

POTENTIAL USE OF ZAKAT WAKALAH FOR SUSTAINABLE DEVELOPMENT OF ISLAMIC SOCIAL FINANCE

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Article history

Received date : 11-3-2024
Revised date : 12-3-2024
Accepted date : 14-4-2024
Published date : 15-4-2024

To cite this document:

Nizar, N. M. S. & Mohamad, S. N. A. (2024).
Potential Use of Zakat Wakalah for Sustainable
Development of Islamic Social Finance. *Journal of
Islamic, Social, Economics and Development
(JISED)*, 9 (61), 761 – 775.

Abstract: *Zakat Wakalah is essential for the sustainable development of Islamic social finance. However, previous studies need to pay more attention to its empowerment as there still needs to be a higher level of public trust in Zakat institutions and improper Zakat distribution in Malaysia. This has motivated the paper to explore the potential use of Zakat Wakalah for the sustainable development of Islamic social finance from practitioners. This study employed a qualitative approach in the form of semi-structured interviews. The interviews were conducted by RHB Islamic Banking and Pusat Pungutan Zakat (PPZ) Majlis Agama Islam Wilayah Persekutuan (MAIWP) to get their views and perceptions as well as the potential application of Zakat Wakalah for sustainable development of Islamic social finance in Malaysia and analyzed using thematic analysis. The results revealed the potential use of Zakat Wakalah in allowing zakat payers to request a Zakat refund of a particular portion for self-distribution to identify eligible zakat recipients or Asnaf. Its application is practical, especially in Islamic social finance activities in Islamic banking and finance, as one of the effective ways of distributing Zakat to Asnaf since the issue of ineffective distribution from the Zakat authority is perceived by society. Thus, the application of Zakat Wakalah lets individuals or companies distribute Zakat Wakalah by themselves.*

Keywords: *Islamic Social Finance; Sustainable Development; Zakat; Wakalah*

Introduction

Zakat is an influential Islamic social finance instrument that ends poverty worldwide (Mahmood et al., 2022). It is one of Islam's pillars and an obligation for Muslims to follow. The obligation to pay *Zakat* is mentioned in surah At-Tawbah verse 60, where Allah mentions the eight (8) beneficiaries eligible to receive *Zakat*.

“Zakat expenditures are only for the poor and needy and for those employed to collect [Zakat] and for bringing hearts together [for Islam] and for freeing captives [or enslaved people] and for those in debt and the cause of Allah and the [stranded] traveller—an obligation [imposed] by Allah. Moreover, Allah is Knowing and Wise.”

In this verse, instead of using the term ‘*Zakat*’, Allah used ‘*Sadaqah*’ (alms) to refer to *Zakat*. Islamic jurists agreed that this verse applies to *Zakat*, with priority to be given to the eight *asnaf* (eligible recipients). Other terms are associated with *Zakat*; for example, ‘*Infaq*’ refers to *Zakat*. The example in Surah Al-Baqarah verse 267 mentioned that,

“O you who have believed, spend from the good things which you have earned and from that which We have produced for you from the earth. Moreover, do not aim toward the defective from that place, spending [from that] while you would not take it [yourself] except with closed eyes. And know that Allah is Free of need and Praiseworthy,”

Based on the above evidence from the Holy Quran, it is evident that *Zakat* is compulsory, and every Muslim is obliged to pay it despite their social status if they meet all the criteria to pay *Zakat*. *Zakat* originated from an Arabic word, *Zakat*, which means purity, blessing, goodness, and development (JAWHAR, n.d). *Zakat* is a specific portion of property made obligatory by Allah SWT with specific requirements to donate to eligible people.

In Malaysia, the obligation to pay *Zakat* covers individuals and corporate entities. They can pay Islamic state religious councils or relevant *Zakat* authorities for that state (either one will be referred to as ‘*Zakat* Authorities’). Upon the *Zakat* payment, *Zakat* Authorities allow the payers to request a *Zakat* refund of a particular portion for self-distribution to identify eligible *Asnaf*. This policy is called *Zakat Wakalah*.

Generally, *Zakat Wakalah* is a *Zakat* that helps the *Zakat* authorities to gain more funds in the *Zakat* collection. This can be supported by the study of Raja & Muhammad (2020), who found that the collection of *Zakat Wakalah* is most miniature in satisfaction by looking at the administration. This is due to the issue of the public or citizens preferring to distribute the *Zakat* themselves directly towards the *Asnaf*. Other than that, the lack of staff in managing *Zakat Wakalah* and the weakness of the staff in *Zakat* authorities led to the inefficient distribution of *Zakat* (Osmera et al., 2021).

