

Review Paper

Thematic Review Paper on Business Zakat from 2015 to 2020

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ABSTRACT

This paper examines the last five years of the literature trend on business zakat worldwide. Although, there have been numerous studies on zakat in the past years, studies on business zakat are scarce. The literatures mostly focuses on zakat institutions or zakat management (Sawmar & Mohammed, 2021b), or zakat on an individual basis (Bin-Nashwan *et al.* 2020). These past studies did not look at the zakat collection in the business sector and no other studies as far as this study concern have used the thematic analysis on the business zakat literature. This paper is the first to use thematic analysis approach introduced by Clarke and Braun (2013) using the software Atlas.ti version 9 (Zairul, 2020) to study business zakat. The literature search encompasses three databases: Scopus, WOS, and ScienceDirect. Four themes are found in this study which are the impact of business zakat, factors influencing the payment of business zakat, issues arising from the business zakat concept, and solutions proposed by some papers regarding the issues of business zakat. Since this study only focus on the business zakat owned by companies, the findings might not be suitable for business ownership owned by individuals. Nevertheless, the findings on business zakat issues are still significant enough to zakat scholars, which could be considered for future studies.

HIGHLIGHTS

- ① This study attempted to determine the trend of business zakat studies over the previous five years. Previous research has yielded four themes related to business zakat. The following are the consequences, payment factors, issues, and solutions.
- ② This study also suggested a few future studies in the area of business zakat in particular, and zakat in general.

Keywords: Business zakat, Islamic bank, Islamic taxation, thematic review, Atlas. ti version 9

Zakat is one of the religious obligations meant to help the poor and the needy. However, there are no clear directions on the current issue of the business zakat. Most zakat-related papers in Malaysia focused on the obligation of zakat to individuals (Bin-Nashwan *et al.* 2020; Obaid, Ibrahim, & Mat Udin, 2020) or the perspectives of zakat from the zakat management perspectives (Sawmar & Mohammed, 2021b). Therefore, this paper aims to identify issues discussed in the business zakat publications from 2015 to 2021. The goal of this study is to discover the trend of business zakat

through three search engines: Scopus, WOS, and Science Direct. Accordingly, the research question of this paper is the current trend of business zakat as discussed in the literature from 2015 to 2021.

MATERIALS AND METHODS

The term thematic review with ATLAS.ti 9 as the

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tool introduced by Zairul (2020) is used because thematic analysis is incorporated into the literature review in this study's methodology. According to Clarke and Braun (2013), thematic analysis identifies patterns and develops themes by conducting extensive reading on a subject. The next step is to identify the pattern and create the category to understand the trend of business zakat publication. The research tenets are to analyse and interpret the findings to make recommendations for future business zakat research.

Business zakat falls under the zakat on wealth, whereby the zakat is paid based on the wealth of the business, such as the inventory and cash. In Malaysia, an individual can own a business through a sole proprietorship or an entity such as companies. In the case of an individual-owned business, the owner is responsible for paying the business zakat according to the religious obligation. However, for companies, the business zakat can be paid by the owner or the business (Kadir, 2020). In the case where the zakat needs to be paid by the business, Accounting and Auditing of Islamic Financial Institutions (AAOIFI) provides three conditions in which companies need to pay business zakat which are when (i) the country law required the companies to pay zakat (ii) there is an instruction in the Articles of Association of the companies to pay zakat (iii) the shareholders instructed the companies to pay zakat.

Nevertheless, the guidelines outlined by AAOIFI do not apply and are viable to businesses in Malaysia. Malaysia's religious matters are under the jurisdiction of the State and Majlis Fatwa Kebangsaan, which are responsible for providing regulations on such matters. On 9th December 1992, Majlis Fatwa Kebangsaan came out with a fatwa that obligated companies to pay zakat when they meet these five conditions: (i) free Muslims owned the business, (ii) full ownership, (iii) the amount of wealth is equal or greater than the *nisab*, (iv) the wealth has been possessed for one year (*haul*), and (v) the rate of zakat on business is 2.5%.

Although the scope of this study is business zakat, the search expanded to include a few terms related to the study's scope to capture sufficient articles that supposedly fall within the range. Therefore, synonym words were used to capture different terms representing "business" and "zakat". Business can be replaced by corporate, company, institution,

bank, enterprise, or entrepreneur. The word zakat is also synonymous with zakah, Islamic tax, Islamic due, and *alm*. The term zakat institution is excluded from the search since it is not within the scope of this study.

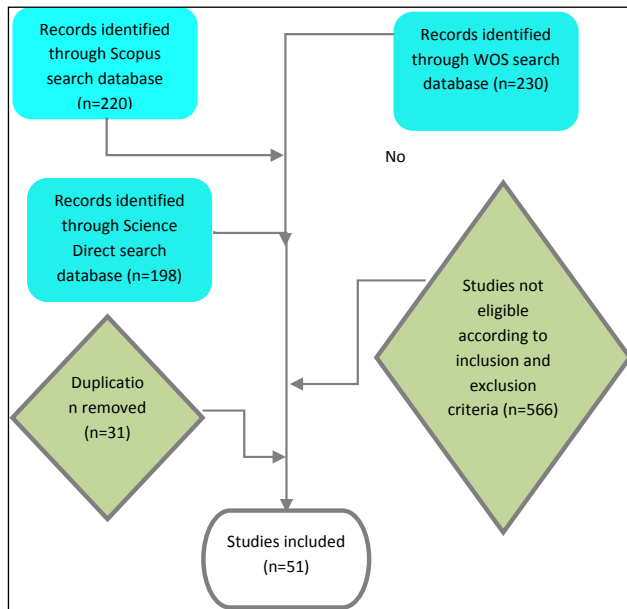
The literature search was conducted using the following criteria: (1) publication from 2015 to 2021, (2) have at least keyword(s) of business zakat with the alternative terms, such as corporate, company, bank, and institution, (3) exclude studies from zakat institutions' perspective.

