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i. Abd Halim Mohd Noor
ii. Muhammad Hasbi Zaenal

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| CHAPTER | TITLE                                                                 | PAGE |
|---------|----------------------------------------------------------------------|------|
| 1       | CONCEPT OF REVENUE, EXPENSES AND LIABILITIES IN ACCOUNTING FOR ZAKAT, WAQF AND BAITULMAL IN MALAYSIA: AN ANALYSIS FROM SHARIAH PERSPECTIVE Marina Abu Bakar | 1    |
| 2       | PERCEPTIONS ON E-ZAKAT ADVANCEMENT AS THE INNOVATIONAL DISTRIBUTION CONCEPT (IDC) Dziauddin Sharif, Norafifah Ab Hamid, NorajilaChe Man & Nor AzlinaAbdWahab | 16   |
| 3       | A SUBJECTIVE POVERTY APPROACH AS AN ALTERNATIVE MEASUREMENT IN IDENTIFYING THE POOR AND NEEDY Azhana Othman, Abd Halim Mohd Noor and Mohamed Saladin Abdul Rasool | 26   |
| 4       | ENTREPRENEURSHIP LEARNING IN BAZNAS EDUCATIONAL SCHOOL STUDENTS TO INFUSE THE ZAKAT VALUE Kamal Ibrahim dan Hilmi Muhammad Yusri | 34   |
| 5       | SEKOLAH ZAKAT : MEKANISME MEMBANGUNKAN ASNAF FAKIR DAN MISKIN MENERUSI PENDIDIKAN DI NEGERI KEDAH Zakaria Othman, Ridzuan Ahmad, & Mohd Norhaizzat Naim Mohd Mazlan | 43   |
| 6       | MAPPING OF ZAKAT SUITABILITY TOWARDS SDGS Asnaini, Amimah Oktarina | 49   |
| 7       | ZAKAH FIQH REPOSITIONING: REASSESS ZAKAH FIQH AS A FORM OF WORSHIP Fakhruddin, Sudirman, & Erik Sabti Rahmawati | 59   |
| 8       | ZAKAT FOR DEVELOPMENT OF RETAIL BUSINESS Ahmad Juwaini | 71   |
| 9       | APPLICATION OF ZAKAT ON GOLD BASED ASSETS: MALAYSIAN CONTEMPORARY APPROACH Adibah Abdul Wahab | 81   |
| CHAPTER | ENTERPRISE RISK MANAGEMENT (“ERM”) |
|---------|-----------------------------------|
| 10      | IMPLEMENTATION: JOURNEY OF LEMBAGA ZAKAT SELANGOR (MAIS) |
|         | Mohd Sazali bin Mohd Salleh Izzat Hafizuddin bin Mohammad Halmi, & Noor Qhaireena binti Mohd Nasron Ooi |

| CHAPTER | GOODAMIL GOVERNANCE AND IMPROVEMENT OF TRANSPARENCY AND ACCOUNTABILITY IN THE PERSPECTIVES OF LEMBAGA ZAKAT SELANGOR |
|---------|-------------------------------------------------|
| 11      | Affandi Bin Nasir Wan & Ritini Binti Wan Ismail |

| CHAPTER | STRENGTHENING ROLE OF WORLD ZAKAT FORUM: LEMBAGA ZAKAT SELANGOR (MAIS) VIEWPOINTS |
|---------|---------------------------------------------------------------------------------|
| 12      | Abdul Basith bin Hamid & Hanizah Abd Hamid |

| CHAPTER | ZAKAT WANG: JUSTIFIKASI PENGGUNAAN KAEDAH TAKSIRAN BAKI DI HUJUNG HAUL BERBANDING KAEDAH TAKSIRAN BAKI TERENDAH SEPAJANG HAUL |
|---------|---------------------------------------------------------------------------------|
| 13      | Mohammad Farid Bin Mohd Zainal & Mohamad Amin Bin Ibrahim |
CHAPTER 1

Concept Of Revenue, Expenses And Liabilities In Accounting For Zakat, Waqf And Baitulmal In Malaysia: An Analysis From Shariah Perspective

INTRODUCTION

The Malaysian Constitution, clause 3 (4) states that Islam is under the jurisdiction of the Sultan and the King for the monarchy and under the authority of the King of the States for the non-monarchical states, such as Malacca, Penang, Sabah, Sarawak and the Federal Territory. This religious affair is contained in the Ninth Schedule of the Malaysian Constitution. Among them is Zakat, Waqf and Baitulmal (Azizah Dollah, 2012). By implication, the State Islamic Religious Council (MAIN) in each state is responsible for managing zakat, waqf and baitulmal matters in Malaysia and this includes the accounting aspects of the three entities. Accounting or in Arabic Al-muhhasabah, is a process involving recording activities, classifying, analyzing and interpreting trading activities in a logical form or in accordance with the purpose of providing financial information before making a decision (Mohd Abdullah Jusoh & Hazianti Abdul Halim, 2009). In summary, the accounting for zakat, waqf and baitulmal is the measurement, disclosure or the provision of certainty about the information that helps the MAIN to decide on the allocation of resources for the three entities. In the Islamic economic system, a Shariah-based accounting system must have a scope that not only affords its organization, but also takes into account the interests of the general public. Basically, this accounting system is responsible for the community and because of the ethics of society influenced by the Shariah demands, then monitoring the activities of the organization so that it is in harmony with Islamic law is an important responsibility. Each of these activities should be measured in terms of law (halal-haram continuum) and any sharia contradictory measures have no value (Mohd. Khir Ashari, 1991).

Some accounting theorists feel that Western accounting adopt narrow marginalization, utilitarian economic principles and assumes liberal democracy as the basis of society (Lehman, 1992). On the other hand, Islamic accounting can be regarded as a comprehensive accounting process for providing appropriate information, which is not limited to financial data to stakeholders in an entity only. In fact, the application of the Islamic accounting system will ensure that stakeholders in a moving entity continuously within the limits of Islamic law and at the same time, can achieve the socioeconomic objectives of the entity (Bala Shanmugam & Vignesen Perumal, 2005). Among the objectives of Shariah accounting is to produce human beings who have the principle of Tauhid and obey the provisions of Allah. Therefore, the development of values of truth, honesty and justice must be practiced in Islamic accounting. As an implication, generally accepted accounting measures (standards) can only be implemented as long as it does not conflict with Islamic law (Abdullah Said & Normala, 2011). In summary, the comparison between conventional accounting and Islamic accounting can be illustrated as follows in Table 1:

Table 1: Similarities and Differences Between Conventional Accounting and Islamic Accounting
| Element                               | Anglo-American Accounting Model | Islamic Accounting Model |
|---------------------------------------|---------------------------------|--------------------------|
| Economic approach                     | Micro                           | Macro                    |
| Society-based main user               | Investors and accounting policy lenders | Country, Management, Objectives-oriented value |
| Asset Assessment                      | Previous Cost Price             | Current Price            |
| Income Determination                  | Revenue-Expenses approach       | Asset-Liability Approach |
| Time value of money                   | Yes                             | No                       |
| Time Frame                            | Yes                             | Yes                      |
| Main Focus                            | Income Statement                | Balance Sheet            |
| Theoretical Concepts                  | Entity Theory                   | Theory of Ownership      |
| Accounting postulates (assumptions)   | Based on Income                 | Based on Shariah Law     |
| Fixed Interest                        | Yes                             | No                       |
| Legal Orientation                     | Common Law                      | Shariah Law              |
| Accounting Ethics                     | Professional Ethics             | Religious Ethics         |
| Stock Exchange Market                 | Yes                             | Yes                      |
| Bon                                   | Yes                             | Yes, on condition        |
| Accounting Approach                   | Value Approach                  | Events Approach           |
| Business dichotomy and moral personal | Yes                             | No                       |

Source: Taheri (2003)

Meanwhile, MAIN as a statutory body is subject to the PA Treasury Circular 3.1 regarding the applicable accounting standards. Hence, all the State Islamic Religious Council (MAIN) has adopted the Private Entity Reporting Standards (PERS) issued by the Malaysian Accounting Standards Board (MASB) in preparing the financial statements. However, these standards cannot meet the requirements for creating MAIN account and transaction reporting related to zakat, waqf and baitulmal accurately (Maliah, et al., 2016). This problem occurs because the concept of revenue, expenses and liabilities implemented are different from the concepts adopted by zakat, waqf and baitulmal according to Islamic law. Therefore, this article attempts to analyze the concept of revenue, expenses and liabilities in accounting for zakat, waqf and baitulmal from Shariah perspective to assist in the development of accounting standards for Shariah-compliant zakat, waqf and baitulmal.

**CONCEPT OF REVENUE, EXPENSES AND LIABILITIES IN ISLAM**

In general, there is no specific discussion about the concept of revenue, expenses and liabilities in Islam by the classical Muslim jurists. Discussions relating to the concept of revenue, expenses
and liabilities are discussed separately in debates on property theory and the theory of ownership in Islam. Therefore, the theory of property and ownership in Islam should be clarified in order to understand the concept of revenue, expenses and liabilities in Islam.

**Discussion about the Theory of Property in Islam**

In terms of language, property or assets can be defined as items that are owned and controlled by a person, whether in the form of objects that can be touched (ain) or benefit. For example, property in the form of objects that can be touched (ain) is gold and animals. Whereas, the example of property in the form of benefits is dwelling in the house and riding on horses. Based on the definition of this property, it is understandable that any unmanageable items such as trees in the forest, fish in the water or birds in the air are not classified as property (Zaydan, 2001). From the point of the term, the jurists differed in the terms of property and divided into two groups. Muslim jurists apart from the Hanafi school expressed the opinion that property is a valuable item. If the item is damaged, then the person who spoils the item must pay compensation. Muslim jurists from the Hanafi school also expressed their opinion that the property is an object that can be controlled and taken advantage of them. According to them, property is also restricted to physical objects and substances that can be felt (tangible). Therefore, they asserted that rights and benefits are not considered as property, otherwise considered as ownership. This view conflicts with the view of other schools because they thought that the rights and benefits are considered as property. This is because the purpose of the property itself is not the substance, but the benefits of the property. This view of the jurists implies the laws of seizing, lease and inheritance. For example, in the case of seizing, if a person seizes the garment and uses it, then for a moment he returns the garment to his owner, he shall compensate his beneficial value to the garment according to the jurists other than the Hanafi school. On the other hand, according to the Hanafi school, he does not have to pay compensation for the garment unless the seized garment is a donated property (waqf) or an orphan’s property (Wahbah al-Zuhayli, 2009).

In the meantime, assets in accounting term can be defined as any item that may benefit future economic benefits and potential services to an entity (FRS, 2010). Based on this definition, there are three important factors to be taken into account on the assets, namely; control factors need to be in the asset, the ownership issue does not take into account and the value of the asset must be measurable. Therefore, a person may not own the asset, but if he/she controls the asset, he/she owns the asset. Similarly, if the asset cannot be measured or evaluated, it will not be considered an asset. Assets can be divided into two types, namely current assets and non-current assets. Current assets are assets that can be converted into cash within a short period of time, usually a year or a period of accounting. For example, banks, cash, stocks, debtors, previous expenses, accrued revenue and others. Meanwhile, non-current assets are long-term assets that are used to run a business over a long period of time. For example, vehicles, machines and others. It is not intended for resale in the hope of gaining profit (not for business profits). The definition of assets in conventional terms differs from the definition of assets in Islam because Islam recognizes the ownership of the assets owned even if the ownership is imperfect. In fact, the concept of assets in Islam is broader and more general than the concept of assets in conventional accounting terms.

Revenue is anything derived from business activities that add value to assets through the sale of goods or services. FRS 118 defines revenue as a gross inflow of economic benefits over
the accounting period from an entity’s ordinary activity, namely increase in assets or decreases in liabilities resulting from the increased equity due to various factors other than new capital contributions (FRS, 2010). Easily, the money received or to be received in the future by the MAIN can be categorized as revenue. The revenue is divided into two, namely business operating revenue and non-business operating revenue. Business operating revenue is derived from the main business activities such as sales of goods, services, property rental and others. Non-business operating revenue is derived from matters unrelated to core business activities such as bank deposit interest, rental payments received, dividends received, profit from the sale of non-current assets.

MASB9 defines expenses as an outflow of assets or reduction in economic benefits in the management of a business. In simple terms, expenses are the cost of services or goods paid or to be paid by MAIN when conducting business with the purpose of obtaining revenue for a business. Business operating expenses are expenses involved in daily business operations such as general expenses, salaries, advertisements, paid rent, and others. Meanwhile, non-business operating expenses are expenses that are not associated with normal daily operation of the business, such as loan interest, loss on disposal of assets, loss from fire, theft and so on.

Liability is a business obligation or debt that must be settled by the creditors in accordance with the agreed agreement (MAFSB9). In simple terms, liability can be defined as business debt to be settled by the MAIN with money, goods, or services. There are two types of liability, namely; non-current liabilities (long-term liabilities) which are repayable loans over a long period of time (more than one accounting period) such as loans, collateral loans, debenture mortgages and so on. Current liabilities (short term liabilities), which are repayable in a short period of time (less than one year) such as bank overdraft, accrued expenses, previous revenue, creditors and others. The owner's equity is the owner's investment in the business. In this context, business liabilities to owners is the amount of capital invested by the owners in the business and profits derived from business activities. Profit will increase the owner's equity, while losses and withdrawals will reduce the owner's equity.

Discussion about the Theory of Ownership in Islam

The word of origin is derived from the word al-milk, which means the relationship between man and property recognized by the Islamic law, in which the property is devoted to the man and with this recognition allow him to administer the property according to his will as long as it does not conflict with the Islamic law (Wahbah al-Zuhayli, 2009). Majalah al-Ahkam al-Adliyyah (Article 125) defines property as belonging to a person, whether it is a form of goods (ain) or benefits. The word ownership also refers to something that is owned, for example, someone says "this stuff is mine", which carries the connotation of "mine". Based on this point, it can be concluded that the view of Hanafi's school on ownership is more general. They considered that the benefits and rights are owned, not property. Thus, according to the Hanafi school, ownership is more common than property (Md. Akhir, 1994).

In reality, the property can be owned. However, in some cases, there is a barrier in accordance with the Islamic law that causes it to not be given ownership. The Muslim jurists have divided the property into three categories; namely property that cannot be owned and cannot be received as a property devoted to the general benefits of the community, such as roads, bridges, rivers, railways, museums, public libraries and so on, property that can not be owned except by Islamic law such as waqf property and property of baitulmal and property which may
be owned and given property, that is, other than two types of property mentioned (Zaydan, 2001).

The jurists also divide ownership, according to its kind. According to them, ownership is divided into two types, namely perfect ownership and imperfect ownership. Perfect ownership is the ownership of the substance and the benefits of a property. Among the features of the perfect ownership is absolute, without any limitation of time as long as the property remains, the owner is free to make transactions in his property such as using, increasing capital, investing, promoting, and administering the property according to his will. Imperfect ownership is the ownership of the property alone or the ownership of its benefits. Having benefited only known as *haq al-intifa’* (right to gain benefit). Having these benefits can be divided into two parts, namely; *haq syakhisi* (individual rights) and *haq ’aini* (property rights), which means the right to always follow the substance of the property, regardless of the person taking advantage of the property (Zaydan, 2001). *Haq Irtifaq* is the right set forth in immovable property for the benefit of other immovable property owned by others. This right is a perpetual right as long as the property remains without regard to its owners such as drinking rights, neighbors, rights to use the roads, the right to water and others (Wahbah al-Zuhayli, 2009). Among the characteristics of imperfect ownership is that it can accept the time limit, the place and the nature of it when it is implemented. This is contrary to the category of perfect ownership in Islam.

In Islam, one can possess the property (ain) only and at the same time the benefits of such property are owned by another person. For example, Ahmad expressed his desire to allow Ali to live in his home for three years. In this case, if Ahmad dies and Ali has received the will, then the house becomes the heir of inheritance and Ali can benefit during the prescribed period of three years. In this situation, the heirs are required to allow Ali staying in the house and if the heirs refuse to do so, Ali is entitled to make a legal claim (Zaydan, 2001). Similarly, in the ownership of the only benefits like Waqf. Waqf recipient or beneficiaries may benefit from Waqf properties and allow other individuals to use them on condition of obtaining permission from Waqf giver. There are some causes or reasons for the complete ownership, namely the mastery of something which is a must, through contract, or the replacement (*khalfiah*) and or through a child born of something that is owned (Wahbah al-Zuhayli, 2009).

**ZAKAT, WAQF AND BAITULMAL**

Zakat is included in the third pillar of Islam and is an obligation that has been established by the Islamic law and has a direct connection with the Islamic economic system. Zakat is one of the main pillars that serve as the basic factor in the distribution of wealth in the Islamic economy. Waqf is the practice of charity that is highly demanded by Islam. The power of waqf can be proved through a very important role in socioeconomic development of the Ummah which includes various aspects such as the Islamization of space, infrastructure development, eradication of poverty, health and others. Meanwhile, Baitulmal is a property and a financial institution that collects property owned by all the people who live and settle under the rule of the Islamic government. In summary, these three institutions work on the basis of the rules set out by the Islamic law.

In the context of Malaysia, Article 74 of the Federal Constitution places, religious affairs (including zakat, waqf and baitulmal) under the authority of the MAIN except for the Federal Territory of Kuala Lumpur, Labuan and Putrajaya as stipulated in the Ninth Schedule (Article 74, 77) List 2 - List of States as follows:
“Except for the Federal Territory of Kuala Lumpur, Labuan and Putrajaya, Islamic law and personel and family law of persons professing the religion of Islam, including the Islamic law relating to succession, testate and intestate, betrothal, marriage, divorce, dower, maintenance, adoption, legitimacy, guardianship, gifts, petitions and non-charitable trusts; waqf and the definition and regulation of charitable and religious trusts, the appointment of trustees and the incorporation of persons in respect of Islamic religious and charitable institutions operating wholly within the state; Malays customs; zakat, fitrah and Baitulmal or similar Islamic religious revenue; mosques or any Islamic public places of worship.....”

The provisions in the Federal Constitution clearly state that MAIN has executive powers in relation to Islamic religious affairs and is a trusted institution for zakat, waqf and baitulmal in Malaysia.

Zakat in Islam

In terms of language, zakat means to grow and increase. Meanwhile, in terms of Shariah law, zakat is defined as the mandatory right on the property. The jurists have different views on the proposed definition of charity in accordance with Islamic law. The jurists of the Shafi’i school says that zakat is a name for goods manufactured for property or body (human being for zakat fitrah) to certain parties. Meanwhile, the jurists of the Hanbali school give the definition of zakat as a mandatory right to certain property to a certain group at a certain time. The jurists of the Hanafi school assumed that zakat is the granting of a right of ownership over certain property to a certain person who has been determined by the Islamic law, solely for Allah. The jurists of the Maliki school also provide a definition of zakat, which is the process of removing certain part of the particular property that has reached nisab to the person entitled to receive, if the ownership, haul (enough one year) has been completed, in addition to minerals, crops and treasures. Based on the meaning of zakat submitted by the Muslim jurists, it is clear that zakat refers to the granting of zakat itself (granting the mandatory property rights) to the asnaf groups which have been determined by the Islamic law (Wahbah al-Zuhayli, 2009).

There are two types of obligatory zakat, namely zakat fitrah and zakat harta (zakat on property). Zakat fitrah is a mandatory payment for every Muslim individual from Ramadan to 1 Syawal. Zakat harta (zakat on property) is a mandatory payment when the property reaches the rate and period set by the Islamic law. The property which is subject to zakat is gold, silver, business, income, stock, money, savings, agriculture and minerals. The zakat rate varies according to fixed assets and property changes. For property changes, the rate of zakat charged is between 1.25% to 2.5%. Meanwhile, for fixed assets, the rates charged are 5%, 10% and 20%. The rate used in the calculation of zakat for business, savings and income is 2.5%.

Zakah is distributed to eight groups of asnaf, namely the poor (fakir), needy (miskin), amil, ar-riqab (slave), al-gharimin (the indebted), fi sabilllah and ibn sabil. This is in line with the Quran, in Surah At-Taubah, verse 60 which means; “Zakat expenditures are only for the poor and for the needy and for those employed to collect zakat and for bringing hearts together (for Islam) and for freeing captives (or slaves) and for those in debt and for the cause of Allah and for the (stranded) traveller – an obligation (imposed) by Allah. And Allah is Knowing and Wise”. The jurists have different interpretations of each group that are eligible for zakat.
Zakat accounting (Muhasabah al-Zakah) is a field of accounting knowledge to determine and assess the property of zakat, determine its rate, make the assessment of the zakat imposed, collect and distribute the zakat property that is collected to zakat recipients based on the rules prescribed by the Islamic law (Husain Sahatah, 2003). Zahri Hamat (2013) concludes that there are five phases involved in zakat accounting. The first phase, determining the assets that are obliged to pay zakat. The second phase, assessing the assets required to pay zakat. The third phase, determining the appropriate zakat rate. The fourth phase, distributing the zakat collection to the zakat recipients and the fifth phase, providing a report on the collection and distribution of zakat to the authorities.

From the perspective of accounting, zakat also has a standardized procedure beginning from the beginning of its obligations set by Islam. This procedure is fixed and unchanged except in the aspect of its implementation process. The basis of zakat accounting is enforced on a regular and comprehensive basis for all Muslims. Thus, the obligation of zakat continues to be a debt to Allah s.w.t if it is not implemented. In fact, this debt will not be eliminated only after death, until the heirs are required to settle the debt using the property of the deceased before distributing the property of the heir (faraid property). According to Ezani Yaakub (2011), the accounting principles of zakat can be summarized as follows:
1. The basis of valuation based on current price. This assessment should be carried out in accordance with the prescribed haul period and on the due date of the round of haul or the date of commencement of zakat calculated.
2. One year, according to the Islamic calendar (Qamariah) should be used for those subject to haul period. This is based on the hadith from Rasulullah s.a.w; “There is not Zakat on wealth until Haul (one year) has passed” (Ibn Majah).
3. Year of production. Everything must be calculated within the haul of the year only. Therefore, all production proceeds over the period of the zakat account for the relevant Qamariah year (Islamic calendar) need to be brought to the next year.
4. Based on nisab predetermined either 85 grams of gold (20 Dinars) or 595 grams of silver (200 Dirhams). It can then be valued with local currency according to the current value of gold or silver, livestock and agriculture. Nisab is in accordance with a predetermined formula.
5. Imposed on net income rather than gross income. Deductions on assets.
6. For zakat income, reasonable basic needs should be deducted according to current or local arrangements. The value or sum of the deductions will always change. The change policy is generally subject to the jurisdiction of a country.

The obligation of managing zakat is a trust that the manager has to carry out with full responsibility and integrity. Apart from collecting, zakat funds are also required to be distributed according to the rules set by Allah. The organization responsible for the zakat fund is obliged to issue them and distribute them to those entitled. From the aspect of the distribution of zakat funds, Allah has clearly stated it as a guideline to be followed by Muslims. The zakat funds donated by those who are qualified shall be distributed according to the eight groups of asnaf which have been determined by the Islamic law.

Implementation of Zakat in Malaysia

In Malaysia, zakat is included in the jurisdiction of state administration, which has the effect of establishing a separate zakat law for every state in Malaysia. The authority to administer zakat in each state is subject to the laws of the respective states. The zakat laws of each state are usually
contained in the State Islamic Administration Enactment (EPAIN) and until 2018, only two
states in Malaysia have the Special Enactment of Zakat, namely Kedah and Sabah. Among
the matters listed in the zakat administration clauses are the fundamental system for the collection of
zakat, zakat asnaf, the law for not paying zakat or the payment of zakat through unofficial
channels (unless stated otherwise) and some other rules. Until now, there is no method or
regulation in relation to the distribution of zakat (Hasan Baharom & Ezani Yaakub, 2011).

There are several principles of zakat fund distribution in Islam. These principles are trust,
isti'ab (zakat funds must be allocated to all eight assassinated groups and based on the priority
policy decided by the body affected. The concept of transfer to other asnaf must refer to the
needs and the excess of funds accumulated), ikhtisas (zakat funds must be allocated to eight
recipients (asnaf) in their respective states), haq (zakat funds accumulated must be allocated
immediately based on the current requirements to each asnaf in physical form or benefit),
muraqabah (zakat funds distributed shall be monitored and controlled), kifayah (based on the
principle of actual needs according to asnaf and their income does not exceed the limits of
kifayah), jawran (the zakat manager should ensure that the names of the asnaf are accurate so
that the distribution can be submitted immediately and to the actual asnaf), istiqal (all zakat
funds accumulated should be separated in separate accounts from other accounts), ihsa’ (the
appropriate distribution has been reviewed, monitored and certified by the acceptance of the
distribution to asnaf), tarshih (zakat payers are required to nominate zakat recipients to amil),
priority (each distribution must give priority to the poor, needy and amil before distributing to
other asnaf) and tamlik (distribution of zakat funds conceptualizes ownership of each asnaf).

In summary, the distribution of zakat in Malaysia can be done through two methods.
First, self-distribution; and second, productive distribution. Self-distribution is distributed in the
form of monthly remuneration, special help in home rental payments or educational support.
This type of help is aimed at helping the poor and needy survive to fulfill the basic needs.
Whereas, productive distribution is distributed in the form of capital either human capital or
business. Human capital assistance is provided in the form of skills training, while business
capital in cash and equipment. Business capital assistance aims to help the poor and needy
change their lives for the better, that is, from zakat recipients to zakat payers (Rosbi Abd.
Rahman, Sanep Ahmad & Hairunnizam Wahid, 2008).

Assistance given to each asnaf is different according to the state in Malaysia as the
interpretation of these groups is different according to the fatwa in their respective states. For
example, the definition of asnaf al-Riqab is different according to the State current fatwa.
Penang, Perak, Malacca and Johor for example, decided not to distribute zakat to asnaf al-Riqab
because the interpretation of al-Riqab definition made by fatwa in each state only restricts the
liberation of slaves. However, there are states like Terengganu, Pahang, Negeri Sembilan,
Selangor and Perlis, which expand the interpretation of asnaf al-Riqab by distributing zakat to
eradicate ignorance, social problems and faith (Nur Anisah Nordin & Wan Mohd Khairul
Firdaus Wan Khairuldin, 2017).

The concept of Waqf in Islam

The Waqf in Arabic is derived from Waqf, which means holding something. Holding something
that is meant here is to hold a property solely because of Allah for public interest (Al-Ansari, t.t).
There are various definitions of Waqf that have been raised by the Muslim jurists such as al-
Qurtubi, al-Sharbini and Ibn Abidin. Imam al-Qurtubi said that the Waqf is to produce wealth
and the benefits of belonging to a path blessed by Allah to get close to Him (Al-Qurtubi, 1980). Al-Sharbini stated that Waqf means holding a property or goods that can be utilized on the basis of its physical condition remains in accordance with the conditions permitted by the Islamic law (Al-Sharbini, 1933). Ibn Abidin explained that Waqf means to hold a property in accordance with the provisions of owner and used for the general benefit (Ibn Abidin, 1966). From the definitions of Waqf above, it can be concluded that the Waqf property in Islam must have seven specific features; namely the property to be devoted must be clear of its possession, it may be beneficial, not of the kind that is prohibited by the Islamic law, its permanent physical nature, cannot be used other than what is required, for the property of waqf which is not mentioned in use, it may be used in accordance with the requirements of Islamic law and revenue from waqf property may be used for general or specific benefits. Waqf is also an optional which is highly encouraged by Islam.

Pillars of Waqf are divided into four, namely; Waqf giver, Waqf property, Waqf recipient and offer and acceptance of Waqf (sighah) (Mustofa al-Khin, et al, 2003). The jurists have divided the Waqf into three main types, namely; in terms of acceptance, purpose and time. In terms of acceptance, Waqf can be divided into two; special Waqf and general Waqf (Wahbah al-Zuhayli, 2009). The special Waqf is an endowment that has clearly defined the recipients, whether to a particular individual, group or institution. This type of Waqf gives property ownership to the beneficiary, and only those who are entitled to manage, use and benefit from it. General Waqf is an endowment that does not define the recipients clearly, but refers to the welfare of the Ummah in general. This type of Waqf does not require the element of acceptance in Islamic law, but Allah is the owner of the property donated in this context. This Waqf is also managed by the Sultan or the government, while its benefits are channeled to virtue in general. In terms of purpose, Waqf can be divided into three; namely Charitable Waqf, family Waqf and joint Waqf (Abu Zahrah, 1971). Charitable Waqf is performed because of Allah and the welfare of mankind. Family Waqf is an endowment dedicated to ourselves and family only. Meanwhile, the joint Waqf is associated with charitable Waqf and family Waqf. For example, Azman is a Waqf giver, donated his property for charity with a sum of RM 1,000.00 and the balance is given to his family members. In terms of time, Waqf is divided into two types; temporary Waqf and permanent Waqf (Abu Zahrah, 1971). Temporary Waqf is a restricted endowment, which is limited by time, such as for two years. After this period, it is no longer regarded as a Waqf property. Permanent Waqf is an endowment made eternally without time, which can be classified as a ceaseless charity (Sadaqah jariah) which will render rewards to the Waqf giver continuously until the donated property is destroyed or unusable.

In terms of ownership of Waqf property, the jurists are divided into two groups. The first group consisted of the Hanafi and Maliki jurists. They assumed that the Waqf property remained the property of the Waqf giver. According to them, Waqf equated with loans, rather than grants or gifts. Therefore, Waqf recipient only gains benefits. They also pointed out that the Waqf giver is the most qualified person to manage Waqf and management-related tasks should not be given to others. The views of the second group are different from the first group. The second group was pioneered by the Shafi‘i and Hambali jurists. They stated that the property of Waqf is transferred to the Waqf recipient (beneficiary). According to them, the Waqf is the transfer of property from the Waqf giver to the beneficiary. This is equivalent to a gift or grant, in which the Waqf giver no longer has the power over the property that has been assigned to the beneficiary. However, all the jurists agree that all the property Waqf cannot be sold, rewarded, given to others or inherited as long as it is still regarded as a Waqf property.
Based on the concept of Waqf in Islam, it is understood that the Waqf whether it is general or special, it actually belongs to Allah absolutely. Pursuant to this principle, Waqf property cannot be sold, bought, made as a gift or inheritance either by a Waqf giver or a Waqf recipient/beneficiary. Therefore, the use of this Waqf property is left to the beneficiaries and is managed in accordance with the requirements of Waqf giver.

Implementation of Waqf in Malaysia

Like zakat, Waqf is also included in the affairs of Islam under the jurisdiction of the state government. Provisions on Waqf are found in EPAIN and until 2018, only five states in Malaysia have the Special Enactment of Waqf, namely Selangor, Malacca, Negeri Sembilan, Perak and Terengganu. All provisions in EPAIN and the Special Enactment of Waqf clearly state that MAIN is the sole holder of all types of Waqf assets. This means that the other parties are not allowed to handle the management of the Waqf. Among the provisions that are associated with waqf are MAIN as the sole trustee of waqf property, the distribution of waqf property to the special waqf and general waqf, the benefit of special waqf is to meet the special waqf purposes only, the benefits of general waqf can be used for purposes that do not conflict with Islamic law, all the property to be donated must be permanent, beneficial in accordance with Islamic law and irrevocable, the acquisition of property must be permanent, the purpose of waqf must be on the required matters, prohibition to endow more than 1/3 of the property owned and the records of the waqf property shall be kept by the MAIN (Baharuddin Sayin, Asmak Hj. Ali & S. Salahuddin Suyurno, 2006).

In managing Waqf, MAIN plays the role to manage all Waqf applications made by individuals or organizations covering special and general Waqf, recording and registering all types of Waqf properties, regulating all types of Waqf properties and developing Waqf properties, especially the Waqf properties categorized as general Waqf. In terms of practice, there are various forms of Waqf implemented in Malaysia such as property Waqf, cash Waqf, stock Waqf, feet Waqf, Takaful Waqf plan and so on.

The concept of Baitulmal in Islam

Baitulmal can be defined as a national treasury based on the history of Islamic rule (Ibn Taimiyyah, 1992). During the reign of the Prophet s.a.w, the role of baitulmal as an institution was less prominent. Among the factors that happens is because of Islam was still underdeveloped and not widely spread. The income and management of the country were also not complicated and complex. At this time, the country’s source of income consists of the spoils of war or through a peace treaty. Zakat collection was then distributed to the asnaf. This situation continued until the reign of Caliph Abu Bakr Al-Siddiq r.a (Hailani Muji Tahir, 1988). In the 13th year of Hijrah, during the reign of Khalifah Umar Al-Khattab r.a, a department (diwan) named Baitulmal has been established to manage the state treasury. The treasury (Baitulmal) was established in Medina and in the territories under the rule of the government. The Central Government of Medina has placed several special officers in the territories under the jurisdiction of the Islamic government. All these officers were under the direction of the Central Government (Muhammad Sabri Haron, 2003). After the reign of the four Khalifah, the management of baitulmal became increasingly systematic. This is because the source of baitulmal property is increasing along with the increase of territories under the Islamic government. Historically,
baitulmal property has reached 900 million Dirhams during the Abbasid dynasty under the rule of the Caliph Harun al-Rasyid (Hailani Muji Tahir, 1988).

Baitulmal accepts certain sources, which are not limited to only Muslim societies, even including non-Muslims (Muhammad Kamal ‘Atiyah, 1993). The sources of baitulmal consist of the collection of kharaj, jizyah, fai’, ghanimah and ‘usyur. Kharaj was a certain payment collected from crops cultivated by the disbelievers (Musyrikin). Fai’ was a collection of crops from land given by disbelievers to Muslims as a result of the peace treaty. Ghanimah refers to war spoils obtained from the disbelievers. Jizyah is an individual tax imposed on non-Muslims. Meanwhile, ‘usyur was a 10% fee imposed on merchandise belonging to non-Muslims who came to do business in Islamic countries. For ahl zimmah, the goods tax charged was 5%. In addition to these sources, baitulmal also receives income from zakat collection, inheritance without heirs and property of unknown owners. However, the function and role of baitulmal have changed to be smaller and limited after the Crusades (1096-1258M) occurred, where the majority of Muslim countries were conquered by Western powers (Mustafa Daud, 1994). Based on the history of baitulmal, a formula can be made, namely the source of income for baitulmal is totally and infinite from the Muslim community, even covering payments from non-Muslims. This was in line with the broad scope and role of baitulmal as the state treasury.

