

Zakat Maal Management and Regulation Practices: Evidence from Malaysia, Turki and Indonesia



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ABSTRACT

This research investigates the management and regulatory practices of *zakat maal* (wealth tax) in Malaysia, Turkey, and Indonesia, aiming to provide a comparative analysis grounded in empirical data. Methodologically, the study employs a comparative qualitative analysis based on secondary data from academic literature, government reports, and institutional publications. The results show, first, Malaysia employs a centralized and technologically integrated approach, ensuring transparency and efficiency in zakat collection and distribution. In contrast, Turkey adopts a decentralized model driven by non-governmental organizations and community participation, fostering flexibility but posing challenges in standardization and oversight. Indonesia's hybrid model combines governmental oversight with private sector involvement, aiming to balance regulatory control with local adaptability, yet needs help in coordination and public trust. Second, the policy enhancements such as improved coordination mechanisms, strengthened regulatory frameworks, and enhanced public awareness to optimize Zakat's role in poverty alleviation and social welfare across Malaysia, Turkey, and Indonesia. This research contributes to the broader discourse on Islamic finance and social policy by providing nuanced insights into zakat management practices, offering valuable implications for policymakers, practitioners, and scholars interested in enhancing zakat efficacy globally.



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1. Introduction

Zakat maal is defined as a portion of wealth that must be given by Muslims who meet the *nisab* (minimum threshold of wealth subject to zakat) and haul (specific period of ownership of wealth for one lunar year) criteria, in accordance with Sharia regulations.¹ This form of zakat is obligatory for those who possess surplus wealth, with the aim of being utilized for public welfare, particularly to assist those in need such as the poor and destitute, zakat collectors, new converts to Islam (muallaf), slaves seeking emancipation (*riqab*), individuals in debt (*gharmin*), those

¹ Ardian Adhiatma and Olivia Fachrunnisa, 'The Relationship among Zakat Maal, Altruism and Work Life Quality', *International Journal of Zakat*, 6.1 (2021), 71-94 <https://doi.org/10.37706/ijaz.v6i1.255>

striving in the path of Allah (*fisabilillah*), travelers who are stranded (*ibnusabil*), and for charitable purposes (*sadaqah*).²

The concept of *zakat maal* is founded on several principles of Islam, which is believed to be a divine religion whose teachings were brought and perfected by the last prophet, Muhammad (peace be upon him), as a guide for human life on earth.³ These principles include social solidarity, purification of wealth, and purification of the soul. *First*, zakat represents a manifestation of social solidarity in Islam, where the wealth distributed is intended to aid those in need, ensure equitable distribution of wealth, and reduce social and economic disparities.⁴ *Second*, zakat functions as a means of purifying wealth, whereby giving zakat allows a Muslim to cleanse their wealth from the rights of others that might be contained within it.⁵ *Third*, zakat also plays a role in purifying the soul, as giving zakat helps a Muslim cleanse their heart from greed and excessive love for worldly possessions.⁶

The role of *zakat maal* in Islam is highly significant, both from a spiritual and socio-economic perspective. Spiritually, zakat is a means to draw closer to Allah SWT through fulfilling a prescribed obligation.⁷ Socio-economically, zakat acts as a tool to reduce social and economic inequalities, enhance social welfare, and foster social solidarity among Muslims. Through fair wealth redistribution, zakat can promote inclusive and sustainable economic development. *Zakat maal* is not merely a religious obligation but also plays a crucial role in building a just and prosperous society. Through effective implementation and management of zakat, its potential as an instrument for socio-economic development can be optimized, thereby contributing to the realization of Islam's vision of a harmonious and just society.⁸

² Ferry Mubarak and others, 'Optimizing the Use of Zakat, Infaq, and Alms Funds Based on the Empowerment of Pesantren', in *Proceedings of the First International Conference on Islamic History and Civilization, ICON-ISHIC 2020, 14 October, Semarang, Indonesia* (EAI, 2021), pp. 1–8 <https://doi.org/10.4108/eai.14-10-2020.2303859>

³ Tika Widiastuti and others, 'Does Zakat and Non-Zakat Empowerment Affect Mustahiq Welfare Based on Maqashid Shariah?', *Al-Uqud: Journal of Islamic Economics*, 5.1 (2020), 76–96 <https://doi.org/10.26740/al-uqud.v5n1.p76-96>