Table 1: Search strings used on Scopus, WOS, and ScienceDirect

SCOPUS	TITLE-ABS-KEY (business OR corporat* OR compan* OR institution* OR bank OR entrepreneur OR enterprise) AND TITLE-ABS-KEY (zakat OR zakah OR alm OR "Islamic tax" OR "Islamic due") AND NOT ("zakat institution") AND PUBYEAR > 2010 AND (LIMIT-TO (LANGUAGE, "English")) AND (LIMIT-TO (PUBYEAR, 2021) OR LIMIT-TO (PUBYEAR, 2020) OR LIMIT-TO (PUBYEAR, 2019) OR LIMIT-TO (PUBYEAR, 2018) OR LIMIT-TO (PUBYEAR, 2017) OR LIMIT-TO (PUBYEAR, 2016) OR LIMIT-TO (PUBYEAR, 2015)) AND (LIMIT-TO (DOCTYPE, "ar") OR LIMIT-TO (DOCTYPE , "cp"))	220 results
WOS	TS = (corporat* OR compan* OR institution* OR bank OR business* OR entrepreneur* OR enterprise) AND TS = (zakat OR zakah OR alm OR "Islamic tax" OR "Islamic due") NOT TS = ("zakat institution")	230 articles
Science Direct	(corporat\$ OR company\$ OR institution\$ OR bank OR business OR entrepreneur* OR enterprise) AND (zakat OR zakah) NOT ("zakat institution")	198 articles

The literature search was performed in Scopus, ScienceDirect, and WOS. The initial search came out with 220 articles from SCOPUS, 230 from Web of Science, and 198 from Science Direct, which brought to 648 articles. However, 566 articles were removed due to their premature results and anecdotes, or because they did not discuss Malaysian business zakat issues. Some of the articles were incomplete, or the full articles were inaccessible due to broken links or overlap. As a result, the total number of

Fig. 2 reflects the articles breakdown according to the year of publications. The trend is moving upward with only two articles in 2015 and two in 2016, then increased to the current total publications of 15 articles in 2021.



The articles were uploaded as primary documents to ATLAS.ti 9, and each paper was categorised by (1) author; (2) issue number; (3) periodical, (4) publisher, (5) volume, and (6) year of publication. The articles can be analysed based on the year they were published, as well as the discussion pattern. The total number of articles finalised into the ATLAS.ti 9 final documents is 51.

This section summarises the main findings of the thematic review.

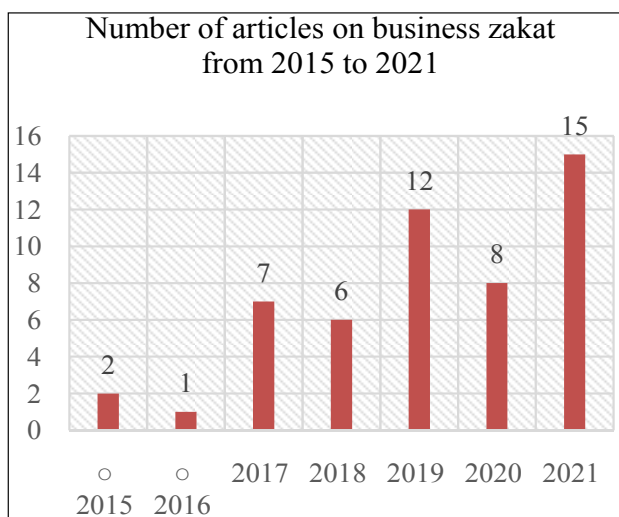


Fig. 3 shows the word cloud generated from the 51 articles. Word cloud shows the repetitive words used in the literature; the bigger the word, the higher the frequency of the word mentioned in the literature. From the word cloud above, the most common word mentioned in the articles as represented by the biggest word is Islamic. Zakat is an Islamic tax, which is part of the religious obligation. The words business and zakat are the main themes of this study. Social is the next word that shows zakat's closeness with the social or society. Zakat's main purpose is to help the underprivileged in need. Meanwhile, business zakat does not only has a social impact, but it also impacts the performance of the business and country. In short, business zakat has multiple impacts on society, companies, and the nation as a whole. The next word that keeps appearing is CSR or corporate social responsibility, which reflects that business zakat is part of the CSR of businesses. Next, the words accounting, and management also appear significant, suggesting that the zakat payment of a business impacts its operation in terms of business profit calculation and affects its operation and planning.

Based on Table 1, 37 journals produced articles on this particular area. Most articles contributed by the ISRA International Journal of Islamic Finance with four articles. Other than this journal, eight journals, namely Al-Shajarah, Banks and bank system, Global Journal Al-Thaqafah, Humanities, Social Sciences Reviews, International Journal of Islamic and Middle Eastern Finance and Management, Journal of Asian Finance, Economics and Business Journal of World Business, Public Relations Review each produced two articles.