Likewise, it is well-known that individuals and corporate bodies pay *Zakat* in Malaysia. Corporate bodies have been the major contributors to the *Zakat* authorities. Amongst these corporate bodies are Islamic Financial Institutions (IFIs). Some IFIs contribute to the *Zakat Wakalah* scheme. One is RHB Islamic Bank, which pays the *Zakat Wakalah* to PPZ-MAIWP.

This study offers novel insights into the potential use of *Zakat Wakalah* for the sustainable development of Islamic social finance. The study also explains how different practitioners' views can lead to distinctive competencies in *Zakat Wakalah* that achieve the sustainable development of Islamic social finance. The findings provide legislators and organizations with a new perspective on creating a good practice in *Zakat Wakalah* that encourages *Muzakki* to participate in the distribution procedures by being selected as the agent in *Zakat* distribution.

The next part presents the foundation of *Zakat Wakalah*, the research model, and the propositions. Details on the research methodology follow this. The subsequent section concentrates on the results, discussion, and theoretical and practical implications. Finally, the researcher concludes the findings, highlights contributions, acknowledges limitations, and proposes directions for future research.

Literature Review

As time passed, much research was done to discover how to increase the *Zakat* collection and develop better ways to distribute *Zakat*. Thus, *Zakat Wakalah* was created for business *Zakat*, to allow *Zakat*, and to provide wealth in Wilayah Persekutuan through *Zakat* payment to PPZ (Atiah & Hairunnizam, 2017). *Zakat Wakalah* was first introduced and held in Malaysia by MAIWP in 2009 (Nor et al., 2021). *Zakat Wakalah* existed because Bank Islam Malaysia Berhad, known as (BIMB) requested a return of 3/8 of the *zakat* payment they paid to be distributed to the *Asnaf*s listed under their organization (Nor Paizin & Abdul, 2021). Then, from this event, the implementation of *Zakat Wakalah* is proven to enhance the capability by increasing IFI capacity and letting PPZ-MAIWP support more excellent for a potential *Asnaf* for distribution.

Then, in 2011, *Zakat Wakalah* was officially launched by introducing this program for individuals; later on, another beneficiary was added, which is a company or organization, then for higher education institutions or called as in the year 2014, and the latest beneficiary offered to apply for *Zakat Wakalah* is the employer on the year 2017 (Shaiffe & Hassan, 2021). According to Shaiffe and Hassan (2021), almost all *Zakat* institutions apply *Zakat Wakalah*; only the terms are different from one state to another. This is because the *Zakat Wakalah* application solely depends on the *Zakat* authorities in the state. On the other hand, *Zakat Wakalah*'s refund on the distribution also differs according to the state. Some states put 50% for the refund on the *Zakat Wakalah* for individuals; some are less, and some are more than that; it all depends on the State Islamic Religious Council (SIRC) or the *Zakat* Authorities (ZA) on the states involved. This study focuses on the *Zakat Wakalah* according to RHB Islamic Bank and PPZ MAIWP. In the figure below, the researcher includes the *zakat wakalah* limit for each state in Malaysia. The numbers in the bracket refer to the minimum amount of *Zakat* that needs to be paid to receive a *Zakat wakalah* refund from the ZA.

Table 1: Wakalah Zakat Limits Based on Each State in Malaysia

States	Employer (Minimum limit)	Individual (Minimum limit)	Company (Minimum limit)	Universities (Minimum limit)
Perlis	N/A	50%	50%	50%
Selangor	12.50%	37.50%	37.50%	50%
Wilayah Persekutuan	12.50% (RM100K)	25% (RM50K)	37.50%	37.50%
Kedah	N/A	25% (RM10K)	37.50%	N/A
Pulau Pinang	N/A	30% (RM10K)	30% - 37.50% (RM50K)	N/A
Negeri Sembilan	N/A	37.5% (RM50K)	37.5% (RM50K)	N/A
Melaka	N/A	37.5% (RM50K)	37.50%	N/A
Kelantan	N/A	25% (RM1K)	25%	N/A
Pahang	N/A	N/A	37.50%	N/A
Sabah	N/A	N/A	12.5% (RM50K)	N/A
Sarawak	N/A	N/A	12.5%	N/A
Perak	N/A	N/A	25%	50%
Johor	N/A	N/A	37.5%	N/A
Terengganu	N/A	N/A	N/A	N/A