⁴ Nur Rohim Yunus, Asep Syarifuddin Hidayat, and Muhammad Ishar Helmi, 'Reducing The Culture of Corruption Through The Zakat Social Solidarity Movement', *Ekonomika Sharia: Jurnal Pemikiran Dan Pengembangan Ekonomi Syariah*, 9.1 (2023), 1–18 <https://doi.org/10.36908/esha.v9i1.885>

⁵ Shaikh Hamzah Abdul Razak, 'Zakat and Waqf as Instrument of Islamic Wealth in Poverty Alleviation and Redistribution: Case of Malaysia', *International Journal of Sociology and Social Policy*, 40.3–4 (2020), 249–66 <https://doi.org/10.1108/IJSSP-11-2018-0208>

⁶ Fahad Abdullah Ali Hajer, 'The Legal Purposes of the Charity "Zakat"' and Its Impact on Achieving Economic Development"', *Migration Letters*, 3.S3 (2023), 1314–24 <https://doi.org/https://doi.org/10.59670/ml.v20iS3.6319>

⁷ Nopriadi Saputra, 'Strategic Blends of Spirituality, Humanity, and Digitality for Strengthening the Resilience of Small-Scale Family Business', *Procedia Computer Science*, 234.2023 (2024), 1220–27 <https://doi.org/10.1016/j.procs.2024.03.118>

⁸ Rahmini Hadi and others, 'Digital Zakat Management, Transparency in Zakat Reporting, and the Zakat Payroll System toward Zakat Management Accountability and Its Implications on Zakat

Zakat is also an important financial resource for Islamic states, alongside tax revenues.⁹ Generally, the distribution of zakat funds can assist the government in generating economic activity by increasing individuals' purchasing power, ultimately helping to reduce poverty.¹⁰ Zakat funds can aid the government in combating poverty through economic empowerment. These funds can be used to improve the living standards of low-income households. Indonesia, with its large Muslim population, holds substantial potential for zakat income, estimated to reach trillions of Indonesian Rupiah annually. However, this potential still needs to be realized due to several barriers. The zakat regulatory framework in Indonesia needs more standardization and stronger enforcement, leading to low compliance rates among eligible payers. Legal ambiguities further complicate zakat calculation and collection. Culturally, there is a lack of awareness and understanding of zakat obligations, partly due to insufficient educational campaigns. Trust issues also play a role, as concerns about the transparency and efficiency of zakat institutions discourage people from paying zakat through official channels.

Structural issues in the zakat payment system also hinder the maximization of zakat income. The decentralized nature of zakat collection, involving multiple institutions, leads to fragmentation and inefficiencies. Many zakat collection agencies need more capacity and resources to manage and distribute funds effectively, facing challenges related to human resources, technology, and administration. Ineffective distribution mechanisms result in zakat not reaching the intended beneficiaries promptly, undermining the impact of zakat and discouraging future contributions. Addressing these legal, cultural, and structural barriers is essential to harness the full potential of zakat for socio-economic development in Indonesia.

The importance of zakat to the economy and society, countries such as Malaysia, Indonesia, and Turkey have established zakat institutions to collect and distribute funds. These institutions are under the control of the Islamic Religious Councils (IRCs) in each state.¹¹ The IRCs play a crucial role in the administration and management of zakat institutions. Empirical evidence shows that zakat collection in Malaysia has steadily increased over the years, and the distribution methods in

Growth Acceleration', *International Journal of Data and Network Science*, 8.1 (2024), 597–608 <https://doi.org/10.5267/j.ijdns.2023.8.025>

⁹ Raynal Yasni and Agam Reynaldi Reza Erlanda, 'Challenges of Zakat Integration as Source of State Revenue', *International Journal of Islamic Economics and Finance (IJIEF)*, 3.3 (2020), 175–204 <https://doi.org/10.18196/ijief.3238>

¹⁰ Ameeta Jain, Monika Kansal, and Mahesh Joshi, 'New Development: Corporate Philanthropy to Mandatory Corporate Social Responsibility (CSR)—a New Law for India', *Public Money & Management*, 41.3 (2021), 276–78 <https://doi.org/10.1080/09540962.2020.1714280>