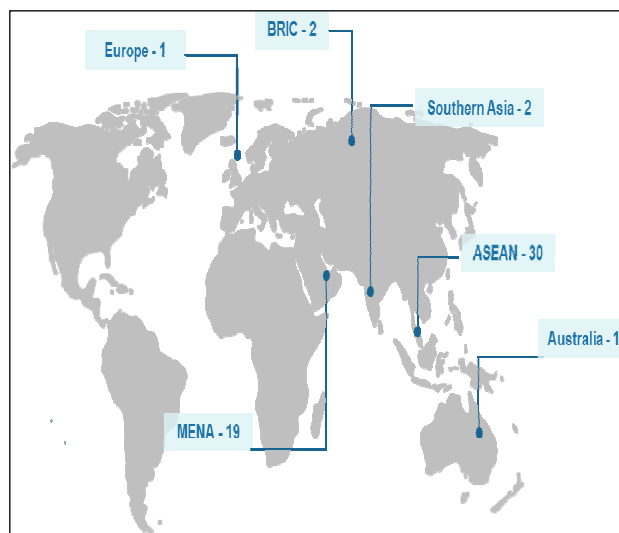


Fig. 4: The dispersion of articles based on region

From Fig. 4 above, the group of countries that become the focus of the studies is the ASEAN countries. ASEAN referred to Southeast Asian countries covering Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. Thirty articles focus on ASEAN countries. Among the countries, Malaysia and Indonesia have Muslims as their majority population. Meanwhile, 19 articles are related to MENA countries. MENA countries refer to the Middle East and North Africa, covering Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, and Yemen. The rest of the articles are on European countries, BRIC (Brazil, Russia, India, and China), Australia, and Southern Asia such as Pakistan and Bangladesh.

The growing number of articles on ASEAN and MENA countries reflect the issues' trend of receiving more attention. Therefore, more studies

are encouraged to explore the issues further. Since these countries are Muslim-based countries of which the main population is Muslim, the obligation of business zakat is crucial due to religious and social responsibilities. Research has shown that Islamic social finance, especially zakat, has been an important tool of aid for developing a nation, especially to improve the well-being and the lives of unfortunate people (Ascarya, 2021; Umar *et al.* 2021).

Table 2 shows the themes of the publications from 2015 to 2021. The impact of business zakat is related to the influence of business zakat payment. The issues are the challenges that have been lingering around business zakat. The solutions for the issues are the proposed implementation of business zakat, as suggested by several scholars.

THEME 1: Impact

The impact of zakat is undeniably significant, primarily during crises such as the pandemic. Ascarya (2021) suggested that the zakat contribution can save lives in terms of medical assistance and household aid through social safety programmes as well as businesses, especially small and medium enterprises, through financial and business assistance.

Azhan Rashid Senawi, Muhammad Pisol Mat Isa, and Azhar Harun (2018) studied the zakat collection and the effects of the macroeconomic factors in Malaysia and found a positive impact of the zakat collection on the gross domestic product per capita (GDPC). A higher zakat collection reflected better economic well-being and living standards. Furthermore, the zakat collection has a negative effect on the gold price. This is due to the nisab (minimum amount to pay zakat) being based on the gold price.

The zakat distribution can be in terms of productive zakat and consumption zakat (Arifin & Anwar, 2021). The productive zakat is the zakat given to those with inadequate income to meet their basic household needs. Meanwhile, the consumptive zakat is given to the elderly, sick people, and people with disabilities because with their limitations, they are unable to earn an income for their basic needs as well as their families. Arifin and Anwar, (2021) added that to improve the zakat allocation distribution, zakat institutions and the government

Table 1: Publication of journals according to year

No	Journal	2015	2016	2017	2018	2019	2020	2021	TOTAL
1	Academy of Accounting and Financial Studies Journal	0	0	0	0	0	0	1	1
2	Advances in Social Science, Education and Humanities Research	0	0	1	0	0	0	0	1
3	Al-Shajarah	0	0	0	1	1	0	0	2
4	Banks and Bank Systems	0	0	0	1	0	0	1	2
5	Corporate Governance (Bingley)	0	0	0	0	1	0	0	1
6	Critical Perspectives on Accounting	0	0	1	0	0	0	0	1
7	Emerging Markets Review	0	0	0	0	0	1	0	1
8	Foresight	0	0	0	0	0	0	1	1
9	Global Journal Al-Thaqafah	1	0	0	0	0	1	0	2
10	Humanities and Social Sciences Reviews	0	0	0	0	2	0	0	2
11	IJABER	0	1	0	0	0	0	0	1
12	International Journal of Islamic and Middle Eastern Finance and Management	0	0	0	0	0	0	2	2
13	International Journal of Monetary Economics and Finance	0	0	1	0	0	0	0	1
14	International Journal of Scientific and Technology Research	0	0	0	0	1	0	0	1
15	International Journal of Sociology and Social Policy	0	0	0	0	0	1	0	1
16	International Journal of Supply Chain Management	0	0	0	0	1	0	0	1
17	ISRA International Journal of Islamic Finance	0	0	0	0	1	0	3	4
18	Journal of Asian Finance, Economics and Business	0	0	0	0	1	0	1	2
19	Journal of Economic Cooperation and Development	0	0	0	0	0	1	0	1
20	Journal of Governance and Regulation	0	0	0	0	0	0	1	1
21	Journal of Islamic Economics, Banking and Finance	0	0	1	0	0	0	0	1
22	Journal of Islamic Marketing	0	0	0	0	1	0	0	1
23	Journal of King Abdulaziz University, Islamic Economics	0	0	0	0	0	0	1	1
24	Journal of Money Laundering Control	0	0	0	0	0	1	0	1
25	Journal of Religion and Spirituality in Social Work	0	0	1	0	0	0	0	1
26	Journal of Social Service Research	0	0	0	0	0	1	0	1
27	Journal of Sustainable Finance and Investment	0	0	0	0	0	0	1	1
28	Journal of World Business	0	0	1	0	0	1	0	2
29	Macedonian Journal of Medical Sciences	0	0	0	0	0	0	1	1
30	Opcion	0	0	0	1	0	0	0	1
31	Procedia Economics and Finance	1	0	0	0	0	0	0	1
32	Public Relations Review	0	0	0	1	1	0	0	2
33	Shirkah: Journal of Economics and Business	0	0	1	0	0	0	0	1
34	Social Responsibility Journal	0	0	0	1	0	0	0	1
35	Turkish Journal of Islamic Economics	0	0	0	0	0	0	1	1
36	Universal Journal of Accounting and Finance	0	0	0	0	0	0	1	1
37	Vision	0	0	0	0	1	0	0	1
Totals		2	1	7	5	11	7	15	48