The baitulmal concept can also be seen through the examples of Al-Mawardi, Abu Ya’la, Ibn Taimiyyah and Greg Zaidan. Al-Mawardi has divided public power in Islamic rule into various divisions, including finances and expenses. Among the financial resources were zakat, fai’, ghanimah, jizyah and kharaj. Meanwhile, military and civil services were included in the aspect of expenses. In debating about baitulmal, he has elaborated baitulmal financial resources consisting of zakat, fai’, ghanimah, jizyah, kharaj and property of unknown owners. In the aspect of baitulmal expenses, Al-Mawardi asserted that baitulmal was obliged to spend its wealth for anything that benefits (maslahah) to the general Muslim community (Al-Mawardi, 1978). This view seems to coincide with the views of Abu Ya’la where he agreed with the views quoted by Al-Mawardi related to the resources and baitulmal expenses (Abu Ya’la al-Farra’, 1983). In addition, Ibn Taimiyyah also talked about the concept of baitulmal in his writing entitled Al-Siyasah al-Syar’iyah fi Islahi al-Ra’i wa al-Ra’iyah. According to him, there are three types of property mentioned in the Qur’an and Sunnah as a public property, namely zakat, ghanimah and fai’ (Ibn Taimiyyah, 1983). Greg Zaidan classifies baitulmal as a group of government property that serves to collect all state property from various sources and spend it according to the interests of the Muslims (Greg Zaidan, t.t). Based on these views, it is clear that baitulmal is the national treasury according to the perspective of law and the administration of the Islamic country. The resources were like zakat, fai’, ghanimah, jizyah, kharaj and property of unknown owners. In terms of its sources and expenses, it is flexible and it can be spent on anything that leads to goodness towards the Muslim community in general.

The implementation of Baitulmal in Malaysia

Today, the existing Baitulmal is not the national treasury of the true concept. In the context of practice in Malaysia, it can be regarded as a unit or department in the administration of the State Islamic Religious Council (MAIN). Today, the existing Baitulmal is not the national treasury of the true concept. In the context of practice in Malaysia, it can be regarded as a unit or department in the administration of the State Islamic Religious Council. Baitulmal is also not the treasury of the MAIN itself, but is categorized as the Special Fund of the Council. The council acts as a
manager in managing baitulmal administration in a state. In terms of its source of income, baitulmal receives resources from unreasonable heritage property, Waqf properties, vows and goods found (luqatah), even zakat itself excluded because the fatwa in Malaysia has determined that the distribution of zakat and baitulmal cannot be united (Zakariah Abdul Rashid, 2003). Zakat is also not a baitulmal financial source because zakat is specifically spent on certain asnaf only, except where there is a surplus of zakat. Nonetheless, there are a variety of different fatwas regarding surplus of zakat among jurists, which some consider that this surplus can be put into treasury, some do not allow it and some of them categorize it as the dependent money (tawaqquf) (Mahmood Zuhdi Abdul Majid, 2009).

Each MAIN in Malaysia has provisions on the role of baitulmal in the State Islamic Administration Enactment (EPAIN) respectively. In general, baitulmal managers are responsible for managing baitulmal on the basis of trust. All types of assistance derived from baitulmal resources are intended to help and not intended to generate profit (Hailani Muji Tahir & Sanep Ahmad, 2009). The practice of baitulmal is different between the states in Malaysia such as the assistance for admission to the Institute of Higher Education, general assistance for Muallaf, assistance to be channeled to the Islamic Religious School, poor and needy livelihood assistance, assistance to further studies in the Middle East and so on.

ANALYSIS AND DISCUSSION

In conclusion, there are three funds under the management of MAIN, namely Zakat, Waqf and Baitulmal. These three funds can be categorized as trust that must be managed by MAIN efficiently. This is in line with the concept of trust in accordance with the Islamic law and anything contained in the Federal Constitution, which provides MAIN as a trustee in matters or affairs related to the Islam, including Zakat, Waqf and Baitulmal.

Nevertheless, if reviewed the interpretation of the trust in detail, it is found that MAIN is the trustee of zakat and Waqf property, but for baitulmal property, it is fully owned by MAIN. In the context of baitulmal, MAIN acquired the source from one of the divisions of zakat asnaf, namely amil. Hence, MAIN has full power to manage and spend baitulmal property according to the Islamic law. Trust in the context of this baitulmal property is only in small circles when compared to the concept of trust in zakat and Waqf property. MAIN only needs to spend baitulmal property according to the benefit of Muslims as a whole. In accounting, this baitulmal property belongs to MAIN and is classified as a revenue.

This is in contrast to Zakat and Waqf, where the concept of trust is more binding on the role of the State Islamic Religious Council (MAIN). MAIN is responsible for spending zakat revenue, according to the division of seven asnaf as required by the Islamic law. Although the mandate allocated to MAIN in the distribution of zakat to seven asnaf is the same, but the interpretation of each of these asnaf groups varies according to the state, respectively. In accounting, zakat revenue is a trust on behalf of MAIN to be spent on the seven asnaf groups and classified as liabilities.

For Waqf, it is necessary to look at the types of Waqf. MAIN as the sole trustee of Waqf property is responsible for managing all types of Waqf and this includes general Waqf and special Waqf. For special Waqf, MAIN is required to manage the Waqf according to the recipient as clearly stated by the Waqf giver. In special Waqf, the Waqf becomes the beneficiary’s property and they are entitled to manage, use it and gain benefit. In accounting, this special wakaf is a trust on behalf of MAIN to be expended on the recipient and classified as a
liability. Whereas, for general Waqf, it is more common for the welfare of the Muslim community because this type of waqf does not clearly identify the recipients. This type of waqf is not necessary to the element of acceptance, but it will continue to be Allah’s property. This Waqf will be controlled by the government and its benefits will be channeled to virtue in general. In accounting, general Waqf is a trust on behalf of MAIN to be spent on charity and classified as revenue or equity. However, equity in the context of general Waqf is limited equity as it is still a trust that must be carried out by MAIN. In terms of ownership, there are no issues arising because of the Hanafi jurists still recognize imperfect ownership in Islam.

CONCLUSION

In developing Islamic accounting standards for zakat, waqf and baitulmal in Malaysia, there are various accounting aspects to consider. This aspect includes the concept of revenue, expenses and liabilities that are applied must comply with the requirements of Islamic law. Implementation of Islamic accounting standards becomes more complex and focused on MAIN because of the legislative constraints inherent in the Federal Constitution, which it has to meet the requirements of all MAINs throughout Malaysia. The implementation of the Islamic accounting standards for zakat, waqf and baitulmal in Malaysia demonstrates the proactive efforts of the Accountant General’s Department of Malaysia (AGD) in reviewing and reviewing the requirements of Shariah-compliant accounting standards for Islamic institutions in Malaysia.

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CHAPTER 2
Perceptions on E-Zakat Advancement as the Innovational Distribution Concept (Idc)

Introduction

Zakat is an important instrument in the development of the Muslim economy. The obligation of its implementation has repeatedly mentioned in the Quran and al-Hadith until it become made part of the pillars in Islam. However, the awareness of the payment of zakat among Muslims to authorities such as Baitulmal and the State Zakat Collection Center is average as a result of some of the current polemics such as the distribution of zakat to the asnaf. Public perceptions still feel that authorities need to be innovative in enhancing their capabilities in distribution and not only depend on third parties such as village development committee (JKKK) or State Development & Coordination Committee (JAPERUN) in delivering assistance, not to mention about receiving applications from asnaf themselves. Hence, practical approaches such as direct payment methods by muzakki to asnaf will be introduced by taking into account the role of the Baitulmal and the State Zakat Collection Center as system administrators. With the system going forward, muzakki will gain some freedom in choosing asnaf list name as provided by the authority database. This is because the asnaf will be filed, filtered and categorized by Baitulmal and the State Zakat Collection Center according to state, district and area where the asnaf resides.

Legal Distribution of Zakat

The evidence of asnaf category has been clearly stated in surah al-Taubah verse 60. In this verse, Allah explains eight groups of people entitled to receive zakat namely al-fuqara’, al-masakin, amil, muallaf, al-gharimin, al-rigab, fi sabilillah and ibn sabil. Each zakat fund must be distributed to these eight groups, called asnaf. However, the question arises from this asnaf categorization is whether the zakat should be distributed equally to all asnaf? The debate on this issue can be seen in two opinions delivered by scholars [8]. The Shafie School obliges the distribution of zakat to all asnaf category as stated in the surah al-Taubah. However, if there is a difficulty in representative (amil) to identify the eight categories of asnaf, the distribution of zakat can be conducted by at least three categories of them and this includes amil itself. Contrary to the views of the Hanafi, Maliki and Hanbali schools who say that zakat can be distributed only one category at one time. Based on this debate, the implementation of payment according to Shafie school of view is more appropriate. Therefore, the distribution of zakat should be made either to all categories or at least three of them. If looking at the current context, the problem of identifying asnaf is no longer a big challenge [5].

The role of authority

The scholars from Syafie, Hanafi and some of Maliki agree that the rulers have the power to collect and distribute zakat of livestock, crops and fruits [9][1]. If the government asks the zakat to be fulfilled, it is obligatory for the people to pay to them [2]. Nevertheless, some of the Maliki scholars opined that if the government’s implementation is not fair and if muzakki concern about the property that does not reach to the asnaf, the property owners can distribute their zakat
directly. The scholar of Hanbali said that property owners can distribute by themselves, so that they feel more self-assured that their zakat will reach the right person. It is understandable that the scholar from Hanbali and Imam Ahmad give freedom to muzakki whether to distribute zakat directly or to hand it over to the government. If given to the government, then zakat and job opportunities to amil have been established. [3]
For zakat property like currency and business properties, the scholars from Shafie allow muzakki to distribute zakat by themselves including zakat fitrah. [2]. The ruling is based on what Allah says which means:
"Take some of their wealth into charity, so that you may purify them and purify them (from bad habits) ..." (al-Taubah, 9: 103)
To ensure zakat property that is taken from the public can be channeled to the eligible asnaf, then the government is obliged to send an independent, fair, trust and siqah representative (amil) as the matter of zakat is the right of the people [3]. As Allah says which means: "And they (belong to) the property, are the rightful owners. For the poor who ask and the poor who refrain from (ask) ". (al-Maarij, 25-26)
Based on the above explanation, it is clear that there is a ruling or opinion of fiqh scholar that does allow muzakki to distribute zakat by themselves to asnaf. Muzakki are given the freedom to distribute their property to eligible asnaf through authority.

LITERATURE REVIEW

Although there is a ruling about to pay zakat to the authorities, however, the perception of the public on the average performance of the authority’s capability in making effective distribution, makes some individuals paying zakat directly to asnaf. Constant polemics between zakat distributions by authorities and direct payments to asnaf by muzakkicause this study relevant to review about the ruling of zakat distribution and the community perception survey.

Zakat Management Online

Some studies on zakat management using online applications have been carried out earlier such as Muda et al. (2013) and Norhayati (2011). Both of these studies look at the perspective of zakat payers. Muda et al. (2013) examines the perception of LZS website users on payment of zakat online. This study uses a sample with a total of 385 respondents consisting of members on the official Facebook page of LZS as well as public and private servants in Selangor. The respondents' perceptions level was measured using the Technology Acceptance Model instrument developed by Fred D. Davis (1989) and analyzed according to researcher's suitability. Respondents' perceptions are broken down into usefulness, ease of use and trust. The results show that the perception of LZS zakat website on payment of zakat online was high (49.6%) followed by moderate level (48.6%) and only 1.8% gave low perception.

Meanwhile the study by Norhayati (2011) highlighted the payment of zakat via online. She used a sample of 130 researches comprising public and private sector employees. Generally, this study aims to know the perception of consumers towards paying zakat via online by testing the relationship between consumer perceptions and benefits of use, ease of use, behavioral control and trust. The result shows that there is a positive relationship between user perceptions and benefits. In addition, the findings also found that there was a low positive correlation between
Research also shows that there is a positive relationship between consumer perception and behavior control. Finally, analysis results show that there is a low positive relationship between perceptions of users and beliefs. He also found that respondents' perception of payment of zakat online was low. From previous studies, some improvements can be made where researchers find space to test from aspects of zakat recipients and ICT usage than ever before.

**Zakat distribution system**

The aspect of zakat distribution has always been an issue that is often discussed by scholars of zakat. Although the amount of zakat collections is increasing every year because of the awareness of *muzakki* in implementing this third pillar of Islam, the amount of zakat distributed to *asnaf* is not as much as the total amount of collection [6]. For example, zakat funds in four states (Selangor, Negeri Sembilan, Perak and Kedah) between 1990 and 2001 were not fully distributed [11]. On average only 69% of zakat funds in all four states are distributed to *asnaf*. Selangor recorded a high percentage of distribution during the period of 80%. Meanwhile, from year 2003 until 2007, there has been an increase in the percentage distribution of zakat in most states, especially in four states, which recorded the percentage of zakat distribution over 100 percent [6].

**Muzakki’s Perception**

According to Sanep Ahmad, the efficiency of zakat institution management in managing zakat funds varies according to state [10]. Inefficient management and unsupportive distribution methods are the two factors increase public dissatisfaction with zakat institutions. Among the examples of frequent issues raised related to distribution by zakat institutions are bureaucracy and difference amount of zakat that *asnaf* of the same category received. These two issues are among the factors that cause *muzakki* to pay zakat directly to *asnaf*. While the percentage of *muzakki* pay zakat through formal institutions is higher (53%) than direct payment to *asnaf* for informal institutions (47%), this study shows that, there is a tendency for *muzakki* to pay zakat through informal institutions [10]. This study also shows the satisfaction towards the State Zakat Collection Center influence the payment methods of zakat conducted by *muzakki*. The higher the level of *muzakki*'s satisfaction towards zakat institutions’ management, the higher the level of their compliance to pay zakat to the authority.

As the status of many zakat institutions nowadays become a private body and thus cause the increasing efficiency in term of the using technology, has facilitates them to identify and distribute zakat to *asnaf*. Otherwise, *muzakki* will assume zakat institution's ability of distribution as the authority that is not done well, fair and thorough that lead to leakage or loophole in zakat collection mechanism. This situation will eventually cause the *muzakki* to distribute zakat directly to *asnaf*. If this happens, the distribution will move backward that they only focus on one particular category and ignore the others. As a result, justice in the distribution is hardly to perform and the primary goal of zakat will not be achieved. The right of other *asnaf* category such as *muallaf*, *fi sabillah*, *ibn sabil*, *al-riqab* and others that are usually identified by the authority will not be defended [5].
Although the amount of zakat collection in all states in Malaysia is constantly increasing, the amount of distribution is not much [5]. All the states that distribute zakat have a lot of excess of zakat funds that are not distributed. This situation shows that zakat distribution is not at an optimal level. Nevertheless, the excess of this distribution is due to the lack of distribution to other *asnaf* categories than the poor and *amil*. As such, zakat institutions should perform their duties and responsibilities better in distributing zakat to all *asnaf* because they have a lot of information regarding *asnaf* than individuals. The survey conducted in 2010 also showed that the majority of respondents were dissatisfied with the distribution of zakat by the authority (57.6%) mainly Selangor, Federal Territory of Kuala Lumpur, Johor and Penang. Among the causes of dissatisfaction are unclear distribution methods, non-exhaustive distribution information [5], an unsystematic method of zakat distribution and persistent poverty [7] Generally, respondents or *muzakki* expect that the zakat institution not only devotes only to some category of *asnaf* but the distribution should be extended to other categories. Therefore, the more efficient way to distribute zakat is to be realized and to be implemented in better way.

**The concept of e-zakat online distribution as the innovational distribution concept (IDC)**

There are not many studies related to the use of technology devoted to the payment of zakat directly to *asnaf*. However, a preliminary study by Dziauddin in 2017 states that there is a tendency for zakat payers to pay directly to *asnaf* rather than to zakat centers. However, these tendencies do not reach the stage where they do not recognize the role of the center of zakat as a powerful body in the affairs of zakat distribution to *asnaf*.

The concept of online distribution is the concept where money transfer method is used via online from *muzakki* to *asnaf* account that their names are in the authority’s database. Before that, the list name of *asnaf* is being profiled, filtered and categorized by Baitulmal and zakat collection center as the authority. This is to ensure those who are truly eligible are on the list. This transfer method adopts a similar transfer concept provided by current internet banking system such as Maybank2U, CIMB Clicks and the like. This money transfers via online give *muzakki*’s autonomy to make choices to which kind of *asnaf* they wanted to pay and give them the opportunity to make a direct transfer payment to the *asnaf* bank account. Their choices of *asnaf* are according to the districts and areas in which the *asnaf* reside. Once the transfer is made to the selected *asnaf*, they will receive receipt of payment and they will know the money absolutely goes to *asnaf*. The *asnaf* continue to receive zakat from other *muzakki* until their *kifayah* reaches the limit and after that, their name will then be removed from the list of that year.

**Summary of generic structure of e-zakat literature over two decades.**

| E-Zakat perception | E-Zakat websites | E-Zakat Efficiency | Zakat Distribution Efficiency |
|--------------------|------------------|--------------------|-----------------------------|
| Tajuddin, T.S et al (2016) | Ibrahim, M.F (2016) | Fidlizan et al. (2012) | Hairunnizam Wahid, S. A. (2009) |
| Muda et al (2013) | Ibrahim, M.F (2014) | Muhsin Nor Paizin (2013) | Hairunnizam Wahid, S. A. (2010) |
Figure 1: Zakat Distribution Concepts Online

METHODOLOGY

Discourse can be understood as a stretch or language flexibility that contains several verses that are interconnected with one another. It not only involves the content of certain ideas, but how the idea fills a place, situation or task they are doing [13]. This means that the same idea may change as it is influenced by the diversity of factors as stated (place, condition, task). In response to the perception of a new concept, this paper has adopted a discourse analysis method as suggested by Guy Cook (1989).

Data Collection

The data obtained from the fiqh manuscripts that expose various views and enlightenment of fiqh schools regarding the topic of discussion. The selected manuscripts are al-Minhaj al-Talibin [1], Muqni al-Muhtaj [2], and Fiqh al-IslamiwaAdillatu[3]. The selection of the book is based on the contents of the book, which illustrates the diversity of views in the four main schools namely Hanafi, Maliki, Shafie and Hanbali. The use of the manuscript is very significant in validating the compliance from the point of syariah about zakat payment practices that are made directly to the asnaf. The data also collected from the interview sessions with 20 respondents identified as muzakki. The survey included two issues: one asked about existing distribution system (EDS); the other asked the innovative distribution concept (IDC). The discourse method is also applied
during interviews where content screening, ideas, responses and suggestions are gathered to measure their perception of the proposed IDC. In this session, their perception of EDS and the proposed IDC will be identified based on their level of understanding and interpretation of the concept of online zakat distribution. The diversity of respondents' perceptions will determine how far the concept of IDC is significant and relevant. In this case, the perception of UiTM staff is measured based on the extent to which the investigators can explain the effectiveness of the new concept of IDC and how respondents can understand the journey and description of the concept. Meanwhile, the questions during interviews are designed to justify the measurement of their general knowledge, satisfaction, practices, preferences, mechanism, the role of authority, efficiency and the recognition of each role of muzakki and zakat authority (Refer to Appendix A) The responses will be classified in term of counted words that direct to either positive or negative connotation. For instance, the identified positive connotation from the responses are “satisfied, good, strongly agree, convincing, effective, not problematic” while the identified negative connotation such as “less agree, not transparent, not comprehensive, less functional, weak, difficult” and so on (refer to Appendix B)

Data Analysis

The text of manuscripts and responses of the interviews were examined based on structural analysis to identify the generic construct using stretches of language perceived to be meaningful, unified and purposive. [13]’s structure was selected because it had been validated by [16] from the discourse community and because it is very close to the steps put forward by a researcher from the discourse community of language use and satisfaction of zakat [7,14,18]. The contents of the textual manuscripts were further examined to identify the highlighted concept of zakat distribution used to direct pay to asnaf. [3] exemplified the allowable concept of zakat directly to asnaf; however, the role of the authority is still being respected through zakat centers’ asnaf database and this is what majority of scholars agreed upon, to recognize the authority of zakat [1][2]. At this stage, the verified concept of online zakat distribution is settled at phase 1 (refer figure 2) The next phase is getting responses from the interviews. The concept of IDC is explained to the interviewees for their understanding and thus, the answers are well directed and precise as needed. The responses were analyzed to examine a trending either positively or negatively accepted. The number of words that have been formatted, will then be categorized as GN, ES, EP, PF, NM, RA, NS, NE and RR. This category refers to the justification of the question submitted to the respondent, and their answers will also be analyzed according to the classification. This is based on the continuous stretch of language that eventually often constituting a coherent unit. [16] In determining the tendency to a perception, the large number of words to a connotation would be considered as the weight of the tendency. For instance, the score shown by generic structure of GN (gaining knowledge), IM (IDC mechanism), RA (role of authority) and IS (IDC satisfaction) are large and hence, some indicators of perception can be manifested [16] (Refer Appendix A)

Figure 2: The process of generating perception on concept of zakat distribution’s online using Guy Cook's Discourse Analysis (1989)
In addition, the practice of zakat distribution through *amil* and direct donation to *asnafi* is also being detailed to clarify the current law’s polemics. It can also support the new concept of online distribution as described in diagram 2. Meanwhile, the table below shows the list of respondents involved in the interview session conducted by the researchers.

**RESULTS AND DISCUSSION**

The findings show that there are different perceptions between the existing system and the new concept of online zakat distribution. The following is a list of studies according to the existing system and the new concept of zakat distribution.

**Perception of Existing Distribution System**

Based on the interviews conducted, the perception of zakat distribution by PPZ and Baitulmal is mixed between satisfactory and less satisfactory. However, 55% or 11 of the surveyed respondents found that the performance of PPZ and Baitulmal was less satisfactory and the need to do more improvement. This negative perception exists as a result of several factors: the weaknesses in management and systems (R1, R6, R12, R13 and R14), as there is no coordination between states in terms of collection and distribution. This is because some zakat institutions are
only involved in the collection process and some are involved with distribution (R13, R15), lack of promotion (R7) and dubious distribution of zakat management (R6, R7, R8, R9, R10 and R11). It is found that distribution management weaknesses are a major factor in the existence of this negative perception that influences the tendency of zakat payers to make payments directly to asnaf. A part of interview transcription manifests the perceptions of several respondents:

"Feeling dissatisfied, especially in terms of distribution. It felt like there was an inaccuracy in the distribution as it was found that many still live in distress." (R6, R16)
"Feeling dissatisfied. Many procedures are difficult for asnaf to accept zakat." (R10)
"I am more satisfied and confident to make my own payments directly to the asnaf consisting of relatives and surrounding communities" (R9, R16, R17)
"Disagree with the existence of Zakat Institutions that exist today, for not performing well in terms of distribution" (R11)

This suggests the weaknesses in terms of distribution management have caused them to dissatisfy and doubt toward the authority. Satisfaction will be achieved if they are able to know where zakat is distributed goes to. Only then, the tendency of commitment to pay zakat to the authority will increase. This can be seen by following transcription:

"Want zakat institutions to prepare detailed statements regarding zakat money. Documentation is very important" (R6, R19)
"Want a detailed spending statement. We want effective distribution management" (R7)
"Not satisfied with the method of distribution of zakat today, as they are only actively promoting collection methods, but do not tell how the distribution method is done" (R11)
"Not satisfied because there are asnaf who did not receive the distribution" (R13)
"Agree by current way of distribution, however it is a matter of....it is just the distribution is not reaching the target" (R12)
"Non-aligned distribution forms" (R12, R13 and R19)

Perception to the New Concept of Online Distribution

The concept of online zakat distribution is seen to be very timely to ensure the effective management of zakat distribution. The concept of online zakat distribution is not only facilitating and satisfying muzakki but more importantly, to increase their confidence in zakat collection centers. In addition, negative perceptions of zakat collection centers can also be overcome as well as the increases of zakat collections centers’ credibility. This is because muzakki are given certain power of autonomy to choose asnaf based on the data provided by zakat collection centers or Baitulmal. Although zakat payers are given space to choose asnaf they like, however, trust is given to the center of zakat in dealing with asnaf database. Zakat collection centers are still have the power to identify the asnaf qualification of each state.

"It is better to have zakat institutions as they can identify asnaf according to the set criteria" (R6)
"Zakat should be distributed to institutions, because asnaf is not a" (R11, R14, R15, and R19)
"Need to refer to the fatwa to implement it" (R12 and R13)
Additionally, the system will not cause any incompatibility in asnaf areas that have been profiled and categorized as recorded on R2, R4 and R5.
"The system should be transparent and uniform, meaning no area can be more than any other area" (R3, R4 and R5)
Therefore, there is no doubt about the flow of zakat money that has been issued and there is no room for questioning the transparency of the zakat center in managing the distribution. The interview results show a positive perception of the proposed online zakat distribution concept:
"Strongly agree. The best mechanism but on condition of ensuring the infrastructure of all parties is good. Payer (muzakki) and Zakat Centers can access online and there are bank accounts for asnaf stated online."
(R7, R16 and R17)
"Strongly agree. A convincing mechanism of zakat payers and its impact on asnaf"
(R9)
"Strongly agree. Effective mechanisms should be developed in society through zakat and facilitates asnaf"
(R10)

6. Conclusion

The new concept of online zakat distribution receives a positive response among UiTM staff when 85% agree if it is implemented. However, fundamental issues such as transparency, safety and the degree of distribution between regions and asnaf categories should be prioritized before they can be implemented. The average respondents welcomed the concept as it enhanced the credibility and tendency of the payers to zakat collection centers and at the same time, muzakkim were given the freedom to channel them directly to the asnaf.

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A Subjective Poverty Approach as an Alternative Measurement in Identifying the Poor and Needy

Introduction

Niemietz (2011) defined subjective poverty as follow: 1) Relative poverty: its indicators are based on a country’s income distribution. A household is poor if their income is far below those typical income of particular time and place; 2) Absolute poverty: its indicators are based on poverty lines; includes of a fixed level purchasing power or command over material resources; 3) Subjective poverty where each individual assesses their poverty status themselves. Veenhoven (2001) specified that the objective approach is focusing on measuring ‘hard’ facts, such as income in dollars or living accommodation in square meters. Meanwhile, the subjective approach in contrast considers as ‘soft’ matters includes satisfaction with income and perceived adequacy of dwelling.

The current monetary approach is questioned to be incapable to reflect the multidimensional nature of poverty. As a result, policy makers and researchers in developed country decide on using other approaches such as capability and social exclusion approaches which are multidimensional in nature that includes non-monetary indicators as mentioned by researchers such as Sen (1977, 1987, 1992); Nasbaum (1997, 2003); Laderchi (2000, 2003); Waggle (2005, 2007, 2008); Alkire (2002, 2007, 2010); Ravallion (1998, 2012) and Nolan & Whelan (2010, 2012). Alternative approach was advocated by Goedhart et.al (1977), Van Praag et.al (1980, 1982), Pradhan & Ravallion (2000). Ravallion&Lokshin (2002) indicated that poverty was a feeling and related to psychological issues.

It is also argued that absolute poverty may disappear as countries become richer but the relative deprivation and subjective poverty may persist. Applying different notions/metrics of poverty might produce different analytical results that, in turn, call for a different set of policy interventions. Thus, while most developing countries are still concerned with absolute poverty, many developed countries, particularly Organization for Economic Cooperation and Development (OECD) countries have already shifted their focus to relative and subjective poverty (OECD,2011).

Therefore, the alternative measure of poverty is needed. One such alternative is the use of surveys that interrogate people about poverty. The poor will answer what is “the smallest amount of money a family needs each week to get along in this community”, “what is the level of income below which families are unable to make ends meet” etc. That would remove some of the arbitrariness of the cut off line between poor and non-poor and putting that decision in the hands of the people themselves rather than the communities.

The needs of Subjective Poverty (SPI) measurement

The need for subjective indicators must also be judged against the limitations of objective indicators. Objective indicators provide only a part of the required information and give generally a better view on details rather than on the whole picture. Veenhoven (2001) agreed that
social policy makers need both objective and subjective indicators as it combined the strengths of these indicators and avoid the discrepancies they show. For some purpose objective indicators are best suited, for other uses, subjective indicators are preferable. Assessments of overall life satisfaction are particularly needed to assess comprehensively policy success and to distinguish needs from wants. Most studies that analyze subjective poverty do not propose that subjective measures replace money-metric poverty measures. Rather, much of the research has investigated how to combine subjective and money-metric indicators to provide a more composite measure of poverty.

Methodology

This study encompasses two main research objectives. It also involved four analysis phases. The first objective was to identify dimensions of subjective poverty. It involves the phase 1, Participatory Poverty Assessment (PPA) and phase 2, survey. In the context of this study, the researcher conducted face-to-face interviews to validate the dimensions of poverty from the poor (respondents) perspective and to identify variables pertaining to each of the dimensions. For the second objective was to develop the Subjective Poverty Index (SPI). The third phase involves logistic regression analysis to examine the criteria for the proposed Subjective Poverty Index (SPI). Next, the fourth phase, that is formulating Subjective Poverty Index (SPI). It also involved the determination of the cut-off point or the threshold which is essential in defining poor. For this study, five different cut-off points were chosen to show how these different cut-offs would have impact on the overall identification of the poor group by the SPI. Lastly, the weightage of the dimensions of the SPI was determined.

PHASE 1: PARTICIPATORY POVERTY ASSESSMENT (PPA)

PPA is defined as an instrument for including poor people's views in the analysis of poverty and the formulation of strategies to reduce it through public policy (World Bank, 2003). The rationale for Participatory Poverty Assessments (PPAs) is that for these policies to work, the voices of poor and marginalized people and their understandings of poverty need to be included. Failure to respect and respond to how poor people experience poverty and what they see as causing it can contribute to poverty reduction interventions missing their targets. Thus, in this study the beneficiary assessment approach was used.

The focus group is the zakat applicants will be asked to share their views on poverty especially on why they feel poor and the reason for applying zakat. Their views will list down the characteristics of the poor assess by themselves. They will divide into groups according to three districts. Then the common characteristics of the poor will be list down and rank. The first step is to list down the characteristics of the poor between intra group (different groups in the same district) and the second step is to list down the characteristics of the poor by comparing it between inter groups (between different groups in different districts).

PHASE 2: SURVEY

Data for the study are gathered through a formal survey using a structured questionnaire. After the questionnaire was pre-tested and some of instruments were improved to ensure the available instruments are high internal consistency, the definite version of the questionnaires set is
distributed to the selected respondents. The survey will be done by personal interview or face-to-face interview. It was carried out in the way that the interviewer read the questions to the interviewee and wrote down his/her answers into the questionnaire offering additional explanations if necessary, to ensure clear and unambiguous responses to questions.

**PHASE 3: TO EXAMINE THE CRITERIA OF SUBJECTIVE POVERTY INDEX**

The third phase involves analysing the characteristics of the subjective poverty and developing the relevant descriptive indicators. The analysis will be able to identify profile the criteria of the poor based on subjective poverty among zakat recipients. A subjective poverty measurement framework will be developed from the indicators. Focus group session will be held with practitioners and experts in the field to exchange ideas and feedback on the developed.

**PHASE 4: FORMULATING SUBJECTIVE POVERTY INDEX**

The choice of dimensions and indicators to be included in the measurement of proposed Subjective Poverty Index is guided both by common empirical practice as well as particular data considerations for Malaysia. Hence, in formulating of Subjective Poverty Index, the steps are followed:

Step 1: Dimensions of Subjective Poverty

From the preliminary study, the results showed that all respondents agreed that old age, lower education, jobless, no income, poor health status, no other income resource, no family support and financial stress are the factors that affect on why they feel poor.

Step 2: Weightage Determination for Subjective Poverty Index

After determining the indicators in the SPI, the weightage of each indicator was calculated to define the contribution of each indicators. The total weightage is 100. The indicators of SPI are assigned double equal weight. All dimensions are weighted equally and then all indicators within each dimension are weighted equally.

Step 3: The Aggregate Deprivation Cut-Off

The subjective poverty score of each household is calculated with the help of a weighted sum of the number of deprivations, so that the subjective poverty score for each person lies between 0 and 100. The score increases as the number of deprivations of the person increases and reaches its maximum of 100 when the respondent is feeling poor in all component indicators. A person who does not feel poor in any indicator, receives a score equal to 0. Thus, the value of 0 indicate non-subjective poor at all on the selected indicators. While, the value of 100 indicate subjective poor based on the selected indicators. The next step is to determine the poverty cutoff for multidimensional measures are the share of weighted indicators in which a person or household must be deprived in order to be identified as subjective poor.

Step 4: Formulation of Subjective Poverty Index
After determining the indicators to be included in the Subjective Poverty Index, the weighing of each indicator will be calculating to determine the contribution of each indicator. Equal weights across dimensions also ease the interpretation of the index for policy, to the extent that Atkinson et al (2002) recommend that dimensions be chosen such that their weights can be roughly equal. The total weightage of the indicators would be 100. The formula for the subjective poverty index is as below:
SPI= W1Z1 + W2Z2 + …….+WnZn x100%
Where Z1,Z2….Zn are determinants of subjective poverty and W1,W2….Wn are the weightage.

Intensity of subjective poverty is negligible if household score is less than 20. Moderate subjective poor if household score is between 20 and 50. High subjective poor if household score is more than 50 but less than 75. Very high subjective poor if the household score is more than 75.

Example:
SPI= W1Z1 + W2Z2+W3Z3+……. = 0 (non-subjective poor)
SPI= W1Z1 + W2Z2+W3Z3+……. = 100 (subjective poor)

Finally, to utilized the proposed SPI in the multifaceted poverty measurement. Comparing the determinants of poverty across different poverty measures allows us a better understanding of the roles and robustness of various determinants of poverty. It also helps us to detect the key determinants that policy initiatives should focus on. It should also widen the perspective of Indonesian policy makers in proposing poverty alleviation policies.

For this study, five different cut-off points were chosen to show how these different cut-offs would have impact on the overall identification of the poor group by the SPI. After determining the indicators to be included in the Subjective Poverty Index, the third step was determining the weightage of the dimensions. The total weightage of the indicators would be 100. The indicators of SPI are assigned equal weight. All dimensions are weighted equally and then all indicators within each dimension are weighted equally. Lastly, the fourth step was to formulate the SPI. The formula for the subjective poverty index is as below:

SPI=(A1*4.77)+(A2*4.77)+(A3*4.77)+(B1*14.3)+(C1*7.15)+(C2*7.15)+(D1*14.3)+(E1*3.58)
+(E2*3.58)+(E3*3.58)+(E4*3.58)+(F1*14.3)+(G1*7.15)+(G2*7.15)

Where
A1 = Able to work but inactive; A2 = Able to work but not able to get suitable work; A3= Working but odd income; B1 = Lack of education; C1 = Not working; C2= Working but odd income; D1= unable to work due to poor health; E1=Spouse not working; E2=Spouse working but insufficient income; E3 =Adult children not working; E4 =Adult children working but income not sufficient; F1 = No family members help to provide financial expenses; G1 = Inability to pay monthly rent and G2 = Inability to pay back bank loan.