¹¹ Muhammad Zaki, Amiur Nuruddin, and Saparuddin Siregar, 'Implication of Law Number 23 of 2011 On Zakat Institution Governance Based On Sharia Quality Management Principles; A Case Study in Baznas of Jambi Province', *Jurnal Cita Hukum*, 8.1 (2020) <https://doi.org/10.15408/jch.v8i1.14481>

the country have become a model for other Muslim nations.¹² Zakat institutions, as non-profit financial entities,¹³ have several direct impacts on the economic system and are considered complementary to financial institutions and part of the comprehensive Islamic economic system.¹⁴

In Malaysia, zakat management is highly structured and strictly regulated by the Islamic Religious Councils in each state. Malaysia has successfully enhanced zakat collection and distribution through the use of technology and efficient systems.¹⁵ This includes the use of online platforms for zakat payments, which facilitate the public's participation. The Malaysian model has been recognized for its success in increasing transparency and accountability, as well as in implementing targeted programs to combat poverty and improve the welfare of low-income communities.¹⁶

Malaysia, with its significant Muslim population and relatively advanced economy, holds immense potential for zakat income, estimated to reach billions of Malaysian Ringgit annually. Various zakat-eligible assets, including individual income, business profits, savings, and property, drive this potential. Despite having a well-structured zakat system and strong governmental integration, Malaysia has yet to realize this potential fully. The inconsistency in implementing zakat regulations across different states leads to inefficiencies. Furthermore, insufficient enforcement and legal ambiguities in zakat calculation and collection result in low compliance rates. Cultural factors also play a role, as public awareness and understanding of zakat obligations need to be higher due to inadequate educational campaigns. Trust issues persist, with doubts about the transparency and efficiency of zakat institutions discouraging people from paying zakat through official channels.

¹² Mohd Amran Mahat, Mohd Yassir Jaaffar, and Mohamed Saladin Abdul Rasool, 'Potential of Micro-Waqf as an Inclusive Strategy for Development of a Nation', *Procedia Economics and Finance*, 31.15 (2015), 294–302 [https://doi.org/10.1016/s2212-5671\(15\)01193-4](https://doi.org/10.1016/s2212-5671(15)01193-4)

¹³ Altea Pericoli, 'Islamic Finance and Charity in the Muslim World. The Role of the Islamic Development Bank in Financing Aid', *JEBA (Journal of Economics and Business Aseanomics)*, 5.2 (2020) <https://doi.org/10.33476/j.e.b.a.v5i2.1656>

¹⁴ Mohammad Bintang Pamuncak, Bayu Taufiq Possumah, and Zairihan Abdul Halim, 'The Impact of Zakat Accounting Standard (Safs Shariah No.109) on the Performance of Zakat Institutions in Indonesia', *Journal of Legal, Ethical and Regulatory Issues*, 24.2 (2021), 1–14; Silvy Eka Marenza and Karimuddin Karimuddin, 'Zakat and Waqf Management in Indonesia and Pakistan: A Comparative Study', *Milkiyah: Jurnal Hukum Ekonomi Syariah*, 3.1 (2024), 43–52 <https://doi.org/10.46870/milkiyah.v3i1.805>

¹⁵ Azniza Hartini Azrai Azaimi Ambrose, Mohamed Aslam, and Hanira Hanafi, 'The Possible Role of Waqf in Ensuring a Sustainable Malaysian Federal Government Debt', *Procedia Economics and Finance*, 31.15 (2015), 333–45 [https://doi.org/10.1016/s2212-5671\(15\)01205-8](https://doi.org/10.1016/s2212-5671(15)01205-8)

¹⁶ Mohamad Alfi, 'Akuntabilitas Dan Transparansi Lembaga Amil Zakat (Studi Terhadap Rumah Peduli Nurul Fikri Kota Palangka Raya', *El-Maslahah Journal*, 8.1 (2018) <https://doi.org/https://doi.org/10.23971/el-mas.v8i1.1096>

Structural issues in zakat payment further hinder the maximization of zakat income. The decentralized collection system, involving multiple institutions, leads to fragmentation and inefficiencies. Many zakat collection agencies need more capacity and resources to manage and distribute funds effectively, facing challenges related to human resources, technology, and administration. Ineffective distribution mechanisms result in zakat not reaching the intended beneficiaries promptly, undermining the impact of zakat and discouraging future contributions. Addressing these legal, cultural, and structural barriers is essential for harnessing the full potential of zakat for socio-economic development in Malaysia. Strengthening the regulatory framework, enhancing public awareness and trust, and improving the capacity and efficiency of zakat institutions are critical steps toward optimizing zakat income and its utilization for social welfare initiatives.