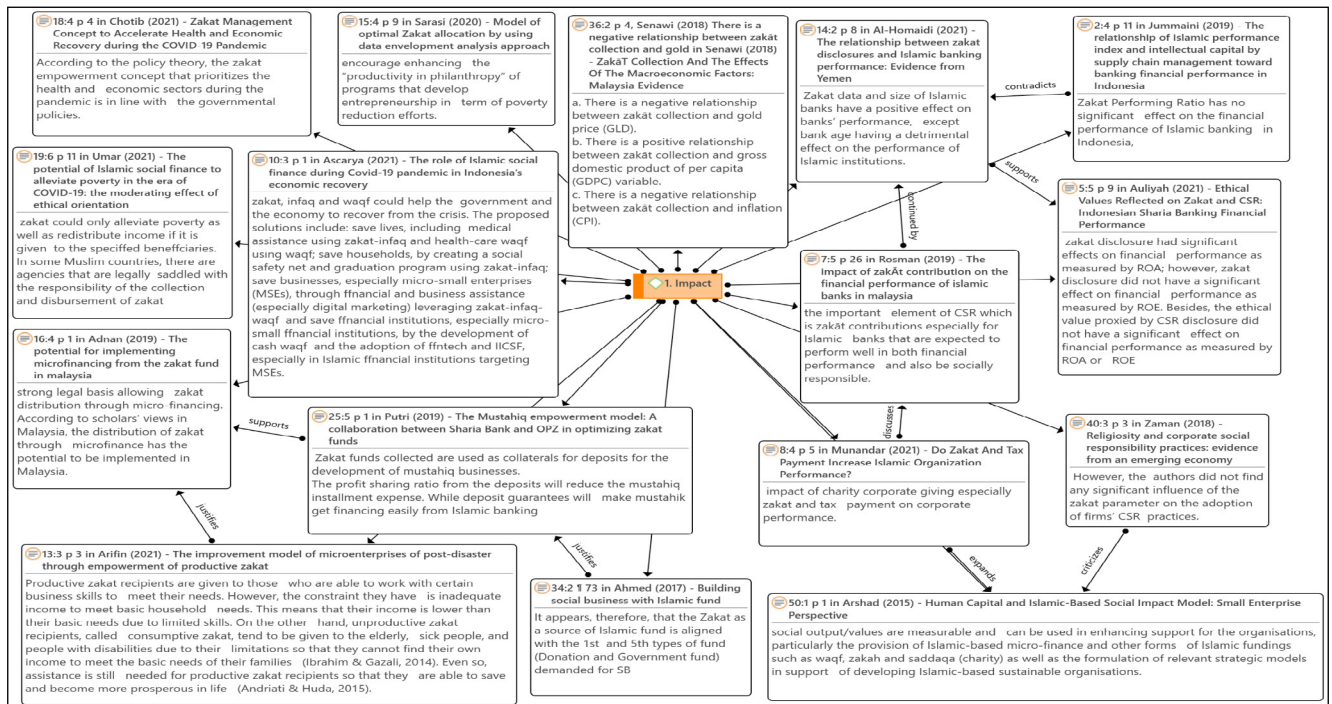
as a regulator should develop entrepreneurship in term of poverty reduction efforts.

In addition, Sarasi, Primiana and Yunizar (2020) suggested that zakat should be developed as productivity in philanthropy. Adnan *et al.* (2019) proposed that distribution efficiency can be achieved through microfinance, which can potentially be implemented in Malaysia. The concept of Islamic social finance has been actively engaged by zakat and *waqf* institutions in other Islamic countries, such as the Centre for Zakat Management in

Bangladesh and National Zakat Agency (BAZNAS) in Indonesia, to assist socio-economic development (Umar *et al.* 2021). Furthermore, another way to help entrepreneurs who are zakat recipients is through zakat funds as collateral for deposits to develop their businesses (Putri, Firmansyah & Hamid, 2019). The zakat fund could also be a source of Islamic funds to build social businesses (Ahmed, 2017). Similar to government policies, zakat empowerment could support the health and economic sectors, especially during a crisis (Chotib, 2021).

