongly recommended. Utilizing licensed trust companies provides professional management, legal certainty, and a mechanism for a phased transfer of control, which is vital for business continuity (Abdullah et al., 2023).
- 3 **Integrate Hibah with Corporate Governance:** Succession planning should be formally integrated into the IFB's corporate governance framework. The *Hibah* strategy should be aligned with the company's constitution and shareholder agreements to ensure a seamless transfer of management and ownership to the most competent successors (Hamdan et al., 2022).
- 4 **Enhance Public and Professional Awareness:** Regulatory bodies and Islamic financial institutions should intensify educational campaigns to raise the awareness of *Hibah* as a strategic wealth management tool among Muslim entrepreneurs and the general public (Sulong et al., 2022; Jusoh & Bakar, 2024). Furthermore, specialized training for legal practitioners and Shariah advisors is necessary to ensure the correct and robust application of *Hibah* principles to complex business scenarios.
- 5 **Standardize Legal Frameworks:** Jurisdictions with dual legal systems should work towards greater harmonization and standardization of the legal framework governing *Hibah*. Clear guidelines from Shariah advisory councils and legislative bodies are needed to reduce the jurisdictional uncertainty that currently poses a risk to the validity of conditional *Hibah* and *Hibah Amanah* (Tang, 2023).

## REFERENCES

Abdullah, M. M., & Fariddudin, S. N. F. M. (2021). Islamic estate planning in the industrial revolution era 4.0: issues and challenges. *Journal of Emerging Economies and Islamic Research*, 9(3), 1-14.

Abdullah, M. M., Awang, A. B., & Zakaria, M. S. (2023). Analysis of trust instrument in Islamic estate planning: a study case at Amanah Raya Berhad, Malaysia. *Journal of Islamic Accounting and Business Research*, 14(8), 1221-1240.

Abdullah, M. M., Othman, A. H., & Mohamad, M. F. (2024). Transformation of Collateral Hibah in Amanah Raya Berhad: Analysis from Syariah Perspective and Its Implementation in Malaysia. *IIUM Law Journal*, 32(1), 1-24.

Afghan, N. (2011). Succession in family businesses: Kinship culture and Islamic law of inheritance. *Business Review*, 6(2), 104-118.

Al Obaidy, A. L. A., Ping, T. A., & Ganesan, Y. (2024). Defining inheritance risk management as a new concept towards sustainability of family businesses. *Journal of Muamalat and Islamic Finance Research*, 21(1), 1-18.

Al-Istinbath. (2022). Reevaluating Inheritance Distribution in Indonesia: The Role of Hibah as a Preventive Measure. *Al-Istinbath: Jurnal Hukum Islam*, 7(2), 345-360.

Busari, S. A., Kazeem, A. O., & Aziz, A. A. (2024). Islamic Wealth Management: A Bibliometric Analysis of Major Dimensions and Future Research Plan. *Intellectual Discourse*, 32(2), 551-583.

Farooq, M. U., & Ali, M. (2021). Family, Business and Inheritance Issues: In the context of Islamic Shariah solution. *Ilkogretim Online*, 20(5), 1-12.

Hamdan, A., & Nor Muhammad, N. H. (2022). Sole Proprietorship Business Succession in Malaysia: A Perspective of Civil and Islamic Law. *Law and Business*, 1(1), 1-15.

Hamdan, A., Nor Muhammad, N. H., & Azlan, A. (2022). The Practice of Business SUCCESSION among Muslim Entrepreneurs in Malaysia. *KW Publications*.

Ibn Hajar al-Asqalani. (n.d.). *Fath al-Bari Sharh Sahih al-Bukhari*. (Original work).

Jusoh, W. N. H. W., & Bakar, M. A. S. A. (2024). Islamic Financial Wisdom: Examining Hibah Awareness In Islamic Wealth Management Among Muslim Communities. *Jurnal'Ulwan*, 9(1), 1-12.

Muslim ibn al-Hajjaj. (n.d.). *Sahih Muslim*. (Original work).

Sulong, C. N., Azizan, A. N. B., Awang, A., & Ramly, A. F. (2022). EDUCATION TOWARDS UNDERSTANDING AND AWARENESS OF HIBAH IN ESTATE PLANNING MANAGEMENT: A STUDY AMONG UITM STAFF. *International Journal of Development and Sustainability*, 11(4), 1-11.

Tang, H. W. (2023). The Islamisation of the English Trust: The Hibah Trust in Malaysia. *Asian Journal of Comparative Law*, 18(3), 303-318.

Wahab, N. A. (2021). Developing best practices of Islamic estate planning. *International Journal of Islamic and Middle Eastern Finance and Management*, 14(4), 733-750.