Turkey, a country with a majority Muslim population but a secular system, has a different approach to zakat management.¹⁷ Zakat in Turkey is primarily managed by social and charitable organizations, as well as non-governmental religious institutions.¹⁸ The Turkish government, through the Directorate of Religious Affairs, plays a role in providing guidance and education about zakat but does not directly manage zakat funds. This reflects the secular nature of the country, yet does not diminish the role of zakat in contributing to social welfare.¹⁹

The potential stems from various sources of zakat-eligible wealth, including personal income, business profits, savings, and other assets. However, despite this promising potential, the actual Zakat collection still needs to catch up to expectations. One key issue is the need for a centralized and cohesive zakat regulatory framework. Different from some countries with formalized zakat systems, Turkey relies heavily on voluntary contributions, which need to be uniformly regulated and enforced. This decentralized approach results in inconsistent collection and distribution practices, which can undermine overall efficiency and effectiveness.²⁰

Cultural factors further impede the maximization of zakat potential in Turkey. There needs to be more awareness and understanding among the public regarding

¹⁷ Gizem Zencirci, 'Markets of Islam: Performative Charity and the Muslim Middle Classes in Turkey', *Journal of Cultural Economy*, 13.5 (2020), 610–25 <https://doi.org/10.1080/17530350.2020.1741426>

¹⁸ Djafar and others, 'Zakat Management in Countries That Require Zakat and Countries That Do Not Require Zakat', *Formosa Journal of Sustainable Research*, 2.2 (2023), 311–24 <https://doi.org/10.55927/fjsr.v2i2.3076>

¹⁹ Yelmi Eri Firdaus, Desi Refnita, and Asep Saputra, 'The Mustahik Zakat In Various Dimensions Of Fiqh In Era Society 5.0', *El-Maslahah Journal*, 11.1 (2021), 13–28 <https://doi.org/https://doi.org/10.23971/elma.v11i1.2285>

²⁰ Abdul Kadir Jaelani, Anila Rabbani, and Muhammad Jihadul Hayat, 'Land Reform Policy in Determining Abandoned Land for Halal Tourism Destination Management Based on Fiqh Siyasa', *El-Mashlahah*, 14.1 (2024), 211–38 <https://doi.org/https://doi.org/10.23971/el-mashlahah.v14i1.8051>

their zakat obligations and the socio-economic benefits of zakat. This can be attributed to insufficient educational initiatives and public campaigns. Additionally, trust issues persist, as many potential zakat payers need clarification about the transparency and accountability of zakat management by various institutions. Structural challenges also exist, as the involvement of numerous non-governmental organizations and civil society groups in zakat collection leads to fragmentation and inefficiencies. Many of these organizations need to manage and distribute zakat funds effectively, resulting in delays and reduced impact. Addressing these legal, cultural, and structural barriers is crucial to unlocking Turkey's full zakat potential and enhancing its role in social welfare and economic development. Strengthening regulatory frameworks, improving public education and trust, and enhancing the capacity and coordination of zakat institutions are essential steps toward achieving this goal.

In Indonesia, low public awareness about the obligation of zakat, inefficient collection and distribution systems, and concerns about transparency and accountability are major issues. Meanwhile, in Malaysia, differences in regulations between states lead to imbalances in the efficiency of zakat management, as well as challenges in the standardization and modernization of zakat collection systems. In Turkey, the main challenges are integrating zakat management with the broader government system and increasing public awareness, efficiency, and transparency in the collection and distribution of zakat. These three countries need to continue working hard to address these challenges in order to enhance the effectiveness and public trust in zakat management.

Indonesia, possessing the largest Muslim population globally, encounters distinctive challenges in zakat management attributable to its geographic, demographic, and cultural diversity. The implementation of Law No. 23 of 2011 on Zakat signifies a serious commitment to zakat administration, aiming to enhance the welfare of the impoverished on a broader scale.²¹ Zakat management in Indonesia is carried out by various institutions, both governmental (National Zakat Agency - BAZNAS) and non-governmental (Zakat Management Organizations - LAZ).²² This more decentralized approach reflects the need to adapt zakat management to diverse local conditions.²³ Nonetheless, challenges in coordination and standardization of practices remain significant issues. Indonesia continues to strive for greater efficiency and effectiveness in zakat management through capacity building of zakat institutions and the application of technology.