Source: PPZ website

Other than implementing *Zakat Wakalah* in PPZ, which collects the *Zakat* for Wilayah Persekutuan, several states in Malaysia apply the *Zakat Wakalah* program. Among them are Terengganu, Melaka, Selangor, Negeri Sembilan, Perlis, Kedah and Perak (Nur et al., 2022). Each state has a different approach to applying *Zakat Wakalah*. This is because *Zakat* is the SIRC's responsibility. The basic implementation would be the same. However, some implementations differ because of the state's regulations and frameworks. The current application for *Zakat Wakalah* distribution is from *Majlis Agama Islam dan Adat Melayu Terengganu*, known as MAIDAM, which targets the *Zakat Wakalah* collection by RM260 million, which the collection target exceeded RM31 million from the year 2022. Eleven (11) companies contributed and were involved in *Zakat Wakalah* at MAIDAM. However, starting in 2023, a company's employer can apply on the *Zakat Wakalah* for 25% or the *Zakat* payment the company makes reaches RM20,000 per year. This is an improvement because, in previous years, only individuals, companies and organizations were allowed (Tengku, 2023).

Development of Zakat Wakalah Framework & Propositions

Zakat Wakalah is one of the instruments to increase *Zakat* payment and is known as a way to diversify *Zakat* payment other than the ordinary ways of *Zakat* payment. Some ways to pay *Zakat* are to pay *Zakat* over the counter, known as (OTC) by searching the place open for *Zakat*, salary cut, paying *Zakat* online, credit card and online banking. However, for *Zakat Wakalah*,

the way is to pay *Zakat* directly to the *Zakat* authority. This study is referring to PPZ. In this section, the researcher highlights the implementation of *Zakat Wakalah* by referring to the MAIWP application. In MAIWP, there are only five steps for a smooth *Zakat Wakalah* payment to be carried out (Nor Paizin & Abdul, 2021):

1. The *Zakat* payer must pay the *Zakat* to PPZ, as PPZ is responsible for collecting it.
2. PPZ grants the payment and forwards the *Wakalah* request to MAIWP, the organization monitoring *Zakat* in Wilayah Persekutuan.
3. Once MAIWP is approved, they will transfer the reimbursed money to the *Zakat* payer according to the agreed-upon proportion for the categories involved.
4. The *Zakat* payer disbursed the returned *Zakat* money to the *Asnaf*s through an agent or representative.
5. Within a year of receiving the appointment letter, the agent or representative must submit to MAIWP a document report regarding the *Zakat* distribution made.

The flow chart on these explanations is as follows,

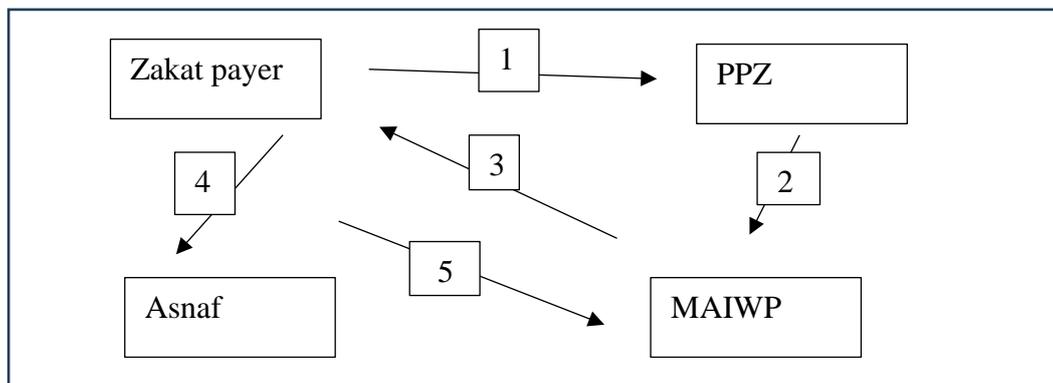


Fig. 1. The Structure Flow Chart of the Zakat Wakalah Program

Source: Nor Paizin & Abd Aziz (2021)

While significant progress has been made in understanding the implementation and impact of *Zakat Wakalah* in Malaysia, there remains a notable gap in research regarding its full potential for sustainable development within Islamic social finance. Despite previous studies acknowledging the importance of *Zakat Wakalah* and its role in enhancing *Zakat* collection and distribution, there is a need for more in-depth exploration into its empowerment potential and its alignment with broader sustainable development goals.