The SPI proposed in the present study consists of seven dimensions. Table 1 is the template which shows how the SPI could be computed by zakat institutions to determine whether a household is poor or not.
Table 1. Computation of SPI

| Dimensions (a)       | Indicators (b)                                             | Weightage (c) | Score (0-not deprived, 1-deprived) (d) | Score (c) x (d) |
|----------------------|------------------------------------------------------------|---------------|----------------------------------------|-----------------|
| Ability to work      | Able to work but inactive                                  | 4.77          |                                        |                 |
|                      | Able to work but not able to get suitable work             | 4.77          |                                        |                 |
|                      | Working but odd income                                     | 4.77          |                                        |                 |
| Level of education   | Lower level of education                                   | 14.3          |                                        |                 |
| Status of employment | Not working and no income                                  | 7.15          |                                        |                 |
|                      | Working but insufficient income                            | 7.15          |                                        |                 |
| Health status        | Unable to work due to poor health                          | 14.3          |                                        |                 |
| Other source of income | Spouse not working                                         | 3.58          |                                        |                 |
|                      | Spouse working but insufficient income                     | 3.58          |                                        |                 |
|                      | Children (adult) not working                               | 3.58          |                                        |                 |
|                      | Children (adult) working but income insufficient           | 3.58          |                                        |                 |
| Moral support        | No family members support financial expenses               | 14.3          |                                        |                 |
| Financial stress     | Inability to pay house rent                                | 7.15          |                                        |                 |
|                      | Inability to pay loan                                      | 7.15          |                                        |                 |

Columns (a) and (b) are the dimensions and their respective indicators, while column (c) presents the weightage of each dimension. If a household is deprived in any indicator, a score of 1 would be assigned and score 0 shows that a household is able to fulfil the needs of a particular indicator.
or variable. Then, the score of each indicator is computed in the score column by multiplying the weightage of a particular indicator with the score assigned, whether 1 or 0. Finally, the scores of all indicators are finally totalled up to give the total score or TWI. This score, which is between 0 and 100, gives the score for each household. Then, the TWI would be compared with the cut-off points to determine whether the household is poor, destitute or not poor. This table could be used by policy makers to determine whether each household is poor or not.

**Analysis and Findings**

Adapted from Sulaiman, Azman and Khan (2014) in their study on Multidimensional Urban Poverty Index (MUPI), the score used in this study ranged from 0 to 100. Thus, 0 means no deprivation at all on the selected indicators. While, 100 means subjective poverty deprivations based on the selected indicators. Intensity of multidimensional deprivation is negligible if household score is less than 20. Moderate multidimensional deprived if household score is b/w 20 and 50. High multidimensional deprived if household score is >50 but less than 75. Very high multidimensional deprived if the household score is > 75.

**Table 2. Subjective Poverty Score**

| Score | Intensity | Subjective poverty deprivation | Status of Subjective Poor |
|-------|-----------|--------------------------------|--------------------------|
| 0     | No deprivation | 7                              | 112                      |
| < 20  | Low       | 105                            | Non-Poor                 |
| 20-50 | Moderate  | 257                            |                          |
| >50   | High      | 118                            | 396                      |
| >75   | Very high | 21                             | Poor                     |

Table 2 illustrates status of subjective poor of respondents. A score of less than 20 is considered as non-poor. Meanwhile score of 20 or more are considered as poor. 396 respondents (78.1%) are considered as poor. 139 or 35.1% of the poor can be categorized as very poor from subjective measurement approach.

**Figure 1: SPI Individual Score for Overall, and district of Central Melaka, Jasin and Alor Gajah.**

| Overall individual score for State of Melaka | SPI Individual Score for district of Central Melaka |
|---------------------------------------------|----------------------------------------------------|

![Graph 1](image1.png)  
![Graph 2](image2.png)
Findings from the study reported that Melaka as a whole experience moderate level of subjective poverty with a mean of 37.69 which is at the mid-level of moderate subjective poor (between 20-50 score). Of the three districts, Jasin has the highest score of subjective poverty but it still considers as moderate level of subjective poor. This could be explained by the fact that Jasin is the least developed districts in the state of Melaka. While district of Central Melaka and Alor Gajah exhibited SPI individual score close to the state mean of SPI.

**Conclusion**
The current monetary approach is questioned to be incapable to reflect the multidimensional nature of poverty. As a result, policy makers and researchers in developed country decide on using other approaches such as capability and social exclusion approaches which are multidimensional in nature that includes non-monetary indicators. The need for subjective indicators must also be judged against the limitations of objective indicators. The choice of dimensions and indicators to be included in the measurement of proposed Subjective Poverty Index is guided both by common empirical practice as well as particular data considerations for Malaysia. Thus, by using the subjective poverty index, through this study, it was found that of the three districts, Jasin has the highest score of subjective poverty but it still considers as moderate level of subjective poor.

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CHAPTER 4

Entrepreneurship Learning In Baznas Educational School Students To Infuse The Zakat Value

ZAKAT

1.1. Zakat and Its Position in Islam

Zakat according to Language means blessing, growing, clean. As far as fiqh means that a certain amount of property required by Allah is left to those who are entitled (Qardhawi, 2011). Zakat is one of the most widely mentioned services in the Koran and among them is juxtaposed with prayer. The word zakat is called thirty times in the Holy Qur'an and twenty-seven of them are juxtaposed with the command of prayer. This is what makes the position of zakat in Islam so important. In its own pillars of Islam, zakat occupies the third pillar of Islam. In history it was noted that Abu Bakr had fought people who did not pay zakat (Qardhawi, 2011). Zakat in Islam is not just a virtue and good deed, but is something fundamental.

The presence of zakat orders for Muslims is one proof that Islam pays attention to the condition of the needy and the poor. Zakat helps destitute and poor people to a noble life if they are weak. Zakat protects people from being devastated by inadequacies and weaknesses in a country (Zuhaili, 2007). Because of the importance of the position of zakat in Islam, Allah commands to take zakat. As written in the Al- Quran the meaning of the letter Take zakat from some of their assets, with the zakat you cleanse and purify them and pray for them. Verily your prayer will be the peace of mind for them. And Allah is Most Powerful, Knower (Q. At-Taubah: [9]: 103).

According to Prof. Dr. DidinHafidhuddin zakat is maaliyah worship where there is a social function in the welfare of society. According to him the practice of managing zakat in the time of the Prophet and his companions, was carried out by an official, trustworthy, integrated and trustworthy institution (Mardian, 2018).

1.2. Objectives and Impact of Zakat

Zakat which Allah has set in Islamic rules has a purpose in the form of values of life, good for individuals and people's lives. The purpose of zakat is not just material, or just spiritual. But it includes two things, namely material and spiritual. Zakat also has values that are good for mentality and morality (Qardhawi, 2011).

1.2.1. Purpose and Impact of Zakat for Personal

First, zakat is able to purify the soul from the miserly nature, because the zakat issued by muzaki aims to obey Allah's commands, and purify oneself from stinginess. Humans are commanded by God to work in order to pick up sustenance. This also raises a sense of desire to have for what they have done (Qardhawi, 2011).
Because of the miserly nature that will become human nature if they have something, then zakat shari'a becomes one of the ways to eliminate stinginess. The Messenger of Allah has warned about the dangers of misery. Like the hadith below:

“Fear you all at the stingy nature. Surely the destruction of the people before you because of this miserly nature They were ordered to be stingy, then they were stingy. They were ordered to break the relationship of brotherhood, then they also broke the fraternity. They are ordered to do persecution, and then they do persecution (H.R Abu Daud&Nasa'i). "

One indicator of someone who is pure from miserly behavior, seen from mercy and teacher. When a person is accustomed to giving, his joy will appear without any coercion and giving that is given solely to Allah. With zakat, it also produces something from compliance with assets owned. Because Allah regulates that humans only apply to Allah, not to others (Qardhawi, 2011). The Second Zakat aims to educate in giving. As zakat can purify oneself for those who pay it. Zakat also educates so that a Muslim has a sense of giving. Someone who has been educated in giving, every issue is a proof of affection for his brother and gives goodness in the framework of the benefit of the people and is very far away from the behavior of taking or seizing the property of others.

Allah promises that those who are accustomed to giving will prepare it in an easy way. According to the letter in the Holy Qur'an which means“As for those who give (their wealth in the way of Allah) and fear. And let the best gift (heaven). Then we will prepare it in an easy way (Q.S. Al-Lail: [92]: 5-7” The third goal of zakat is to make human morality with Allah's morality. When humans are pure from stinginess and are ready to give. So he is almost close to the nature of God. Because one of the attributes of Allah is all-loving and merciful through zakat will cultivate the morality of generosity and virtue. (Qardhawi, 2011).

The purpose of the next zakat is zakat which can attract sympathy or love. Zakat is binding between rich people and people in need. Then there will be harmonization in the community. With strong ties will lead to a sense of brotherhood and mutual help. If those who are indigent know that someone who is rich has given him wealth, they will surely pray for the person who gave him. The purpose of zakat is then zakat can develop property. Logically every asset we have spent should reduce our assets. But for people who understand, behind the reduction of assets in zohir. The essence will increase and develop as a whole will increase the wealth of people who have fulfilled zakat. Indeed the assets that have been spent will return to the recipient in multiples.

1.2.2 Objectives and Impact of Zakat for the Community

The social impact of the zakat target is undoubted, because the group entitled to receive zakat funds is a group that needs help. So the first impact of zakat is the emergence of social responsibility. If we help one of the Asnaf from the recipient of the zakat, even though it is personal. But it has a social impact, because between individuals and society cannot be separated. Zakat itself is one part of the rules of social security in Islam. Islam introduces these social security rules in a larger scope. That includes material and spiritual life.
This social security system had never existed in the western world, it was officially declared in 1941 when an agreement was reached in the Atlantic Treaty, to provide insurance to each individual. This is evident, that Islam precedes the concept of social security from western countries with a long period of time (Qardhawi, 2011). The purpose of other zakat is for the benefit of the community in economic matters. Everyone who has received zakat will have a positive impact on the economy. A person who does not have purchasing power will change when he gets zakat. They will also compete to improve the economic condition of their families. In order to be able to become a person who pays zakat.

2. ENTREPRENEURSHIP

Entrepreneurship comes from the word entrepreneur which actually comes from the word wira which means brave, primary, noble. Business means commercial and non-commercial business activities. So in language, entrepreneurship can be interpreted as a courage that is taken by someone to do an independent business (Wibowo, 2011). Entrepreneurship is an attitude, soul and noble spirit in a person to be creative and innovative and beneficial to society. This mentality of entrepreneurship must be owned by everyone, not limited to entrepreneurs. Characteristics of an entrepreneur include: having confidence and being able to be positive about themselves and their environment. Behave leaders, initiative, creativity, innovation and hard work. These characteristics can be realized in choosing the type of business, managing production, directing employees, developing marketing, improving financial management and cooperating with business partners (Suryana, 2003).

3. INTRODUCTION OF SEKOLAH CENDEKIA BAZNAS

As one of the zakat managers in Indonesia, BAZNAS has several excellent programs. This is done as one of the responsibilities to donors who have donated their property in the form of zakat, infaq and alms. The distribution program which is the flagship BAZNAS in the field of Education. One of them is through the free Education program for the level of the Junior High School called Sekolah Cendekia BAZNAS.

Sekolah Cendekia BAZNAS is a free school for underprivileged children from all over Indonesia. Sekolah Cendekia BAZNAS is located in the Cirangkong village, Cemplang village, Cibungbulang District, Bogor Regency, West Java. Sekolah Cendekia BAZNAS was established for the participation of three institutions, first the Siti Hajar Sujai Foundation as a land representative, the second Qatar Charity as a donor in the construction of school facilities and BAZNAS as program managers.

Sekolah Cendekia BAZNAS was formed as a model of Islamic schools that have a vision of building character and optimizing potential for all school communities. Every year Sekolah Cendekia BAZNAS receives sixty students from all over Indonesia. Those who entered Sekolah Cendekia BAZNAS have gone through several stages of selection. Starting from file selection, academic tests, psychological tests, reading the Holy Qur'an and factual surveys.
One of the activities carried out by SekolahCendekia BAZNAS is to realize the vision of optimizing potential. SekolahCendekia BAZNAS makes several extracurricular activities a place for students to channel their talents. Extracurricular activities at SekolahCendekia BAZNAS such as Silat, Saman Dance, Futsal, Petanque, Teen Red Cross, MIPA Club, Panahan, Marawis and Cendekia Entrepreneur Club.

Potential development is also carried out through teaching and learning activities, a curriculum that is applied in a combination of national curriculum and school curriculum. Like Social Sciences lessons, students not only study in class. When about economics, they are directly involved in production and distribution through market day activities. Other lessons such as workshops, students are invited directly to land preparation, planting to harvest. A variety of activities are carried out as a way to realize the school's vision and mission. SekolahCendekia BAZNAS is a school based and facilitates the process of fostering student character. Activities carried out starting from Islamic studies, independence, discipline and cooperation.

4. ENTREPRENEURSHIP LEARNING THROUGH THE SCHOLAR ENTREPRENEUR CLUB

Entrepreneurship is one of the most important factors in the economic structure, because the presence of entrepreneurs will create new jobs and be able to accelerate economic growth. The ideal condition for a developed country must have entrepreneurs as much as 5% of the total population. Indonesia only has 0.18% of the total population who are young entrepreneurs (Sirine, 2011). This condition has encouraged SekolahCendekia BAZNAS to form an extracurricular that focuses on developing young entrepreneurs. Scholar Entrepreneur Club is one of the typical extracurricular activities of SekolahCendekia BAZNAS. Because it is still very rare to find entrepreneurial extracurricular activities formed by schools. Cendekia Entrepreneur Club is a transformation from cooperative school activities, because the discussion is wider than the cooperative so Cendekia Entrepreneur Club is an important thing to be formed. To facilitate student interest in the field of entrepreneurship. Cendekia Entrepreneur Club was founded in August 2018 which was initiated by co-operatives, to optimize the potential of students in the field of entrepreneurship. Many activities have been carried out by Cendekia Entrepreneur Club as a form of stages and student learning. Extracurricular selection at SekolahCendekia BAZNAS is free depending on student choice. The goal is that they can choose their interests and can focus on self-development in their chosen extracurricular activities.

Students who choose Scholar Entrepreneur Club as a place to channel their interests are nine people. Motivation for selecting Scholar Entrepreneur Club due to their background who are used to selling. The following are data from members of the Scholar Entrepreneur Club

Table 1. List of Experiences of SekolahCendekia BAZNAS Students in Entrepreneurship

| No | Name | Origin  | Experience       |
|----|------|---------|------------------|
| 1. | Salsabila | West Java | Selling Clothing |
| 2. | Nisa   | West Java | Selling Beverages |
| 3. | Fitri  | West Java | Selling Food     |
Family economic limitations are one of the factors that make them have to sell. Because all students of SekolahCendekia BAZNAS are from the poor. This is one of the important capital in the process of becoming an entrepreneur. They have a strong determination to change the condition of their families by entrepreneurship. But due to a lack of understanding of business management, they only make the business an addition to meeting needs. There is no sustainability in the efforts they make.

Then several activities are carried out to support students' abilities in entrepreneurship. The following are the activities that have been carried out:

4.1. Understanding of Business Mindset

The first step is to do business understanding. Practically they already have experience, just understand the business mindset. This activity is carried out with discussions between members, we do it once a week every Monday. In this activity material is usually given about business. One that is often conveyed is related to the purpose of doing business. The business that is built must be based on strong goals, so as to be able to encourage the santri to expand their business. The business objectives built by Cendekia Entrepreneur Club members are not limited to selling. But there is a value of helping people.

Please help in providing goods and services to customers. And the most important activities in helping businesses will be paid. In one business activity that is built, there will be two things we get. The first is helping others fulfill their needs and the second getting money. When this mindset has been built, then every item we produce must be halal and thoyib. In the discussion activities, students were invited to reflect on their attendance at SekolahCendekia BAZNAS using zakat funds. So every activity we do must be of good value. Do not let the vision of students to become entrepreneurs will make it even more arrogant because it has wealth. This is what is straightened out so that they become young entrepreneurs who have social souls or social entrepreneurs.

By linking zakat funds that we make as a source of funds in the learning process to become entrepreneurs. So the students are invited to have the determination to become successful entrepreneurs in the future. And after they succeed, they can donate the wealth they get from the zakat fund.

4.2. Training

Training activities are carried out so that they get insights related to various businesses. They were given some training so that they could see business opportunities. They are also taught in
the production of a product, from choosing materials to the manufacturing process. The training activities that have been carried out are as follows

Table 2. List of Entrepreneurship Training at SekolahCendekiaBAZNAS

| No | Training                                      | Year | speakers                        |
|----|----------------------------------------------|------|---------------------------------|
| 1. | Training on making Pasteurized milk and Yogurt| 2017 | Helmi Nursiwan, S.Pt           |
| 2. | Chicken cultivation training                 | 2017 | M Roni, S.Pt                   |
| 3. | Catfish cultivation training                 | 2017 | Atin Rina, S.Pi                |
| 4. | Screen printing training                     | 2018 | Rafli                           |
| 5. | Training on making banana rockets            | 2018 | Kamal Ibrahim                  |
| 6. | Training on making cireng food               | 2018 | Novi Liani                     |
| 7. | Training on packaging juice                  | 2018 | Kamal Ibrahim                  |

The training is filled by speakers who are experienced and have the ability in business. In training activities, students are taught from the starting steps to direct practice.

4.3. Product Making

![Picture 1 Products created by students SekolahCendekia BAZNAS](image)

As one of the follow-up of the training that has been carried out, members of the Scholar Entrepreneur Club are asked to make the product. They are divided into two groups, one group produces banana rockets and one group produces bottled juice. Before making a product, they were tested to make a business feasibility test, the purpose of which is that their business is not just running but there is a basis that is used as a reference in managing the business.

Table 3. Products created by students SekolahCendekia BAZNAS

| Brand Identity | Pisang Roket( PIKET ) |
|----------------|------------------------|
| Advantages     | The advantages of banana rockets are available in two forms. Frozen food and selling are mature, frozen food is intended |
so that buyers can bring home and enjoy it at home. And long lasting if stored in the freezer. As for the ready-to-serve conditions, it is easier for people who want to enjoy the menu.

| Market segment | Children aged 10-17 years and adults |
|----------------|-------------------------------------|
| Selling price  | IDR 10,000 (per pack for frozen food) IDR 8,000 for ready-to-eat food |
| Production price | IDR 5,000 (one serving) |

**Brand Identity** | Super Juice
---|---
**Advantages** | The juice we make with attractive packaging and friendly prices. This will make it easier for buyers who want to eat fruit in other ways.

| Market segment | Age 10 - 40 years |
|----------------|-------------------|
| Selling price  | IDR 5,000 |
| Production price | IDR 3,500 |

### 4.4. Business Visit

Business visits are carried out so that students can learn from entrepreneurs who are already successful. Business visits that have been made are like a business visit to De Kandang Amazing Farm. There students learn in livestock businesses and also processed livestock products, ranging from cows, sheep and goats. They were also invited to see directly the process of care for livestock there. Other business visits with comparative study activities with Depok Young Entrepreneurs School. They conduct discussions and cooperation in developing entrepreneurial interests in the school environment. One of the collaborations that has been established is, the Depok Young Entrepreneur School has received training from members of the Scholarship Entrepreneur Club to make banana rockets. And they will become a branch for Banana Rocket Scholar Entrepreneur Club.
4.5. Practice field

Field practice is the most important thing, because they are invited to jump directly into the business. To arouse their business instincts. The activities that have been carried out are as follows

4.5.1. Honesty Cafeteria

The limited time they have, because they still have to take part in learning activities at school. But the desire of their business to help their friends to fulfill their needs is enormous. Then an honesty canteen was formed which was opened by the school cooperative. The honesty canteen is opened at 07.30-16.00, honesty canteen sells various snacks and drinks. Those who want to buy in the honesty canteen can serve themselves. Because there are no guards who can help their transactions.

4.5.2. Direct Selling

Direct selling activity is a routine activity every 1 month, the goal is for members to have skills in promotion. Offering goods to people directly will educate their mental courage and trust in the products they have made. Direct selling is usually done on holidays so as not to interfere with teaching and learning activities.

4.5.3. Online Sales

Along with the development of the times, then an entrepreneur must also be able to adjust the times. A growing trend in the world of marketing is digital marketing. Using digital marketing as one of the marketing media will help promote. Activities that have been carried out by Scholar Entrepreneurs Club carry out promotions through Fan Page and WhatsApp.

4.6.4. Shopping and Sharing Program

One of the excellent programs of Cendekia Entrepreneur Club is a shopping and sharing program. This program is one of the educational facilities for members of the Scholar Entrepreneur Club. Every asset we get has the rights of others, so the benefits we get must be given to people in need. This is an added value for them, at Cendekia Entrepreneur Club they are taught to be entrepreneurs who have social souls. And it becomes one of the encouragement for them, even though they are from a disadvantaged condition. Not an excuse for not being able to help others. The shopping and sharing program was first held in May 2018. In the framework of the Scholar Entrepreneurship Education Day, the club sells chocolates caring for education. We invite all customers to help the poor, by providing school equipment. In this program, Cendekia Entrepreneur Club distributed aid in the form of school equipment to 30 students in the Bogor Regency. The school equipment was purchased from the proceeds of selling chocolate for 1 month, the total assistance provided was Rp. 1,200,000. The second activity is to provide assistance to the Palestinian people. Submission of this assistance was immediately received by the National Amil Zakat Agency in a series of Ramadan events in Jakarta. The total assistance provided amounted to Rp 700,000, the proceeds from the sale of chocolate in June.
5. IMPACT OF ENTREPRENEURSHIP LEARNING ON ZAKAT VALUE

Entrepreneurship learning conducted at SekolahCendekia BAZNAS has become one of its specialties. Hope with this entrepreneurial learning, so that entrepreneurship is attached to the loyal graduates of SekolahCendekia BAZNAS. In addition, entrepreneurship invested in BAZNAS Scholarship through the Scholar Entrepreneur Club activities has a zakat value spirit. The first value built is awareness of students, when we want to help others. Ideally our condition is better than the people we help. By becoming an entrepreneur, we are able to support our own needs and empower others. When they have started to get the results of the entrepreneurship they have done. So they will be led to start giving some of their profits to people in need. This is so that they are able to subdue the lust of stinginess. The shopping and sharing program is one step in educating in giving. Early on, it is taught that the assets we get, there are other people's rights. Although the amount obtained is not much, it has begun to get used to giving. The program also trains students to bring sympathy to others. And produce love or care about the conditions of others.

So that comes the last value, which is to bring up the habit of morality with Allah's morality. This is the last stage of the learning process that has been carried out. And it is the output of SekolahCendekia BAZNAS which is building positive character. Because zakat is able to create good habits for the muzakiny to have morality with Allah's morality. Another impact was felt when the Scholar Entrepreneur Club activities were carried out. Will affect SekolahCendekia BAZNAS environment in general. The emergence of entrepreneurial spirit among students of SekolahCendekia BAZNAS besides members of the Cendeki Entrepreneur Club. They are motivated to have a business because they see the results that have been obtained by members of the Scholar Entrepreneur Club. And for this community is the social responsibility that has been given by SekolahCendekia BAZNAS to the surrounding environment. SekolahCendekia BAZNAS grows with the community, to get together in a better direction. Entrepreneurship development and promoting the value of zakat have a correlation, the spirit of becoming a social entrepreneur will help students to understand the values of zakat.

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PENDAHULUAN

Zakat berperanan besar dalam membangunkan pendidikan terutama kepada anak-anak golongan fakir dan miskin bagi membantu mereka mendapatkan pendidikan yang sempurna. Isu penyediaan dan peluang pendidikan yang adil terhadap kanak-kanak atau remaja terutama golongan anak-anak fakir dan miskin menjadi perhatian di Malaysia secara khususnya dan masyarakat dunia secara umumnya (Azman & Ainatul, 2015).

Sebagai sebuah negeri yang mempunyai 80% masyarakat muslim (78% etnik Melayu dan 2% lain-lain etnik) yang bertaraf warganegara (Jabatan Perangkaan Malaysia, 2017), zakat dilihat sebagai satu sumber kewangan yang mampu membangunkan masyarakat dalam meningkatkan peluang pendidikan kepada masyarakat muslim khususnya kepada golongan fakir dan miskin. Ia merupakan medium yang mampu menangani isu penyediaan dan peluang pendidikan sekaligus meningkatkan syiar syariat Islam (Norfariza Mohd Radzi et al., 2015)

Bersesuaian dengan firman Allah SWT dalam Surah At-Taubah ayat 60 yang bermaksud:

“Sesungguhnya zakat-zakat itu hanyalah untuk orang-orang fakir, orang-orang miskin, amil zakat, yang dijinakkan hatinya (muallaf), untuk memerdekakan hamba sahaya, orang-orang yang berhutang, untuk yang berada di jalan Allah, dan orang-orang yang sedang dalam perjalanan, sebagai suatu ketetapan yang diwajibkan Allah; dan Allah Maha Mengetahui lagi Mahabijaksana.”

Kesemua golongan asnaf kecuali asnaf amil dan asnaf ar-riqab kebanyakannya terdiri daripada pelajar samada di peringkat sekolah rendah, sekolah menengah dan institusi pengajian tinggi. Golongan asnaf fakir dan miskin juga berhak mendapatkan peluang pendidikan walaupun mengalami masalah kewangan untuk membayar yuran pengajian. Terdapat banyak kes yang melibatkan golongan fakir dan miskin yang berhenti sekolah dan tidak dapat meneruskan persekolahan disebabkan oleh masalah kewangan (Azman & Ainatul, 2015).

SOROTAN KAJIAN

Menurut hasil kajian yang dilakukan oleh Yang Jiang, Mercedes Ekono & Curtis Skinner (2015), menemui sebanyak 48% kanak-kanak yang berada dibawah umur 18 adalah mereka yang tergolong dalam golongan keluarga yang berpendapatan rendah (kadar kemiskinan) di United State. Ini merupakan suatu kebimbangan dalam kalangan masyarakat di United Stateuntuk membangunkan kelompok ini keluar dari kemiskinan.

Hal ini turut dinyatakan oleh Azman dan Siti Martiah (2014) dalam kajian yang melibatkan dana zakat dalam pendidikan asnaf, kebanyakan golongan asnaf terdiri dari kalangan pelajar kitaran umur 7 tahun hingga 18 tahun. Kenyataan ini disokong oleh Azman dan Ainatul
(2015) dengan menyatakan bahawa terlalu banyak anak-anak asnf yang terdiri dari kalangan umur 7 tahun hingga 18 tahun.

Zakat merupakan instrumen yang ditetapkan oleh Allah menjadi rukun Islam ketiga untuk menegakkan keadilan ekonomi dan sosial. Zakat memainkan peranan yang sangat penting dalam membantu golongan fakir dan miskin terutama untuk mengeluarkan mereka dari kepompong kemiskinan (Nurul Hidayah, S.Salahudin & Norajila, 2014).

Bagi mencapai objektif zakat, institusi zakat negeri-negeri berperanan untuk menyediakan pelbagai mekanisme agihan zakat kepada asnf yang terlibat khususnya asnf fakir dan miskin untuk meningkatkan sosio-ekonomi ummah terutama untuk mengubah taraf hidup asnf yang terlibat. Pelbagai cadangan dan saranan terhadap usaha membangunkan asnf terutamanya dari segi pendidikan. Hal ini disokong oleh Mahyuddin (2012) yang menerangkan berkenaan dengan pengaplikasian konsep maslahah dalam menentukan mekanisme pengagihan wang zakat. Menyediakan peluang pendidikan kepada asnf merupakan langkah terbaik bagi membangunkan asnf dan akhirnya mengeluarkan mereka dari kepompong kemiskinan.

Azman & Siti Martiah (2014) dalam kajiannya menyenaraikan bantuan-bantuan pendidikan mengikut negeri-negeri di Malaysia. Bermula dari bantuan yuran, peralatan pengajian sehingga bantuan wang saku sebagai galakan untuk terus belajar. Bantuan ini meliputi di peringkat sekolah rendah, sekolah menengah, Institut Pengajian Tinggi dalam negara dan luar negara.

METODOLOGI KAJIAN

Kajian ini menggunakan pendekatan kualitatif dengan menjalankan kajian dokumen yang menggunakan kaedah induktif dengan merujuk rujukan data kemiskinan zakat kedah, manual dan laporan tahunan zakat. Penyelidikan secara kualitatif ini adalah untuk meneroka bantuan pendidikan yang diberikan oleh Lembaga Zakat Negeri Kedah kepada golongan asnf menerusi projek Sekolah Zakat Kedah yang diharapkan mampu memperbaiki taraf hidup mereka.

Metode Pengumpulan Data

Kaedah pengumpulan data dalam kajian ini ialah melalui kajian perpustakaan (library research). Data diperoleh menerusi rekod dan dokumen yang bertulis. Antara bahan rekod dan dokumen bertulis yang dijadikan rujukan ialah bahan bacaan yang berkaitan dengan zakat, kajian-kajian lalu, laporan tahunan zakat, buletin, data kemiskinan zakat Kedah dan sebagainya yang berkaitan.

DAPATAN MAKLUMAT KEMISKINAN

Kajian ini dimulakan dengan mengenal pasti kelompok anak-anak asnf yang terdiri dalam lingkungan umur persekolahan. Mengikut data kemiskinan zakat Kedah, seramai 14,778 keluarga menerima bantuan bulanan bagi seluruh negeri Kedah. Manakala seramai 15,397 orang daripada 37,428 orang tanggungan yang berumur 7 tahun sehingga 18 tahun.

Jadual 1: Jumlah tanggungan oleh keluarga asnf dari umur 7 tahun sehingga 18 tahun
BANDAR | 7-12 TAHUN | 13-18 TAHUN
---|---|---
Baling | 934 | 961
Bandar Baharu | 200 | 245
Kota Setar | 1804 | 1799
Kuala Muda | 1316 | 1462
Kubang Pasu | 568 | 468
Kulim | 606 | 635
Langkawi | 90 | 117
Padang Terap | 373 | 415
Pendang | 557 | 643
Pokok Sena | 352 | 412
Sik | 463 | 604
Yan | 200 | 173
**JUMLAH** | **7463** | **7934**

Mengikut data tanggungan di atas menunjukkan sejumlah besar anak-anak asnaf di negeri Kedah yang masih berada dalam kemiskinan dan perlu diberikan perhatian dengan membantu memastikan mereka tidak terlepas dari mendapatkan pendidikan yang baik.

**KERANGKA HALATUJU SEKOLAH ZAKAT KEDAH**

Tumpuan utama LZNK adalah untuk memastikan keberkesanan agihan zakat melalui skim pendidikan. Pembasivan kemiskinan merupakan perkara yang perlu dititikberatkan supaya selari dengan matlamat zakat disyariatkan. Menurut Al-Qardawi di dalam bukunya “Bagaimana Cara Islam Menyelesaikan Masalah Kemiskinan”, zakat tidak berfungsi sebagai suntikan penenang yang boleh meringankan derita untuk beberapa saat tetapi sebagai ubat penyembuh yang boleh membasi penyakit sehingga akar umbinya (Mohamed Izam, 2011).

Tahun 2018 merupakan langkah pertama LZNK merangka satu pendekatan yang berani apabila memperuntukkan suatu peruntukkan yang besar dalam membangunkan Sekolah Zakat Kedah. Penawaran sekolah zakat ini merupakan agenda besar membantu anak-anak asnaf, pengurus sekolah dan membuka peluang pekerjaan kepada masyarakat.

LZNK mensasarkan sebuah sekolah zakat di setiap daerah di negeri Kedah menjelang tahun 2022. Sasaran ini adalah dengan andaian dapat menampung sekurang-kurangnya seramai 6000 orang anak-anak asnaf yang layak di 12 daerah di negeri Kedah. Hal ini selari dengan isu keciciran dalam pendidikan yang seringkali dibincangkan dengan serius sejak tahun 1960an lagi. Menurut kajian, 40% pelajar sekolah di Malaysia mengalam keciciran pelajaran. 35% daripadanya adalah pelajar dari Tingkatan Satu sehingga Tingkatan Tiga (Murad Mohd Noor, 1973).

Berdasarkan Laporan Murad 1972 menyimpulkan bahawa anak-anak yang berasal dari daipada keluarga yang berpendapatan rendah sering tercicir dalam pelajaran kerana ketidakmampuan ibu bapa menyekolahkan mereka. Selain itu, taraf kelulusan ibu bapa yang rendah turut memberi pengaruh keatas kesedaran mereka terhadap kepentingan pendidikan dalam kalangan anak-anak (Zakiyyah Jamaluddin, 2011). Meskipun telah banyak peruntukkan kerajaan Malaysia untuk membangunkan pendidikan, namun golongan asnaf fakir dan miskin sering kali terpinggir dari mendapatkan perhatian untuk mengeluarkan mereka dari kepompong kemiskinan (Azman & Siti Martiah, 2014).
Selain daripada membantu anak-anak asnaf, sasaran membangunkan sekolah zakat adalah untuk menyelamatkan operasi sekolah daripada ditutup. Hal ini kerana, LZNK menawarkan kepada pengambilalihan pengurusan sekolah kepada sekolah-sekolah yang dilihat sukar beroperasi disebabkan oleh kekangan kewangan. Pengambilalihan pengurusan sekolah bermaksud LZNK membiayai sepenuhnya kos pengurusan guru, pengurusan sekolah dan kos yang melibatkan pelajar. LZNK sebagai tuan baru untuk menyelamatkan operasi sekolah dari ditutup. LZNK menawarkan kepada pengambilalihan pengurusan sekolah bagi menaik taraf tahap pembelajaran yang lebih baik.

Menerusi wujudnya sekolah zakat di setiap daerah ini, dijangka mampu untuk membuka sekurang-kurangnya 600 peluang pekerjaan kepada masyarakat sekitar. Antara peluang pekerjaan yang ada ialah guru, pengawal keselamatan, perusahaan makanan di kantin, tukang keceriaan sekolah, pemandu kenderaan pelajar dan banyak lagi. Semua ini akan diperolehi oleh asnaf fakir dan miskin yang layak dan lulus pemilihan diperingkat LZNK.

**SEKOLAH ZAKAT KEDAH**

Sekolah Zakat Kedah dijenamakan sebagai Maahad Dini Sultan Abdul Halim. Sekarang telah beroperasi sepenuhnya di bangunan sekolahnya sendiri di Jalan Suka Menanti, Alor Setar. Sebelum LZNK mengambil alih pengurusan sekolah, Maahad Dini dibawah pengurusan Persatuan Pelajar Timur Tengah. Disebabkan oleh kekangan kewangan, LZNK menawarkan pengambilalihan pengurusan sekolah bagi menaik taraf tahap pembelajaran yang lebih baik.

Lembaga Pengarah LZNK bersetuju untuk membiayai kos sebanyak RM11juta bagi menyia-kan bangunan sekolah yang terbengkalai sejak lama di Suka Menanti. Dengan tambahan peruntukan pertama untuk pengurusan sekolah sebanyak RM6.6juta, Maahad Dini dapat beroperasi sepenuhnya dengan lancar bermula pada bulan Januari 2018.

Pengambilan pelajar sulung Maahad Dini dilakukan melalui kaedah saringan borang dan temuduga. Pelajar pelajar yang berjaya mendaftarkan diri ke Maahad Dini merupakan pelajar dari kalangan anak-anak asnaf yang mempunyai keinginan tinggi untuk belajar disamping miliki pencapaian yang cemerlang. Pengambilan pertama ini, LZNK mengambil pendekatan untuk memilih anak-anak asnaf dari 12 daerah seluruh negeri Kedah. Seramai 60 orang anak-anak asnaf fakir dan miskin berjaya mendaftarkan diri ke Tingkatan Satu di Maahad Dini Sultan Abdul Halim.