²¹ Dani Muhtada, 'Islamic Philanthropy and the Third Sector: The Portrait of Zakat Organizations in Indonesia', *Islamika Indonesiana*, 1.1 (2014), 106 <https://doi.org/10.15575/isin.v1i1.43>

²² Hafas Furqani, Ratna Mulyany, and Fahmi Yunus, 'Zakat for Economic Empowerment (Analyzing the Models, Strategy and Implications of Zakat Productive Program in Baitul Mal Aceh and Baznas Indonesia)', *Iqtishadia*, 11.2 (2018), 391 <https://doi.org/10.21043/iqtishadia.v11i2.3973>

²³ Noor Arifin and Aan Zainul Anwar, 'The Improvement Model of Microenterprises of Post-Disaster through Empowerment of Productive Zakat', *Journal of Governance and Regulation*, 10.4 (2021), 156–63 <https://doi.org/10.22495/JGRV10I4ART14>

The implementation of Law No. 23 of 2011 on Zakat underscores the government's commitment to enhancing Zakat administration for broader welfare improvements. However, the decentralized approach to zakat management—carried out by both the National Zakat Agency (BAZNAS) and various non-governmental Zakat Management Organizations (LAZ)—poses significant coordination and standardization challenges. From the perspective of Lawrence Friedman's legal system theory, these challenges can be dissected through the components of legal structure, legal substance, and legal culture.

Firstly, the legal structure in Indonesia, which includes both BAZNAS and LAZ, needs more coordination, resulting in operational inefficiencies. The decentralized system is meant to adapt to local conditions, but without a cohesive framework, it leads to fragmented practices. Secondly, the legal substance, represented by Law No. 23 of 2011 and other regulatory measures, provides a foundational guideline for zakat management. However, consistency and ambiguities in these regulations create implementation hurdles. These gaps in the legal substance lead to varied interpretations and applications of the law, which further complicates the standardization of zakat practices. Lastly, the legal culture in Indonesia reflects the attitudes and behaviours of both zakat payers and administrators. A general lack of public awareness and trust in zakat institutions diminishes compliance and participation. This cultural dimension highlights the need for enhanced public education and transparent practices to build trust and encourage adherence to zakat obligations.

Addressing these systemic issues requires a multifaceted approach. Enhancing coordination between BAZNAS and LAZ, clarifying and consistently enforcing regulations, and fostering a culture of trust and awareness through public education are essential steps. By tackling these legal structure, substance, and culture challenges, Indonesia can better harness its zakat potential to significantly impact socioeconomic development. The comparison between Malaysia, Indonesia, and Turkey indicates that there is no one-size-fits-all model for zakat management. The success of a model depends on the social, economic, and political context of each country. Malaysia excels in systematization and technological use, Indonesia showcases a diverse approach tailored to local conditions, while Turkey highlights the role of community and non-governmental institutions in zakat management. Further studies on the impact of accountability practices on zakat surplus in these three countries can provide important insights into ways to enhance the effectiveness of zakat as a tool for social and economic development.

Effective zakat management requires a well-organized process of collection, administration, and distribution of zakat. This not only ensures compliance with Islamic law but also enhances the socio-economic impact of zakat.²⁴ By

²⁴ A. F.M.Mainul Ahsan, Sudipta Bose, and Muhammad Jahangir Ali, 'Does Islamic Religiosity Influence Professional Accountants' Judgments? Evidence from Global Convergence of IFRS',

implementing principles of transparency, accountability, and the use of information technology, zakat management can become more efficient and effective in achieving the social and economic justice objectives within Islam.

Efficient Zakat management practices, transparency in fund utilization, and good governance mechanisms play a crucial role in improving welfare, community empowerment, and sustainable development.²⁵ These factors not only enhance welfare but also foster trust between donors and recipients, ensuring the effective use of donations for sustainable projects.²⁶ Moreover, the implementation of a collaborative framework and the utilization of technology, such as blockchain, in Zakat management can enhance efficiency, systematic management, and social justice in Zakat distribution.²⁷