Table 2: Publication themes from 2015 to 2021

No	Paper	Impact	Factor	Issues	Solution
1	Arshad, Noor and Yahya, 2015	/			/
2.	Khamis and Yahya, 2015		/		
3	Alosaimi, Bidin, and Derashid, 2016		/		
4	Amran <i>et al.</i> 2017		/		
5	Ahmed, 2017	/			
6	Alfitri, 2017		/	/	/
7	Andraeny and Putri, 2017		/		
8	Gärde, 2017			/	
9	Jamali and Carroll, 2017		/		
10	Mihret, Alshareef and Bazhair, 2017		/		
11	Mukhibad <i>et al.</i> 2019		/		
12	Azhan Rashid Senawi, Muhammad Pisol Mat Isa and Azhar Harun, 2018	/			
13	Duthler and Dhanesh, 2018	/			/
14	Hasan, 2018			/	
15	Mawardi <i>et al.</i> 2018			/	
16	Mukhibad <i>et al.</i> 2019		/		
17	Zaman, Roudaki and Nadeem, 2018	/			
18	Adnan <i>et al.</i> 2019	/			
19	Tahiri Jouti, 2019				/
20	Jummaini <i>et al.</i> 2019	/			
21	Khasanah and Roziq, 2019		/		
22	Nomran and Haron, 2019		/		
23	Putri, Firmansyah and Hamid, 2019	/			/
24	Rosman, Haron and Othman, 2019	/			
25	Abdullahi, 2019				/
26	Usman, Andriyani and Pambuko, 2019	/			
27	White and Alkandari, 2019		/		
28	Baber, 2020		/		
29	Bin-Nashwan <i>et al.</i> 2020		/		
30	Bin-nashwan, 2020		/		
31	Jamali <i>et al.</i> 2020		/		
32	Kadir, 2020				/
33	Raja, 2020			/	
34	Sarasi, Primiana and Yunizar, 2020	/			
35	Ag Omar <i>et al.</i> 2021			/	
36	Nugraha, Refmasari and F, 2021		/		/
37	E A Al-Homaidi <i>et al.</i> 2021	/			
38	Arifin and Anwar, 2021	/			
39	Ascarya, 2021	/			
40	Robiatul Auliyah and Basuki Basuki, 2021	/			/
41	Umar Habibu Umar <i>et al.</i> 2021	/			
42	Bin-Nashwan <i>et al.</i> 2021		/		
43	Bin-Nashwan, 2021		/		/
44	Chotib, 2021	/			
45	Haron, Radzali and Nomran, 2021		/		
46	Khan, Lockhart and Bathurst, 2021		/		
47	Kotb Abdelrahman Radwan, Omar and Hussainey, 2021				/
48	Munandar, 2021	/			
49	Nomran and Haron, 2021				/
50	Sawmar and Mohammed, 2021		/		
51	Voronova and Umarov, 2021		/		



THEME 1: Impact

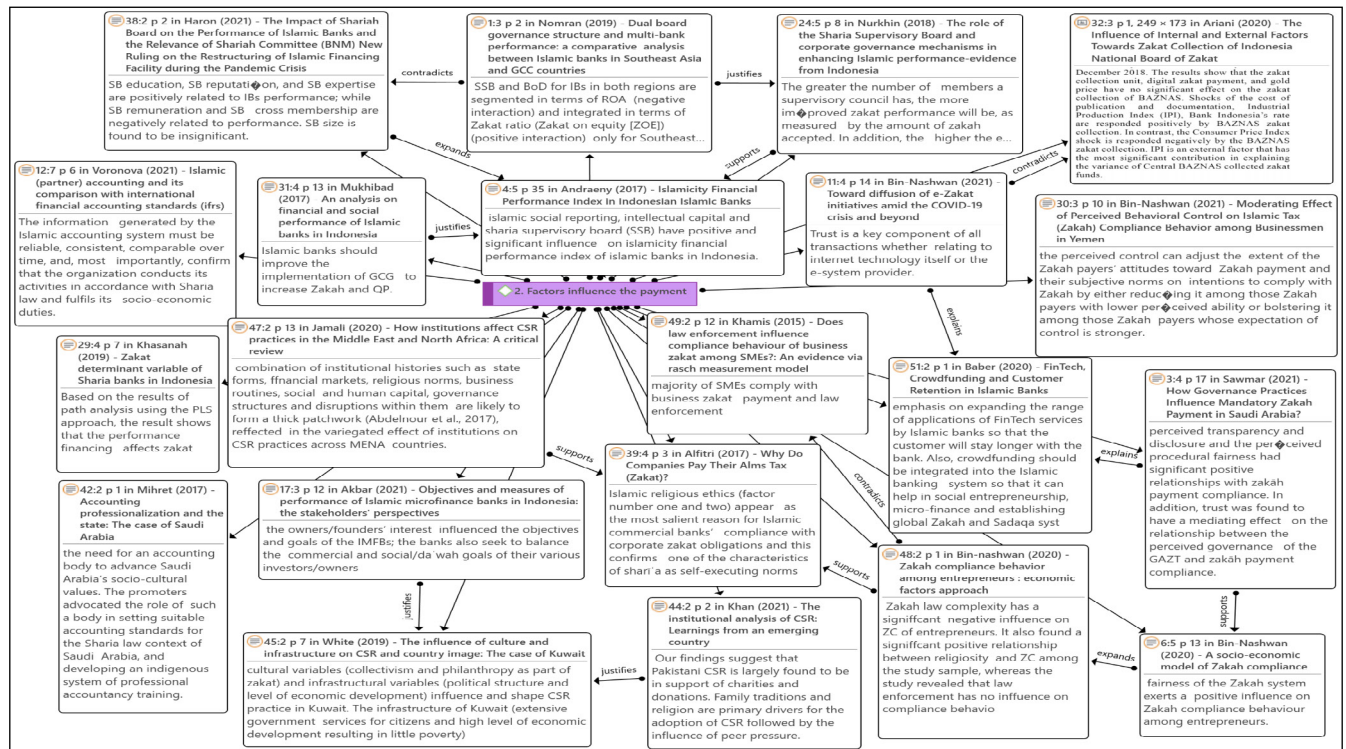
Romzie Rosman, Razali Haron and Nurul Balqis Mohamed Othman, (2019) highlighted the importance of the zakat contribution element of CSR, especially for Islamic banks that are expected to perform well in financial performance while being socially responsible. Some studies found that zakat increased Islamic organisation performance (Munandar, 2021) when the performance was measured by Return on Asset (Robiatul Auliyah & Basuki Basuki, 2021). However, a study by Jummaini *et al.* (2019) reveals that the zakat performance ratio has no significant effect on the financial performance of Islamic banking in Indonesia. The study by Al-Homaidi *et al.* (2021) asserted the importance of zakat disclosure's impact on performance. Al-Homaidi *et al.* (2021) also discovered that zakat data and the size of Islamic banks positively affect banks' performance. They also found that the zakat payment benefit companies through employees' satisfaction. This is supported by Duthler and Dhanesh (2018), who stated that CSR is a means for companies to communicate with employees.