Maahad Dini Sultan Abdul Halim ke-2 iaitu cawangan Sik akan mula beroperasi pada Januari 2019. Pengambilan pelajar untuk cawangan Sik lebih tertumpu kepada daerah-daerah yang jauh dari cawangan Kota Setar iaitu daerah Sik, Baling dan Padang Terap.

**CABARAN MEKANISME SEKOLAH ZAKAT**

Terdapat beberapa cabaran dalam menjayakan projek Sekolah Zakat Kedah yang dihadapi oleh LZNK. Permasalahan yang dihadapi oleh pelajar dari golongan fakir dan miskin di negeri Kedah menunjukkan gaya hidup keluarga mempengaruhi keadaan pelajar untuk belajar. Hal ini juga dinyatakan oleh Abd Halim Tamuri et. al (2005) iaitu cara hidup mereka seperti menonton televisyen secara berlebihan, berbual kosong, memperuntukkan sedikit sahaja masa untuk mengulangkaji, menyia-kan kerja rumah, ataupun membaca bahan-bahan akademik, kerohanian dan pengetahuan am.

Antara cabaran yang dikenalpasti oleh LZNK dalam membangunkan sekolah zakat sebagaimana di bawah :
1. Wujud dikalangan anak-anak asnaf yang hanya mengharapkan bantuan kewangan semata-mata tanpa adanya usaha memajukan diri serta mengubah kehidupan keluarga.

2. Sebahagian ibu bapa tidak memberi penekanan terhadap anak-anak yang menerima bantuan pendidikan seperti galakkan kepada anak-anak untuk terus bersungguh-sungguh belajar. Malahan wujud ibu bapa yang tidak mengambil tahu langsung tentang prestasi dan pencapaian anak-anak mereka di sekolah.

3. Masih wujud kesulitan dalam penentuan fakir dan miskin. Meskipun menggunakan garispanduan kemiskinan (Had Kifayah), namun masih terdapat keraguan dalam penerimaan maklumat.

4. Terdapat asnaf yang tidak memanfaatkan bantuan yang diberikan sewajarnya dengan menggunakan bantuan seperti yuran dan peralatan sekolah untuk perkara yang tidak berfaedah.

**KESIMPULAN**

Agenda membantu golongan fakir dan miskin untuk membangunkan dan mengeluarkan mereka dari kepompong kemiskinan telah menjadi agenda nasional dan pihak kerajaan telah melakukan pelbagai program pembasmi kemiskinan. Terdapat program yang berjaya mencapai matlamat dan juga sebahagian program yang tidak berjaya disebabkan oleh cabaran-cabaran yang dihadapi agensi yang berkaitan samada dari segi permasalahan golongan sasar mahupun keberkesanan program tersebut.

Salah satu daripada tiket penting dalam mengubah kehidupan golongan asnaf terutama asnaf fakir dan miskin adalah dengan menerima pendidikan yang baik. Menerusi projek Sekolah Zakat Kedah penyelidik mendapati pelajat dapat disuntik kesedaran dan semangat ingin berjaya setelah melihat asnaf fakir dan miskin yang lain berjaya mengeluarkan keluarga mereka dari belenggu kemiskinan dan kesukaran hidup.

Projek Sekolah Zakat Kedah ini seharusnya menjadi model dan mengubah mentaliti serta persepsi golongan fakir dan miskin untuk tidak terus mewarisi kehidupan dengan kemiskinan kepada generasi yang seterusnya.

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CHAPTER 6

Mapping Of Zakat Suitability towards Sdgs

Introduction

Zakat is an Islamic financial instrument that is the duty of a Muslim in accordance with the Koran. The importance of zakat which is one of the pillars of Islam is always mentioned in parallel with prayer which shows how closely the relationship between the two. Islamic person will not be perfect except with those two things.

Zakat is a bridge to Islam. Abdullah bin Mas'ud in Yusuf Qardhawi said that Muslims were ordered to enforce prayer and pay zakat, if they did not issue zakat, their prayers would not be accepted (Qardhawi, 1995). Zakat is categorized as the maliyah ijtima'iyyah worship, which means worship in the field of property which has a very important position in building society.

The importance of fulfilling zakat is because this command contains a social mission which has a clear purpose for the benefit of the people. The intended goals include solving the problem of poverty, leveling income, increasing the welfare of the people and the state. This is what shows how important it is to pay zakat as one of the pillars of Islam. If zakat can be managed properly starting from the collection process to the distribution, zakat can increase community welfare.

Community welfare will be fulfilled through various stakeholder strategic steps. One of them is the Sustainable Development Goals (SDGs). Sustainable Development Goals are a new development agreement replacing the MDGs. The validity period of 2015-2030 (Subandi, 2017). This program has been agreed by more than 190 countries, contains 17 goals with the general goal of regulating procedures and procedures, namely a society that is peaceful without violence, non-discrimination, participation, open governance and multi-party partnership cooperation.

SDGs which consist of 17 goals with 169 targets are expected to be able to answer the underdevelopment of countries around the world, both in developed countries (excessive consumption and production, and inequality) and developing countries (poverty, health, education, protection of marine ecosystems and forests, urban areas, sanitation and the availability of drinking water). The process of formulating SDGs is very different from the MDGs. SDGs are prepared through a participatory process, one of which is through the Myworld survey (Hoelman, 2015).

One of the fundamental changes brought by the SDGs is the principle of "no one is left behind". SDGs also contain principles that emphasize equality between countries and between citizens. SDGs apply to all UN member countries, both developed, poor and developing countries. Indonesia is one of the countries participating in implementing the SDGs program.

Zakat as an instrument of economic distribution aims to alleviate people from poverty and advance the economy. Meanwhile, SDGs are one of the agreements of the world community to create a world free from poverty, a life that is dignified, fair and prosperous, and works together with each other. An ideal society that is desirable through the realization of 17 sustainable development goals (SDGs) in the coming 2030.

The purpose of zakat has strong relevance to the objectives to be achieved in the SDGs program. However, along with this there is still public doubt about the close relationship between zakat and the SDGs. The community still views that zakat as a religious activity will be difficult
to synergize with SDGs programs that focus on sustainable development. The number of SDGs programs is out of the coverage of zakat.

Theoretically, it can be seen that there is a synergy between the objectives of zakat and the SDGs themselves. Zakat itself clearly the allocation in this will be the main indicator to strengthen its function towards the SDGs. The right of zakat is given to 8 Asnaf who have been explained by Allah SWT in Al-Qur'an surat At Taubah verse 60 which means "Verily the zakat is only for people - the indigent, the poor, amil zakat, who are softened (converts), to (liberating) the slave, to (liberate) those who are in debt, to the way of Allah, and to those who are on their way, as an obligation from Allah. Allah is Knower, Wise."

The potential of zakat is very large, especially with Indonesia's strategic position as one of the countries with a majority population of Muslims providing its own opportunities that can be a figure for other countries to make zakat synergize with the SDGs. This can be achieved if there is a strengthening of the zakat movement for the SDGs so that the running of worship activities through zakat also has an impact on the achievement of SDGs which are global missions. Therefore, this study will examine in depth how the association of zakat with the SDGs and see the strength of zakat in meeting the 12 goals of the SDGs.

**Research Methods**

In this study, the author uses a type of library research, which is a series of activities relating to library data collection methods (Mahmud, 2011). According to Abdul Rahman Sholeh, library research is research that uses methods to obtain information data by placing facilities in the library, such as books, magazines, documents, records of historical stories (Sholeh, 2005) or pure library research that related to the object of research.

The author uses a content analysis model, generally interpreted as a method that includes all analyzes of the content of the text, but on the other hand content analysis is also used to describe a specific analytical approach. According to Holsti in Syamsul Ma'arif states that content analysis is any technique that is used to draw conclusions through trying to find the characteristics of messages, and is done objectively and systematically. Content analysis can also be used to analyze all forms of communication, both newspapers, radio news, television advertisements and all other documentation materials (Ma’arif, 2011).

**Discussion**

**A. Concept of Zakat**

In terms of language, according to the Arabic people, the word zakat is the basic word (masdar) of zakat which means holy, blessing, growing, and praiseworthy, all these meanings are used in translating the Qur'an and hadith (Mas'ud, 2005). According to the Shari'a terminology (term), zakat is the name for a number of certain assets that have reached certain conditions required by Allah to be issued and given to those who have the right to receive them with certain conditions (Hafidhuddin, 2002).

Zakat according to syara’ is a number of certain assets that have reached certain conditions that are required by Allah SWT to every Muslim person to be issued and given to those entitled to receive it with certain conditions as well. The purpose of a number of certain assets is the assets that must be issued by zakat which have been determined by the
Koran and Hadith, namely agricultural, trade, livestock, gold, silver and rikāz assets. As well as only those types of assets that have existed and become a source of zakat since the time of the Prophet Muhammad.

The link between the meaning of language and this term is very closely related, namely that every asset that has been issued by zakat will be holy, clean, good, blessing, growing and developing. In its use, in addition to wealth, growth and sacred character is for the soul of the person who performs zakat. That is, zakat will purify the person who issued it and gave its reward. Whereas in economic terms, zakat is an act of transferring wealth from wealthy groups to non-possessed groups.

Zakat is a worship that has a relationship with property. Mursyid (2006) explained that zakat is obligatory for people who are capable, namely people who have excessive wealth from their interests and the interests of those who are their dependents. In addition, if zakat is associated with wealth, then in Islamic teachings the property that is dizakati will grow, increase because it is sacred and blessing. Moh. David Ali formulated that the meaning of zakat is a part of the property that must be given by every Muslim who fulfills certain conditions (Ali, 1988).

Zakat is one of the pillars of Islam. The zakat law is obligatory. Zakat is the obligation of every individual (fardhu 'ain) issued by a Muslim who owns certain property, issued by himself or taken by zakat officers. Zakah comes from two kinds. The first is zakat fitrah. Zakat fitrah is the obligatory zakat for Muslims ahead of the Idul Fitri feast or during Ramadan. Zakat fitrah can be paid that is equivalent to 3.5 liters (2.5 kilograms) staple food from the area concerned. The main food in Indonesia is rice, so that can be used as zakat is in rice. The second is zakat maal. Zakat maal (wealth) is the zakat of income such as agricultural produce, mining proceeds, marine produce, business income, cattle products, findings, gold and silver. Each type of income has its own calculations.

Among the benefits of zakat is: Strengthen the bonds of love between rich and poor, since the soul is actually created with a tendency to love those who do good to him. The other benefits are: Purify the soul and keep it away from the faint nature, as shown in the Qur'an which means: "Take zakat from some of their property, with the zakat you cleanse and purify them". Then the other benefits are: Familiarize Muslims to have the philanthropic, generous and caring nature of those in need.

Zakat can be interpreted as blessing, growing, clean, good and increasing, meaning that people who have issued zakat are expected to be pure and clean. As explained in the At-Taubah letter verse 103 that zakat issued by the muzakki can cleanse and purify the human heart, in the hope that it will no longer have a reprehensible nature, such as greed and misery.

In terms of zakat collection, the biggest problem is the very wide gap between the potential of zakat and the realization of zakat collection. Some factors that are likely to be the cause are: first; public awareness for tithe which is still low. Second; public understanding of zakat especially regarding zakat maal and professional zakat that are still lacking. At present the community understands zakat is only limited to zakat fitrah, even though there are still many other assets which are objects of zakat, but not yet understood by the community. Third; the low level of distrust of the community to zakat management institutions, which causes people to be reluctant to pay zakat institutions so that the data on zakat collection does not reflect the actual conditions of zakat payment. Fourth; incomplete
regulations regulated by the government, among others, can be seen from the fact that the obligation of Muslims to pay is not regulated in legislation (Mus'ab, 2011).

Zakat is one of the fiscal policies in which zakat is one of the main pillars in the Islamic economic system which if implemented properly will have an extraordinary economic impact. According to zakat activities which are based on a market economy perspective, an activity creates a more even distribution of income.

In addition, zakat has a very important role for Muslims, because zakat can cleanse and purify the hearts of human beings, thus avoiding the disgraceful nature, such as grudging, greedy, and fond of cultivating wealth. So important is the position of zakat, so in the Qur'an, the word zakat is always called in line with the word prayer, and that is the basis of zakat obligations.

Zakat is required in the Qur'an, Hadith and Ijma 'ulama. Explained about the legal basis of zakat as follows:

1. Al-Qur'an
   In Al-Qur'an letter At-Taubah verse 103 describes the management of zakat. Namely on the word "take it" which is an order to take care of and manage zakat and mandatory zakat orders. In Al-Qur'an the letter At-Taubah verse 60 on the word "amilin" which was appointed directly by Allah SWT in addition to being one of the recipients of zakat, amil zakat has a role as well as zakat manager and talks about the details of other groups entitled to receive zakat.

2. The Hadith
   Hadith narrated from Ibn Abbas tells of the obligation of a Muslim to issue zakat with the provisions of the distribution of property from a sufficient group to a group experiencing shortages. With the sunnah it is able to strengthen and explain what is stated in general in the Qur'an. The Qur'an is the main source of Islamic law. In this case, the sunnah is an oral interpretation and implementation of what is stated in the Qur'an by explaining the vague, clarifying the unclear, giving a boundary that is not yet firm, and making it more specific (what is still too general).

3. Ijma 'Ulama
   Ijma' is an agreement of all (ulama) of Muslims in all countries with the agreement of obligatory zakat for Muslims.

   Zakat must be paid immediately if it has fulfilled all the mandatory requirements, it should not be postponed especially if it has the ability to carry out it. If the property is still on the other side (occult) then the payment can be delayed until the property reaches the owner. Amil who take care of collection and distribution of zakat are also prohibited from postponing it. As for the target of zakat as stated in the Qur'an, the letter at-taubah verse 60 where the verse explains that zakat fitrah and zakat mal are intended for 8 groups (asnaf), namely:
   1. The indigent, ie the person who is very miserable, does not have the assets and energy to fulfill their livelihood.
   2. Poor people are people who do not have enough livelihood and are in a state of shortage.
   3. Management of zakat (amil), which is a person who is given the task of collecting zakat and distributing the zakat to those who are entitled to receive it.
4. Converts, those who are new to Islam and need help to adjust to their new situation.
5. Servant Sahaya, gave the group the right to get zakat for the purpose that they could release themselves from the slavery they experienced.
6. People who are in debt (Gharim), people who are in debt because of an interest is not immoral and cannot afford to pay it. As for those who owe to maintain the unity of Muslims, they are paid by zakat, even though he can afford it.
7. Fi Sabillillah, that is, those who fight in the way of Allah (Da'wah, war etc.). Sabilullah is a good path of faith and charity that conveys us to the pleasure of Allah. Whereas fisabilillah is those who fight against the people so that they all get the blessing of Allah SWT.
8. Ibnu Sabil, is a person who runs out of provisions in a journey where the trip in question is for good purposes. Included in this group are travelers, those who ask for asylum as refugees, homeless people, and children who are banished by their parents (Muzdalifah, 2014).

Zakat is worship in purifying property that has a lot of meaning in people's lives. Many lessons and benefits obtained by muzakki and mustahik related to zakat have been issued. The lessons and benefits include:

1. As an embodiment of faith in Allah SWT, in thanking His blessings, cultivating noble character with a high sense of humanity, eliminating the stingy, greedy and materialistic traits, fostering peace of life, cleansing and developing his possessions.
2. Because zakat is a mustahik right, its function is to help, help and foster mustahik, towards a more prosperous life, so that they can fulfill their life needs properly.
3. As a shared pillar of charity between well-off people and mujahids whose entire time is used for jihad in the path of Allah SWT.
4. As a source of funds for the construction of facilities and infrastructure needed by Muslims, such as places of worship, education, health, social and economic, as well as a means of developing the quality of Muslim human resources.
5. To socialize the right business ethics.
6. As one of the revenue distribution instruments in terms of development.

**B. The Concept of SDGs**

SDGs is an ideal that wants to realize sustainable development in the long term. The program explicitly aims to eradicate poverty and hunger, reduce inequality within and between countries, improve water and energy management, and take urgent steps to tackle climate change. Unlike the MDGs, the SDGs emphasize the importance of efforts to end poverty in order to be carried out together with strategic efforts to increase economic growth, implement social policy measures to meet various social needs (such as education, health, social protection, employment opportunities), and policy measures to tackle climate change and environmental protection.

Basically Sustainable development is development that is able to meet the needs of today's society without ignoring the ability of future generations to meet their needs, as a process of change where the use of resources, direction of investment, development orientation and institutional change are always in balance and synergistically strengthen the potential of the present and the future to meet human needs and aspirations (Budianto, 2010).
Sustainable development not only concentrates on environmental issues. More broadly than that, sustainable development encompasses three spheres of policy: economic development, social development and environmental protection. UN documents, especially the 2005 World Summit document, cite these three dimensions as interrelated and are the driving pillars for sustainable development.

SDGs are a development agreement that is built through the spirit to encourage various kinds of changes towards sustainable development based on human rights and equality to encourage development that focuses on three aspects, namely; social, economic and environment. Then, the SDGs are implemented with universal, integrated and inclusive principles to ensure that no one will be missed or “No-one Left Behind”. And finally, even though these SDGs are global products, they can still be adapted and also universally applied through consideration of various realities in the local domain and respecting national policies and priorities, because the capacity and level of development of each country is different.

Figure 1.
Objectives of the Global SDGs

According to (Ishartono & Raharjo, 2016) SDGs have 17 Global Goals, namely:

1. No Poverty means that there is no poverty of any kind in all corners of the world.
2. No hunger it means that there is no more hunger, achieving food security, improving nutrition, and encouraging sustainable agricultural cultivation.
3. Good Health and Well-Being means ensuring a healthy life and encouraging welfare for all people of all ages.
4. Quality Education means ensuring equal distribution of quality education and increasing learning opportunities for everyone, guaranteeing inclusive and equitable education and encouraging lifelong learning opportunities for everyone.
5. Gender Equality means achieving gender equality and empowering mothers and women.
6. Clean Water and Sanitation means ensuring the availability of clean water and sustainable sanitation for everyone.
7. Renewable Energy means ensuring access to affordable, reliable, sustainable and modern energy sources for everyone.
8. Good Jobs and Economic Growth means supporting sustainable and inclusive economic development, full and productive employment, and decent work for everyone.
9. Innovation and Infrastructure means building quality infrastructure, promoting an inclusive and sustainable industry and encouraging innovation.
10. Reduced Inequalities means reducing inequality both within a country and among countries in the world.
11. Sustainable Cities and Communities means building cities and settlements that are inclusive, quality, safe, resilient and sustainable.
12. Responsible Consumption and production means guaranteeing the sustainability of consumption and production patterns.
13. Climate Action means acting quickly to combat climate change and its effects.
14. Life Below Water means preserving and maintaining the sustainability of the sea and the life of marine resources for the development of sustainable development.
15. Life on Land means protecting, returning, and increasing the sustainability of the use of terrestrial ecosystems, managing forests in a sustainable manner, reducing barren land and land swap, combating desertification, stopping and restoring land degradation, and stopping loss of biodiversity.
16. Peace and Justice means increasing peace including the community for sustainable development, providing access to justice for all people including institutions and being responsible for all circles, as well as building effective, accountable and inclusive institutions at all levels.
17. Partnership for The Goals means strengthening the implementation and reviving global partnerships for sustainable development.

The focus of the implementation of the SDGs in the daily lives of the community is important to note. Ideally, in each village there is a plan to implement it, according to this man from the United States. Answering the question of Indonesia’s readiness for the implementation of the SDGs, the UN Representative in Indonesia stated that everything returned to the involvement of Indonesians themselves, from the President of Indonesia, to the children in the village.

The Sustainable Development Goals explicitly aim to eradicate poverty and hunger, reduce inequality within and between countries, improve water and energy management, and take urgent steps to tackle climate change. Unlike the MDGs, the SDGs emphasize the importance of efforts to end poverty in order to be carried out together with strategic efforts to increase economic growth, implement social policy measures to meet various social needs (such as education, health, social protection, employment opportunities), and policy measures to tackle climate change and environmental protection.

Program SDGs will not only continue the program of the previous MDGs but also shapes the development and refinement. So, of course these SDGs have more value and certainly have a wider background problem. For example, the SDGs have an approach to determining objectives with an increase in the world population where nearly 1 billion of them are still living in a state of deprivation which is only earning $1.25 per day. Whereas 800 million more people are still affected by famine. In addition, there are still many women fighting for their rights as well as for maternal and child mortality.
C. Suitability of Zakat towards SDGs

Zakat has enormous potential, especially in countries that have a majority Muslim population. Therefore management is also very important, both in the collection and distribution. The most urgent thing is in the distribution of zakat itself. Yusuf Qardhawi mentioned that economics and sociology scholars have warned that the important thing is not to collect and obtain assets. In various ways, directly or not, the government has succeeded in collecting zakat. But more important is where the assets should be spent (Qardhawi, 2011).

The Koran has mentioned who has the right to receive zakat, namely in Surat At-Tawbah verse 60 as mentioned earlier. Seeing the eight recipients of this zakat, it will be examined in depth the target of zakat with its compatibility with the SDGs. The management of zakat will surely have an impact on the achievement of the SDGs because the goal is definitely to alleviate people from poverty and social inequality. Head of the National Development Planning Agency (Bappenas) Bambang Brodjonegoro assessed that the implementation of zakat is relevant to the implementation of the Sustainable Development Goals (SDGs). Because, in the context of poverty alleviation, zakat in Indonesia has the potential for major contributions in the economy.

Much of what is in the SDGs reflects Islamic values, because the SDGs aim to alleviate poverty and hunger, reduce inequality by distributing wealth and protecting the environment. In table 1. the following will describe the zakat suitability mapping for 17 global SDG goals.

Table 1
Mapping of Zakat Suitability towards SDGs

| Global SDGs                          | Goals Targets |
|-------------------------------------|---------------|
| No Poverty                          | 1, 2, 5, 6    |
| No Hunger                           | 1, 2, 5, 6    |
| Good Health                         | 1, 2, 3, 4, 5, 6 |
| Quality Education                   | 7             |
| Gender Equality                     | 7             |
| Clean Water and Sanitation          | 1, 2          |
| Renewable Energy                    | 1, 2          |
| Good Jobs and Economic Growth       | 3, 4, 7       |
| Innovation and Infrastructure       | 7             |
| Reduced Inequalities                | 1, 2          |
| Sustainable Cities and Communities  | 7             |
| Responsible Consumption and Production | 7           |
| Climate Action                      | 7, 8          |
| Life Below Water                    | 7             |
| Life on Land                        | 7             |
| Peace and Justice                   | 7             |
| Partnership for The Goals           | 7             |

Source: Data Processed, 2018
Remarks
1. Fakir
2. Poor
3. Amil
4. Muallaf
5. Riqab
6. Gharim
7. Fisabilillah
8. Ibnu Sabil

Based on table 1, it can be seen that the zakat recipients / targets consisting of 8 (eight) groups fulfill 17 global goals of the SDGs. In the first objective, namely without poverty, this can be seen from the target of zakat, namely destitute, poor, riqab and gharim. This means that with the existence of zakat as an instrument of Islamic finance it can reduce poverty, free the slave, help people who have debt. Similarly, without poverty, goals without hunger and good health well-being will also benefit from the existence of zakat.

Distribution of zakat to fisabilillah can also provide significant benefits to the goals of the SDGs namely education, gender equality, economic growth and employment, industry, innovation, infrastructure, urban and community sustainability, responsible for consumption and production, climate responsive actions, underwater life protection, life on land, a strong and peaceful judicial institute and partnership. This is because the distribution of zakat to fisabilillah means that zakat contributes to launching its activities. So that it can provide benefits to some of the global goals of the SDGs.

Amil zakat which is the manager of zakat also has an impact on this zakat itself, namely the achievement of its welfare. The more potential zakat will be the greater the role of optimizing zakat management. This is in line with the global goals of SDGs points 3 and 8. As soon as Ibn Sabil also plays a role in the actions of the climate so that his role as recipient of zakat benefits the people not only for themselves but also the circumstances that occur.

Mapping the suitability of zakat towards the SDGs above confirms that zakat which is currently being intensively carried out in various countries provides benefits to the SDGs program which also becomes the world agenda to achieve public welfare. The distribution of zakat to 8 groups is not immediately formulated, but orders from Allah SWT have a positive impact on sustainable development.

So far zakat has only been oriented towards poverty alleviation, but with an in-depth study of these 8 Asnaf, it can be seen that zakat is able to answer all aspects of life issues which ultimately contribute greatly to development ranging from health, sanitation, education, industry, action to the climate up to the protection of underwater life and land. Some of these things indicate that zakat is able to synergize with the SDGs program.

Therefore, the zakat movement must always be optimized because the benefits are not only as a form of individual worship or fulfillment of the right of recipients but also have a universal impact on the people of the world. There will be no doubt in maximizing the collection and distribution of zakat. The huge potential of zakat should be able to be responded by various stakeholders to continue to play an active role so that the management of zakat will be sustainable in line with the progress of the achievement of the world SDGs program.
Conclusion

Based on the discussion above, it can be concluded that zakat suitability mapping for SDGs confirms that zakat which is currently being intensively carried out in various countries benefits the SDGs program, so far zakat is only oriented towards poverty alleviation, but with in-depth study of 8 this asnaf, it can be known that zakat is able to answer all aspects of life issues which ultimately contribute greatly to development ranging from health, sanitation, education, industry, action to climate to the protection of underwater life and land. Some of these things indicate that zakat is able to synergize with the SDGs program.

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CHAPTER 7

Zakah Fiqh Repositioning: Reassess Zakah Fiqh as a Form of Worship

A. Introduction

Zakah is one of the teachings of Islam which has been and will be known by all Muslims wherever and whenever since zakah is one of the pillars of Islam (arkan al-Islam) besides shahadah, prayer, fasting, and pilgrimage. As one of the pillars of Islam, zakah is fardlu 'ain. It means that every Muslim must do it based on the conditions that have been determined. Thus, zakah is an obligation that is ta'abbudi and it causes zakah considered as unreasoneable (Ghairma'qul al-ma'na). It means that zakah is categorized in the area where the mind does not play an important role, ijtihad and qiyas are not applicable, it is dogmatical, taken for granted (munazzalah), it should not be added, it should not be changed or diminished.

Although zakah is considered ta'abbudi, it does not mean that it is not "problematic" because zakah was stagnant, static, cannot follow and adapt to the times. Zakah became a routine activity (mahdhah ritual worship) that hardly develops. It is a loss since zakah plays a huge role to raise the dignity of Muslims, especially in improving the welfare of the poor, dhua'afa', and mustad'afin. Therefore, zakah’s current position needs to be reconsidered. Put zakah in the fiqh of worship category will lead it to become stiff and inflexible. Whereas, if zakah is placed within fiqh of finance, there will be a lot of things that can be done. Thus, it is expected that zakah will show the maximum results in improving the welfare of the Muslims, especially the poor.

B. Discussion

1. Islamic Law between Fiqh of Worship and Fiqh of Finance

In its use, the law of Islam is often equated with fiqh and even sharia although each has its own difference. Sharia is interpreted as the overall teachings of Islam, while fiqh is part of sharia that addresses Islamic law. Wahbah al-Zuhaili states that Sharia is the law arranged by Allah SWT to Muslims through Qur'an and al-Sunnah, both regarding to faith or good deeds. Meanwhile, fiqh is the practical aspect (al-janib al-Amaly) of sharia. In its development, the meaning of sharia is narrowed from originally cover all aspects of Islam, including fiqh and theology, becoming synonymous with Islamic law, and is sometimes technically equated with fiqh. That is why each other are often interchangeable in the use. As well as sharia, fiqh also narrows down its meaning, from initially covering all knowledge of Islam, then it is gradually narrowed, and finally limited to legal matters and only the legal of jurisprudence literature.

According to Qadri Azizy, fiqh has three phases during its development. First, the term fiqh means fahm/understanding. It is the opposite of and a supplement to the term "ilm" (a lesson) for texts, namely Qur'an and the Sunnah or Hadith of the Prophet which are often referred

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1Wahbah al-Zuhaili, al-Fiqh al-Islamiyyawadillatu, Damaskus, Dar al-Fikr, 2004, p. 31.
2 Adang Djumhur Salikin, Reformasi Syariah dan HAM dalam Islam, Yogyakarta, Gama Media, 2004, p. 50.
3 Adang Djumhur Salikin, Reformasi, p. 55
as authoritative given. Second, fiqh and ilm both refer to knowledgewhich means identical. Thus, it can be referred as "religious science" or "fiqh of on religious material". In this case, fiqh refers to thinking about religion or knowledge about religion in general covering the science of kalam (theology), tasawwuf, and other science which do not only relate to knowledge of law. Third, fiqh means a discipline of the kinds of Islamic science, the only discipline of "Islamic law", sometimes known as "Islamic positive law" or "Islamic jurisprudence".

In general, Islamic scholars divide fiqh into two parts, the fiqh of worship and fiqh of finance. Worship includes the matters in the hereafter such as faith, prayer, charity, fasting, and hajj. The second part (muamalah) comprises temporal matters and legal regulations. This part is divided into more parts. The most important of all are criminal law (jinayat), marriage law (munakahat) and muamalat. The part concerning criminal law discusses criminal acts or crimes (jinayat and jarimat), such as murder, theft, adultery, alcohol consumption, adultery accused and other criminal matters or punishment (uqubat) likeqishas, hudud, and diyat. Munakahat or marriage contains legal rules of marriage and divorce and its branches such as the waiting period (iddah), nasab (descendants), living expense, child nurturing, guardianship, wills, inheritance, and others. The rules regarding such matters are commonly called the law of the person or family law. Meanwhile, muamalat particularly discusses material issues and problems such as the law of the agreement, for example, buying and selling (Ba'i), leasing (Ijarah), grants (hibah), ghasab, insurance, partnerships, and so on.

Meanwhile, according to Wahbah al-Zuhaili, fiqh of worship covers thaharah, prayer, fasting, pilgrimage (hajj), zakah, vows, oaths and other matters governing the relationship of human with god. The examples of fiqh of muamalah are things regulating human relationships with others, such as contract, tasharruf, uqubat, jinayat, and dhamanah (insurance). Further, Wahbah al-Zuhaili puts mumalah in detail as follows:
a. Al-Ahwal al-Syakhsiyyah, the laws regarding the family, such as marriage, thalak, nasab, income, inheritance, and matters governing the relationship of spouses and their relatives.
b. Al-Ahkam al-madaniyyah, the laws pertaining to the relationship between individual and the exchange between them, such as the sale and purchase, lease, mortgage, kafalah, partnership, and matters relating to individual property.
c. Al-Ahkam al-Janaiyyah is a law relating to jarimah, uqubat, and things intended to preserve human life, property, honor and rights.
d. Ahkam al-Murafaat, is a law relating to qadha’, charges, the way of determining with the use of the witnesses, oaths, and so on.
e. Al-Ahkam al-Dusturiyyah, is a law relating to the rules and basics of law intended to regulate judges and mahkum and establish the rights and obligations of individuals and society.
f. Al-Ahkam al-Dauliyyah is the law relating to the rules of the relationship between Islamic and other countries, both in peace and war, and relations between non-Muslim populations with the country.
g. Al-Ahkam al-Iqtishadiyyahwa al-Maliyyah, is the law relating to the rights of someone's property; rights and obligations associated with property; the rules of state revenues; and so on.

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4 A. QodriAzizy, EklektisimeHukumNasional, KompetisiAntaraHukum Islam danHukumUmum” Gama Media, Yogyakarta, 2002, p. 4
5 SubhiMahmassani, Falsafah al-Tasyri fi al-Islam, translated byAhmad Sudjono, Bandung, al-Maarif, 1976, p.36.
h. Al-Akhlaqwa al-Adab, is all the matters relating to the virtue of helping and silaturrahim with others.⁶

2. Zakat as a Part of from Fiqh of Muamalah

As the other pillars of Islam, the followers of the former prophet before Prophet Muhammad SAW are also required to pay zakah. Therefore, zakah is not a new sharia that is only found in the Islamic Sharia brought by Prophet Muhammad saw. Zakah, that includes worship involves property and has social function, is already "old" and has been known in the religion brought by the earlier Apostles. It is known from some of the words of Allah, as written in al-Anbiya': 73, Maryam; 54-55, al-Maidah; 12, and others. Based on the description of the verses of the Qur’an, it can be clearly seen, that zakah has been part of the Sharia of former Apostles before Prophet Muhammad SAW; since the Sharia of Prophet Ibrahim AS, followed by his son named Prophet Isma’il AS. Thus, zakah becomes a hereditary teaching of the Apostles until the last Prophet, Muhammad SAW.

According to Yusuf al-Qaradawi, zakah has only been an obligation in Medina although there are some verses of Quran that descended in Mecca period (makiyyah) talking about zakah. Furthermore, it is stated that the verses descended in Mecca period is not the same as the verses descended in Medina. In this case, nishab (the amount of property which requires zakah) and the amount of zakah issued has been determined. The people who collect and share it have been set and the state is responsible for managing it. Meanwhile, the verses ascended in Makkah are verses which limits and amount have been determined. However, it is addressed to the feeling of faith, generosity, and a sense of individual responsibility over others fellow believers⁷.

Quran shows the obligation of giving zakah in four styles (uslub), namely:
a. Using uslubinsya’i, in the form of a command as shown on al-Baqarah; 43, 83, and 110, al-Ahzab; 33, al-Hajj; 78, al-Nur; 56, and al-Muzammil; 20.
b. Using uslubtarghib (motivational), an encouragement to do prayers and give zakah, as the characteristics of people having the true faith and piety. God promise them a double reward as written in al-Baqarah; 277.
c. Using uslubtarhib (intimidating/warnings) which is intended for people who tend to accumulate wealth and do not want to give zakah, as written in al-Taubah; 34-35.
d. Using uslubal-madh (praise), which is the praise of God for those who fulfill their zakah. They are hailed as the guardian (helper) attributed with divine nature, apostolic, and considered as faithful people because of the ability to give his favorite treasure in form of zakah to others. It is embodied in al-Maidah; 55 ⁸.

The obligation to pay zakah can also be seen from the hadith written by Bukhari from Ibn Umar who states that Zakah is the third pillar of Islam⁹. As one of the pillars of Islam, zakah surely has equal position with other pillars of Islam. Despite the equation, there are differences with other pillars of Islam. Other pillars such as prayer, fasting, and pilgrimage are more focused

⁶Wahbah al-Zuhaili, al-Fiqh al-IslamywaAdillatuh, Damaskus, Dar al-Fikr, 2004, p. 32-35.
⁷Yusuf al-Qardhawi, Fiqh al-Zakah, Dirasah Muqaranah Ahkamuha wa Falsafatuha fi Dahui al-Qur'an wa al-Sunnah, (Maassasah al-Risalah, Beirut, 1991), 62.
⁸Abdurrachman Qadir, Zakat dalam Dimensi Mahdhah dan Sosial, (RadjaGrafindo Persada, Jakarta, 2001), 45-47.
⁹The text of the hadith:

حَدَّثَنَا عَبْدُ اللَّهِ بْنُ مُوسِى قَالَ أَخْبَرَنَا حَنْظَلَةَ بْنُ أَبِي سَفَيْدٍ عَنْ عُثْمَانَ بْنَ خَالِدٍ عَنْ أَبِي عُمَرَ رضى الله عنهما - قال قال رسول الله - "في غياب الإسلام على خمس شهادة أن لا إله إلا الله وأن محمدا رسول الله وعلى صلالة وإيابا الزكاة والخزج، وصوم رمضان"
on individual piety that is both vertical (habl min Allah). Zakah, on the other hand, does not only focus on individual piety, but also on the social piety that is horizontal (habl min al-Nas). It happens because zakah will never be separated from the two parties involved, namely muzakki as the party obliged to pay zakah and the second party is mustahiq as the direct recipient of zakah.