Studies emphasize the significance of good governance in Zakat institutions, advocating for transparency, accountability, and ethical practices to instil public confidence and trust and ensure responsible fund utilization.²⁸ It is highlighted that a well-managed Zakat institution with proper governance not only builds trust but also aligns with the objectives of Zakat as ordained in the Quran.²⁹ Furthermore, the adoption of innovative tools, rethinking the spirit of Zakat, and ensuring compliance with Zakat management objectives are essential for effective Zakat management. Research also indicates that the reputation and trust in Zakat institutions are crucial for stakeholder engagement and compliance.³⁰ By optimizing disbursement, enhancing service quality, and developing stakeholder trust, Zakat institutions can maximize Zakat collection and support sustainable economic and social systems. Additionally, exploring productive Zakat

Advances in Accounting, 64, September 2022 (2024), 100723
<https://doi.org/10.1016/j.adiac.2023.100723>

²⁵ Mokodenseho, S. (2024). The impact of effectiveness of zakat management and transparency of the use of zakat funds on improving welfare and community empowerment in central java. *Jurnal Multidisiplin West Science*, 3(04), 527-538. <https://doi.org/10.58812/jmws.v3i04.1136>

²⁶ Erni, E. (2024). Zakat management practices and sustainable development in indonesia. *ijis*, 2(1), 24-37. <https://doi.org/10.61194/ijis.v2i1.129>

²⁷ Mutamimah, M., Alifah, S., Gunawan, G., & Adnjani, M. (2021). Ict-based collaborative framework for improving the performance of zakat management organisations in indonesia. *Journal of Islamic Accounting and Business Research*, 12(6), 887-903. <https://doi.org/10.1108/jiabr-05-2020-0154>

²⁸ Hadi, R. (2024). Digital zakat management, transparency in zakat reporting, and the zakat payroll system toward zakat management accountability and its implications on zakat growth acceleration. *International Journal of Data and Network Science*, 8(1), 597-608. <https://doi.org/10.5267/j.ijdns.2023.8.025>

Sawmar, A. and Mohammed, M. (2021). Enhancing zakat compliance through good governance: a conceptual framework. *Isra International Journal of Islamic Finance*, 13(1), 136-154. <https://doi.org/10.1108/ijif-10-2018-0116>

²⁹ Mohamad, S. (2023). Governance issues in managing zakat funds. *I-iECONS*, 960-965. <https://doi.org/10.33102/iecons.v10i1.116>

³⁰ Bin-Nashwan, S., Abdul-Jabbar, H., & Aziz, S. (2021). Does trust in zakat institution enhance entrepreneurs' zakat compliance? *Journal of Islamic Accounting and Business Research*, 12(5), 768-790. <https://doi.org/10.1108/jiabr-09-2020-0282>

distribution practices, implementing CSR initiatives, and reducing urban poverty through Zakat management are highlighted as effective strategies.³¹ The synthesis of these studies underscores the importance of governance, transparency, technology, and stakeholder trust in Zakat Maal's management and regulation practices. By adhering to good governance principles, leveraging technology, ensuring transparency, and building trust, Zakat institutions can enhance welfare, empower communities, and contribute to sustainable development.

The purpose of this article is to conduct a comprehensive comparative analysis of the legal frameworks, administrative practices, and regulatory mechanisms governing *Zakat maal* (wealth tax) in Malaysia, Turkey, and Indonesia, with the aim of identifying the unique approaches and challenges faced by each country and providing strategic legal recommendations to enhance the effectiveness of Zakat as a tool for social development and poverty alleviation across the Islamic world.

2. Research Method

In this study, the data collection method employed is a literature review, wherein secondary data such as journals, annual reports, statistical data, and other sources relevant to the topic of *zakat maal* management and regulation in Malaysia, Turkey, and Indonesia are gathered. The data collection process involves the exploration and analysis of various books, literature, and scholarly journals that provide comparative information on the research subject. The sample selection criteria in this study focus on the quality and relevance of sources to the research topic, with priority given to sources with high authority and credibility in the field of *zakat maal* management, including official publications from zakat management institutions in the three countries.

The analytical technique used in this research is descriptive-comparative analysis. Through this approach, the study begins with a detailed description of the management and regulatory practices of *zakat maal* in Malaysia and Turkey, followed by the management of *zakat maal* in Indonesia. The subsequent stage involves a systematic comparison between these three countries to identify similarities and differences in the management and regulation of *zakat maal*, including an analysis of the strengths and weaknesses present in each system. This analysis aims to generate a deeper understanding of best practices that can be adopted and adapted by Indonesia to enhance its *zakat maal* management.