Existing literature primarily focuses on the operational aspects of *Zakat Wakalah*, such as its implementation processes and institutional frameworks. However, more research must delve into the empowerment aspect of *Zakat Wakalah*, particularly in terms of its ability to empower marginalized communities economically and socially. Understanding how *Zakat Wakalah* can contribute to long-term empowerment beyond immediate financial assistance is crucial for maximizing its impact on sustainable development.

Hence, in line with the development of the *Zakat Wakalah* framework for a qualitative study on the potential use of *Zakat Wakalah* for the sustainable development of Islamic social finance, this study formulates propositions to guide this research. These propositions align with this study's objectives and help this study investigate the subject matters effectively. Therefore, the potential propositions are:

1. *Zakat Wakalah* has the potential to significantly contribute to the social welfare of marginalized communities by providing sustainable financial support and empowering them economically.
2. The application of *Zakat Wakalah* can be aligned with specific Sustainable Development Goals (SDGs), and its effectiveness in achieving these goals needs to be explored.
3. *Zakat Wakalah* promotes financial inclusion and access to financial services for underserved populations, leading to their economic empowerment.
4. Islamic financial institutions play a pivotal role in promoting the use of *Zakat Wakalah* for sustainable development, and their practices and policies are critical determinants of its success.
5. The involvement of communities in decision-making and project selection related to *Zakat Wakalah* can enhance its effectiveness in promoting sustainable development.
6. The regulatory framework surrounding *Zakat Wakalah*, including government policies and guidelines, significantly influences its potential for sustainable development.
7. Understanding stakeholders' perspectives, including beneficiaries, donors, and Islamic scholars, is essential to assess the feasibility and impact of *Zakat Wakalah* in promoting sustainability.
8. Identifying and addressing the challenges and barriers to effectively using *Zakat Wakalah* for sustainable development is crucial.
9. Islamic finance's ethical considerations and principles must be followed when applying *Zakat Wakalah* for sustainable development.

These propositions can serve as a framework for this study, helping it delve into the various aspects and dimensions of using *Zakat Wakalah* for sustainable development within Islamic social finance.

Research Methodology

Research Design

This qualitative study enabled gathering in-depth insights into a problem or generating new ideas for research. This study employed a qualitative approach in the form of semi-structured interviews. The interviews were conducted by RHB Islamic Banking and Pusat Pungutan Zakat (PPZ) Majlis Agama Islam Wilayah Persekutuan (MAIWP) to get their views and perceptions as well as the potential application of *Zakat Wakalah* for sustainable development of Islamic social finance in Malaysia and has been analyzed using thematic analysis. The unit of analysis was at the organizational level, who are experienced in *Zakat Wakalah*. For this study, the researcher used a phenomenological research design. It was defined as a technique to study and focus on examining an event from the perspective of those who have experienced it to describe its essence (Varpio et al., 2019). According to Alhazmi & Kaufmann (2022), phenomenological was divided into two methodologies. They are descriptive and interpretive. Descriptive was extracted from Husserl's philosophical writings and the notion of transcendental phenomenology. Husserl is one of the scholars involved in the phenomenological qualitative method. At the same time, interpretive was derived from the works of scholars.

Population & Sample Size

According to Sandelowski (1995), most qualitative research was run on small samples. In addition, there needs to be a specific method to determine the correct sample amount when collecting the response and deciding the amount for the study population. This statement was proven by Patton (2002), who described qualitative research as an unfold study of occurrence,

according to the aim of the study and the stakeholders' point of interest. There were two reasons why the minimum size of purposive sampling deserves attention. Firstly, more is better, and secondly, the reach remains at the researcher's discretion. The first reason is to minimize the chance of the codes needing to be included, and the coding process is qualitatively laborious and time-consuming (Van Rijinsoever, 2017).