Therefore, zakah is often referred to as worship of maliyyahijtima'iyyah (social economic nature worship). In the book of al-Islam, Aqeedahwa Sharia, Mahmud Saltut divides Islamic studies into two parts, namely aqeedah and sharia. Aqeedah is a discussion about faith but sharia is a discussion of humanity. Sharia is then divided into worship and muamalah. Discussion of worship is someone’s relationship (read: Muslims) with the Creator. Meanwhile, muamalah is the study of one's relationship with others. Among the studies of worship is zakah.

With the inclusion of zakah in the discussion of worship, as mentioned above, zakah is then regarded as an area away from thinking (read: ijtihad). It is included in the field of Ghairma'qul al-ma'na, unreasonable where the mind of thinking is not applicable, is dogmatic, it cannot be added and modified or reduced. As the consequence, the discussion of zakah is static and does not accept a "discussion" (ghairqabil li al-niqas). Thus, zakahlostsit vital part to humanity where zakah should have enormous impact on humanity. As a worship of maliyyahijtima'iyyah, zakah should be able to lift the status of a Muslim from poor faqir be able or according to the concept of charity from a mustahiq be muzakki. Therefore, it is zakat should be placed not only in worship, but put in the field of muamalah. Yusuf al-Qaradawi give zakat conclusion that the discussion should not be put in the discussion of worship, but it can be addressed in the field of muamalah. Even further, Yusuf al-Qaradawi said that zakat is the financial, economic, social, political, moral, and religious system as well. Since zakah is categorized into muamalah, the chance to do ijtihadis broader.

If zakah is placed in muamalah, there will be many ways to develop the welfare of poor people, dhuafa, and mustadh'afin. Those changes will influence some items:

a. baligh is not included in the obligatory requirement so that the chance to improve the zakah potential gets bigger;
b. ahl al-zimmah is obligatory to pay zakah since in worldly law business ahl al zimmah is charged even doubled;
c. People who have responsibility to pay zakah, then they pay zakah from all their wealth that is obligatory to be paid zakah, without any intention in it, that is believed as enough without any other objection to pay that zakah;
d. It is not obligatory to pay zakah for debtor’s wealth if the debt decrease the zakahnishob e. Zakah can be paid by qimah (value).

As mentioned above, as zakah positioned in prayer fiqh, the chance for ijtihad is opened wider, whether it is related to the concept of mustahiqandmuzakki, zakah object (mahal al-zakah/wi’a al-zakah), zakah distribution model, and etc.

2.1.Mustahiq and Muzakki Concept

Above has been explained that zakah is one of Islamic obligation that is not only for vertical dimension but also horizontally. Explaining to have vertical dimension since it rules the relationship of human with their Creature. Whereas it is mentioned to have horizontal dimension since it control the human relationship with other human through the relation of mustahiq and

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10 Yusuf al-Qardhawi, Fiqh al-Zakah, 7.
11 Further, read SjechulHadiPermono, Formula Zakat MenujuKesejahteraanSosial, Surabaya, Aulia, 2005, p.148-151.
muzakki. Among the five Islamic law (arkan al-Islam al-khams), is only zakah that is explained clearly how to calculate in holy Qur’an. The people who organize zakah is called amil. In al-taubah (9); 60 stated that mustahiq zakah are eight (al-ashnaaf al-tsamiyyah), they are faqir, misqin, amil, muallaf, riqab, garim, sabillah, and ibn sabil.

For faqir and misqin are not a lot can be discussed and developed, only some Clergy have different ideas on the definition of faqir and miskin. Syafi’iyyah and hanabilah group stated that faqir people is worse than miskin people. Faqir people is the one who does not have any wealth and jobs, or the one who has wealth, but they can not fulfill half of their life needs in which that needs becomes obligation. Whereas miskin people are people who have half or more of their life needs but still does not meet the enough criterions. The reason of this group is al-Kahfi (18); 79. Whereas hanafiyah and malikiyah, the miskin people condition is worse than faqir. The reason of this group is in al-Balad (90); 16.

The this group that deserves to get zakah is amil or the zakah organizer. Actually in fiqh text, still mention that the one who can be amil are the people who is called as imam, khalifah or at least amir (the existed government). But, since the existed government and rulers that fulfillummah or people aspiration who deserve zakah are not exist, so the concept of imam sociologically moved to (a) local religious figure (b) the committee that is pointed by the religious organization. The first is usually practiced in Islamic traditional village circumstance, while the second exists mostly in cities. So, amils not always the government acts, but it can be everyone who deserves to act as amil professionally. Wahbah al-Zuhaili stated that the committee in zakah gathering are including note taker, guard, counter, and every people that is involved in zakah process till the distribution process excluding qdhi and wali. Also, Yusuf al-Qardhawi defines amil are people that are involved in all zakah administration matters from collecting, guarding, noting until distributing to people who need it.

The fourth group is muallaf. According to syafi’iyyah, muallaf consists of four kinds, they are: (1) person who just becomes Muslim and his/her belief is still weak, (2) person who just becomes Muslim and has big influence in society, (3) Muslim with strong faith ad belief, (4) person who makes us enough of crime from people who reject belief. Wahbah al-Zuhaili states that Clergy are divided into two in case of muallaf, they are (1) the group that has been nasakh (erased), and (2) permanent and has not been nasakh. But, Umar Bin Khtab has erased the zakah portion for this muallaf group. That is why if this group portion is established, further can be understood that the funding target is make the people aware if they have been in prostitution,

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12 Al-Taubah (9): 60.
13 The text is:

“They have exchanged the signs of Allah for a small price and averted (people) from His way. Indeed, it was evil that they were doing.”

14 Wahbah al-Zuhaili, al-Fiqh, 1952-1953. The text of the verse:

15 Ilyas Supena dan Darmuin, Manajemen Zakat, (Walisanga Press, Semarang, 2009), 34.
16 Wahbah al-Zuhaili, al-Fiqh al-IslamyaAdillatuh, p. 1953.
17 Yusuf al-Qardhawi, Fiqh al-Zakah, hal.579. Further, Fahruddin, Konsep Amildalam al-Qur’an, Faculty of Sharia UIN Maulana Malik Ibrahim, Malang, 2014.
18 Abdurrahman, al-Fiqh, 322.
19 Wahbah, al-Fiqh, 2000.
criminal cruelty, and involved in narcotics and the same, bring them back to the faith of the God, developing society and isolated tribes, also holding other human rehabilitations.  

The fifth group is *riqab*. *Riqab* is the people or slave that gets freedom from his boss but they have to redeem of themselves first. This person can accept zakah, in order to help them to get the freedom earlier. While Yusuf al-Qardhawi mentions that *riqab* can be meant as *ma’unah al-mukatab* (a help fro slave to get their freedom) and ‘*itq al-raqabah* (slave freedom). In this case many dalil and law that is clear in Islam have grown through some ways to erase slavery. That is why, this law is not valid again since today slavery is not existed again, further the rising of human rights declaration. Slavery has been demolished on earth. But, in fact in modern era, still many people are slaved by other, for example the practices have done by the creditor in case of giving loan with high interest.

The sixth group is *gharim*. *Gharim* is people who have debt that is use to fulfill need which is not for bad things. According to Wahbah al-Zuhaili, *gharim* is person who has debt to fulfill needs including for bad things or sins but he/she has forsworn. While Yusuf al-Qardhawi gives the requirements for this group that are the sincere needs people, having debt for being obedient and things that are *mubah*, cash debt (not installment), and his debt resist him from difficulties. *Zakah* is given in order to help them to pay the debt as the agreement of Clergy *mażhab*. According to Ilyas Supena the existed *fiqh* books define *gharim* is limited in personal definition that is people who because of one or other thing, they get bankrupt while their capital was from loan. That is why zakah is given to help them to pay that debt. But, in the economical context currently that the funding zakah for this group is actually can be used to bear and decrease the debt burden of poor society and country.

The seventh group is *sabililah*. The word *sabililah* can be translated into Allah’s way, in which firstly translated as war in the way of Allah. If this meaning is operated, the scope will be limited, moreover today wars are believed as the humanity violation. That is why, the term *sabililah* needs to have broaden understanding, such as improving human resources, and etc since *sabililah* according to Yusuf al-Qardhawi is *jihad* in general view, including literally or verbally, using sword, thought, education, social, economic, politic, even though in military.

According to Ilyas Supena, sabililah can be use for the following things:

a. Holding the country or governmental systems (*al-hukumah*) that loyal to the society needs, even in legislative level (*suriyah*) or executive (*tanfidziyah*);
b. Protecting the civil and society safety from all destructive powers that against human and civics rights that is legal
c. Establishing the justice of law (*yudikatif*) for people including the civil servants salary, likes police officers, judges, attorney, lawyers, and the administration officers
d. Building and preserving public facilities
e. Other business that consistently aimed to create social justice and people welfare.

The eight groups *isibnsabil*. The *fuqaha* defines *isibnsabil* as traveler that has run out of supplies. Wahbah al-Zuhaili and Yusuf al-Qardhawi give the same definition about *isibnsabil*, the

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20 Ilyas, *Manajemen*, 37.
21 Wahbah, *al-Fiqh*, 2018.
22 Yusuf al-Qardhawi, *Fiqh al-Zakah*, p.616.
23 Wahbah, *al-Fiqh*, p. 1956.
24 Yusuf al-Qardhawi, *Fiqh al-Zakah*, p. 624.
25 Ilyas, *Manajemen*, 38.
26 Yusuf al-Qardhawi, *Fiqh al-Zakah*, p. 657.
27 Ilyas, *Manajemen*, 41.
only thing is Yusuf al-Qardhawi gives some requirements, like the needs only from the current place until needs to reach home, travelling is not for bad deeds or sins, nobody lend him something at the current place. That statement is also proposed by jumhur Muslim scholar and still believed as relevant. In this modern science and technology era, the ibnsabil condition that is understood in classical meaning seems really small opportunity to be existed, even if that condition happens, can be considered that the person who is travelling is the person in weak economical condition, which is understood that whether in travelling or not, the person is weak economically. The approaches that is mostly like to do by some zakah gathering organizations categorizes travelers that fail to get money or rizki in cities or students that leave their home in other city for studying also belongs to ibnsabil.

By the open of ijtihad ways, the meaning understanding movements is not only happened in mustahiq only as has been explained above, but also happens to muzakki. For so long muzakki is defined as “person” that is obligated to pay zakah, so as the era movement, the muzakki concept need to be broadened so that the meaning is not only person but also the institution or organization, company, and etc. This thing makes possible the institution or organization, company, and etc can be categorized as syakhsiyah’tibariyyah/syakhsiyahhukmiyyah/recht person or organization that is understood as person.

2.2. Zakah object (wi’ a al-zakah/mahal al-zakah)

As has been mentioned in Holy Qur’an that one of muslim obligation is paying zakah. But, Holy Qur’an does not explain in rigid the wealth that the zakah should be paid, although hadits have explained them more. Therefore, many different opinion in moslmen scholars view on the wealth that is obligated for paying zakah, they are:

a. Ibn al-Qayyim al-Jauziyah (691-751 H.) mentioned that the wealth that is as source of zakah has been explained in details in Holy Qur’an and hadits in which separated into four, they are: plants and fruits, livestock, gold and silver, also trading goods.

b. Ibnu Rusyd (520 H./1126 M.-595 H./1198 M.) devide wealth that must be paid its zakah into two, they are: first, agreed from the two mining products (gold and silver), three kinds of animals (camel, cow and goat), two kinds of seeds (wheat and sha’ir), two kinds of fruits (dates and raisin). Second, something debtable that is gold that is used as clothes. According to Mali, Laits, and Syafi’i that thing is no need to be paid its zakah, while according to Abu Hanifah that thing must be paid its zakah.

c. Abdurrahman al-Jaziri (1882 M./1299 H.-1941 M./1360 H.) states that wealth that must be paid its zakah are five, they are live stocks animals (camel, cow, and goat), gold and silver, trading goods, mining goods and rikaz (invented goods), also plants and fruits.

d. SayyidSabiq(1915-2000 M.) explains that wealth that must be paid its zakah are gold, silver, the plantation production, fruits, trading goods, livestocks, mining goods, and invented goods.

e. Wahbah al-Zuhaili (1932-2015 M) mentions that wealth that must be paid its zakah are five, such as al-nuqud (gold, silver, and obligations), mining goods and invented goods, trading goods, plantation and fruits, and livestock (camel, cow, and goat). Then, Wahbah also cites

28Yusuf al-Qardhawi, Fiqh al-Zakah, hal. 678.
29Arif, Akuntansi, 206.
30Ibn al-Qoyyim al-Jauziyah, Zad al-Ma’ad, (Kuwait: Dar al-Fikr, 1995), 3.
31Ibnu Rusyd, Bidayah al-Mujtahid wa Nihayah al-Muqtashid, Jilid I,(Dar al-Kutub al-Islamiyah), 182-183.
32Abdurrahman al-Jaziri, al-Fiqh, 307.
33SayyidSabiq, FiqihSunnah, Ter. MahyuddinSyaf, Jilid 3, (Bandung: al-Ma’arif, 1996), 29.
Abu Hanifah idea that horse must be paid its zakah.  

Looking at all verses in Holy Qur’an that explain the obligation of zakah, almost all uses lafadz ‘amwal that is plural forms of mal. In al-Taubah (9); 103 mentioned that zakah is taken from Muslim wealth to clean and purify them through that zakah:

“Take, [O, Muhammad], from their wealth a charity by which you purify them and cause them increase, and invoke [Allah’s blessings] upon them. Indeed, your invitations are reassurance for them. And Allah is Hearing and Knowing.”

According to Clergy’s jumhur that is meant by shadaqah in that verse is al-zakah al-mafrudhah (zakah which is obligated). Further, Wahbah al-Zuhaili mentions that lafadz ‘amwal in that verse is lafadz ‘am (general) that copes all kinds of wealth, does not explain kinds of taken wealth and also size and measurement, so in zhahir or physically ask to take zakah from every kind that is mentioned because of lafadz “min amwalihim” demande stab ’idh (parts), so that verse shows that the size which is taken is part of wealth, and not all, but then “part” here is not mention clearly. Therefore, it is needed sunnah and ijma’ to explain size that is taken, nishab, and the time. 

Therefore, zakah source is the wealth which has fulfilled certain requirements. According to Sjechul Hadi Permono, the requirements of zakah obligatory have seven factors:

a. al-maliyat oral-iqtishadiyat (economical factor)

b. al-nama’ oral-istinma’ (productivity factor)

c. al-milk al-tam (completely owned)

d. al-kharij ‘an al-hajah al-ashliyyah (outside of primary needs)

e. tamam al-nishab (one nishab perfect)

f. al-salamah min al-dain (debt free)

g. haulan al-haul au tamam al-hashad (reach one year or dry harvest)

Mustafa Ahmad Zarqa also conveys the same thing that zakah is given from precious concrete wealth according to human’s perspective and can be spent based on its ghalib. Therefore, all wealth which concretely have not been exemplified in Prophet’s era, but in the modern economical development are very precious and valuable, they can be categorized as wealth which fulfilled the requirements of zakah obligatory as stated before, must be given as zakah.

Meanwhile, Muhammad Abu Zahrah questioning on how if nowadays found the new form of wealth with the development category whether al-nama’ oral-istinma’ which part of them can be developed in Prophet’s era, in friends’ era, and in mujahid leaders’ era? Can us obligate zakah of those wealth by determining ‘illah which has been changed by fiqh clergies as the basic law of zakah obligatory? If we do that, aren’t we considered as doing bid’ah in syara’ law? The answers of those questions are answered by Muhammad Abu Zahrah who says that we

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34 Wahbah al-Zuhaili, al-Fiqh, 1819.
35 Among the mentioned verses, there are also al-Taubah; 103, al-Ma’arij; 24-25 and others.
36 Wahbah al-Zuhaili, al-Tafsir al-Munir, Jilid VI, (Dar al-Fikr, Damaskus, 2003), 29.
37 Wahbah, al-Tafsir, 33.
38 Sjechul Hadi Permono, Formula Zakat Menuju Kesejahteraan Sosial, (Aulia, Surabaya, 2005), 160-169.
39 Didin Hafidhuddin, Zakat dalam Perekonomian Modern, (Gema Insani Press, Jakarta, 2002), 17.
have chance to give law of those wealth. In this case, we do not do new *ijithad*, but only apply ‘*illah in *qiyas*.

The answer of Muhammad Abu Zahrah is based on three bases:

a. Prophet Muhammad saw said: “there is no zakah for muslim of his horse and slave” (Hadith of Bukhari and Muslim). Imam al-Tirmidzi also relate, Prophet Muhammad said: “I let you free from horse and slave zakah”. Those two hadiths clearly prohibit the zakah. But Umar r.a. argues that the prohibition of zakah of horse is because of the low population. Those horses are not breeding and herding, when the population of horses is higher for breeding, Umar then obligate the zakah. The utterance of Prophet which prohibits the zakah of horse does not mean forbid it, but the liberation is because those horses are used for war. Therefore, Prophet saw said: “I let you...” The word “let” can be inferred that those horses are zakah object, but the zakah requirements are not fulfilled.

b. The story of Ahmad bin Hanbal that he got money from his rent house money. He gave zakah every year. When it was asked to him, he answered: I believe in the opinion of Umar bin Khattab in the case of black land (with lots of crops), he gives zakah of that land.

c. The zakah obligation of new wealth or wealth which has changed from the past; if in the past is used as staple needs, now it has changed as developing wealth, such as big companies and buildings used to search profit of livestock breed for income money, then the zakah obligatory of those wealth is not uttered by previous clergies. On the other hand, it is continuing application from their opinion, that is widen the ‘*illah target toward law cases which can be liable of that *illah. This remedy is called tahqiq al-*manath* (reaffirmation of *illah as legal basis).

2.3. Zakah Distribution

As stated before, zakah is *maliyah ittima’iyyah* service (social wealth service) which has important, strategic, and determining position, whether in the side of perception or building the people prosperity. It is caused by zakah which not only has *maliyah*(wealth) dimension, but also has *ittima’iyyah* (social) dimension. Therefore, zakah has big advantage and philosophy, whether for *muzakki*, *mustahiq*, the wealth itself or for whole people.

In Islam, zakah has a high position since it is one of Islamic pillars which must be done by all Muslims who are capable. Therefore, its existence is considered *ma’lum min al-din bi al-

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40Muhammad Abu Zahrah, *Zakat dalam Perspektif Sosial*, translated. Ali Zawawi, 2004, Jakarta, Pustaka Firdaus, 118.
41Those hadith text in shahih Bukhari number 1464: صلی الله عليه وسلم
42Muhammad, *Zakat*, 121.
43Yusufal-Qardhawi, *al-Ibadah fi al-Islam*, (Beirut: Muassasah al-Risalah, 1993), 235.
44Abdurrachman, *Zakat*, 82.
dharurah (automatically known and absolute part of one’s Islam quality). There are 27 verses in the al-Quran which parallelize praying (shalat) and zakah obligatory in several words. It shows that zakah has high position in Islam like shalat.

From the perspective of people prosperity building, zakah is one instrument of equity income. Zakah which is processed well is hoped to build the economics and equity, or known as a concept of economic growth with equity. Therefore, zakah can prohibit the wealth accumulation in one hand, and in the same time support someone to invest and promote the distribution. Zakah also a comprehensive institution for distributing wealth, because it relates to wealth of every Muslim practically, when their wealth achieve or pass the nishab.

Because of its importance of zakah in Islam, whether as the proof of good connection with Allah swt (habl min Allah) and good relation with others (habl min al-nas), therefore Allah swt said firmly the zakah organizer in al-Quran. Even though al-Quran already states firmly that zakah organizer is called ‘amil, not all Muslims distribute the zakah through that ‘amil. Some of them distribute the zakah directly to their mustahiq, but some of them distribute it through ‘amil. According to Abdurrahman Qadir, it is one of internal factors why the zakah organization in Indonesia is not maximal. Then Qadir states that people’s understanding of zakah distribution like this are caused by clergies’ opinion about ‘amil. Some of clergies claim that zakah is better to be distributed directly by the zakah obligatory to their mustahiq. Sometimes for teachers, Islamic teachers, etc. the external factor is political factor, that is the obstacle from some people who think secularly or from other religion, that zakah issue can be categorized in governmental issue formally because it tends to be Islamic nation and rekindle the Jakarta charter.

The difference of its distribution happens to the collected zakah in ‘amil. Some ‘amil distribute it consumptively, while some others distribute it productively. In al-Quran and hadith there is no clear statement the zakah distribution model whether in consumptively or productively, even though according to some clergies state that it has basis, but it is from its ijtihad. Pendistribusian zakatsecakonsumtilfidyatanatara lain dalam al-Baqarah (2); 273. While the zakah distribution productively as what have been done in Prophet’s era which has been stated in one hadith of Imam Muslim from Salim bin Abdillah bin Umar from his father, that Prophet saw had given his zakah then asked him to breed it or redistribute it.

According to Shawki Ismail Shehatah as cited by SjechulHadiPermono that zakah can be paid in cash and can be paid in kind (natural). Zakah paying naturally including production tools, primary tools and substitution tools. For productively efficiency, al-Syairazi in his

45 Ali Yafie, Menggagas FiqhSosial, (Jakarta: Mizan,1994), 231.
46 In the al-Quran stated that wealth is not allowed to be around prosperous people only. Allah swt says:“And what Allah restored to His Messenger from the people of the towns - it is for Allah and for the Messenger and for [his] near relatives and orphans and the [stranded] traveler - so that it will not be a perpetual distribution among the rich from among you. And whatever the Messenger has given you - take; and what he has forbidden you - refrain from. And fear Allah; indeed, Allah is severe in penalty.”, al-Quran, 59 (al-Hasyr); 7.
47 In al-Taubah (9); 60 Allah says 8 groups who have right to receive tithe, one of them is ‘amil (tithe distributor) “Zakah expenditure are only for the poor and for the needy and for those employed to collect (zakah) and for bringing hearts together (for Islam) and for freeing captives (or slaves) and for those in debt and for the cause of Allah and for the (stranded) traveler- an obligation (imposed) by Allah. And Allah is Knowing and Wise”.
48 Abdurrachman, Zakat, 166-167.
49 Didin, Zakat 133.
50 Sjechul,Formula, 280.
Muhadhdhab stated that poor people who has energy capability are given working tools, people who understand trading are given trading capital. Meanwhile, some clergies state that zakah wealth are owned by some groups in eight groups (ashnaftsamaniyah) as stated in al-Taubah (9); 60. It can be inferred from letter lam (ل) in that ayah shows the meaning of possession (tamlik). Therefore, the wealth is absolutely owned by mustahiq, cannot be addressed as capital in building business which its profit can be given to mustahiq. It is because the apprehension of that business to experience loss so that mustahiq does not get the zakah.

Akan tetapi, pendistribusian secara konsumtif menurut Akram Khan mempunyai kecenderungan untuk menimbulkan inflasi. Karena sebagian besar dari delapan kategori yang berhak menerima zakat (mustahiq al-ashnaf al-tsamiyyah) termasuk dalam strata sosial golongan ekonomi lemah. Bagaimanapun juga zakat adalah suatu pemindahan kekayaan dari yang kaya kepada yang miskin, dimana hal ini membawa kecenderungan konsumtif lebih tinggi. Oleh karenanya lembaga adalah sumber potensial bagi tambahannya jumlah permintaan dalam dunia ekonomi yang mengakibatkan inflasi.

Therefore, it is better if ‘amil reconsider organization model consumptively to be developed productively in order to make people have productive orientation and culture so that they can produce something which can warrant and improve their life needs.

C. Remarks

In the end of this writing, it is obviously important to highlight that the role of zakat to increase the welfare of Muslim society is really undoubtful. However, to implement the concept of zakat in practice still needs some steps to improve. The improvement introduced in this paper is crucial to note. Nevertheless, some aspects uncovered in this writing, such as management aspect and regulation perspectives, can be closely discussed in another occasion by other papers.

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51 Sjechul, *Formula*, 285.
52 Ismail, 2005, *Zakat Produktif Sistem Alternatif dalam Pengentasan Kemiskinan di Indonesia*, Unpublished thesis. Jakarta, UIN Syarif Hidayatullah, 97.
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CHAPTER 8

Zakat for Development of Retail Business

Preliminary

Zakat as the third pillar of Islam has become an important part of Muslim worship. Zakat is not only a means of worship of a servant to his God, zakat is also a means to realize social solidarity among human beings. Zakat is a way to realize the strong vertical relationship to Allah SWT and horizontal relations to fellow human beings in the world. In general zakat is understood as a resource to help the needy and the poor directly in the form of consumptive assistance. In the pattern of consumptive assistance, zakat is distributed in the form of charity to be enjoyed directly in order to meet the needs of food, clothing and shelter for the poor. Although there are other zakat recipients (six other ashnaf), the poor are still the core of the zakat recipient.

In the past, when zakat was distributed to recipients of zakat in the form of consumptive, it never occurred, how is the relationship between zakat and business activities? However, at this time, many Muslims have asked, how is the relationship between zakat and business activities? Can Zakat be used to finance business activities? Still within the framework of zakat relations and this business sector, the question now arises, can zakat be used to finance retail businesses? The question about the use of zakat for the development of retail business is important, because many of the Muslims see, that one of the business sectors that needs to be strengthened for Muslims is the retail sector. Many Muslims see that retail businesses have not long been the economic power of the people. It is time for Muslims to awaken the power of the people's retail sector. In the framework of generating people's economy, it becomes important if we can find out how to use zakat for the development of retail businesses.

The Law of Investing Zakat on Business

Zaenudin in his paper stated that the investment of zakat on business is permitted with the following discussion framework:

1. Meanings, Nature and Benefits of Zakat
   According to al Afriqi (1414 H), In the language, zakat (صماج) it means to grow, develop, and clean. Az Zuhaily (n.d.) Said the meaning of zakat here is "giving a certain amount of assets from the determined assets and to the people determined by the Shari'a maker". Az Zuhaily (n.d.) also said that Zakat is the main worship in Islam so that it is included in the five pillars of Islam. Islamic Shari'a has determined the types and types of assets that are obliged to be obeyed, namely gold and silver jewelry; livestock products which include camels, cattle, sheep and the like; agricultural products which include dates, wheat, wine, rice, corn, and the like; commerce; discovery things; and mining goods. In the implementation of zakat there are several related aspects, namely those who are obliged to pay zakat (muzaki), people who have the right to receive zakat (mustahiq), wealth or property that is zakat (amwaluzzakat), time of zakat (auqat adāu zakat), and person who managedzakat ('amilin).
   The nature of zakat is the realization of obedience and worship of a servant who believes in Allah through his wealth. Because humans are commanded to worship through the body and
property. Zakat is also not just a mahdhah worship in the field of wealth, but has a great wisdom for the social life of Muslims, including:

a. Keeping wealth so that it does not mix with other people's property and from social jealousy from the poor.

b. Building social care and solidarity.

c. Keep yourself from being greedy and never felt enough for wealth, and practicing generosity
d. Expressing thankfull for the treasures of abundance of wealth.

2. Definition and Types of Ways to Invest Zakat

Investment or istitsmâriyah in language means "produce something from something", or "make something bear fruit", or "produce something". If it is associated with the assets of zakat, then the meaning is,

Shabir (1992) said that Efforts to develop the assets of zakat for a reason and a way of developing methods are mandated to realize the benefit (for) mustahik. Thus, investment in assets of zakat is an act of developing the assets of zakat in various ways that can increase the amount of assets of zakat in nominal and add value to the benefits. So that greater benefit for mustahik. While we understand that the zakat asset includes money, gold, silver, agricultural products and livestock products, zakat investment by itself includes the use of money, jewelry, agricultural products, and livestock for the purposes of business capital.

Investment or istitsmariyah as a form of business includes business in ways that are lawful (Halal) and it can also be business that contains elements of unlawful (Haram) such as containing ways of usury or gambling. Therefore, the definition of zakat investment must be limited in scope to investment in halal businesses. As for, if viewed from the side of the perpetrator or party who runs the investment, or business actor for the assets of the zakat, it can be done by the Muzakki (Zakat Payer), the amylin (Zakat Manager or Zakat Institution), or the mustahik (Zakat Recipient). Because the investment in zakat assets made by mustahik does not contain controversy from its legal aspects, it can be implementing immediately.

3. The Law of Investing Zakat on Business

The issue of investing zakah assets has received a response from among Islamic scholars. Evidenced by the emergence of this issue fatwa both individual and institutional nature. In this problem the scholars are divided into two groups, namely those which do not allow and which allow. According to Qasim (n.d.) : The group of ulama who forbade investing Zakat on business included Sheikh Wahbah Az Zuhaili, Sheikh Abdullah Ulwan, Sheikh Muhammad Taqi al Usmani, and Sheikh Muhammad Atha al Sayid. While the fatwa institution that forbade was Al Lajnah al daimah lil buhuts al ilmiyah wal ifta, Kingdom of Saudi Arabia.

Their arguments are:
1. Investing the assets of zakat has come out of the way of zakat distribution which has been set in nash (al-Qur’an and Hadith).
2. Zakat assets must be distributed to mustahik as soon as possible without being suspended. Zakat investment will affect the deferral of the distribution of zakat so that it violates mustahik rights.

The Asset of zakat is essentially the property of Allah. Then only with the provisions of the Shari'a arguments that the zakat Asset is firmly used. Zakat investment eliminates the value and spirit of zakat as worship which is bound by standard laws, so that it has the potential to change the spirit of worship into a business and change sharia law, such as exchanging zakah on livestock and agriculture with money to become business capital.

"Whoever practices a charity that has no command to him, then he is rejected"
(Hadith Sahih narrated Muslim from Aisha RA)

Investing zakat inhibits the ownership of zakat by mustahik individually. Though zakat has been linked to ownership rights of mustahik.

Still according to Zaenudin (n.d.), besides those who refused, there were also scholars who allowed. As for those who allow zakat investment from individuals such as Sheikh Yusuf Al Qaradawi, Sheikh Mustafa al Zarqa, Shaykh Abdul Fattah Abu Ghadah, Sheikh Abdul Aziz Al Khayath, and Sheikh Abdus Salam Al Abbadi, while the institution is the Mujamma Fiqh Fatwa Institute al Islami, the Lajnah al Fatwa of the Kuwaiti Waqf Ministry, and the Fatwa Commission of Indonesian Ulamas Council (Majelis Ulama Indonesia).

Among their arguments are:

First. There is the practice of the Prophet Muhammad and Caliph Umar who used the zakat assets before being delivered to his mustahik.

From Zaid ibn Aslam he said, "Umar ibn Khathab drank milk that amazehim". Then he asked the person who gave him the drink, "where did you bring this milk?" The man told him that he had come to a spring - which he mentioned his name - apparently he got a number of camels from alms-camels (zakat), they were giving him their livestock and they milked milk the camel for me, then I took it to the container my drink! Then Umar put his hand in and drank it.

From Anas bin Malik. Indeed, there was a group of people from Urainah who stopped in Medina. The Messenger of Allah allowed them to visit alms-camels (zakat). They drink from milk and urine. Then they killed their shepherds and escaped their livestock. The Messenger of
Allah sent (troops to arrest them) then they were brought to him. So he cut off their hands and feet and gouged out their eyes and then let them overheat so they bit the stone. (Bukhari, Second). Umar bin Khathab forbade allowing the property of orphans without being cultivated so that it was consumed by alms.

From Said bin Musayyib on (Al Baihaqi, n.d.), in fact Umar bin Khathab said, "Invest the assets of the orphans, do not be eaten by alms!".

If the asset of the orphanage as a trustworthy assets may be used as business capital, then the same is true of the zakat asset when it is in the hands of amilin as long as its benefit or profit is returned to the mustahik.

Third. It is with the Umar bin Khathab ijtihad which stopped giving the zakat portion to the muallafat qulubuhum, as well as his attitude to stop the distribution of the fa'i asset to the soldiers and replace it with a monthly salary taken from Baitul Mâl. It shows that the Imam as amil zakat has the authority to distribute or hold the assets of zakat with consideration of benefit.

Fourth. Postulated with the hadith of the Prophet.

From Anas bin Malik, a man came to the Prophet asking for something. The Prophet asked him, "Is there something in your house?" He replied, "Yes. There is a cloth that I partially use and some of it I spread, and there is a vessel for me to drink water to it! " He said, "Bring both of them to me!" So that person brought both of them. The Prophet took both of them with young hands and then said, "Who wants to buy these two items?" A man said, "I will buy it with one dirham!" The Prophet said, "Who wants to add two or three dirhams?" A man said, "I'll buy it with two dirhams!" Then the Messenger of Allah handed over the item to him and took two dirhams. Then handed over the two dirhams to the Ansar man while saying, "Buy with one dirham it is food and leave it to your family, and buy with one dirham again an ax and come to me!" Then the man came to the Prophet. The Prophet took a piece of wood and tied it to the ax with his own hands. The Prophet said, "Go and look for firewood and do not appear to me for fifteen days." Then the man went to look for firewood and sell it. Then he came to the Prophet and he got ten dirhams then he bought clothes with some of his money and bought food with some of the others. Prophet Muhammad said, "This is better for you than you come begging to be a black stain on your face on Judgment Day. Because actually begging is not appropriate except for three groups: for people who are very poor, for those who are in debt who cannot afford to pay, or for those who have blood (debt diyat) that troubles them ".

From Said bin Musayyib on (Al Baihaqi, n.d.), in fact Umar bin Khathab said, "Invest the assets of the orphans, do not be eaten by alms!".

If the asset of the orphanage as a trustworthy assets may be used as business capital, then the same is true of the zakat asset when it is in the hands of amilin as long as its benefit or profit is returned to the mustahik.

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In the above hadith there is a lesson that poor asset may be taken over by a government in order to be able to develop greater benefits and results.

Conclusions About Investing Zakat Assets

Given that there are two different opinions among the scholars above, Jeje Zaenuddin conducts a study of tarjih al qaulain, which is to examine the arguments and methods used by both parties to support opinions that are considered stronger. According to Jeje Zaenudin: because the issue of zakat investment is not a matter of discussing the basic law in zakat, but is about the distribution policy and the development of its benefits, the method used is the "al maslahat" method. Shari'a zakat is very closely related to the ideals and social goals of Islam, namely to build people's welfare and economic empowerment of the people. Therefore, a more appropriate opinion in this regard is the opinion that allows the investment of zakat assets by amil, because it is more in line with the wisdom of zakat observation itself. As for some of the arguments and concerns of those who refuse to use the zakat assets to invest, they can be answered as follows:

First. The assumption that investing the assets of zakat is something that is bid'ah because it has never been practiced by the Prophet, something that is excessive, because there is no law of zakat which is related to its culture which is changed or made up. Because what is done is only the innovation of the distribution and development of the benefits of the assets of zakat while maintaining the basic laws of ta'abbudi.