3. Results and Discussion

Zakat Maal Management Practices in Malaysia

In Malaysia, the current condition of *zakat maal* administration is characterized by a highly structured and government-integrated system, which has been

³¹ Zaini, N., Arshad, R., & Muda, R. (2022). Exploring zakat distribution practices for csr initiatives: perspectives of corporate zakat payers in malaysia. *International Journal of Academic Research in Business and Social Sciences*, 12(11). <https://doi.org/10.6007/ijarbss/v12-i11/15094>

instrumental in optimizing the collection, management, and distribution of Zakat.³² It operates under a centralized framework governed by the Department of Islamic Development Malaysia (JAKIM), alongside respective State Islamic Religious Councils (SIRCs),³³ ensuring a uniform and efficient approach towards Zakat practices across the nation. This system facilitates a seamless operation that encompasses the identification of eligible Zakat recipients, collection from affluent Muslims, and distribution to the designated Asnaf categories, thereby contributing significantly to the socio-economic upliftment of the Muslim community.

The integration of technology and digital platforms in the administration of Zakat has further enhanced its efficiency and transparency, enabling easier access for Zakat payers and ensuring a more effective distribution process. However, despite these advancements, challenges such as ensuring equitable distribution and addressing the needs of the most vulnerable segments of the Muslim population persist. The Malaysian Zakat system continues to evolve, with continuous efforts aimed at improving its regulatory frameworks and operational mechanisms to better serve the objectives of social welfare and poverty eradication within the Islamic framework.

The management in the state of Malaysia is comprehensively regulated through family and institutional laws that align with the federalism context of the country. Malaysia has a unique approach to zakat management, as each state in Malaysia has the authority to manage zakat in accordance with the prevailing Shariah principles.³⁴ Zakat management in Malaysia is governed by a series of state laws and decisions of the State Shariah Council. Each state has its own zakat management institution, such as the Majlis Agama Islam Selangor (MAIS) in Selangor and the Lembaga Zakat Selangor (LZS).³⁵ These laws regulate the collection, distribution, and general management of zakat, and set forth specific principles and conditions that must be adhered to by each zakat management institution in the respective state.³⁶

There are several institutions with authority over zakat management. *Firstly*, the State Islamic Religious Council (Majlis Agama Islam Negeri, MAIN) is

³² Emma Rachmawati and others, 'The Roles of Islamic Faith-Based Organizations on Countermeasures against the COVID-19 Pandemic in Indonesia', *Heliyon*, 8.2 (2022), e08928 <https://doi.org/https://doi.org/10.1016/j.heliyon.2022.e08928>

³³ Samir Srairi, 'Transparency and Bank Risk-Taking in GCC Islamic Banking', *Borsa Istanbul Review*, 19 (2019), S64–74 <https://doi.org/10.1016/j.bir.2019.02.001>

³⁴ Djafar and others.

³⁵ Nailya Akhtyamova, Mikhail Panasyuk, and Rustam Azitov, 'The Distinctive Features of Teaching of Islamic Economics: Philosophy, Principles and Practice', *Procedia - Social and Behavioral Sciences*, 191 (2015), 2334–38 <https://doi.org/10.1016/j.sbspro.2015.04.707>

³⁶ Normah Omar and Shazrina Rizuan, 'Financial Deceitful Trick through Dividend Smoothing', *Procedia - Social and Behavioral Sciences*, 145.Koskivaara 2004 (2014), 300–307 <https://doi.org/10.1016/j.sbspro.2014.06.038>

responsible for Islamic religious affairs, including zakat management. This council functions as the supervisory and regulatory body for zakat activities in the state. *Secondly*, the Zakat Institution operates as the operational body.³⁷ Zakat institutions in each state are responsible for collecting and distributing zakat in accordance with Shariah provisions and policies set by MAIN. *Thirdly*, the Zakat Collection Center (Pusat Pungutan Zakat, PPZ).³⁸ Several states in Malaysia have established PPZ as an initiative to enhance the efficiency of zakat collection, especially from workers and companies.³⁹

Malaysia has a robust legal and institutional framework for zakat management.⁴⁰ Each state in Malaysia has its own zakat management institution responsible for the collection and distribution of zakat. This framework serves to manage zakat in a manner more suited to the socio-economic conditions and local needs. However, it also gives rise to problems from the perspective of zakat management practices.⁴¹ Differences in interpretation and practice of zakat management between states result in zakat in Malaysia not being centralized like in other countries such as Indonesia. This can lead to inconsistencies in the criteria for mustahik (zakat recipients) and nisab (the minimum amount of wealth subject to zakat), which in turn can affect the effectiveness of zakat distribution. Additionally, issues of efficiency and transparency in the management of zakat funds are also a concern.