Besides performance, zakat also affects other business practices. Usman, Andriyani and Pambuko (2019) studied types of funds in relation to Indonesian Islamic Banks' productivity and found that zakat as a social fund is more valuable than the financial fund, which only focuses on the operation aspect.

On the other hand, Zaman (2018) found that zakat has no impact on firms' CSR practices. The reason might be due to the belief that zakat is only limited to individual religious obligations. The truth is zakat has a significant impact on society. Arshad, Noor and Yahya (2015) suggested measuring companies' social activities to enhance the support towards Islamic fundings, such as waqf, zakat, and sadaqa (charity). By measuring both the financial and social aspects, businesses would be open to more collaboration and contributions towards Islamic-based micro-finance.

THEME 2 - Factors That Influence Business Zakat Payment

The second theme is on factors influencing the business zakat. Nomran and Haron (2019) discovered that the Shariah Supervisory Board (SSB) and Board of Directors (BOD) have a significant impact on the zakat ratio (zakat on equity) in Southeast Asia Region. The study reveals that the Shariah governance practice of Islamic Banks in Southeast Asia, which includes having a Shariah Supervisory Board, is more compelling than Gulf Corporation Council (GCC) Islamic Banks. Nurkhin *et al.* (2018) look upon several criteria of the SSB, such as the number and the educational background of the SSB of the Islamic Banks in Indonesia. The findings



THEME 2 - Factors That Influence Business Zakat Payment

indicate that the SSB with a better educational background led to more zakat collected with better CSR and zakat disclosure. However, despite a positive impact of SSB education, SSB reputation, and SSB expertise on Islamic banks' performance, Haron, Radzali and Nomran, (2021) asserted that SSB remuneration and cross membership are negatively related to Islamic bank performance.

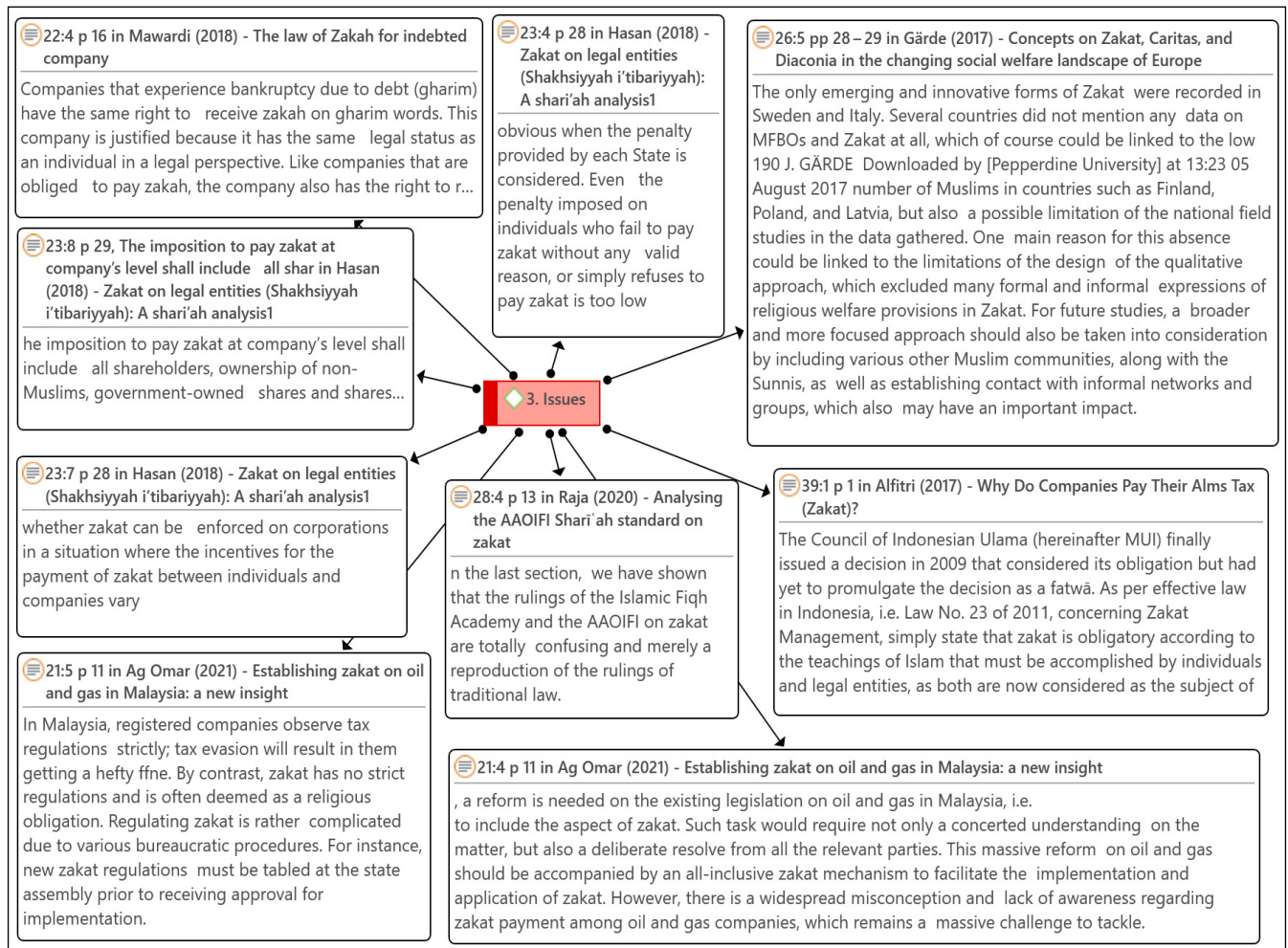
Another factor that influences the business zakat collection is the zakat institutions. Sawmar and Mohammed (2021a) found that the zakat payers' perception of the zakat institutions' transparency, disclosure, and procedural fairness significantly affected zakat payment compliance. The study found trust as a mediation between the perceived governance of zakat institutions and zakat payment compliance. On the same note, Bin-Nashwan (2021) highlighted that trust is crucial for electronic zakat payment. Without trust, zakat institutions would lose their credibility and integrity in the eyes of the zakat payers (Bin-nashwan, 2020; Subekti *et al.* 2022; Budiman *et al.* 2022).

