

GlobalSadaqah
Whitepaper

Contents

Overview
Executive Summary
Introduction
Concept
SWOT Analysis
Long Term Value

Overview:

GlobalSadaqah is an Islamic charity crowdfunding platform or marketplace which matches donors and recipients. Donors are inclusive of corporate and individuals in the forms of CSR, Zakat, Waqf and Sadaqah, while the recipients are the people who are in need from trusted charity organisations. The platform is owned by Ethis Ventures Sdn Bhd (EVSB).

Distinct from most crowdfunding platforms that dot the space, GlobalSadaqah.com sees itself as a “marketplace” which brings together the multitude of stakeholders in the Islamic social finance sector including individual and institutional donors, corporates, international humanitarian and development agencies, religious authorities, and governments. This is the first digital initiative that focuses on bringing together these stakeholders at a global scale.

As we delved deeper into the social activities of Islamic Economy, it became clear that there was a huge amount of Islamic Charity being donated, yet the impact on the Muslim communities is so low and they remain the poorest and most needy in the world. Global Sadaqah was born with a mission to give a solution to this problem.

Executive Summary:

GlobalSadaqah.com is a transformational initiative to realise the potential of Islamic social funds to meet the financing gap in the humanitarian as well as developmental sectors across the globe. Given that only about 2-3 percent of potential zakat, a primary component of social funds, is currently being realised from the Global Muslim community, GlobalSadaqah.com seeks to address the key constraints that hinder mobilisation. It aims to be *efficient* and *effective* with an innovative approach.

GlobalSadaqah is the first charity Crowdfunding platform that works with Islamic banks to create social impact. Its Corporate Partners include reputable names such as Bank Islam Malaysia and the Islamic Development Bank Group, and its Charity Partners include National Heart Institute Malaysia, the Islamic Solidarity Fund for Development and Islamic Relief.

In contrast to the prevailing practice of local-focused philanthropic interventions (e.g. a large majority of zakat-givers pay zakat informally and locally), GlobalSadaqah.com aims to expand the delivery channels for globally-concerned Muslims to be part of local as well as international humanitarian and developmental initiatives.

Introduction:

Our platform brings positive market pressure by ensuring that there is a high level of transparency as well as accountability through having information consolidated and centralised on one platform with communication and relationships managed through the platform. A key feature is impact tracking through donor dashboards and regular periodic updates on the progress and outcome of funded campaigns.

By practicing corporate social responsibility, GlobalSadaqah is mindful of the kind of impact we are having on all aspects of society including economic, social and environmental. Banks have different funds, it can either be Corporate Social Responsibility (CSR) or Zakat funds with which they give on a different basis. Providing a portion of the corporate donation to our crowdfunding campaigns will result in reaching a larger crowd, raising more than the initial amount of the CSR money.

This practice encourages more contributions from the crowd because GlobalSadaqah is shedding light on Corporate Social Responsibility which is in line with the Value-Based Intermediation (VBI) in Malaysia which is a whole network meant to mend the gap between; corporates, digital platforms and people to work together under the same banner. Our Corporate Charity CrowdFunding Multiplier (C3M) model is meant to create a much greater impact for society through collaboration between charity partners, corporate donors and public donors.

Among other things, GlobalSadaqah aims to provide solutions to seemingly intractable issues that are major stumbling blocks in humanitarian and development finance. It is concurrently developing new tools that can be employed to verify the identity of the donors as well as the beneficiaries. Setting up a database of beneficiaries facilitates long-term donor-giver relationships that can address long-standing issues, such as a "dependency" culture among beneficiaries. In the long-run, our campaigns aim to turn beneficiaries into benefactors.

In addition, the nature of the platform is online and global, so it's designed to feature projects from around the world, and receive donations from around the world as well. Expansion of this project would include building a team for visiting projects in various countries and also possibly finding more opportunities to channel funds to those in need.

Concept:

At Global Sadaqah we strive to continuously enhance our unique 3T's mentality to enhance our campaigns:

- **Trust:** With donations flowing in from across the world for our campaigns, our trusted partners on the ground make sure that the funds are disbursed directly to the people in need.
- **Transparency:** All the money being raised in our campaigns can be viewed with regular updates given out to keep our donors up to date as to when and where exactly their donations are being used.
- **Time Efficiency:** Using Global Sadaqah's high-tech platform, donors can choose from our wide range of campaigns to support and have a maximum impact on the ground in a minimum amount of time.

Global Sadaqah is one of the first organisations in the world to have established a reputable gateway which the donors can trust to take their money directly to those in need on the ground through our reputable and verified partners.

Our customer base are the donors, either corporations with CSR and Zakat fund or public, and beneficiaries which are registered charity organisations. Our platform brings positive market pressure by ensuring that there is a high level of transparency as well as accountability through having information consolidated and centralised on one platform with communication and relationships managed through the platform.

A key feature is impact tracking through donor dashboards and regular periodic updates on the progress and outcome of funded campaigns.