Second. Concern that investment can eliminate the zakat spirit as worship becomes a business spirit. This is unreasonable because the purpose of the investment is not merely to seek profit from the managers, but rather to grow the assets of zakat so that the amount is greater and the benefits are wider.

Third. Concern that investment can result in deferred distribution of zakat from the rightful. So it is answered that ending zakat is prohibited if for no reason or because of intentionally holding back property stalling mustahik rights. Mustahik zakat consists of eight groups, so zakat investment does not have to spend all of the assets of zakat, but it can be taken from parts that can be suspended for use such as for the sabilillah and amilin.

Fourth. Amilin's authority is the authority of the priest, so he establishes policies based on benefit. In accordance with the rules

تصرف الإمام على الرعية منوط بالمصلحة

Priest's policy towards the people is based on benefit

Fifth. Based on the above, the ability to invest in zakat assets must be made to businesses that have ascertained that the profit is not speculative, and if there is a loss, it must be the responsibility of the business actor and amilin because the two parties are separated from that responsibility. On the contrary, all accruals from zakat assets must be part of zakat which must be distributed to the zakat mustahik.
The conclusion of Jeje Zaenudin's opinion is stating that: Zakah property investment is permitted when the assets of zakat have been in the responsibility of amilin with the conditions carried out in a halal business, can increase the amount and benefits of the zakat assets, and have no adverse and despicable rights.

Zakat Utilization Mechanism for Retail Business Development

There are two mechanisms that can be done in utilizing waqf to support the development of the retail business, namely:

1. Investment Zakat on Retail Business By Amil

In the amil zakat investment mechanism in the retail business, the pattern as explained by Jeje Zaenudin regarding the investment of zakat assets for business as mentioned above, only the chosen business field is the retail business. In this first pattern, the one who invests is amil zakat as the manager of zakat funds. Although the one who invests is amil zakat, it does not mean that the funds invested are owned by amil zakat. The owner of the fund invested is the entire ashnaf zakat that is entitled to the zakat fund. Because the owner of the zakat fund invested belongs to all ashnaf, then if there is a profit obtained from the investment of the zakat, then the profits will also return to the zakat owner as a whole (not only amil). In this first pattern of investment, amil is also a guarantor of funds, if there is a loss, amil will indemnify the lost zakat funds.

If the first mechanism or pattern is described as follows:

2. Investment Zakat on Retail Business By Mustahik

In the second pattern of mechanisms, those who make investments are mustahik zakat (zakat recipients) which are destitute and poor. Zakat recipients namely Fakir and Poor agree that zakat funds received by them will be used to be invested in retail businesses. Both these poor people invest themselves or together with other poor people. If the investment needs of the retail business are small, it is sufficient to meet the investment needs by one or two people. However, if the investment needs of the retail business are large enough, a large number of poor people can join together to invest in establishing or managing a retail business.

In this second mechanism, which guarantees the investment is mustahik itself, because the investment is done by them. In this mechanism, zakat mustahik can act only as an investor with a profit sharing contract (mudharabah), or acting as an investor and manager with a musyarakah contract.
If the second mechanism or pattern is described as follows:

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| Zakat | Distribution | Mustahik | Investment | Retail Business |
|-------|--------------|----------|------------|-----------------|
|       |              |          |            | Result          |
|       |              |          |            | Loss            |
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Practice of Zakat Investing for Development Retail Business

Daya Mart Program from Dompet Dhuafa

Dompet Dhuafa initiated a minimarket based (retail) empowerment program model called Daya Mart. This program uses zakat funds to finance the establishment of retail stores. This is one of the efforts to empower the poor.

The concept of this program is not pure business, but social business. Minimarkets are established and make poor people their owners. The advantages of this minimarket business are also channeled to help the poor. The Daya Mart Program is launched on the sidelines of the 2016 Indonesia Philanthropy Festival Exhibition, which is on October 9, 2016 in Jakarta. The Grand Opening of the first Daya Mart shop was held on November 19, 2016, in Padang, West Sumatra. The Daya Mart Program is not just about setting up a minimarket and then being handed over to the poor. In this way, it is feared that it will not develop or can go bankrupt. In the development of any business it is highly dependent on management and the system. In the process of establishment, Dompet Dhuafa collaborated with retail consultants. This social business is carried out and accompanied by professional staff. Employees who work are poor people as mustahik trained management, IT systems, marketing and teamwork.

As a pilot model nationally, the minimarket empowerment program began in Padang. Named Daya Mart, so that the people of Mustahik can be empowered and independent through this program. To invest in one Daya Mart outlet, funds of around Rp 600 million are needed. This investment is for the purpose of renting premises, renovating premises, purchasing equipment and stocking the initial merchandise.

In addition to fostering mustahik to learn retail business, Daya Mart also provides guidance to stalls / kiosks / lapau around this minimarket. Guidance in the form of management and business capital in the form of supply of goods at lower prices. The goal is to form collective independence in the community. So far, Domper Dhuafa has empowered micro business people. One of the difficulties is marketing their products. Daya Mart is expected to be one place to market the products of micro-entrepreneurs. In terms of supply of goods, Daya Mart, which is based on Islamic values, does not supply products that are considered unclean and destructive, such as alcoholic beverages and cigarettes.
Daya Mart also issues member cards. The owner of the Daya Mart membership card is a mustahiq who lives around the Daya Mart location. To get the card must go through a rigorous selection process. With this card, people can be helped in making ends meet because they get a discount of 5 to 10% for a single shopping transaction process. In the future the member card will have an expiration date and to get it again must follow the selection process again.

Daya Mart is expected to be a comfortable place. Besides being complete with various necessities of life and equipment, the service is also satisfying. Daya Mart officers serve kindly and well when we make transactions. The facilities are complete. Besides being able to enjoy coffee and snacks, at Daya Mart we can also pay various bills online and do photocopies or prints.

With the continued development of the Daya Mart outlets, it is hoped that more and more mustahik will be empowered. Daya Mart is also expected to help support the growth and economic strengthening of Muslims.

Z-Mart Program from Baznas

Z-Mart is an economic empowerment program, in the form of a micro retail business development network developed by the Indonesian National Zakat Agency (BAZNAS). The aim of the Z-Mart program is to raise the scale of business mustahik so as to achieve a better level of effort. With the increase in business scale, in the end the welfare of mustahik can also be lifted. Through this program, Baznas wants to develop micro-businesses carried out by mustahik with capital from zakat funds. In this case zakat distributed to mustahik is directly related to the development of micro businesses in the retail sector. Thus, zakat funds are beneficial to improve the economic conditions of mustahik.

Z-Mart was first built by Baznas in Selotong Village and Secanggang Village, Langkat Regency, North Sumatra Province, in April 2017 and continues to grow. In 2018, Baznas plans to develop 600 Z-Mart units in the Jakarta, Bogor, Tangerang and Bekasi (Jabotabek) regions of Indonesia. As many as 17 of the 600 Z-Mart units are located in Bojong Gede, Bogor Regency, West Java and were inaugurated on January 17, 2018.

Before establishing Z-Mart, the mustahik who would manage it were given training and mentoring, as a complement to providing business capital. With the training and assistance provided, it is expected that the business capital provided will really be used for our capital

Z-Mart was developed in three types of business scale. Namely, Z-Mart Point, Z-Mart Store and Z-Mart Distribution Center.

1. Z-Mart Point is a business unit owned by a family head in a small shop or grocery shop.
2. Z-Mart Store is a business unit owned by several mustahik (several family heads) who carry out retail business activities equivalent to a mini market.
3. Z-Mart Distribution Center is a business owned by many family heads (100-200) of family heads who run larger scale retail sales business activities and act as wholesalers or as suppliers (distributors) for Z-Mart Point and Z-Mart Store.
Z-Mart provides various community needs such as oil, sugar, soap, household appliances and handicrafts. Z-Mart offers lower prices from other grocery stores or minimarkets, because it is supplied from large retailers. Z-Mart was also established close to the village, so that it is easily accessible to the public. Z-Mart is also a vehicle for the synergy of local potential and strategic partnerships of various elements of the people's economic business.

The development of Z-Mart is a manifestation of strong determination in the efforts of Baznas to increase the degree of mustahik in various ways, one of which is through strengthening in the economic field. Baznas hopes that the beneficiaries of zakat (mustahik) that have been given assistance through Z-mart can further improve their standard of living and welfare, and their efforts are more advanced and more developed in the presence of Z-mart.

Conclusion

1. To quote the opinion of KH. Jeje Zaenudin (Deputy General Chairperson of PP. Persis), referring to the opinion of cleric Sheikh Yusuf Al Qaradhawi, Sheikh Mustafa al Zarqa, Shaykh Abdul Fattah Abu Ghadah, Sheikh Abdul Aziz Al Khayath, and Sheikh Abdus Salam Al Abbadi, stated that zakat funds could be invested in business. Because one form of business is in the retail sector, zakat funds can also be invested in the retail business.
2. There are two patterns of mechanisms for investing zakat funds in the development of retail businesses, namely: (1) Investment by Amil Zakat and (2) Investment by Mustahik Zakat. Both of these patterns have differences related to fund owners and those who are entitled to (enjoy) profits on investment returns.
3. In the practice of implementing zakat for the development of retail businesses in Indonesia, among others, it has been carried out by Dompet Dhuafa with the name Daya Mart program, and by Baznas under the name Z-Mart program.

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*) Ahmad Juwaini is a Lecturer at Post Graduate Program, Ibn Khaldun University, Bogor, Indonesia.
CHAPTER 9

Application Of Zakat On Gold Based Assets: Malaysian Contemporary Approach

1. INTRODUCTION

Zakat is the third pillar of Islam. Allah s.w.t has testified in the Holy Qur’an in which He emphasized the purification and expansion of wealth of Muslims and the Muslims are obliged to it (Surah At-Taubah: 103). Zakat purifies the wealth of its payers, since in part of their wealth lies some portion which is the right (or due) of others, and thus needs to be distributed to the rightful recipients (Surah al-Taubah: 24). Zakat payment is a manifestation of submission to Allah’s clear instructions to return the temporarily deposited wealth to the rightful owner. Zakat does not only impact the needy but the whole society (Norazlina & Abdul Rahim, 2011; Patmawati, 2008).

Prophet Muhammad (pbuh) determined types of assets that are zakatable which includes all kinds of growing wealth known to the Arabs in the Prophet’s era, such as livestock, agricultural products, and gold and silver. The practice of broadens the base of zakatable item also continues during the Era of the Rashidun Caliphate “Khulafa Ar-Rashidin” (Qaradhawi: 1977) and it should be continued until today. In fact broadening the zakatable base asset is one the critical success factor for zakat institution(Qaradhawi, 2001).

2. METHODOLOGY

This study examines the Malaysian contemporary zakat approach for gold based asset which focuses on types of zakatable item and method of zakat assessment. This article is focused on practices of LZS as the primary source as it is the only authorized body to run zakat operation. LZS is one the most vibrant zakat institution in the country in terms of Zakat collection and distribution. LZS also provides a comprehensive and orderly authentic zakat calculation documentation for gold based assets which was approved by Fatwa Committee of State of Selangor.

This study use qualitative approach. Data and input for this study mainly in the form of documented information from “Fatwa Sistem Pengurusan Kutipan Zakat Negeri Selangor 2013”. These findings were supported by interview conducted with LZS officer for further explanation on the current zakat practices. The outcome from this study can help us to understand the contemporary basic concepts of zakat on gold based asset as practiced in Malaysia and provides some current detail guidance in assessing zakat on wealth.

3. LITERATURE REVIEW

The Holy Qur’andid not specifically defined the types of zakatable wealth nor does it provide the appropriate proportion in zakat. Albeit, it is left to Hadith to give, by example or by directives, details of the general Quranic command and to convert the theoretical axioms of the Quran into a
living reality in human life. During period of the Prophet, zakat was levied on livestock, once a year with minimum exemption limits for camels and sheeps, gold and silver once a year; harvested agricultural produce; buried treasure at the time of extraction; merchandise and honey.

Zakatable assets have been a debatable field in which various scholars have a great deal to consider the emerging new forms of wealth with regard to the entitlement to duty of zakat. These rules (Fatwa) have not contradicted the basics. Instead, scholars have developed the thought of zakat in terms of expanding the zakat base to include new forms of wealth which were the outcome of development of economic systems.

The obligation of zakat on gold is undisputable since gold is metal that is admirably valuable and useful. History has proven throughout the pre-Islamic civilization, gold was the main medium of exchange and used as transaction tools to obtain the required products. In fact currently, the nature of gold expanding into other liquid asset fulfill the principle of growth as the base of Zakatability i.e. *an-nama*’ (Mek Wok Mahmud & Sayed Sikandar Shah Haneef: 2008).

The obligation of zakat on gold is strongly ratified as stated in the Qur’an, Hadith, and Ijma’ (the consensus and agreement among Islamic scholars). The Holy Qur’an indicates that it is compulsory to pay zakat on gold “…And there are those who bury gold and silver and spend it not in the way of Allah: announce unto them a most grievous penalty” (Surah At-Taubah: 34).

The Prophet pbuh said: “When you possess two hundred dirhams and one year passes on them, five dirhams are payable. Nothing is incumbent on you, that is, on gold, till it reaches twenty dinars. When you possess twenty dinars and one year passes on them, half a dinar is payable. Whatever exceeds, that will be reckoned properly.” (Sunan Abi Daud)

Muslims jurist have unanimously agree throughout all generations that zakat is obligatory on gold. Thus, gold is uniquely zakatable in whatever forms, either in the form of currency, solid bar or unrefined as long as the weight is above the *nisab* (Mek Wok Mahmud & Sayed Sikandar Shah Haneef, 2008).

4. **RESULT AND DISCUSSION**

4.1 **Gold Based Asset Main Category**

Based on *Selangor Fatwa on Zakat Collection*, gold based asset is divided into two main categories:

1. Income based: Income based is all income that received in the form of zakatable wealth (*Mal zakawi*) and it has four categories as follows:
   a. income in the form of salaries and wages from employment;
   b. income from non-employment such as royalty and freelance fees;
   c. income from *mustaghallat* (exploited asset) such as rents; and
e. gifts.

   The said income should be combined for the purpose of *nisab* determination.

2. Asset based: *Selangor Fatwa on Zakat Collection* stated that money and gold are belonging to the same category. This latest fatwa ruling decided to combine gold, money (including Takaful cash value) and investment. Therefore, during zakat assessment, these three items
must be combined. If the total is exceeding *nisab*, then it is subjected to zakat payment. Further discussion made based on three major kind of gold based asset i.e. solid gold and its kind; money and currency; and investment and its kind.

### 4.2 Contemporary Zakat Assessment Principle

Scholar agree that same characteristics or nature or wealth must be combined and grouped together for the purpose of *nisab* determination and zakat payment. Different kinds of rásin may also be combined together and so can the various kind of wheat and cereals (Muhammad Zulfiqar, 2011). Further e.g. are goats must be combined with sheep and cows must be combined with buffalo. This ruling also applies to other type of asset including asset based on gold *nisab*. The Council of Islamic Fiqh Academy of Organization of Islamic Cooperation (*Majma al-Fiqh al-Islāmī al-Dawlī*) that was held in Amman, Jordan on 8-13 Safar 1407H (11-16 October 1986) which came up with a resolution: “Paper money is real money, possessing complete characteristics of value, and subject to Shariah rules regarding gold and silver i.e.usury (riba’), zakat, salam and other transaction”. Gold based asset follows this principle. The current approach include four type of assets namely gold (solid gold and jewelry), monetary asset (savings and currency), Takaful and insurance (net withdrawable cash value) and investment (shares and unit trust). These are considered as gold based asset and all these should be combined for *nisab* determination.

### 4.3 Application for Zakat on Gold Assets (Income Based)

Income in the context of zakat means “gains” inclusive of employment income, income from freelance services, income from seasonal job or effort and rental income. Islamic scholars such as Qaradhawi (1977) had emphasized that employment income and income from rendering freelance services are among the wealth from *mustafad* sources. Even though there is no specific Quranic verses or Hadith pronouncing that zakat on *mustafad* sources, Islamic scholars have agreed that zakat on *mustafad* sources are compulsory based general meanings of the following: “O ye who believe! Give of the good things which ye have (honorably) earned” (Surah Al-Baqarah: 267). In Malaysia, most of the State Islamic Councils unanimously declared that it is compulsory to pay zakat on income from employment and freelance services and the Muslimsresided in that state who receive income from the said sources are compulsory to abide the decision.

Types of income subject to zakat are as follows:

a. Employment income: Employment income which subjects to zakat refers to annual salary, deferred salary, allowances (related to employment) and others (e.g. bonus or any other income which could be considered as income related to employment).

b. Income from other services: Income from undertaking tasks or rendering freelance services (e.g. consultants).

c. Income derive from *Mustaghallat*: *Mustaghallat* sources are fixed properties such as land for agricultural purpose and house or buildings which are not meant for trade. Originally, these properties are not subject to zakat. However, if there are benefits arising from the renting or leasing the properties, then they are subject to zakat. The argument is based on *Surah al-
Baqarah (2:267) which Allah states: “O ye who believe! Give of the good things which ye have (honorably) earned.”

d. Gift (العطيه): Gift means money or income received unearned, for free, and without effort. It must be in the form of zakatable asset and not in form of fixed asset or compulsory giving (nafaqah wajibah). The examples are gift, hibah, spouse pension benefit, sadaqah, compensation, inheritance and wedding gift (mahar).

There are two options in determining the amount of zakat payable:

a. Gross income: Multiplication of the rate of zakat (2.5%) on gross income for that respective year (without any deduction).

b. Net Income Approach: Multiplication of the rate of zakat (2.5%) with the income chargeable to zakat after deducting allowable expenses. The allowable expenses are the sufficiency limit (Had Al-Kifayah) for Selangor state as approved by fatwa committee. This limit also used in the determination of poor (Miskin) and hardcore poor (Fakir) and subject to revisions over time.

4.4 Application for Zakat on Gold Assets

Discussion for solid gold and its kind can be subdivided into four scenarios:

a. Gold that is not worn as jewelry: This is gold that kept as a treasure and an accumulation of wealth such as bullions and coins. This include jewelry used unlawfully e.g. jewelry used by men, unused jewelry and gold utensils, decorations and gold equipment. All items is zakatable. The total gold must be combined with other types of zakatable gold based assets.

b. Gold jewelry that is worn by women: Jewelry that is obtained for personal use as ornament and used lawfully by women is not zakatable. However if the amount or quantity of jewelry exceeds the customary amount, zakat will be imposed. The terminology used in Malaysia for customary amount is called ‘uruf’. ‘Uruf is an Arabic word with the meaning customary. Only jewelry that exceeds ‘uruf (customary amount for extravagance) is zakatable. The customary amount for Selangor is 800 gramme for gold. Jewelry made of combination gold with pearls, diamonds and other precious stones and metals, estimation is needed to determine the weight only for gold. Zakat is imposed on the amount of gold that exceeds the ‘uruf (800 gram).

c. Gold pawning (Ar-Rahnu): Ar-Rahnu, is Islamic pawn broking for short-term collateralized borrowing. The development of Ar-Rahnu in Malaysia provides an alternative pawn broking service for borrowers, which is in accordance to shariah principles. Ar Rahnu is based on these Islamic concepts:
   - **Qardhul Hasan**: The borrower is required to pay only the amount borrowed
   - **Ar-Rahnu and al-Wadi’ah**: The borrower is required to place a valuable asset as collateral to get a loan and to ensure repayment (like a mortgage housing loan)
   - **Al-Ujrah**: The lender is allowed to charge a fee for safekeeping of the pawned items

Zakat treatment on gold that been pawned at Ar-Rahnu is still considered as full ownership. The calculation is based on the net value of gold after deduction of loan amount and safekeeping fees. The net figure has to be combined with other gold based assets.
d. Gold Investment: If the investment contract is in the form of physical gold, zakat is categorized under gold not use as jewellery. In the case of physical gold does not exist, the transaction is considered as unpermissible contract. Therefore, zakat on money is taken place and zakat is imposed on principle. Any profit derived is impermissible and not zakatable. However, the principal of the investment is halal and must be zakatable.

In the case of white gold, according to Selangor Fatwa on Zakat Collection, white gold is not zakatable because of the manufacturing process that reduces its purity and this cause very low resell value.

4.5 Application for Zakat on Money and Currencies

Currently, fiat money is used as a measurement of value, medium of exchange and storage of value. Both, intrinsic and fiat money give the purchasing power’ like gold. So zakat rules on money will be based on zakat rules for gold (non-jewelry). Money means “money which is deposited or kept in saving accounts, fixed deposit, current accounts, and any other kinds of savings”. Since money and gold are considered under the same type of asset, calculation must be combined during zakat calculation.

Previously, according to Malaysian practice, zakatable value of money is the lowest amount during the completion of hawl. However, a revision was made and this has been amended, this approach has been amended by taking into account of the final savings balance in the instead of applying the lowest savings balance. The absolute usage of the lowest balance is contradicted to the Fiqh maxim (التتابع تابع) “Ruling of the subsidiary is as of the principal” because dividend / return is excluded. The application of this Fiqh maxim is a consensus among jurist including al-Shafi’iyyah. Another technical consideration is due to impracticality of identifying lowest balance for well managed liquid asset portfolio – cash and cash equivalent, multi-currency savings and others.

Discussion for zakat on money and its kind can be subdivided into seven scenarios:

a. Saving in conventional accounts: Zakat calculation for conventional accounts must exclude any interest or impermissible element. Zakat calculation is based on the last balance less interest.

b. Saving in Islamic Account (Wadi’ah): Basically, the main difference between conventional and Islamic accounts is treatment on Hibah (for Islamic) and interest (Conventional). Under Islamic account, hibah is permissible and has to be included in zakat calculation. Zakat calculation is based on total last balance less any amount that already paid zakat.

c. Multiple Savings: If a person has multiple savings accounts, a standard hawl for all accounts has to be determined. The last balance from each account will be added back. This should include savings in coin / money box (piggy bank).

d. Takaful Contribution: According to Selangor Fatwa on Zakat Collection, takaful is considered as one of money saving mechanism. It is considered as saving in this regard and zakat is imposed under the principle of zakat on money. It is calculated based on net withdrawable cash value. Net withdrawable cash value is the money that can be utilized any time without invalidating the policy. If the policy is cancelled, zakat is payable on the whole amount of surrender value. For conventional insurance, the profit and benefit gained
should not be taken and should be channelled to Baitulmal or for public benefit (maslahah ‘ammah).

e. Takaful Benefit: Claim or benefit for takaful such as daily allowances and compensation on death or permanent disablement is considered as zakat on income since zakat on income imposed any type income including employment related benefit (salary, allowances, and bonus), income from professional services, income derived from economic activities such as farmer, traders, dividend, rental etc and also gift (aatyiah). All these, is the form as gift and subject to zakat.

f. Early surrender of family takaful plan: According to IFSA 2013: 6 (1) At any time after inception of a family takaful certificate which provides for surrender value, the takaful participant may, by notice in writing to the licensed family takaful operator, surrender the family takaful certificate, and he shall be entitled to receive the surrender value of the family takaful certificate, which shall be determined. Zakatability status is “Surrender” in takaful is the same treatment with money withdrawal in zakat on money. Therefore, it is not zakatable upon receiving the money. If the money still kept under any saving mechanism its falls under normal saving. If the money is consumed, the money is considered finished.

g. Compensation received from insurance product: The 94th Discourse of the Fatwa Committee of the National Fatwa Council for Islamic Religious Affairs Malaysia convened on 20-22 April 2011 has decided as follows:-

- Compensation benefits under conventional insurance policy received by heirs of a deceased policyholder are regarded as a non-Shariah compliant asset.
- Only the principal amount of the premiums paid by the policyholder during his lifetime shall be distributed according to the faraidh system. Meanwhile the surplus of the compensation benefits cannot be inherited by the heirs according to the faraidh system and must be disposed of by surrendering them either to Baitulmal authorities of State Religious Councils or by way of donation for welfare purposes, including to the poor and destitute.

4.6 Application for Zakat on Investment

According to Dr Yusof al-Qardawi, in Fiqh al-Zakah, shares refer to “valuable papers which are traded specifically in trade transactions in the shares market”. As a secondary types of wealth, shares and bond (at capital market) will use zakat ruling for trade goods (absolute rule). The zakat on shares will not be imposed on the investor if the company has already paid zakat on its business. However, if the company does not pay zakat on its business, the holder of the shares has to pay zakat on shares.

The obligation is based on quranic verses: “Oh believer, spend of the good things that you honorably earned ...” (Surah Al-Baqarah:267). According to Selangor Fatwa Committee, zakat on shares is calculated based on the ruling for trade goods (عئوض التجارة) that is the value at the end of hawl.

Basically, there are two main types of shares i.e: (a) Zakat on Non-Listed Shares and (b) Zakat on Listed Shares.
a. Zakat on Non-Listed Shares: Non-listed shares is refers to shares which is not listed or traded on any official exchange. Non listed shares normally includes share ownership in private companies and cooperatives. In principle, the business entity have to pay zakat at company level. This obligation due in the same manner that a natural human being would; i.e. all shareholders are treated collectively, like those of a single person. The obligation is based on the principle of khultah (joint ownership). The management of the company has to manage the business and ensure zakat payment on behalf of shareholders. If the company did not pay zakat on its business, it is compulsory on the shareholder to pay the zakat due on his shares.

b. Zakat on Listed shares: This is refer to Investment in shares or other instruments at capital market. This guideline follow Selangor Fatwa on Zakat Collection. It is applicable to all kind of investment in this country under the supervision of Securities Commission (SC). It is not limited to normal shares, but can be used for other instrument traded at the capital market. Samples of investment at the Bursa Malaysia / KLSE are bonus issue, Right Issue, unit trust (state or private), preference shares, exchange traded fun (ETF), warrant/transferable subscription rights (TSR), structured warrant and loan stock. Investment in shares (or other instruments at capital market) will be deemed as trade goods, so hawl used is the hawl of the portfolio (investor has been investing for a complete year) we are not tracking the hawl of each share or counter.

In general, the calculation approach is: Market value at hawl completion plus net profit realized during current hawl) plus other gold based asset. In the case of share ownership with restrictions such as restriction of transaction for shares bought through loans or transaction suspended (under PN4 or PN 19) or any other reason that makes the owner incapable to spend/sell/give-out the assets owned, zakat ability status of the investment portfolio is deemed as incomplete ownership. Zakat shall be exempted until all the restrictions are removed.

In the case of investment in non-Shariah compliant shares, Malaysian Security Commission (SC) provides list of Shariah-compliant securities as a guidance to all parties especially to the investor. The evaluation is based on the company's compliance with shariah principles in terms of its primary business and investment activities. The list also helps investor to identify the non shariah compliant shares. Zakat ability status is only initial capital is zakatable. Capital gain and dividend received after the conversion to non-compliant status is not permissible and not Zakat able. If value of shares drop from original investment value, investor can wait till he recover initial cost. The details can be obtained from SC Islamic Capital Market Guideline.

In identifying the zakatable amount of wealth, all parties involve have to ensure there is no double zakat on the same asset for the same year. This is against the teaching as the Messenger of Allah said “There is no double payment for zakat”.

4. CONCLUSION AND RECOMMENDATIONS

Based on this study, the Malaysian contemporary approach has covers all types of gold based assets. The approach covers both assets i.e. income in nature or wealth in nature. Zakat on income covers all types of income sources in the form of Mal zakawisuch assalaries and wages, non employment inclusive of gifts and non-fixed income. As for asset in the form of wealth, all
liquid asset fulfilling the criterion of growth (an-nama’) is counted including solid gold, money currencies and investment. All asset must be combined for the purpose of nisab determination. The beauty of the approach is shown and ease the Muslims in paying zakat; instead of several partial zakat assessment made for different asset, it is now could be done comprehensively and holistically for individuals.

However, the study finds that digital currency such as cryptocurrencies is yet to address. This study suggest zakat institution should provide Shariah ruling on the zakatability status of such assets and zakat assessment. Zakat institution should be ready to adapt to fast changing world in the Fourth Industrial Revolution so that potential zakat collection can be optimized. Moving forward, zakat institutions in Malaysia should enhance their best to ensure the significant role of zakat to the society and support from all parties could accelerate the growth of zakat collection and distribution.

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CHAPTER 10

Enterprise Risk Management (“Erm”) Implementation: Journey of Lembaga Zakat Selangor (Mais)

1. INTRODUCTION

1.1. Lembaga Zakat Selangor Background

All matters related to Islam and Malay customs in Selangor are within the jurisdiction of the DYMM Sultan Selangor. Lembaga Zakat Selangor (MAIS) (“Zakat Selangor”) was established on 15 February 1994 as MAIS Zakat Sdn Bhd. and was also popularly known as Pusat Zakat Selangor (MAIS) (“PZS”) then. Its objective was to enhance Zakat administration towards a more professional and systematic management, and becomes the role model to other Zakat institutions. During the early days of its establishment, PZS was entrusted to collect Zakat on wealth only. Later in 1998, PZS was mandated to collect Zakat on paddy and fitrah as well as to distribute Zakat. As appointed Zakat collector (Amil) by the Sultan of Selangor and entrusted by Majlis Agama Islam Selangor (MAIS), Zakat Selangor is committed to ensure that management of the collection and distribution of Zakat is conducted in the most efficient and effective manner in accordance to Islamic Shariah principles.

Operations and management of Zakat Selangor are not regulated by any governing bodies or institutions. Thus, there is no requirement for LZS to implement risk management and comply with regulators’ requirement e.g. Security Commission, Bursa Malaysia or Bank Negara Malaysia. However, LZS has taken one step further to self-regulate in terms of risk management for recognizing how important it is to ensure Zakat is being managed in the best possible way.

One of the key purpose of LZS implementing Risk Management is to protect stakeholders especially Zakat contributors and Zakat recipients, which includes managing risks that would potentially harm the efforts to achieve Zakat objectives. With the appropriate strategy and tools, LZS have implemented ERM initiatives and achieving more implementation values thus elevating ERM from a single department affair into the agenda of every employee and levels in the organisation. Risk Management is working together with the entire LZS citizens towards good management and governance practises.
2. METHODOLOGY

2.1. This study explores the journey of Zakat Selangor in transforming its Enterprise Risk Management towards the world-class standards. This study uses qualitative approach i.e. based on the writers’ experience, who are the officers directly involved in Zakat Selangor’s risk management function. Apart from that, the study also uses the gap analysis and benchmarking review to identify the gaps between LZS current ERM practices and the ISO 31000 standards.

2.2. The study mainly uses internal information and documentation about the subject matter. The outcome from this study can help understand the current ERM implementation in Zakat Selangor.

3. LITERATURE REVIEW

3.1. Introduction to Zakat

Humans are created as caliph and to serve Allah S.W.T. As servants, we are obliged to fully comply with all HIS instructions, by implementing the pillars of Islam. Narrated from the Abdullah ibn ‘Umar ibn al-Khattab, said that he heard Rasulluh S.A.W. decreed that, “Islam is built on five pillars: Witness and admitted that there is no god but Allah and Muhammad is the messenger of Allah (Shahada), performing prayers (Salat), Zakat, perform fasting during the month of Ramadan and pilgrimage to Mecca at least once in a lifetime if one is able (Hajj)” Zakat was introduced during the period of Rasulluah S.A.W. It has a divine position in Islam and has the same importance as prayer.

The word Zakat was derived from the Arabic word صماج. Zakat is a form of alms-giving and religious tax in Islam. As one of the five pillars of Islam, Zakat is a religious obligation for all Muslims who meet the necessary criteria of wealth. It is not a charitable contribution and is considered to be a tax, customarily 2.5% of a Muslim's total savings and wealth above a minimum amount known as Nisab. Zakat contributors would first pay their Zakat to appointed Amil, who would then distribute it to the poor.
Muslims, converts to Islam, to Islamic clergy etc known as mustahiq or better known as “Asnaf”.

History of Zakat management had witnessed a glorious period. In the early days of Islam, Zakat management can be divided into three periods, namely the Prophetic era, Guided Caliph period and Dynasties period. During the Prophetic era, Zakat was collected and distributed by companions such as Ibn Lutaibah and Ali bin Abi Thalib. The Guided Caliph era started after the death of Rasulullah S.A.W. Caliph such as Abu Bakar and Umar bin Al-Khatab were among those responsible to bring Zakat into its glorious era

3.2. Introduction to Risk Management

Risk is the potential of losing something of value, weighed against the potential to gain something of value, the probability or threat of damage, injury, liability, loss or any other negative occurrences that are caused by internal or external vulnerabilities, and that may be avoided through pre-emptive action. In simplest word, risk is defined as the chance of something happening that will have an impact on defined objectives.

Risk is unavoidable and present in every human situation. It is present in daily lives, public and private sector organizations. Depending on the context (insurance, stakeholder, technical causes), there are many accepted definitions of risk in use. The common concept in all definitions is uncertainty of outcomes. Where they differ is in how they characterize outcomes. Some describe risk as having only adverse consequences, while others are neutral. (Heinz-Peter Berg, 2010).

Organisations have been implementing risk management as one of the tools to prepare themselves against unwanted events that might prevent realization of their business goals and objectives. Most of them believe that risk should be efficiently managed or otherwise it would cause escalation of costs or decline in expected yields, which could ultimately lead to loss of income and profit.

Apart from the above priority, Zakat Selangor has implemented the Enterprise Risk Management as a strategic operation discipline that supports the achievement of defined objectives by addressing the full spectrum of its risks and managing the combined impact of those risks as in interrelated risk portfolio.

4. RESULT AND DISCUSSION

4.1. Zakat Overview

Zakat collection in Selangor has seen a rapid growth year-on-year since 2010 with the rate outpacing Malaysia’s GDP and was resilient during both economic/financial crisis in 1997 and 2008. In terms of size and amount of Zakat collected, Zakat Selangor is indeed the biggest Zakat institution in Malaysia. In 2017, Zakat Selangor had collected a total of **RM757.1 mil** vs Total Zakat distributed of **RM615.0 mil**. Operations of Zakat
Selangor is supported by close to 600 staff with 27 branches and six mobile units. In 2016, Zakat Selangor has embarked on strategic transformation initiatives and envisioned itself to be the leading Zakat institution with world class management practices all around. This includes risk management.

4.2. TRANSFORMATION OF RISK MANAGEMENT FUNCTION

4.2.1. Quality Assurance Review

Zakat Selangor has initiated efforts and successfully established its ERM Policy and Framework in 2011. After four years of implementation, Zakat Selangor decided to conduct a Quality Assurance Review (“QAR”) aimed at:

- Determining Zakat Selangor’s risk management maturity level thus far, benchmarked against leading best practices in the industry locally and globally;
- Evaluating risk management function’s sustainability and ability to be continuously effective, considering the organisation’s consistent and continuous operation growth moving forward; and
- Formulating a roadmap towards achieving the desired maturity level.
Results of the QAR discovered that Zakat Selangor’s ERM maturity level was at 46% only and there existed various gaps that require attention to be addressed and resolved. Apart from the Quality Assurance Review, a Culture Survey was also conducted among staff of Zakat Selangor to measure their level of Awareness, Understanding, Acceptance and Commitment towards ERM. From the survey, it was discovered that the level of Awareness and Understanding on ERM among staff of Zakat Selangor was Low. In contrast, the staff were receptive on the importance of ERM (Acceptance) and positively expressed their Commitment to work together towards a more effective ERM implementation throughout the organisation.