The researcher selected five respondents for this study to fulfil the research requirement. This is because the number of respondents needs to determine the quality of the study. The highlight is that if it answers the research objective and question of the study, then it is considerable. For this study, at the early stage of the writing process, the researcher decided to have ten respondents participate; however, during the research, the study reached saturation, thus making the researcher reduce the sample to five respondents. The researcher managed to receive the information needed for the study from the research carried out by interviewing five respondents.

Sampling Technique

The saturation sampling technique used a sampling frame to select the sample units. The saturation technique was applied in this study as the study's objective was fulfilled. Saturation was detected in the data collection when there was no additional information or new knowledge, and the data were redundant and repetitive in the study. This signifies that the sample is sufficient for the research conducted, as this is important to identify the diversity, depth, and methods applied by the researcher. In this study, the researcher chose saturation as the sampling technique because the answers gained from the respondents were based on their experience in the zakat wakalah application and procedures of applying and distributing the payments towards people in need. Other than that, this method was chosen as a study related to this research reached its saturation with a similar number of interviews. The study was carried out by Constantinou et al. (2017) because the study was to discover the broad categories.

Data Collection Procedure

Once the interview was conducted, the answers received from the respondent were analyzed. The interview was conducted through face-to-face and online meetings with the respondent. The respondents involved in the study were RHB Islamic staff from Shariah Advisory Management of Shariah Group Business and Pusat Pungutan Zakat (PPZ) MAIWP. The reason for choosing them is that they are the market player in Islamic social finance, which is zakat wakalah. They collect and manage the zakat wakalah and are responsible for the zakat wakalah distribution. The face-to-face interview was done towards the RHB Islamic Bank staff by giving them the list of questions to be reviewed and answered later in the interview session. Three staff members were involved in the interview session. There were only three staff members since the answers were similar to each other, thus making it saturated. Then, the interviews with PPZ MAIWP staff were conducted online to save the interviewer and the respondent's time. The interview was done within a week because the researcher knows the respondents, which is less time-consuming for her. The researcher distributed the interview questions right before the interview was conducted to ensure smoothness during the interview process. Before the interview, the researcher distributes the question to the respondents to ensure smoothness in the interview process and to let the respondent analyze the question before answering it during the interview session.

Data Analysis

To analyze the data, this study performed thematic analysis using the six-step framework, referring to Braun & Clarke's (2006) data analysis. Table 2 below shows the framework steps.

Table 2: Step of Framework Development

Step 1: Familiarise with the data	Step 4: Review themes
Step 2: Generating initial codes	Step 5: Defining themes
Step 3: Searching for themes	Step 6: Writing process

The researcher followed this study's Braun & Clarke method according to the sequence. Once the interview was done, the researcher became familiar with the data by re-reading it. For example, the data obtained from the interview were the answers from the interview. The researcher read and interpret the findings. The interview answers were recorded and typed using Microsoft Word because transferring the data from one document to another is easy. From the answers obtained, the researcher listened to the recorded interview session and jotted down the answers for each question. The second step is to generate codes. The researcher uses this method but with different steps. Some research generates codes with sentences. However, in this research, the researcher simplifies in short words to understand better. Then, for the third step, searching for themes. The theme is a topic that is related to the study. This is important to set the background of the research to make it easy to understand. The fourth step is to review the themes identified. This is crucial to relate the answers by respondents and the codes we set up for the research. Then, on the fifth step, to define the themes. Themes are essential to develop and elaborate more on the codes set up from the previous method. They were, finally, writing up. This method is the final step in elaborating on and including all the researcher's findings in the previous methods.

Results & Findings

The interviews show the concept, potential of zakat wakalah and effectiveness of Zakat wakalah program based on the experience of RHB Islamic Bank. These results could be linked to the study of Ammar et al. (2022) on the application of wakalah in zakat management in Politeknik Ungku Omar. Based on the findings, zakat wakalah is applied in distributing help towards the asnaf, which are eligible students. The help should apply the concept of zakat wakalah and portray the potential zakat wakalah and its effectiveness on it.

Table 3 reveals a strong functional relationship between the main themes, inputs, and sub-themes comprising concept, potential, and effectiveness. These results are based on interpretations of the data gained from the interviews.