Furthermore, bank owners' interests influence the goals of Islamic banks in Indonesia, which acquired the banks to balance the owners' commercial, social, and dakwah goals (Akbar & Siti-Nabiha, 2021).

Notably, Islamic religious ethics appear to be the most salient reason for Islamic commercial banks' compliance with corporate zakat obligations as a self-executing norm (Alfriti, 2017). Bin-Nashwan *et al.* (2020) added that zakat payers with high morals are more likely to engage in zakat obligation compliance behaviour.

In addition, the principle of enhanced disclosure, materiality reliability, and adequacy of information as promoted by Islamic Accounting also encourage the business zakat payment (Voronova & Umarov, 2021). White and Alkandari (2019) added that culture, which includes philanthropy as part of zakat and political structure, could shape the CSR practice in Kuwait. The same culture of charities and donations influences zakat as CSR in Pakistan Khan, Lockhart and Bathurst (2021) and MENA countries (Jamali *et al.* 2020). In Saudi Arabia, Mihret, Alshareef and Bazhair (2017) advocate the role of an accounting body, namely the Saudi Organization of Certified Public Accountants (SOCPA), in incorporating the socio-cultural values of Sharia Law to develop an indigenous system of professional accountancy training.

Five issues have been identified in the selected literature on the business zakat. The first issue is



THEME 3 - Issues Associated with the Business Zakat

on the concept of *shakhsyiyah I'tibariyyah*. *Shakhsyiyah I'tibariyyah* is a concept that a company is a legal entity (Hasan, 2018). It is related to the *khultah* concept, where the shareholders' property is considered owned by one person. Therefore, the concept of *shakhsyiyah I'tibariyyah* required companies to pay zakat, similar to individuals (Hasan, 2018).

Next is the issue of zakat for indebted companies (loss). Mawardi *et al.* (2018), in their study, suggested that a company facing bankruptcy due to debt have the same right to receive zakat based on the fact that the company is a debtor. This argument for this suggestion is that businesses facing losses will still need to pay zakat. The findings by Mawardi *et al.* (2018) assist indebted companies to continue operation and sustain their employees.

The third issue is regarding zakat on oil and gas. There is a lack of understanding on the zakat payment among oil and gas companies. Ag Omar

et al. (2021) stated that since zakat has no strict regulation because it is a religious obligation, it was not taken seriously compared to taxation. According to the author, regulating zakat has become complicated due to the various bureaucratic procedures, such as new zakat regulations needing approval from the State assembly, becoming a barrier to its implementation.

The fourth issue is the regulation for a business to pay zakat. For instance, Although zakat is obligatory as the teachings of Islam in Indonesia, the country does not have any *fatwa* that enforce individuals or businesses to discharge the obligation (Alfitri, 2017).

The last issue was raised by Gärde (2017), which was related to the development of zakat in the Western countries nominated by the non-Muslim population. However, the findings proclaimed that there are emerging and innovative forms of zakat in Sweden and Italy (Gärde, 2017).