Thus, a 3-year ERM Transformation Roadmap was established, consisting of numerous short-term, medium-term and long-term action plans geared at improving Zakat Selangor’s ERM maturity level through “Integrity and Professionalism” towards realising the mission of “Establishing a World-Class Risk Management Structure, Process, Infrastructure and Culture to support LZS in Achieving Its Objectives”.

4.2.2. The Transformation Begins – Enhancing Risk Management Governance

Realising the importance of strengthening the independent assurance responsibility, the Board of Trustees formed the Board Risk and Compliance Committee (“BRCC”), who assist to oversee the effective ERM implementation throughout the organisation. Similarly, the various other Board Committees were also given the oversight responsibility to evaluate, deliberate and approve risk profiles of the operation functions under their purview. On the other hand, the Audit Committee has requested the Internal Audit function to employ the risk-based audit approach when developing their annual audit plan.
As the second line of defense, the Management Risk and Compliance Committee (“MRCC”) is responsible on the entire implementation of the ERM Framework, which includes aligning it with Zakat Selangor’s strategic objectives as well as identifying and communicating to the Board on critical operations and Shariah risks and action plans to address them. The Risk Management and Compliance Department (“RMCD”) will assist MRCC in discharging their responsibilities. Nevertheless, RMCD will functionally report to BRCC while maintaining its administrative reporting line to the Chief Executive Officer.

The Head of Divisions will become the first line of defense by becoming owners of all risks relevant and related to the functions within their jurisdiction. They are assisted by at least one Risk Officer, who are appointed by the respective Head of Division to act as the central contact point in ensuring the effectiveness of the ERM processes within their operation function.

4.2.3. ERM Implementation

Based on results from the Quality Assurance Review, Zakat Selangor has developed the ERM Strategic Map and identified several key focus areas. These strategies and focus areas posed a challenge to the organisation, as there are huge implementation gaps to be...
addressed but with limited resources, knowledge and capabilities available.

Zakat Selangor has incorporated the Fiqh legal maxim (*al-qawaid fighiyyah*) as part of the risk concepts in enhancing the ERM Framework. In total, there are seven guiding concepts outlined: -

a. *Sadd Ad Dharar* (Harm must be eliminated and removed) / *Ad-Dharar Yuzal* (Harm must be dispelled);
b. *Dar’ul Mafasid Aula Min Jalbil Masalih* (Avoidance of harm is more important than achieving benefits);
c. Continuous improvement;
d. Full accountability of risks;
e. Application of risk management in all decision making;
f. Continuous communications, and
g. Full integration into governance structure.

In addition, the ERM Framework has also been strengthened by incorporating five principles of risk management in Muamalat namely the principles of Justice, Transparency, Forbiddance of elements of Usury (Riba’), Forbiddance of elements of Gharar and the Forbiddance of activities with forbiddance elements.

### 4.2.4. Results of the ERM Transformation

After a two years’ journey, Zakat Selangor has realised several improvements that are obviously visible. Among the improvements are:

| Before | After 2-years |
|--------|---------------|
| a. ERM activities and risk reporting were limited to individual Divisions only | Zakat Selangor implemented 16 ERM initiatives with enhanced risk engagement and reporting at all levels including at the Board of Trustees level. |
| b. Absence of a dedicated department undertaking risk management and compliance functions | Risk Management and Compliance Department (RMCD) was established with a proper Head of Department supported by five staff. The functional reporting line direct to the Board of Trustees has also enabled the department to be more independent in providing their views and opinion to the management. |
| c. 82% compliance with ISO31000 | Almost 99% compliance with ISO31000 and benchmarking against ERM best practices |
| d. Only two annual risk management programs for Risk Officers (RO) | Monthly technical risk management Knowledge Sharing programs organised for the ROs and General Knowledge sharing sessions conducted on quarterly basis for other staff of Zakat Selangor. |
| Before                                                                 | After 2-years                                                                 |
|----------------------------------------------------------------------|------------------------------------------------------------------------------|
| e. Risk management program at working level only                     | Risk management program has been extended to members of the Senior Management and Board of Trustees. |
| f. No risk assurance session. Quarterly submission of risk profile independently by respective Division’s ROs to the MRCC through their Head of Divisions. | Introduction of Risk Assurance Process (RAP) where the Head of Divisions and ROs will engage with RMCD on quarterly basis. The time spent for the entire process to review, update and approve all risk profiles are more manageable and may be completed within a duration of 15-20 days. |
| g. Only seven risk profiles at Division level, with less than 20 risks being recorded and monitored | 88 risk profiles established at Enterprise (LZS), Division, Department, branches and Project levels. Close to 300 risks being recorded and monitored at all levels. |
| h. Manual approach                                                   | Implemented Risk Management Information System (RMIS). Cascading and escalation of risks between different levels of organisation structure is now more systematic and structured. |
| i. Basic risk management approach                                    | Advanced risk management approach including Operation Continuity Management, Zakat Adequacy Management Plan, Incident Management and Fraud Risk Management. |

4.2.5. Risk Management Information System

The active implementation of ERM function enhancement throughout Zakat Selangor had tremendously increased the challenge of managing and maintaining the risk records manually.

Among the challenges were:

- Number of risks being identified has increased exponentially by close to 300 within two years;
- The huge number of risks posed another challenge on the monitoring of progress and status of each and every action plan identified on timely basis as well as consistent evaluation on the effectiveness of controls implemented to treat or manage those risks;
- The process and activities involved in preparing periodic reports for the various Committees were tedious and time consuming. There were also data integrity issues due to the extensive human involvement throughout the report preparation process;
- Volume of papers and other peripherals needed to create, edit, file and store all the manual risk records and reports led to increase in uneconomical expenses and wastages; and
Zakat Selangor unable to make use of all the data that are maintained manually in generating a more comprehensive analysis that would reflect the level of consolidated risk at enterprise level.

The Risk Information Management system known as UMAR - UrusanMaklumatRisiko has tremendously enabled Zakat Selangor to effectively overcome all the challenges listed above and be more dynamic where:

- It allows better clarity and understanding among the risk owners of all risks at enterprise and functional levels, encompassing both strategic and operational risks;
- Risks may be classified into more accurate risk themes, which allows for better analysis and quantification of its probability and impact on Zakat Selangor in a more holistic and consolidated manner;
- Information on mission critical risks are instantly available 24/7, which greatly contributed to sound decision making;
- The time spent for recording, evaluating, approving, updating and reporting risk information has been drastically shortened. Thus, everyone in Zakat Selangor has more time to focus, manage and treat all the identified risks, while being proactive and responsive to changes in risk environment vis-à-vis strategy. Sharing of action plan initiatives across different functional divisions and departments supported with prompt early warning indicators have increased the quality of risk response;
- RMCD has better opportunity to focus on multi-role functions towards better value-add contributions to the organisation; and
- Risk management becomes more cost- and time-effective, and able to better control resource wastages. Huge number of risk records, action plan and control activities are no longer a nightmare. Instead, it allows the opportunity for everyone to propose and contribute limitless ideas and recommendations. This increased the accuracy and effectiveness of action plan and control activities implemented to manage risks.

4.3. ADVANCED RISK MANAGEMENT

Besides tremendously improving Zakat Selangor’s effectiveness and efficiency in managing its risk data and information, the transformation program has also allowed the risk management function to be involved in several advanced risk management initiatives.

4.3.1. Zakat Adequacy Management Plan

Zakat Selangor has identifies several plausible risks that are capable of affecting the effectiveness and sustainability of LZS’ Zakat management. Among those risks are:

- Drastic reduction in the amount of accumulated Zakat fund;
- Changes in government laws and regulations;
- Lack of real time data;
• Increase in number of asnaf due to internal or external factors;
• Uncertainties in Zakat collection performance may impact Zakat Selangor’s balanced Zakat collection and Zakat distribution budgeting process;
• Unbudgeted long term commitments; and
• Liquidity risk posed by insufficient accumulated Zakat to support Zakat Selangor’s financial obligations. This was evidenced from the 3-years trend (2014 to 2016) of Zakat distribution that exceeded its collection.

LZS Zakat Adequacy Management Plan (ZAMP) is the most innovative and first-of-its-kind risk management program in Zakat industry globally. ZAMP has been modelled against the Capital Management Plan (CMP) and Internal Capital Adequacy Assessment Process (ICAAP) implemented within the regulated financial industry in Malaysia.

The key elements of ZAMP include the following: -
• Board and senior management oversight;
• Comprehensive risk assessment;
• Quantitative modelling i.e. stress testing to determine the minimum level of Accumulated Fund required and LZS preferred level of Accumulated Fund based on the Risk Appetite and Tolerance;
• Sound monitoring to periodically assess adequacy of the Accumulated Fund; and
• Formulation of pre-designed management actions that will be implemented to normalise Zakat fund volatility.

Zakat Selangor has embarked on the following broad strategies in formulating the ZAMP model:-
• Establishment of Zakat Selangor’s Financial Risk Appetite, which would ensure that the variation profiles of accumulated Zakat fund, Zakat collection and Zakat distribution are within the defined appetite;
• Establishment of Financial Risk Tolerance that provides a mechanism to monitor health of Zakat fund and enable Zakat Selangor to react should the alarm is triggered;
• Identify and develop suitable action plans that would ensure maintenance of sufficient level of Zakat fund and to timely address fund fluctuations, as it arises at any point of time;
• Establish and maintain acceptable level of accumulated fund throughout the financial year for meeting future unexpected contingent liability needs that may arise.

ZAMP has allowed the Board of Trustees and the management a more objective method to monitor Zakat fund level, and activate timely actions to circumvent fund volatility that moves beyond the defined financial risk appetite and tolerance region.

4.3.2. Operation Continuity Management
Zakat Selangor has been bestowed as Amil with the responsibilities of collecting and distributing Zakat within state of Selangor. As Amil, LZS must give full effort to ensure Zakat is being managed in the best possible ways such as managing risks that would potentially harm efforts to achieve Zakat objectives namely to help Zakat payers fulfil their obligations and help all asnaf. This includes any crisis or incident that might happen and could prevent asnaf from receiving their life-sustaining aids.

Operation Continuity Management (OCM) is a holistic management process that identifies potential threats and its impacts on operations of LZS. If the threats do realize, OCM is expected to provide a framework for building Zakat Selangor’s resilience with the capability of an effective response towards safeguarding the interests of the organisation and its relevant stakeholders.

The OCM consists of three broad components namely Crisis Management (CM), Operation Continuity Plan (OCP) and IT Disaster Recovery Plan (DRP). The objectives of OCM are as follows:

- To provide framework that would appropriately eliminate interruptions to operations and to protect critical Zakat Selangor’s processes from the effects of major failures or disasters;
- To ensure efficient and effective methods are implemented during a disaster, for operations continuity purpose and to minimise the impact of that disruption should it occur;
- To safeguard Zakat Selangor’s interest and to allow resumption of operations; and
- To ensure that Zakat Selangor is able to provide a pre-determined list of minimum essential services during a crisis and prevent or reduce damage to its reputation.

Development and formulation of the OCM has been guided by the following principles:

- Integrated into operation processes;
- Transparent and based on best available information;
- Responsive and timely;
- Continuously improved;
- Enhance resilience of critical operation functions; and
- Take and “all hazards” approach.

4.3.3. Compliance function

Zakat Selangor has been strategically and operationally moving towards being a leading institution that is being managed according to world standard equivalents. The introduction and implementation of aggressive operational changes as well as enhancements have increased LZS vulnerability to compliance risk, which underscore the need for a strengthened capacity and capability to continuously
manage it.

Failure to effectively manage compliance risk may result in inefficiencies, operational issues, litigations and dented reputation not only to LZS as the sole body entrusted to collect and distribute zakat within Selangor state but also to other related Islamic institutions. Thus, Zakat Selangor holds itself to high standards in carrying on its responsibilities and at all times observing both the spirit and the letter of the Shariah as well as other governing laws, rules and regulations.

The compliance function would form an integral part of Zakat Selangor governance, risk and control functions. A framework has been established aimed at promoting higher standards of compliance in LZS and complementing other control functions such as Risk Management and Internal Audit. It also seeks to ensure that effective compliance policies and procedures are followed and appropriate corrective action are taken when non-compliances are identified.

The objectives of the compliance policy and framework are:

- To clarify the roles of the Management Risk and Compliance Committee as well as the Board Risk and Compliance Committee in managing Zakat Selangor’s compliance with Shariah, statutory requirements, internal policies and procedures;
- To outline the fundamentals of compliance universe, function and processes that will be used in Zakat Selangor;
- To coordinate and enhance Zakat Selangor’s corporate governance towards complying with the Shariah and all other requirements stipulated by internal and external regulating authorities; and
- To assist management in inculcating compliance awareness and culture across Zakat Selangor, with a view to ensuring achievement of its operations objectives.

4.3.4. Fraud Risk Management

The amount of annual Zakat collected by Zakat Selangor has been on the increasing trend. In total, Zakat Selangor has been managing Zakat funds exceeding RM1 Billion every year. With the continuous increase in the amount of Zakat funds managed year by year and given the huge amount of funds to be managed, it is imperative for Zakat Selangor to ensure that adequate controls are implemented that would provide assurance to the public on its integrity and professionalism.

In the wake of high-profile corporate scandals being frequently reported globally, it is important for Zakat Selangor to allocate priority to establish a comprehensive approach to circumventing and managing fraud risk. Thus, RMCD has developed and implemented the Fraud Risk Management Policy and Framework, which contains the
• Policy and governance relevant to fraud risk management;
• Fraud risk assessment, prevention and detection processes; and
• Fraud reporting process, investigation and correction action.

Among objectives of the framework are: -
• Providing a framework that would appropriately define responsibility for managing fraud risk in LZS;
• Outlining the expected understanding required of every level of management and staff on how LZS responds to heightened risk and regulations, as well as public and stakeholder scrutiny;
• Recommending ways in which the Board, senior management and staff at all levels can deter fraud as well as designing and implementing fraud risk preventive and detective control activities, fraud reporting process that includes conducting investigations and implementing corrective action as well as monitoring and improving the fraud risk management framework.

4.3.5. Financial Risk Management

Financial Risk Management (“FRM”) is the quantitative approach of risk management process supporting the risk management function in Zakat Selangor. FRM enables Zakat Selangor to make objective cost-benefit evaluation of risk mitigation options, forecasting and planning for strategic purpose in the future. The uncertainties occurrence require complex or simple solutions which lead to the increasing applications of actuarial risk modelling.

Risk affects every aspect of Zakat management in LZS. Understanding the risks faced by Zakat Selangor allows FRM to analyze risks quantitatively and make a more objective evaluation of risk-mitigations based on cost-benefit. The risk-benefit evaluation and the quantitative assessment of key risks would be an advantage to Zakat Selangor as it enhances the institution’s ability to make better decisions, meeting objectives and improving performance.

The main objective of FRM is to provide technical skills by applying principles and methodologies studied under actuarial technical subjects for the identification, quantification and management of risks in Zakat Selangor.

4.3.6. Corporate Risk Consolidator and Scoring

The Corporate Risk Consolidator and Scoring (“CCS”) is an analysis tool that provides an enterprise-wide “birds-eye” view of the risk management process. From the enterprise level, the CCS will enable management to drill down and identify where gaps or weaknesses exist anywhere within the organisation. CCS utilises input from the Corporate Risk Scorecard within UMAR system and consolidates one or more risk profiles based on pre-defined rules to automatically calculate the Profile Risk Score.
CCS allows risk management and Internal Audit to obtain an automatic consolidated view of the risk profiles within Zakat Selangor at all levels. The consolidation process compiles and aggregates key risks throughout Zakat Selangor and individual risk profiles automatically, providing a real time objective view of the organisation’s achievement in risk management. The risk filtering and risk consolidation assessments are results of individual risk ratings, risk profile (department) weightages and risk themes weightages.

Criteria for consolidation may consist of financial exposure, image reputation, operational disruption, internal control environment and Shariah requirements. Risk owners are required to assign weightages to each criterion based on pre-defined scale.

5. CONCLUSION

Although Zakat Selangor is not subjected to any regulation, the conducive environment within which the organisation is operating, Board and Management support as well as commitment of all parties are among the key success factors for the successful implementation of ERM. The Board and Management has provided the required support and resources to enable ERM to thrive. From line management affair, RMCD managed to elevate ERM to be the Board’s agenda. Our initiatives are now more all-encompassing, covering from counter staff at branches up to the Board of Trustees, who are mostly prominent figures, by participating in our programs. This send a very strong ‘Tone from the Top’ on the importance of ERM to Zakat Selangor. The level of acceptance is now been translated into various other initiatives initiated voluntarily at Line Management level where RMCD is now welcomed and often invited to participate and contribute inputs to their operational matters.

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CHAPTER 11

Goodamil Governance and Improvement of Transparency and Accountability in the Perspectives of Lembaga Zakat Selangor

1. Introduction

1.1. LZS Background
Selangor is the most developed states in Malaysia. Thus, it is expected that the zakat collection is higher as compared to the other states. In the beginning of its establishment, the zakat collection stood at RM11.5 million in the year 1994 and surpassed to half a billion Ringgit i.e. RM757.1 million in 2017. Consequently, this translates towards higher zakat distribution from RM14.0 million in 1994 to RM616.5 million in 2017.

Basically, the main objectives of LZS are as follows:

a. To increase effectiveness of zakat distribution;
b. To maximize zakat collection; and
c. To enhance zakat management.

Corporatisation of zakat management in the state of Selangor began when the Selangor Islamic Religious Council (MAIS) established the Pusat Zakat Selangor (PZS) or previously known as Pusat Pungutan Zakat MAIS (MAIS Zakat Collection Centre) on 15th February 1994. PZS is a private limited company registered under the name of Zakat MAIS Sdn Bhd, a wholly owned subsidiary of MAIS. PZS was established with the objectives to improve the governance of zakat and to inculcate professionalism in the management of zakat to be at par with the best management practices in the corporate world. PZS was given the full mandate to manage zakat collection in Selangor.

In 1998, MAIS widened the mandate to PZS to also manage the distribution of zakat. This is to ensure that all zakat in the state management function is housed under one institution, allowing MAIS to focus on other crucial areas of Muslim welfare and development. The change of name from PZS to Lembaga Zakat Selangor (LZS) was inaugurated by Sultan of Selangor on 31st January 2006. LZS was established under the Trustee Act (Incorporation) Act 1952 through a Deed of Trust registered under the Legal Division of the Department of the Prime Minister.
Figure 1: Main Chronological Events from 1994 Onwards

2. METHODOLOGY
This paper represent good amil governance and improvement of transparency and accountability in the perspectives of Lembaga Zakat Selangor (LZS). This study use qualitative approach based on writers’ experience as the designated officer for corporate governance in LZS. The study mainly use internal information and documentation related to the subject.

3. LITERATURE REVIEW
3.1. Concept of Governance
According to United Nations, Economic and Social Commission for Asia and the Pacific, governance is defined as process of decision-making and the process by which decisions are implemented (or not implemented). The Holy Quran addresses the Messenger of Allah (SAW) on the concept of good governance and the Messenger of Allah(SAW) successfully established a social hierarchy after his migration from Makkah to Madinah. This study identified various parameters in his (SAW) good governance reported in various sources in Islamic History (Nomani, 2010; Majlisi, 2008).

Imran Haider Naqvil et al (2011) highlighted on the overall justice; central command and control; delegation of authority among subordinates as and when required; a social welfare state; a system of taxation; an effective system of defence; participation of all stakeholders in all significant matters; social security; promotion of education; social security for minorities; discipline and rule of law in society; elimination of poverty; effective international relations; no political parties; freedom of expression for people from all walks of life; citizens of Madinah were bound to obey the Messenger of Allah(SAW); interest-free economic system was developed and the Messenger of Allah(SAW) ruled as an apostle of God (Allah).

The Holy Quran has not introduced the Messenger of Allah(SAW) as a king or governor limited to a state. Rather, the Holy Quran has recognized the Messenger of Allah (SAW) as a Divine leader (chosen by God) for the entire mankind for all time periods to come before the Day of Judgment. This study discovers that the Messenger of Allah(SAW) is the first governor general of a state who was invited by the citizens of the city of Madinah to migrate to that city to govern them. The study perceives that the masses of Madinah did so as per the will of God (Allah). The Messenger of Allah(SAW) laid the foundation of good governance that was further expanded and strengthened by his (SAW) successors. The Holy Quran and Islamic history are evident of the fact that the Messenger of Allah(SAW) remained dominant on all infrastructures and doctrines in his personality. He (SAW) ensured good governance in Madinah through his leadership and personality traits. All infrastructures and systems were established and optimized due to his personal intervention and predilections which resulted in an unmatchable implementation of good governance.

3.2 Importance of Governance in Zakat Institution
The basis of good governance for zakat institution is amanah or trust to fulfil. Allah SWT reminded the believers not to betray the amanah entrusted on them:
"O you who believe! Betray not Allah and His Messenger, nor betray knowingly your Amanat (things entrusted to you, and all the duties which Allah has ordained for you.” (Surah al-Anfal 8: 27)

The concept amanah is the foundation for LZS governance framework. In principle, LZS governance is about ensuring the amanah is established in the entire value chain of its operation.

LZSi an institution that practices the principle of Islamic management. This principle is called the “ubudiyyah” which means that man as servant of Allah SWT and should adhered to the concept of self-devotion to Allah SWT that is obedient to the command of Allah SWT and keep away from all prohibits. Allah says in surah Al-Nahl which means:

"Do not worship two gods, only He is One God, therefore fear Me: Allah has whatsoever is in the heavens and the earth, and unto Him ye shall abide for ever. Are you afraid of the other than Allah SWT "(Surah Al-Nahl 16: 51-52).

Moch. Chotib et al (2018) explained that good governance in Zakat Institution emphasizes on the importance of mitigating issues in the Zakat Institution. The institution of zakat ought to have a legal treasury, management and jurisprudence of a qualified, including the dynamics of regulations that governs the Zakat Institution. The principle of good zakat governance is derived from the principles that exist in good governance, in addition to the principle of maslahah orientation and sharia law. The implementation of good zakat governance is expected to increase public confidence and trust which will then translates into higher zakat collection and distribute it to appropriate target and meaningful and productive.

3.3 Transparency and Accountability in Zakat Institution
The dimensions of transparency in implementation in the principle of governance have important meaning and major parts. Particularly in the Islamic religious context, codified transparency is evident in one verse in the Qur'an which reads:

"O my father! Hire him. Indeed, (the) best whom you (can) hire (is) the strong, the trustworthy." (Surah al-Qasas 28:26)

The transparency in Islam is very important in life, both religious life and muamalah, in the matter of zakat. It was mentioned in a narration in the book of Bihar al-Anwar 75: 114, that the Messenger of Allah (SAW) had highly emphasized on transparency for world affairs either individually or in group. The Messenger of Allah (SAW) said: “Do not pay attention to the many prayers and fasts. Do not you also notice the number of pilgrims and piety? But pay attention to his honesty in conveying information and carrying out the mandate.”
Accountability is the key to ensuring that zakat governance is well executed and in line with the public interest. For this reason, accountability requires clarity about who is accountable, to whom, and what is accounted for. According to Moch. Chotib et al, accountability, therefore, could also mean the setting of a number of criteria and indicators to measure the performance of government agencies, as well as mechanisms that can control and ensure the achievement of those standards. Accountability in the public sector is a multiple-accountability structure. He is held accountable by more parties representing community pluralism. Specifically, the performance of a government agency should be accountable to superiors, members of parliament, non-governmental organizations, donor agencies and other community components. All this means that internal accountability (administrative) and external accountability are equally important (Moch. Chotib et al, 2018).

Therefore, in relation to this study, accountability is also aligned with religious principles, as it is contained in the Qur'an:

“Allah doth command you to render back your Trusts to those to whom they are due; And when ye judge between man and man, that ye judge with justice: Verily how excellent is the teaching which He giveth you! For Allah is He Who heareth and seeth all things.” (Surah an-Nisa 4:58)

4. DISCUSSION

Good governance is the essence in the establishment of zakat administration and this paper aims at providing a general overview on corporate governance practices in LZS. LZS takes the accountability to fulfill the role and responsibilities according to Al-Quran, Sunnah and stakeholder’s expectation in paralleled to its vision to be a leading zakat institution with comparable global management standard. LZS believes that sound oversight function is critical in ensuring all activities conducts in performing the true function of amil in collection and distribution of zakat.

4.1 Corporate Structure

LZS is formed under the Trustees Act under the ambit of HRH Sultan of Selangor and supervised by Selangor Islamic Religious Council (MAIS).
4.2 Effective Board Committees

It is administrated by the Board of Trustees appointed by Selangor State Religious Council. LZS is headed by effective board committees assisted by 12 other committees including governance committee, audit committee, risk committee and shariah committee. LZS defines clear responsibilities and establish the overall design, set up, structure, composition and process of the respective committees as suggested Malaysia Code of Corporate Governance 2017 as well as benchmarking against the best practices of other similar institution.

4.3 Supervision

LZS also subject to four external audit which are Auditor General of Malaysia, appointed private external auditor, SIRIM Quality Audit and MAIS Internal Audit. As for internal control, LZS establish its own periodic internal audit, co-sourcing audit, Internal Quality Audit and compliance. LZS developed various working level policy document such as Internal Audit Framework, Risk Framework, Compliance Framework, ICT Governance Framework, Authority Manual, OSHA and Whistle Blowing Policy. As for transparency, LZS publicized financial reports and activities via multi-channel including mainstream media and social media. These are the key success factor for LZS to be the leading zakat collection and distribution in Malaysia.
4.4 Good Zakat Governance
As for zakat governance, LZS adopted the principle of human governance to its amil and amilat through the concept of *amil muflihun* and *saf al-awwal*. LZS established its own amil code of conduct (*Akhlak Kerja*) and promoting core values (7 Core Values) that has to be deeply rooted and practised by its staffs. Another component for good zakat governance in LZS is effective Performance Management System for the whole organisation.

4.4.1 Amil Muflihun
Human governance will enable LZS to become a customer centric organisation by undertaking a consultative role to provide more added value services to the Asnaf and Zakat contributors. Therefore, it is important to ensure that LZS’s employees are willing to walk the extra miles with high initiatives and goal oriented. The criteria of Amil Muflihun as defined by LZS is based on quranic verse (Ar-Rum: 38) “So give the relative his right, as well as the needy and the traveler. That is best for those who desire the countenance of Allah, and it is they who will be the successful (muflihun).” The criteria are as follows:

a. Understand helping Asnaf as ibadah;
b. Driven to attain the best in good deeds;
c. Shuns away from *dzalimu nafsih*; and
d. Motivated by *ikhlas* and *ihsan*

4.4.2 Saf al-Awwal
Effective leaders (*saf al-awwal*) are the key element to transform human capital in LZS. Leaders are required to become role model and behave according to the desired behaviour and have the right set of mind. Leaders in LZS need to enhance their visibility on the ground, communicating and inspiring staff as this can reinforce staff’s commitment. The spirit of *saf al-awwal* is based on quranic verse (As-Saf: 4) “Indeed, Allah loves those who fight in His cause in a row as though they are a (single) structure joined firmly.”

Criteria of *saf al-awwal* are:

a. Leaders who takes charge
b. Leaders as living example of desired future
c. Leaders who plan and execute Transformation
d. Leaders who create a pious climate to nurture the winning talent

4.4.3 LZS Core Values
LZS wants its staff to have *muflihun* characteristics (successful people) in accordance with the glory of the amil task itself mentioned in the Quran. The objectives of 7 Core Values are:

a. **Nurturing the fundamental consciousness** that the duty as amil is *devotion to Allah* and *practice Islam is an obligation*
b. **Provides guidance** in forming the necessary attitudes and attitudes prohibited as amil in LZS
c. **Increase the productivity and quality of the work and services** of the amil through the cultivation of good morals and directly improve the effectiveness of collection and distribution of zakat
d. ** Produces amil muflihun** which excels his work by possessing features of INTEGRITY & PROFESSIONAL with reinforcement through 7 Core Values that must be appreciated and practiced by all amil in LZS.
4.4.4 LZS Code of Conduct

Akhlak is defined as an Islamic ethic which means character and behavior based on the teachings of the Quran and explained and exemplified by the Messenger of Allah (SAW) through his behavior and words. LZS established Code of Conduct for its employee as a general term as an amil. LZS as a zakat management institution requires its staff to always:

a. Show high levels of professionalism
b. Show loyalty to the organization
c. Serve honestly, with integrity and prudence
d. Run the task creatively and innovatively

Staff are prohibited from:

a. Take action that can create conflicts between individual interests and organizational interests
b. Abusing position within the organization for personal gain
c. Demonstrate behavior that can affect LZS's reputation

4.4.5 Performance Management System (PMS)

A Performance Management Systems (PMS) in an organisation would generally include KPI / KRA as the main component of the system. PMS in LZS includes its Organisation’s Values / Behaviours and / or Competencies. Performance Management systems enable LZS to track and monitor the performance of individual employees, departments, and the overall organization.

PMS was designed to suit LZS needs which consist of two main component i.e.:
a. Key Performance Indicators using balance score card mechanism including customer satisfaction feedback (asnaf and payers), 360-Degree Feedback at division level and Individual Development Plans;
b. Behavioural including istiqamah, itqan, iltizam, tahdhib, ta’ah, and murabbi. The definitions of each competency are as follows:

Table 1: Definitions of Competencies in LZS Context

| No. | Competency | Definition (in LZS context) |
|-----|------------|-----------------------------|
| 1   | Istiqamah  | Uphold and internalize the core values of accountability, responsibility and honesty in driving the organization forward in the search for excellence |
| 2   | Itqan      | Exercise uncompromising demand on a strict and high standard of work ethics and behaviour from the staff in discharging their role and responsibilities |
| 3   | Iltizam    | Encourage a high level of stakeholders’ engagement and ensure they participate actively in the growth and development of the organisation |
| 4   | Tahdhib    | Introduce creative and strategic initiatives to add value to the performance of the organisation |
| 5   | Ta’ah      | Promote a strong and effective governance culture that places high value on effective management of the organisation operating processes and controls |
| 6   | Murabbi    | Play a constructive role in the talent management and succession planning of |

6. CONCLUSION AND RECOMMENDATIONS

Good governance is an important component in the establishment of LZS. LZS takes the fullest effort to fulfil the role and responsibilities according to Al-Quran, Sunnah and stakeholders expectation. LZS applies all control mechanism in corporate governance including corporate structure, effective board committees and supervision. As for zakat governance, LZS adopted the principle of human governance through the concept of amil muflihun, established its own amil code of conduct and promoting core values that has to be deeply rooted and practised by its staffs.

LZS believes that a good zakat governance is a journey which requires improvement as we go along. Eventually, both LZS and WZF members should always establish good governance in their respective zakat institutions by adjusting them according to its demographic, economy, environment, technology and its capability.
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CHAPTER 12

Strengthening Role of World Zakat Forum: Lembaga Zakat Selangor (MAIS) Viewpoints

1. INTRODUCTION

1.1. WZF background
WZF is a forum that was first introduced in Yogjakarta Indonesia on 30th September 2010. This forum is designated as a place which facilitate a platform for zakat institution and stakeholders to develop strategic dialog on the concept and ideas for zakat development, such as: a) discussing the wisdom, the objectives, and the benefit of zakat; b) developing transparent, professional, and trustable zakat management; c) analyzing contribution of zakat for society empowerment; d) strengthening contribution of zakat towards poverty elevation and improvement of mustahiq live quality; and e) conceptualizing the economics of zakat and its role in the economy. By collaborating with various stake holders, WZF has arranged series of seminars and workshop about zakat management.

2. METHODOLOGY
This paper represents views from Lembaga Zakat Selangor (LZS) to enhance the role of WZF. This paper is written based on review of best practices, global economic scenario, achievement of WZF members, previous resolutions of WZF and LZS current approach and practices.

3. LITERATURE REVIEW

Zakat play its role as a fiscal mechanism, zakat performs some of the major functions of modern public finance, which deals with social security entitlements, social assistance grants for childcare, food subsidy, education, health care, housing, and public transportation in a welfare state (Yusoff et.al 2012, p.449). Besides that, zakat creates a balanced growth cycle. When a certain percentage of one’s wealth is spent annually over the foregoing eight categories as prescribed in the Quran, zakat has a significant economic impact on society (Tarar et.al, 2012, p.153).

Like any other non-profit organization, zakat organizations face various kinds of challenges due to environmental changes in modern societies (Abdul Rahim, 2006, p. 93). Creativity and innovation are important elements to ensure the relevance of zakat organizations in modern Muslim societies (Mujaini, 2005). According to Abdul Rahim (2006), zakat practitioners need to change their mindset and be opened to new techniques in administring zakat (Abdul Rahim, 2006, p. 95). Al-Qardhawi (1999) indirectly recommended that zakat practitioners must be creative and innovative in facing new challenges such as changing needs and modern demands. Zakat administrators must ensure that the concept of ijtihad (diligence) should be incorporated in their management of zakat funds (Mujaini, 2005). Innovations on worldly affairs and ijtihad in the context of zakat must be part of their management practice (Abdul Hamid, 2003, p.96; Mujaini, 2005). In the modern management of zakat, practitioners must be knowledgeable for them to look at creativity and innovation as something that can assist them to achieve the objectives of zakat (Fuadah et. al, 2015).
Furthermore, it is very important for zakat organization to improve organizational members’ learning capabilities in order to better understand and manage the organization and its environment. Halim et. al (2011) found out that learning culture elements of commitment to learning, knowledge sharing, and open mindedness were embedded among staff of Lembaga Zakat Selangor (LZS).

4. DISCUSSION
The 2017 WZF, “Strengthening the Role of Zakat as a Global Instrument to Eradicate the Poverty”, which was held in Jakarta, has concluded that WZF will be strengthened by all the WZF members where the WZF become the container to set a joint agenda in order to increase the wisdom, professionalism, and zakat empowerment as one of conference resolution. In relation to this resolution, LZS proposes six areas to strengthen WZF roles as below:

4.1 Sharing Knowledge and Expertise
In order to strengthen the role of WZF, LZS would distinctly suggest members to share knowledge & expertise with other participants for usage and mutual benefits. LZS has participated in few sharing sessions organised by other zakat institution such as LZS has been invited to talk on Governance in Zakat Collection in IRTI – BAZNAS training program organised by Centre of Strategic Studies, BAZNAS. LZS also participate in the State Zakat Management Secretariat in Malaysia (SPZN) meeting and has presented papers to other SPZN members during the meeting. Occasionally, LZS also receives visit from other zakat institution delegation who would like to know more on certain areas in LZS zakat operation and LZS are more than welcome to share information on the requested area.