Table 3: Participants' information

Items	No. of participant	Percentage (%)
RHB Islamic staffs	3	60
PPZ-MAIWP staffs	2	40
Total	5	100

Analysis of RHB Islamic Bank

a. Distribution

In zakat wakalah, there is collection and distribution. In Zakat, the zakat authorities only distributed the food, and the zakat payers had no right to distribute Zakat to the asnafs. However, in zakat wakalah, the zakat wakalah payers are allowed to distribute the zakat wakalah to eligible asnafs by themselves; this method lets the zakat wakalah payers distribute to asnafs that they identified. Thus, the distribution is different according to the zakat authorities or beneficiaries. As the first informant from RHB Islamic Bank said:

"The money will first be entered into a designated account for the zakat wakalah collection. Then, identifying the Zakat from which Zakat authorities. Once the zakat wakalah is identified by zakat authorities, seek approval from the top management, like the Shariah Committee, before disbursing the money to the asnafs. However, some zakat authorities only allowed zakat wakalah collection and distribution from the same states. Different states applied different approaches in their zakat wakalah distribution."

(Appendix A: Section B: Question: 1)

Based on the process flow mentioned by the informant, Zakat Wakalah is one of Zakat's subsidiaries. However, there is an additional step whereby the intermediaries or entities distribute the zakat wakalah themselves to the asnafs they identified and aim to receive their help. Thus, incorporating the additional step in the zakat wakalah distribution process reflects a shift towards more participatory and community-driven approaches to Zakat management. By empowering individuals and entities to engage in the distribution of zakat wakalah directly, this model can enhance the effectiveness, transparency, and impact of Zakat contributions in addressing socio-economic challenges and promoting sustainable development.

b. Targets

The distribution targets are almost similar to any zakat. However, some zakat wakalah payers focus more on the individual or charitable bodies. According to the informants,

"The recipients must be the eight asnafs as described in the Quran. Then, it depends on the objective of the zakat wakalah distribution project. It also covers education, economics, and community banking."

(Appendix A: Section B: Question: 4)

Thus, the informant's response suggests that while zakat wakalah distribution may involve additional considerations and objectives, it remains rooted in the core principles of Zakat as prescribed in Islamic teachings, ensuring that the funds are used to benefit those most in need and promoting the well-being of the community as a whole.

c. Programs

Zakat wakalah money can be distributed directly to the asnafs or by conducting programs using the money. RHB Islamic Bank will actively participate in the zakat wakalah by the year 2020, and some of the programs will be successful, thus making the same programs carried out in the following year. The informant's view supports this statement:

"The total number of programs during the three previous years was 17. 2022 had

nine programs, 2021 had six, and 2020 had two programs."

(Appendix A: Section B: Question: 7)

Then, the next question is about repeated programs in the zakat wakalah scheme. The responses from the informants are:

"Yes, they are the Back to School (BTS) and Road-to-Campus (RTC) programs. It is also a collaboration with Perlis State and Perbadanan Nasional Berhad (PERNAS). The most repeated program is the RTC program."

(Appendix A: Section B: Question:7)

Based on these statements, the RHB Islamic Bank has actively participated in the zakat wakalah distributions to empower education and achieve economic objectives. The BTS and RTC are RHB Islamic initiatives that distribute help and support to staff who receive less than RM7000 in salary. Thus, the Zakat paid can help asnaf within the circle.

Analysis on PPZ-MAIWP

a. Concept of Zakat Wakalah

According to the PPZ-MAIWP informant, the definition of zakat wakalah is available on their website, Wakalah, from the PPZ website. However, the informant answered as it was still a question for the interview. His response is as follows:

"Zakat wakalah is a refund policy for zakat payments from MAIWP to entities that pay zakat to PPZ-MAIWP towards eligible asnafs."

(Appendix A: Section B: Question:1)

He added some new information on the website that has yet to be revealed. The statement is:

"There is a new payment for the individual category. Before this, the zakat wakalah payment for individuals started at RM25,000. Since 2019, the minimum payment has started at RM 20,000 to allow individuals to distribute themselves. This is because this amount is suitable for the distribution of zakat wakalah. If it is less than that, then the distribution will be less than that, and not many people will benefit from the distribution."

(Appendix A: Section B: Question: 1)

Other than answering on the concept of zakat wakalah, the informant listed the percentages of the zakat wakalah refund for each category. This list is reachable by going through the website.