So far, twenty four campaigns have been launched with partnership from different trustable charity institutions which were on-boarded through a rigorous screening process to ensure they meet anti-money-laundering (AML) and various compliance requirements. Currently, 7 of the campaigns are already fully funded.

How do we work with our charity partners?

We only work with our charity partners – trusted and credible institutions and organisations with a good track record of accountability and performance. We have a thorough screening and onboarding process before approving new partners. Once partners are accepted, we screen and verify their programs and campaigns before featuring them on our platform.

Donors can choose any of the campaigns featured on GlobalSadaqah.com. The campaign will show:

1. The name of the charity organization
2. The name of the campaign e.g "Double Disaster: Help Indonesia's Tsunami and Earthquake Victims"
3. The amount of money needed
4. The duration of the cause to be crowdfunded
5. Campaign story in details

Once the donator has donated to any of their preference campaign, they will receive periodic updates and reports. Updates and reports are compulsory for all project partners. Depending on the project, the update can be given quarterly over a period of one year, or upon completion of the project. Donors may login and view the updates in their dashboard. We also send an email with general updates to donors every month.

Fees

It is important for us to be sustainable. We charge our charity partners a 3% to 5% platform fee on the total amount raised. An additional 2.5% fee is charged to our partners for updates, impact tracking and reporting. The entire remaining amount goes to the charity partner.

How do we work with our corporate partners?

Corporate Partners can work with GlobalSadaqah by channeling their CSR, Zakat, or Cleansing Fund to any of the chosen campaigns featured on the platforms.

The same charge applies for Charity Partners is apply to Corporate Partners. 3% to 5% platform fee on the total amount raised, an additional 2.5% fee is charged to our partners for updates, impact tracking and reporting

Corporate donors also pay us for additional services including research, training, content creation and digital promotions. We do not charge anything to donors.

Apart from this, we also have C3M model specifically crafted for Corporate Partners. C3M is short for Corporate Charity Crowdfunding Multiplier

Here's how it works:

1. Corporate donors decide to donate an amount to our charity partners for a specific campaign.
2. To encourage public donations, the corporate donor will match all donations dollar-to-dollar.
3. Charity partners will allocate a pre-agreed portion of this corporate donation to boost the crowdfunding campaign through creating premium content and digital marketing so as to reach a larger crowd and raise more funds for the campaign.
4. In this way, we create a much greater impact and value for society through collaboration between charity partners, corporate donors, and public donors

SWOT Analysis:

STRENGTHS

- Trusted and verified partners on the ground leading to an increase in trust by donors.
- Total transparency - campaign progression and donation tracking by donors for peace of mind
- Donors save time by minimising the time spent searching for relevant projects and maximising the impact they facilitate on the ground

WEAKNESSES

- Lack of multi-currency support
- Majority of donors from South East Asia (SEA) region
- Close-to-home campaign preference by donors (SEA region)

OPPORTUNITIES

- Zakat and Sadaqah management for high net worth individuals and donors
- Waqf Management for maximising its impact for the community
- Multi-currency support to retain donors from countries with weaker currencies

THREATS

- Opting out of donors from countries with weaker currencies
- Lack of awareness/interest of problems outside SEA region by donors
- Copycat platforms
- Regulatory framework changes

Long Term Value:

GlobalSadaqah is the primary product operating in Malaysia under Ethis Ventures Sdn Bhd (EVSB). EVSB also handles the business processes of EthisCrowd, a real estate crowdfunding company under Ethis Pte Singapore.

EthisCrowd is the 1st Real Estate Islamic Crowdfunding and has accomplished strong proof-of-concept over the past 4 years. EthisCrowd is just over 4 years old but we have been able to raised over SGD 6 Million via our crowdfunding platform. In our short period of operation, EthisCrowd has fully funded 37 projects that range from affordable housing to infrastructure projects in Indonesia and Malaysia. The platform has successfully built 6,000 homes for lower middle income buyers.

With the combination of EthisCrowd and GlobalSadaqah, we aim to be the Waqf (endowment) investment management company. With this new strategy, our core activity will be responsible for the development of prime commercial and residential properties. Through our experiences on these 2 major platforms, we thrive on managing endowments and institutional real estate portfolio and several subsidiaries while safeguarding and creating value for the community and its social beneficiaries.

Ethis has strengthened its leadership with proven Islamic Finance leaders joining over the past year. We also have institutional investors and high-net-worth individuals on board with us, which will allow us to take on larger projects.

Ethis has also forged strong relationships and partnerships with financing banks and real estate industry stakeholders in Indonesia, including government bodies and developer organisations. Due to the significant amount of traction we received by using Islamic crowdfunding, we have been offered to expand to several countries including Australia, Dubai, Morocco, Saudi Arabia, India, China, Canada, UK and USA.

With the amount of requests for collaboration we received within these several years, we are putting efforts to expand our work into commercialising waqf land, subject to permission received by regulators on the aforementioned countries.