Sharing expertise cross boundaries should be taken as important part of members responsibility towards supporting the WZF objective to enhance global welfare. Humanity issues such as refugees, hunger and income inequality should be overcome together by members. BAZNAS has taken a step ahead where The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) has signed the first multi-year agreement with Indonesia’s national Zakat agency, BAZNAS. The agreement marks an important partnership for the Agency in promoting its “#DignityIsPriceless” Campaign and narrowing the gap of its unprecedented financial crisis. On 17 October 2018, Minister Marsudi stated that “by signing a Zakat agreement between BAZNAS and UNRWA, Indonesia is opening a new funding opportunity for Palestine refugees. This can be a model for other countries to follow suit”.

4.2 Sharing Best practices
Furthermore, LZS also encourages members to share their best practices in managing zakat collection and distribution not only in the area of day to day operation but also in the context of governance and internal controls. LZS sees governance and internal control is the backbone in zakat operation. LZS already defined clear responsibility and established the overall design, set up, structure, composition and processes of the respective committees as suggested by the Malaysia Code of Corporate Governance as well as benchmarking against the best practices of other similar institutions. LZS is formed under the Trustees Act under the ambit of HRH Sultan of Selangor and supervised by Selangor Islamic Religious Council (MAIS). All initiatives and activities must comply with Fatwa issued by Selangor Fatwa Committee. LZS is subjected to
four external and internal auditing respectively. LZS also has developed various working level policies and framework documents such as Internal Audit, Risk Management, Compliance Framework, ICT Governance Framework, Authority Manual and Whistle Blowing Policy in accordance to the standard best practices.

In term of zakat distribution operation, LZS has taken up the Poverty Search Squad (Skua Jejak Kemiskinan) exercise. The main objective of Skuad Jejak Kemiskinan is to reduce poverty in Selangor specifically by identifying individuals or families under the category of asnaf fakir, miskin and muallaf through search and find mission. It is a field work operation which involves home investigation where the individuals or family needs are being assessed using haddul kifayah. Any individual or family who fit the fakir, miskin or muallaf criteria will be registered as asnaf and are eligible to receive financial assistance and other types of aids from Lembaga Zakat Selangor. This operations is not limited to asnaf fakir, miskin and muallaf, but it also covers asnaf gharimin and fisabilillah. There are many NGOs who also participated in this operations and have the opportunity to experience the poverty search and find mission.

To enhance the efficiency of zakat distribution process, LZS has appointed Amil Kariah Assistant to ease aids application among asnaf. Amil Kariah Assistant is the front liner in managing activities related to aids and assistance of zakat distribution, besides assisting in asnaf development. The objectives of of Amil Kariah Assistant is to serve more asnaf by increasing reach, to monitor asnaf progress, to help reduce fieldwork operational cost and to act as collection agent. LZS has identify 7 main area to focus in order to strengthen the role of Amil Kariah Assistant and the areas are selection and appointment, role and responsibility, management, benefit and reward, policy and standard operating procedure, learning and development, and control and monitoring.

Nevertheless, there are plenty of opportunity for further enhancements. Thus, LZS is looking forward for the other best practices among WZF members. LZS belief that other WZF member also face the same situation as LZS and WZF can be the right platform to solvesuchissues.

### 4.3 Sharing Research Findings

Relentless research and development findings may be applicable in some zakat institutions. Nevertheless, the contribution, innovation and exploration of ideas are priceless and would certainly motivate others in collaborating knowledge and enlighten *terra incognita* (unexplored branches of knowledge). By sharing research findings, members could benefited by optimising research cost and resources, reduce redundancy of research, address common issues collectively and lead to standard practice among members. LZS has performed research on strategic and shariah, mainly on zakat collection, zakat distribution and zakat administration to resolve issues and enhance current practices. Among researchesthat has been executed by LZS are as follows:

| RESEARCH CATEGORY | SCOPE      | NO | RESEARCH TITLE                                                                 | OUTCOME                                                                 |
|-------------------|------------|----|--------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Shariah           | Collection | 1  | Fiqh Zakat Framework Islamic Finance Institution                               | Fiqh Zakat Framework and Method of Zakat Assessment for IFI (specific for Fund Manager) |
| RESEARCH CATEGORY | SCOPE               | NO | RESEARCH TITLE                                                                                                                                  | OUTCOME                                                                 |
|-------------------|---------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
|                   |                     | 2  | Review on Method in Setting Gold Nisab Rate                                                                                                    | More efficient Nisab Rate based on gold price by Bank Negara Malaysia  |
|                   |                     | 3  | Review Business Zakat Guideline                                                                                                                 | Updated Shariah resolution on Business Zakat Guideline                   |
|                   |                     | 4  | Guideline on Zakat Assessment and payment of zakat for One Family                                                                              | Syara’ Guideline on the responsibility of zakat contribution in one family |
|                   |                     | 5  | Review on Zakat Fitrah Rate Setting                                                                                                              | Rice price for Zakat Fitrah 2019 rate setting                            |
|                   | Distribution        | 6  | Guideline on Maqasid Shariah in prioritizing of zakat aids                                                                                      | Control mechanism in aids offering based on awlawiyat                  |
|                   |                     | 7  | Research on Multi Dimension in classification of Poor and Destitute                                                                           | Mechanism of Total assessment on poor and destitute (not restricted to finance / haddul kifayah only) |
|                   |                     | 8  | Research on Strengthening Management of Muallaf                                                                                                 | Efficient management of *Muallaf* in Selangor, focusing on period of Muallaf classification and terms period of residency. |
|                   | Strategic           | 9  | Research on Customer (Muzakki & Mustahik) Satisfaction                                                                                          | To assess level of customer (*Muzakki & Mustahik*) satisfaction          |
|                   |                     | 10 | Research on 2019 Selangor *Haddul Kifayah*                                                                                                     | To identify new *haddul kifayah* for 2019 application                   |
|                   |                     | 11 | Demographic Research on Poor and Destitute in Selangor                                                                                           | To identify demographic landscape of poor and destitute in Selangor     |
|                   | Amil                | 12 | Research on Zakat Business Potential Contributor                                                                                                 | To identify potential zakat contributor in Selangor specific on Business Zakat |
|                   |                     | 13 | Research on Companies and Corporates Perception in Selangor                                                                                    | To identify perception on companies and corporate payers                |
|                   |                     | 14 | Research on Stakeholders’ Satisfactions                                                                                                          | Assess satisfaction level of LZS staff for divisions services           |
|                   |                     | 15 | Research on Qawl Mukhtamad Shafii Extraction in Zakat Matters (Phase 1)                                                                          | Comply latest rules of Fatwa Committees about the usage of Qawl Mukhtamad Mazhab Shafii |

4.4 Leverage Digital Technology
People has changed to digital technology in communicating and performing transaction. Some of zakat institution also has embarked in digital initiative to encourage zakat payment and enhance
the zakat distribution activities. Among the digital initiative by zakat institution is developing apps for zakat payment such as National Zakat Foundation of United Kingdom who has introduced My Zakat Apps. It is a simple and easy to use solution for Zakat Payer, provide authentic knowledge of zakat calculation, FAQs covering A-Z of zakat, zakat calculator, payment getaway and zakat payment summary.

The percentage of smartphone users in Malaysia is at 75.9% in 2017 according to the Malaysian Communications and Multimedia Commission (MCMC) user survey and this trend is expected to continue to grow. While a high percentage of the use of smartphone remains to do text and voice communication, performing mobile transactions such as banking transactions is growing. Recognizing the growing percentage of market share of smartphone-based transactions, LZS embarked on a number of mobile initiatives starting with the Ezakat mobile application which mainly provides information on LZS and zakat in general. LZS latest mobile initiative is an application for Penolong Amil Fitrah to collect Zakat Fitrah using smartphone and eliminating the need to issue manual payment receipts. The first-of-its-kind mobile application for Zakat Fitrah also enables quick and transparent reconciliation between collections and financial statement which usually otherwise would take weeks if not months to be reconciled. (Abdul Halim bin Abdul Rahim, 2018).

For distribution payment management, LZS implements payment through v cash where recipient could withdraw cash from bank although he or she do not have account with that bank. This has made zakat distribution easier and faster. For zakat agent management, LZS has implement the virtual account with bank to track the zakat collection remitted by agent to LZS.

There is a lot of better digital initiatives and digital business model implemented by WZF members that could be shared among members and benefited muslim. BAZNAS has 3 digital strategies. First, fundraising through its own digital platform such as BAZNAS website, fanpage, social media and its apps store named Muzaki Corner. Second, fundraising through e-commerce platform, digotal payment channel, crowdfunding channel, zakat virtual assistant, robot chat and zakat payment through QR code. Third is by using social media as zakat contribution digital platform. These strategies should emulated by WZF members to remain relevent in this rapid changing of digital technology.

In the zakat institution context, social media could play its role in increasing transparency, trust and become an effective dakwah platform. Zakat institution could share pictures, videos on zakat distribution and encourage others to pay zakat, indirectly contributing to ummah welfare and development. Crowdsourcing and crowdfunding through social media has been trending and zakat institution should explore to get benefit from the exercise. As of June 2018, Mark Zuckerberg mentioned in his Facebook account that the Facebook are making progress connecting the world, and bring the world closer together. Thus, zakat institution should leverage on the digital initiatives to gain more people contributing to zakat collection by improving the visibility, accountability and trust on zakat institutions.
4.5 Exchanging Personnel (Secondment)

Simultaneously, to have the most understanding in knowledge transfer process, LZS also would suggest the secondment of members’ staff in the members’ institution for specific period. Exchanging personnel between zakat institutions can contribute for having good relationships and knowledge transfer. It helps to generate trust between WZF members and also indicates that members are willing to learn from each other through cross-fertilisation of knowledge and technology. Exchange of personnel can be undertaken among members when co-developing mechanism either for collection and zakat distribution. It can be used to solve various similar issues and challenges in all aspect zakat administration and zakat operation by sharing their human resource, expertise and knowledge.

4.6 Visibility

Communication visibility can leads to enhanced awareness of who knows what and whom through two interrelated mechanisms: message transparency and network translucence (Paul M. Leonardi, 2014). WZF should have its own key distinction to known by public. Example of the key distinctions are:

- Focus on empowerment of zakat institution
- Key platform for networking and communication
- Strong Muslim Brotherhood Cooperation Body
- Muslim global welfare

WZF should have social media strategy towards helping to establish reputation by connecting WZF with target audience so that WZF can show the value that WZF bring to the table. WZF could use variety of social media platforms to communicate with specific groups who care about the issues WZF work on or the information and viewpoint WZF can provide, and WZF can also establish your association as a thought leader in the zakat field. It is important to ensure that the content is optimized not only for online channels and to be captured by the search engines, but also for mobile devices, since a growing number of people now access key information from their smartphones or other hand-held electronic devices. WZF would gain reputation and recognition by proliferating its contributions and visibility among other organizations.

5. CONCLUSION AND RECOMMENDATIONS

The review on the practice of other zakat institution have been an eye opener to LZS to learn, adapt to current practices as well as encouraging to explore new ways of managing zakat that could give a big leap to improvements. As mentioned in last WZF, among the resolution is to strengthen WZF members in order to strengthen role of WZF itself. Thus, LZS encourage all members to share knowledge and expertise, share best practices, share research findings, leverage on digital strategies, personnel exchange and increase the visibility of WZF for the benefit of WZF members. In realisation of these, all members should unite and create well cooperation in supporting WZF objectives. Eventually, a strong grip and good spirit of Muslim brotherhood among WZF members could play significant role in developing harmonised Muslim community globally and spread the peaceful message of Islam to the whole world.
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CHAPTER 13

Zakat Wang: Justifikasi Penggunaan Kaedah Taksiran Baki Di Hujung Haul Berbanding Kaedah Taksiranbaki Terendah Sepanjang Haul

1. PENDAHULUAN

Wang adalah salah satu harta yang wajib ditunaikan zakat berdasarkan nas-nas syarak sebagaimana dinar emas dan dirham perak. Antara syarat wajib zakat wang adalah mencukupi nisab dan mencukupi haul setahun. Pengiraan zakat wang samada dalam bentuk wang simpanan, wang pelaburan ataupun saham di Malaysia secara umumnya menggunakan kaedah taksiran baki terendah sepanjang haul. Mulai tahun 2017, Lembaga Zakat Negeri Selangor melalui keputusan Mesyuarat Jawatankuasa Fatwa Negeri Selangor telah membuat ketetapan bahawa pengiraan zakat wang adalah berdasarkan kaedah taksiran baki di hujung haul kerana ia didapati lebih menepati hukum syarak dan menepati justifikasi teknikal.

2. KEWAJIPAN ZAKAT WANG

Wang menurut Haji Zainal Abidin Safarwan (1995) bermaksud alat penukaran yang mempunyai harga atau nilai tertentu yang diakui sah. Di negeri Selangor berdasarkan Fatwa Pengurusan Kutipan Zakat Negeri Selangor tahun 2017, zakat wang adalah zakat yang diwajibkan ke atas apa sahaja alat pertukaran yang mempunyai nilai tertentu dan diakui sah. Wang simpanan ialah wang yang disimpan oleh pemiliknya sama ada di dalam simpanan seperti tabung, peti besi, bekas dan seumpamanya atau disimpan di dalam akaun simpanan milik institusi kewangan, perbankan, koperasi, takaful dan seumpamanya. Ia meliputi akaun simpanan tetap maupun simpanan biasa.

Wang adalah salah satu di antara harta yang diwajibkan sebagaimana yang dinyatakan oleh Al Qardawi, (1995). Kewajipan tersebut adalah berasaskan dalil kewajipan ke atas emas. Ini kerana, di zaman Rasulullah SAW emas digunakan sebagaimana matawang Dinar selain wang Dirham perak. Firman Allah SWT yang bermaksud:

“Dan (ingatlah) orang-orang yang menyimpan emas dan perak serta tidak membelanjakannya pada jalan Allah, maka khabarkanlah kepada mereka dengan (balasan) azab seksa yang tidak terperi sakinya. (laitu) pada hari dibakar emas perak (dan harta benda) itu dalam neraka jahanam, lalu diselar dengannya dahi mereka, dan rusuk mereka, serta belakang mereka (sambil dikatakan kepada mereka): "Nilaih apa yang telah kamu simpan untuk diri kamu sendiri, oleh itu rasalah (azab dari) apa yang kamu simpan itu.‖

(at-Taubah: 34-35)

Kewajipan zakat ke atas wang juga telah ditetapkan sejak zaman Rasulullah SAW lagi. Sabda Rasulullah SAW bermaksud: "Jika kamu mempunyai 200 dirham dan berlalu haul ke atasnya maka zakatnya ialah 5 dirham. Dan tidak diwajibkan zakat ke atas kamu pada emas sehingga kamu memiliki 20 dinar. Jika kamu mempunyai 20 dinar dan berlalu haul ke atasnya (emas) maka padanya (emas) dizakatkan ½ dinar.‖

(Riwayat Abu Daud)

Para fuqaha sepakat menyatakan bahawa nisab adalah syarat wajib bagi zakat wang. Kadar nisab bagi zakat wang adalah nilai yang menyamai emas 85 gram. Haul juga disyaratkan oleh fuqaha
bagi zakat wang. Ini bermakna, wang diwajibkan untuk dikeluarkan zakat mestilah wujud dan kekal telah melepassi tempoh setahun. Selepas setahun wang tersebut disimpan atau dilaburkan barualah ia wajib dikeluarkan zakat.

Oleh itu segala jenis harta yang mempunyai sebab (‘illah) yang sama dengan emas perlu dicampurkan kesemuaanya ketika hendak dikeluarkan, seperti wang simpanan di Tabung Haji, wang simpanan di bank, nilai polisi takaful (cash value) jongkong/dinar emas dan lain-lain lagi untuk menentukan samada ianya telah menyamai kadar 85 gram emas atau tidak. Wang simpanan adalah terdiri daripada pelbagai bentuk simpanan seperti simpanan biasa, simpanan tetap, simpanan akaun semasa, deposit berstruktur, dual currency dan lain-lain.

Dalam menentukan jumlah wang yang wajib dikenakan zakat, kaedah yang digunakan oleh kebanyakan negeri-negeri di Malaysia adalah dengan menjadikan baki terendah sepanjang tahun sebagai asas bagi taksiran zakat wang. Berdasarkan pemerhatian yang dilakukan melalui laman sesawang pusat zakat negeri-negeri, berikut adalah kaedah taksiran yang digunakan oleh pusat zakat negeri-negeri di Malaysia sebagai berikut:

| NO. | NEGERI                                         | JENIS SIMPANAN | KAEDAH TAKSIRAN     |
|-----|-----------------------------------------------|----------------|---------------------|
| 1.  | Majlis Agama Islam Perlis                     | Semua jenis    | Baki terendah sepanjang haul |
| 2.  | Lembaga Zakat Kedah                          | Semua jenis    | Baki dihujung haul  |
| 3.  | Pusat Zakat Pulau Pinang                     | Simpanan tetap| Baki dihujung haul  |
|     |                                               | Simpanan biasa| Baki terendah sepanjang haul |
| 4.  | Majlis Agama Islam Perak                     | Semua jenis    | Baki terendah sepanjang haul |
| 5.  | Pusat Pungutan Zakat MAIWP                   | Semua jenis    | Baki terendah sepanjang haul |
| 6.  | Lembaga Zakat Selangor                       | Semua jenis    | Baki dihujung haul  |
| 7.  | Pusat Zakat Negeri Sembilan                  | Semua jenis    | Baki terendah sepanjang haul |
| 8.  | Pusat Zakat Melaka                           | Semua jenis    | Baki terendah sepanjang haul |
| 9.  | Majlis Agama Islam Johor                     | Semua jenis    | Baki terendah sepanjang haul |
| 10. | Pusat Zakat Pahang                           | Simpanan Tetap| Baki dihujung haul  |
| 11. | Majlis Agama Islam & Adat Melayu Terengganu  | Simpanan Tetap| Baki dihujung haul  |
|     |                                               | Simpanan Biasa| Baki terendah sepanjang haul |
| 12. | Majlis Agama Islam Kelantan                  | Semua jenis    | Baki terendah sepanjang haul |

Sumber: Laman sesawang pusat-pusat zakat negeri

Berdasarkan Fatwa Pengurusan Kutipan Zakat Negeri Selangor yang diluluskan oleh Mesyuarat Jawatankuasa Fatwa Negeri Selangor pada 31 Januari 2017, kaedah taksiran yang digunakan adalah berdasarkan kepada baki di hujung haul. Namun, baki di hujung haul tersebut perlu dibuat pelarasan jika terdapat sebahagian daripada jumlah tersebut adalah terdiri daripada wang yang diperolehi daripada pendapatan tahun semasa yang telah dizakatkan.
3. DAPATAN KAJIAN
3.1 Pandangan Fuqaha Mazhab Berkaitan Nisab Dan Haul Zakat Harta
Berikut adalah pandangan-pandangan fuqaha mazhab sebagaimana yang dicatatkan oleh Abdul Rahman Al-Jaziri (1990):

3.1.1 Mazhab Hanafiyah
Cukupnya nisab disyaratkan pada dua tempoh permulaan dan hujung tahun, samada nisab tersebut kekal mencukupi disepanjang tahun ataupun tidak. Apabila seseorang memiliki harta yang mencukupi nisab di awal haul dan berkekal nisabnya sehingga melepasi haul, maka nisab tersebut wajib dizakati. Jika berkurang nisabnya di pertengahan haul, namun mencukupi semula di penghujung haul, maka ia juga wajib dizakati. Akan tetapi jika nisabnya terus berkurangan hingga ke akhir haul, maka ia tidak wajib dizakati.

Barangsiapa yang memiliki harta yang cukup nisabnya di awal tahun, kemudian memperolehi harta lagi di pertengahan tahun, hendaklah dia menggabungkannya dengan harta pokok (asal), dan wajib mengeluarkan zakatnya jika gabungan tersebut mencukupi nisab dan harta tambahan tersebut adalah daripada jenis yang sama dengan pokoknya. Syarat melepasi haul hanya ditetapkan ke atas harta selain pertanian dan buah-buahan. Adapun bagi harta pertanian dan buah-buahan ia tidak disyaratkan haul.

3.1.2 Mazhab Malikiyyah
Melepasi haul disyaratkan ke atas harta selain galian, harta karun dan tanaman. Apabila nisab telah sempurna di awal haul, lalu berkurang di pertengahan haul, kemudian mendapat keuntungan yang mencukupkan kembali nisab di hujung haul, maka wajib dizakati. Kerana haul bagi keuntungan tersebut adalah haul bagi pokok/induk harta tersebut. Begitu juga jika seseorang memiliki harta yang kurang daripada nisab pada awal haul, kemudian ia berniaga dan mendapat keuntungan yang mencukupkan nisab pada hujung haul, maka wajib dizakati ke atas semua harta tersebut.

3.1.3 Mazhab Hanabilah
Disyaratkan kewajipan zakat dengan berlalunyetempo haul setahun walaupun hampir-hampir. Maka tetap diwajibkan zakat jika berkurang tempoh haul walaupun sekadar separuh hari. Syarat ini diambilkira bagi harta emas, perak mata wang, ternakan dan barang perniagaan. Adapun bagi harta selain itu seperti buah-buahan, galian dan harta karun, kewajipan zakat ke atasnya tidak disyaratkan haul. Oleh itu, nisab mesti melepasi tempoh haul setahun walaupun sekadar hampir-hampir.

Jika seseorang memiliki harta yang kurang daripada nisab pada awal haul, kemudian ia melaburkan harta tersebut dan memperolehi keuntungan hingga mencukupkan nisab hartanya, maka haul keseluruhan harta tersebut adalah bermula daripada cukup nisab bagi hartaku tersebut. Maka ia hanya diwajibkan zakat apabila berlalul tempo haul setahun selepas bermulanya nisab harta tersebut.

Sementara itu, jika seseorang memiliki harta yang mencukupi nisab, lalu pada pertengahan haul ia memperolehi harta yang sama jenis dengan harta induk dengan memperdagangkannya, maka harta yang diperolehi tersebut perlu digabungkan dengan induknya dan dizakati keseluruhannya.
mengikut haul harta induknya. Ini kerana haul bagi keuntungan yang diperolehi adalah mengikut haul bagi harta induk kerana ia pada asalnya telah mencukupi nisab.

3.1.4 Mazhab Syafiiyyah
Berlalunya tempoh haul setahun secara tepat adalah menjadi syarat wajib zakat. Jika berkurang tempoh haul setahun maka zakat tidak diwajibkan. Syarat haul hanya diwajibkan ke atas harta selain gandum, galian, harta karun dan keuntungan perniagaan.

Adapun bagi keuntungan perniagaan, ia perlu dizakatkan mengikut haul harta induknya dengan syarat harta induk tersebut telah mencukupi nisab. Jika harta induk kurang daripada nisab, namun mencukupi nisab dengan sebab keuntungan tersebut, maka haulnya akan bermula di saat nisab tersebut mulai mencukupi. Jika nisab telah mencukupi sejak bernisab, lalu berkurangan pada pertengahan haul, kemudian mencukupi semula selepas itu, maka tidak diwajibkan zakat melainkan selepas berlalu tempoh setahun bermula dari tempoh mencukupi nisab.

3.2 Kaedah Yang Digunapakai Oleh Badan Zakat Antarabangsa
Berdasarkan pemerhatian yang dilakukan ke atas beberapa badan zakat antarabangsa, mereka menggunakan kaedah baki hujung haul dalam mentaksir zakat wang samada wang simpanan ataupun pelaburan saham. Antara negara yang mengamalkan kaedah tersebut adalah seperti berikut:

3.2.1 Kuwait Zakat House
Kuwait Zakat House yang merupakan badan zakat rasmi di negara Kuwait menggunakan kaedah baki di hujung haul dalam mentaksir zakat matawang dan juga zakat saham. Berikut adalah kaedah yang digunakan oleh mereka:

**Mencari haul zakat**

```plaintext
bilangan nisab = 800 د.ك

Mencari nilai haul:

 haul = (800 د.ك × 85%)/100 = 680 د.ك

Mencari zakat:

zakat = (680 د.ك × 2.5%)/100 = 17 د.ك
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3.2.2 Zakat Foundation of America
Berdasarkan pemerhatian yang dilakukan, Zakat Foundation of America menggunakan kaedah taksiran zakat yang digunakan bagi individu yang memiliki wang yang mendapat keuntungan atau seumpamanya adalah dengan menggabungkan seluruh mata wang yang ia miliki yang telah mencukupi nisab. Wang tersebut perlu dizakat keseluruhannya ketika sempurna haul setahun.

122
“A minimum of nisâb must have amassed and stayed in one’s possession for one full lunar year (hawl) before zakat is due. According to Abû Hanîfah, nisâb need only be available at the beginning and at the end of the zakat year. The other three major schools require that nisâb remains in ownership during the entire lunar year (hawl), not dipping below that threshold. This ruling is limited to livestock, money, and business assets. It does not include crops, fruits, honey, metals, and treasures. They are zakatable, and their zakat comes due when they are mined or harvested (Fiqh az-Zakât, 95-96, 98-99).

Zakat becomes due after the passage of 12 full lunar months. This can be determined either from the beginning of ownership of the nisâb in a category of wealth, or the past date of one’s zakat payment on that category. Thus to say that the passage of a lunar year is required on all zakatable wealth is incorrect. It is required only on nisâb.

Any increase of wealth—after it reaches its nisâb at any time during the year—must be included in the zakatable amount if that increase is maintained with one until the zakat due dates fall. So, the relevant standard of measure for the nisâb is what is present at the zakat due date, not the fluctuations during the year.”

Badan zakat antarabangsa di berapa negara juga menggunakan kaedah yang sama seperti di negara Arab Saudi (General Authority of Zakat & Tax) dan negara Qatar (Qatar Zakat Fund).

3.3 Justifikasi Teknikal
Penggunaan kaedah baki terendah sepanjang haul mempunyai kelemahan teknikal yang sangat ketara dan juga tidak praktikal untuk digunapakai. Antara kelemahan teknikal yang ditemui adalah sebagaimana seperti berikut:

3.3.1 Prinsip Baki Terendah Tidak Diwakili Jumlah Baki Terendah Setiap Akaun.
Prinsip baki terendah tidak diwakili jumlah baki terendah setiap akaun kerana faktor berikut:
i. Isu praktikaliti: Baki terendah secara praktikal tidak diketahui dan memerlukan rekod yang sangat terperinci.
ii. Kesilapan aplikasi: Pengiraan zakat adalah mustahil tanpa akaun disatukan (unified) sedangkan dalam realiti semasa tiada lagi penyata akaun dikeluarkan.

3.3.2 Pengurusan Portfolio
Di dalam senario semasa, terdapat banyak keadaan di mana wang hanya bertukar portfolio semata-mata tanpa berkurangan jumlah wang secara hakiki sebagaimana di dalam ilustrasi-illustrasi berikut:

i. Pindahan Antara Akaun Untuk Kadar Pulangan Lebih Tinggi
Seringkali berlaku seorang pemilik akaun membuat pindahan wang dalam akaun simpanan/pelaburan ke akaun yang lain dengan tujuan untuk mendapatkan pulangan atau keuntungan yang lebih tinggi.

Jadual 2: Ilustrasi Pindahan Akaun Untuk Kadar Pulangan Lebih Tinggi

| Akaun | Kadar | Transaksi | (Baki Terendah) | (Baki Di Hujung) |
|-------|-------|-----------|-----------------|-----------------|
|       |       | 1 Feb     | 1 Feb           | 1 Jun           |

123
Ilustrasi di atas menunjukkan bahawa baki terendah sepanjang haul tidak menggambarkan jumlah sebenar wang simpanan yang dimiliki. Ini kerana baki terendah yang tercatat di dalam rekod setelah pengeluaran dilakukan tidak mengurangkan jumlah keseluruhan wang yang dimiliki. Pengeluaran yang dilakukan bukan untuk tujuan perbelanjaan tetapi sekadar pemindahan yang tidak mengurangkan jumlah keseluruhan wang yang dimiliki. Penggunaan kaedah baki terendah sepanjang haul akan menyebabkan pemilik akaun akan terlepas daripada kewajipan zakat walaupun telah mencukupi syarat-syarat wajib zakat.

### ii. Pindahan Tanpa Niat

Pemilik akaun simpanan kadang kala membuat pemindahan tanpa niat wang yang ada di dalam akaun ke akaun yang lain. Keadaan ini akan menyebabkan wujudnya rekod baki terendah di dalam setiap akaun yang akan menjadi asas dalam mentaksir zakat simpanan.

### Jadual 3: Ilustrasi Pindahan Tanpa Niat

| Akaun | Transaksi | 1 Jan (Jumlah Simpanan) RM | 1 Jun (Pengeluaran) RM | 1 Jun (Deposit) RM | 31 Dis (Baki Terendah Sepanjang Haul) RM | 31 Dis (Baki Akhir Di Hujung Haul) RM |
|-------|------------|---------------------------|-----------------------|-------------------|--------------------------------------|--------------------------------------|
| Akaun A | 15,000 | -10,000 | -                      | 5,000              | 5,000                                |                                      |
| Akaun B | 5,000 | -          | +10,000               | 5,000              | 15,000                               |                                      |
| Jumlah | 20,000 | -           |                        | 10,000             | 20,000                               |                                      |

Ilustrasi di atas menunjukkan bahawa penggunaan kaedah baki terendah akan menyebabkan pemilik akaun akan terlepas daripada kewajipan zakat sekiranya baki terendah sepanjang haul menjadi asas dalam mentaksir zakat simpanan. Wang simpanan hanya tepat untuk dijadikan asas taksiran sekiranya yang dikeluarkan daripada mana-mana akaun digunakan sepenuhnya atau didepositkan semula ke dalam akaun.

### iii. Perubahan Bentuk Harta Cair

Harta Cair seseorang boleh mengalami perubahan dan penggantian daripada satu bentuk kepada bentuk yang lain. Contoh harta cair adalah seperti saham, warrant, Dana Dagangan Bursa.
(Exchange Traded Fund - ETF), saham pinjaman (Loan Stock), Deposit Berstruktur (Structured Deposit) dan wang tunai.

Contoh perubahan bentuk harta cair: Dana Dagangan Bursa (ETF) secara pakej boleh ditukar kepada saham indeks (Underlying Index) dalam nisbah tertentu dan seterusnya boleh jika ditukar kepada wang, melalui jualan saham pendasar spesifik daripada keseluruhan saham indeks pendasar (Underlying Index). Dalam keadaan ini harta hanya berubah bentuk maka jumlah yang berada di akhir haul merupakan jumlah yang sebenar.

iv. Pegangan Pelbagai Matawang
Bagi simpanan dalam bentuk pelbagai matawang asing, naik dan turun matawang asing sangat mudah berubah (volatile) sehingga menyukarkan pihak penyimpan mengetahui baki terendah simpanan pelbagai matawang tersebut apabila ia ditukar kepada Ringgit Malaysia di hujung haul. Ini mengakibatkan ketidak pastian nilai matawang untuk dizakatkan.

Simpanan matawang asing yang tidak digunakan turut mengalami perubahan nilai sepanjang tahun. Keadaan ini menyebabkan penyimpan matawang berkenaan boleh mengalami keuntungan atau kerugian pada bila-bila masa.

v. Pelbagai Transaksi Menggunakan Pelbagai Matawang
Simpanan matawang asing yang digunakan dalam pelbagai transaksi, mengakibatkan perjalanan keluar negara melibatkan pelbagai matawang yang berbeza. Kadar tukaran wang yang diguna pakai adalah sentiasa berbeza mengikut tarikh transaksi dan kadar nilai semasa.
Contoh Pelaksanaan AirAsia Epay Passport:
“Passport is the better pasyment card to travel with as you can load up to 7 different currencies on just one card. The prevailing exchange rate is locked-in for the initial load value only. Subsequent currency conversion will be processed at the prevailing exchange rate on the day of reload transaction, and will be locked-in at the rate”.

vi. Akaun Pelbagai Matawang (Multiple Currency Accaount)
Akaun matawang asing adalah akaun yang menghubungkan satu kod tujuan kepada satu matawang jika pelanggan mahu berurusi niaga dengan matawang berlainan, pelanggan perlu membuka satu akaun (satu kod tujuan) untuk setiap matawang. Terdapat juga Akaun Induk Matawang Asing yang membolehkan urusniaga dalam pelbagai matawang asing dengan kod penggunaan yang sama.

vi. Deposit Berstruktur / Pelaburan Berstruktur (Structured Deposit / Structured Investment)
Syarat tipikal dalam deposit berstruktur/pelaburan (structured deposit/investment) iaitu pulangan adalah berkadaran dengan prestasi aset/rujukan pendasar (underlying asset/reference) dan penebusan prinsipal pelaburan mungkin terjejas jika membuat penebusan awal. Dalam keadaan ini, baki atau nilai terendah tidak boleh diketahui dan menyebabkan kesukaran untuk pemilik membuat taksiran zakat terhadap wang yang dimiliki.

vii. Simpanan Tunai di Tangan (Peti Besi, Tabung dan Lain-lain)
Simpanan tunai di tangan adalah termasuk harta yang wajib ditaksir bersama dengan wang yang disimpan di dalam akaun simpanan atau pelaburan. Walau bagaimanapun, amat jarang sekali seorang individu yang memiliki simpanan tunai di tangan membuat catatan rekod jumlah baki terendah sepanjang tahun. Ini menyebabkan mustahil baki terendah dapat diketahui kecuali dengan rekod lengkap. Oleh itu, kaedah taksiran baki di hujung haul adalah amat relevan dan memudahkan pemilik wang untuk membuat taksiran zakat.

4. **KESIMPULAN**

Berdasarkan kepada justifikasi dan perbahasan yang telah dilakukan oleh LZS, maka didapati bahawa penggunaan kaedah baki dihujung haul bagi taksiran zakat berasaskan wang adalah lebih menepati hukum syarak berbanding kaedah baki terendah sepanjang haul. Semoga kajian ini dapat menjadi panduan kepada pusat-pusat zakat negeri lain dalam melaksanakan taksiran zakat ke atas harta berasaskan wang. Ia juga diharapkan dapat memberi kefahaman yang jelas kepada masyarakat Islam khususnya di negeri Selangor terhadap perubahan kaedah yang dilaksanakan oleh Lembaga Zakat Selangor.

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Zakat has entered a new phase by achieving the latest advancements and innovations. Zakat, which was once rigid in bringing its philosophy to the real world, is now enriched with new approaches and findings. The collection and distribution systems that have been carried out by zakat agencies have succeeded in increasing the confidence of payers and the economy of asnaf in most cases. Now, the ummah have benefited from the various programs and assistance provided by zakat agencies. However, researchers and practitioners should not be satisfied with current achievements as improvements are always uncluttered from time to time. Hence, seminars and conferences are excellent avenues as there are always new exploration either by academics and the industry in improving the current regulatory, framework, governance, operational and existing programs. Besides, the global zakat movement requires a platform to establish an effective solution to multi-dimensional problems in the Islamic world. Furthermore, the movement promotes togetherness, brotherhood, collaboration and solidarity among Muslim and muslim minorities countries to achieve common goals.