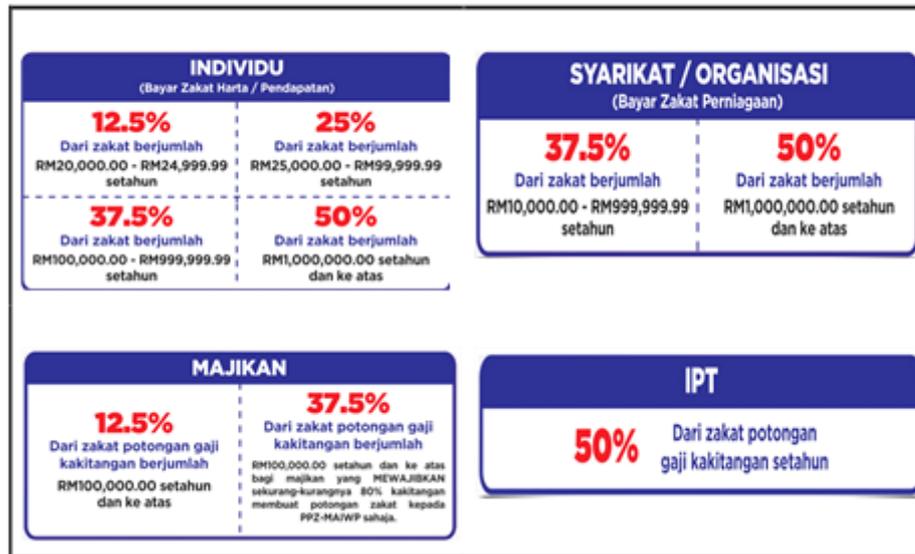


Fig. 2: Zakat Wakalah Refund Distribution for Each Category

Source: PPZ website

Based on the interview information and referring to the website shown in Figure 2 above, the researcher gained some new information, like the reason for the minimum amount of zakat wakalah payment for individuals, which should have been mentioned on the website.

b. Entities

There are four categories of zakat wakalah payers or muzakki. However, not all states in Malaysia have four categories. For example, in Pahang, there are three categories only whereby higher education institution was replaced with schools. This research focuses on PPZ, so the four categories are mentioned. The statement from the informant is as follows:

"In 2018, there were 651 million applications for joining the Zakat Wakalah scheme, but only 500 million people passed the requirements. Corporations contributed the most during the early stage of the scheme. Then, this year, the individual made the highest contribution, 50% of the contribution, followed by the employer, company, and IPT."

(Appendix A: Section B: Question: 6)

The statement above shows that even though the corporate sector has a name in the industry, it may still be the most significant contributor to the Zakat Wakalah. The fact supported this is that individual muzakki can also be the highest contributor to the Zakat Wakalah. This also proved that in Wilayah Persekutuan, Malaysia, Zakat has many high-net-worth payers, among the highest contributors to the Zakat Wakalah scheme.

c. Programs Conducted

Besides distributing the zakat wakalah directly to the asnaf, the muzakki also initiated programs to distribute the zakat wakalah to the asnafs. This is one of the diversifications in distributing the zakat wakalah to the asnafs. This can be seen from the statement given by the informant from PPZ:

"For us, every program conducted to distribute the zakat wakalah is successful even though participation is less than we expected. The distribution of zakat wakalah covers distributing the zakat wakalah refund money to charitable bodies, mosques, or tahfiz (schools for memorizing the Holy Quran). As the manager of Zakat Wakalah, I must admit that the Bakul Rezeki program was conducted during natural disasters, and the MCO was among the programs that need to be highlighted. In this program, the muzakki zakat wakalah distributed the help by going to the asnaf's homes and giving them a hamper of basic food to survive during the lockdown."

(Appendix A: Section B: Question:8)

In addition, there is another point from the second informant:

"I am adding that during MCO, entities like Suruhanjaya Syarikat Malaysia (SSM) and Bank Negara Malaysia (BNM) collaborated with us to provide the survival kits. Not only that, but chronic disease patients also received the distribution. Through this event, various collaborations with these entities would create more diversifying programs, rather than just distributing the help without thinking about what the receiver will gain benefit. During the earlier distribution of zakat wakalah, our PPZ team collaborated with MAIWP only. Corporate entities are now interested in joining the distribution of zakat wakalah. They also helped us find the eligible asnafs that truly need the zakat wakalah. This is truly unbelievable for us because we are just actively creating a system like Mywakalah, and from there, many corporate entities are interested in joining this zakat wakalah scheme."