THEME 4 – Suggested Solutions for the Issues for Future Studies

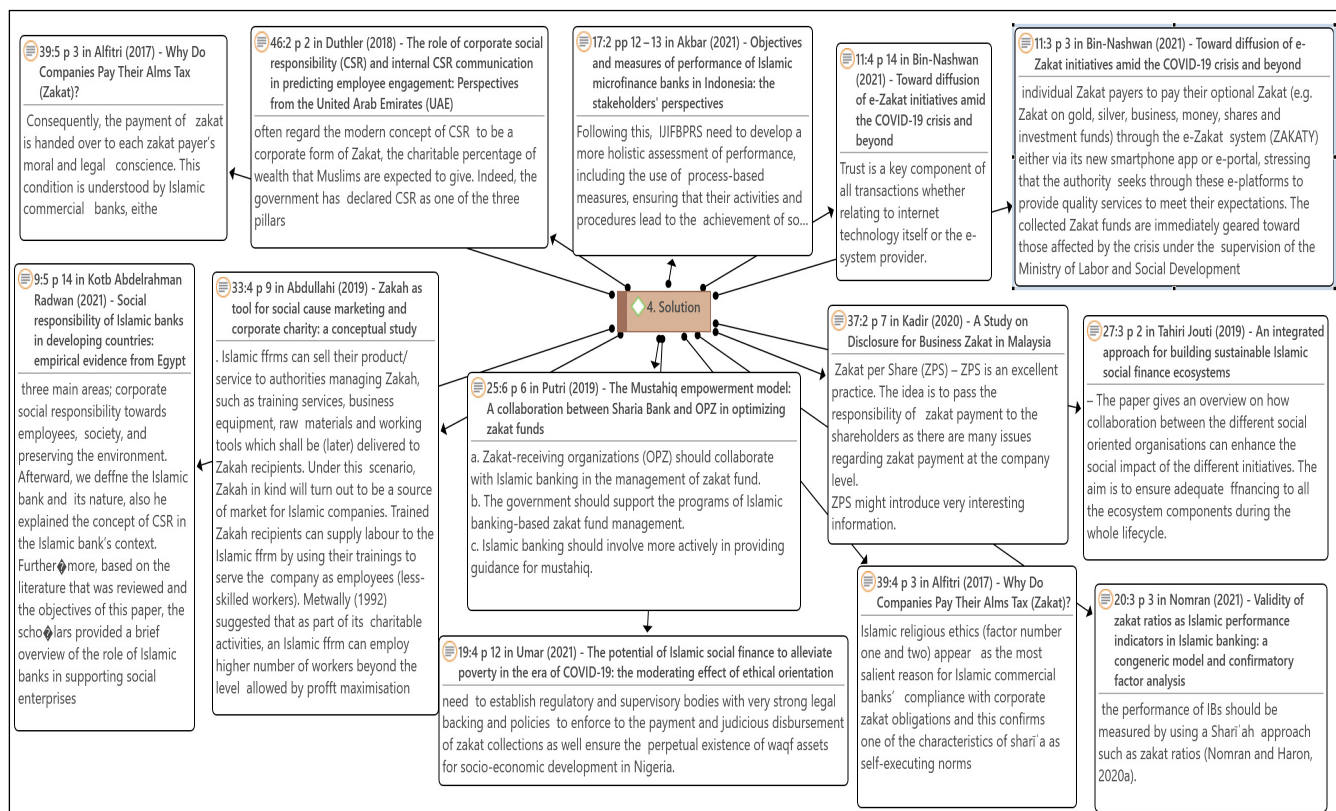
The last theme is the solutions to increase the business zakat payment. The first suggestion highlights the importance of social responsibilities among business owners. Kotb Abdelrahman Radwan, Omar, and Hussainey (2021) emphasised Islamic banks' roles, including the employees, society, and environment. They added that part of corporate social responsibility is to support social enterprises. This is echoed by Duthler and Dhanesh (2018), who reveals that the modern concept of CSR is incorporated in the zakat form, which is the percentage of wealth that Muslims shall give as charity.

Akbar and Siti-Nabiha, (2021) suggested that more holistic assessment can be introduced, including process-based measures that measure activities and procedures that lead to social well-being. In addition, Nomran and Haron (2021) recommended that Islamic Banks' performance include the zakat ratios, which are also in line with the shariah-compliant. Alfitri (2017) highlighted that the Shariah concept originally from Quran and Sunnah is more

than suitable for blending with the modern concept. The proof is that there is more demand for Islamic banking, whose operations are based on Islamic religious ethics. The Islamic religious ethics become the basis for Islamic commercial banks to pay business zakat and be part of their norms.

The second suggested solution is the relationship between business zakat payers and the stakeholders. With regards to this issue, Bin-Nashwan, (2021) suggested a fair zakat system that includes the moral responsibility of zakat institutions towards the zakat payers. Bin-Nashwan *et al.* (2020) added that the zakat system's efficiency, which distributes the zakat collection to deserving recipients, especially during a crisis, would enhance the zakat payers' trust in the management. They opined that zakat institutions have a vital role in introducing awareness programmes to society on the importance of paying zakat to rightful zakat agencies.

The awareness programmes should combine religious, social, and political aspects, as suggested by Umar (2021). Likewise, Putri, Firmansyah, and Hamid (2019) suggested several collaborations on these matters, such as a collaboration between



THEME 4 – Suggested Solutions for the Issues for Future Studies

zakat institutions and Islamic Banking, government support, and the active involvement of Islamic Banks with the zakat recipients. Jouti (2019) mentioned how such collaboration could accelerate and amplify the impact of social activities. Furthermore, the collaboration could ensure a sufficient financial source for the social activities to succeed.

Abdullahi (2019) suggested that companies contribute their expertise through training services, business equipment, raw material and working tools, which would greatly benefit the zakat recipients. Besides, this contribution could be the source of marketing to the companies. The training provided to the zakat recipients can be one of the sources of labour. Although the workers are considered less-skilled, hiring them can be part of the companies' social and charitable activities, which is beyond the traditional profit maximisation concept. Abdullahi (2019) added that the zakat distributed by companies would increase the demand for the companies' products and services.

Furthermore, Umar Habibu Umar *et al.* (2021) suggested a regulatory and supervisory body with strong legal enforcement and policies to enforce the zakat payment and collections. Kadir (2020), in his study on business zakat disclosure in Malaysia, suggested that companies disclose information on zakat per share to ease the amount of business zakat to be paid by shareholders or business owners. Lastly, the zakat payment needs to be more accessible through e-zakat payment, whereby payment can be made through a smartphone app or e-portal (Bin-Nashwan, 2021).

DISCUSSION AND FUTURE STUDIES

Based on the suggested solutions by several authors, business owners are urged to view the business zakat payment as an opportunity to embark on social activities and collaborate with other institutions, such as zakat institutions and the government. These actions could critically impact the companies, like social marketing. This would give the public a good perception of the companies and increase the demand for their business products and services.

Nonetheless, it is apparent that the zakat responsibility is related to religious requirements,

and an individual must be aware that paying zakat is an explicit requirement of Muslim commitments. As a result, having a comprehensive understanding of the major reasons for giving zakat is to comply with the obligation of Rukun Islam, which has become the main pillar of a Muslim.

CONTRIBUTIONS AND BENEFITS OF STUDY

This thematic study provides some insight into the current zakat studies on business. Businesses have undoubtedly provided the government with financial assistance, especially for the country's development. The role of companies, especially during a time of predicament, is crucial. Businesses have lots of resources and expertise to improve the zakat collection. This study could be a source of reference for researchers to examine the status of business zakat, particularly for the period between 2015 and 2020.

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