(Appendix A: Section B: Question:8)

The researcher found new exciting facts about their collaboration programs from these statements. In addition, PPZ let the muzakki zakat wakalah distribute by themselves and gave them the authority to do programs that can better impact not just the asnaf but the organizer and the collaborator who agreed to collaborate with them. The organizer fulfilled their goal of distributing the zakat wakalah towards the asnaf. At the same time, the public will know that the collaborator is one of the entities that provide and support zakat wakalah initiative programs.

Conclusion

As claimed by Nor Paizin & Abdul (2021), Zakat has been identified as a charitable contribution made towards the poor and needy and can clean souls of selfishness and greed. It can also cleanse the wealth of the zakat payer from loving the wealth they own. This can be seen from the Zakat in linguistic terms: a blessing, purity, increase and goodness (Nor Paizin & Sarif,2018). From the terms listed, Zakat is known as a pillar of Islam that encourages Muslim society to be kind to everyone, regardless of the status he or she owns. For future studies, the discussion on zakat wakalah should focus on two other categories of Zakat wakalah entities: employers and higher education institutions. Thus, a study by Ammar et al. (2022) on wakalah on zakat management discussed the guideline that should be introduced for higher education institutions to follow in distributing Zakat, which is Politeknik Ungku Omar. Furthermore, the study mentioned how zakat management should be conducted by applying the wakalah concept in their zakat distribution for eligible students as it is rightful to the Zakat. For the employer category, there is still lacking of studies on how zakat wakalah was applied in the employer sector, except a study from Hairunnizam et al. (2021) that discussed the zakat wakalah

application from Perbadanan Hartanah Berhad (PHB) in distributing zakat wakalah by working capital method.

Some recommendations listed by the researcher for future study are mostly known but need improvements to create a better finding in Islamic social finance. Firstly, it is to improve and upgrade the current system like Mywakalah. Based on the interview session between the researcher and the PPZ staff on the system, he mentioned that PPZ is currently upgrading their system to be more updated and user-friendly for a better experience in using the system as Mywakalah system is the only system to track the wakalah payment made and disbursed money for the zakat wakalah payers to distribute the money to the asnafs whom their companies or organizations list. This is because only one system manages zakat wakalah for the zakat wakalah payers.

Other than that, it is recommended that zakat authorities or institutions actively participate in marketing to attract prospects to join Wakalah. The issue is not the amount of joining Zakat Wakalah but the marketing. Marketing is essential as it will attract new prospects to join zakat wakalah and increase the number of zakat wakalah payers annually. According to the respondent from PPZ, although many people are applying for zakat wakalah, not all are eligible to be Zakat wakalah distributors.

In conclusion, zakat wakalah, known as zakat refund, lets a muzakki join in the distribution procedures by being selected as the agent in zakat distribution. The al. method also enables the Zakat authorities like PPZ to diversify their method in distributing Zakat rather than relying on MAIWP to carry out the distribution towards eligible asnafs, and this will let them discover some asnafs that are unreachable by their might. RHB Islamic Bank proved from the programs carried out all are successful, from the asnafs identification to the programs carried out by them as searching for zakat wakalah in the Google search bar, RHB Islamic Bank is the one to pop up in the first link. Therefore, this study is crucial to provide additional information on zakat wakalah focusing on the corporate sector towards educating and spreading awareness to the public and becoming a guide for other Islamic banking institutions in applying for zakat wakalah in fulfilling their responsibility as Muslim corporate entities to pay their Zakat despite which Zakat they paid. The crucial part is to oblige the Islamic pillar as Muslim by paying Zakat.

Acknowledgement

We sincerely thank the participants from RHB Islamic Bank and PPZ-MAIWP for sharing their insights and enriching our understanding of zakat wakalah's role in Islamic social finance. Special gratitude goes to our research team for their dedication in shaping this study's findings. We acknowledge that sections of this research were adapted from a final-year project conducted by Nurin Munirah Shahrul Nizar. We thank our faculty for their contributions to this research endeavour.

Conflict of Interest

The authors declare that there are no conflicts of interest regarding the publication of this manuscript.

Author's Contribution

Nurin Munirah Shahrul Nizar led the research, conceptualized the study, and drafted the manuscript. She formulated the core research concept and developed the theoretical framework.

Siti Nor Amira Mohamad provided oversight throughout the research process and approved the final submission of the article.

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