There are worries that a lack of transparency could reduce public trust in zakat management institutions, ultimately leading to a decrease in the amount of zakat collected. Some zakat management institutions have adopted online systems for zakat collection and distribution, which not only enhance efficiency but also strengthen transparency. Furthermore, efforts are being made to improve coordination among zakat management institutions in various states through the establishment of forums or national zakat coordination bodies.

Zakat Maal Management Practices in Turkey

Turkey, with its large Muslim population and growing economy, possesses significant *zakat maal* potential. If managed properly, this potential can greatly contribute to social development and poverty alleviation. However, the realization

³⁷ Mahat, Jaaffar, and Rasool.

³⁸ Mohammad Nizarul Alim, 'Utilization and Accounting of Zakat for Productive Purposes in Indonesia: A Review', *Procedia - Social and Behavioral Sciences*, 211, September (2015), 232–36 <https://doi.org/10.1016/j.sbspro.2015.11.028>

³⁹ Zurina Shafii, Nor Aishah Mohd Ali, and Nawal Kasim, 'Shariah Audit in Islamic Banks: An Insight to the Future Shariah Auditor Labour Market in Malaysia', *Procedia - Social and Behavioral Sciences*, 145 (2014), 158–72 <https://doi.org/10.1016/j.sbspro.2014.06.023>

⁴⁰ Djafar and others.

⁴¹ Nabilah Rozzani and others, 'Development of Community Currency for Islamic Microfinance', *Procedia Economics and Finance*, 31.15 (2015), 803–12 [https://doi.org/10.1016/s2212-5671\(15\)01170-3](https://doi.org/10.1016/s2212-5671(15)01170-3)

of this potential requires an effective and efficient zakat management system that can optimize the collection and distribution of zakat maal.⁴²

The management of *zakat maal* in Turkey is carried out by various institutions, both governmental and non-governmental. The Presidency of Religious Affairs (Diyamet İşleri Başkanlığı), as the state institution responsible for religious affairs in Turkey, plays a role in educating the public about the obligation of zakat. Additionally, there are non-governmental organizations actively involved in the collection and distribution of zakat. The practice of zakat management in Turkey reflects a combination of traditional and modern approaches, with the utilization of information technology to enhance the efficiency of zakat management.⁴³ Zakat plays an important role in strengthening the consolidation of the Muslim community in Turkey. Through the distribution of zakat, more affluent Muslims can directly contribute to the welfare of their less fortunate brethren.⁴⁴ This not only helps to reduce social and economic disparities but also strengthens the bonds of brotherhood and solidarity among Muslims. Furthermore, zakat has great potential in helping to reduce poverty through economic empowerment programs and direct aid to those in need.

The regulatory framework for *zakat maal* management in Turkey comprises various regulations governing the collection, management, and distribution of zakat. These regulations aim to ensure that zakat is managed transparently, accountably, and effectively. Although this regulatory framework provides a strong foundation for zakat management, challenges remain in its implementation, including raising public awareness about the importance of zakat and enhancing the capacity of zakat institutions in managing zakat funds.⁴⁵

The management of *zakat maal* in Turkey has significant potential in supporting social and economic development, as well as in strengthening the consolidation of the Muslim community. The zakat management practices that combine traditional and modern approaches, along with the existing regulatory framework, provide a solid basis for effective zakat management. However, there is still room for improvement, particularly in increasing public awareness about zakat and optimizing the management and distribution of zakat maal. Recommendations for

⁴² Hasan Mukhibad and others, 'Open Innovation in Shariah Compliance in Islamic Banks – Does Shariah Supervisory Board Attributes Matter?', *Journal of Open Innovation: Technology, Market, and Complexity*, 9.1 (2023), 100014 <https://doi.org/10.1016/j.joitmc.2023.100014>

⁴³ A. F.M.Mainul Ahsan, Sudipta Bose, and Muhammad Jahangir Ali, 'Does Islamic Religiosity Influence Professional Accountants' Judgments? Evidence from Global Convergence of IFRS', *Advances in Accounting*, 64.August 2023 (2024), 100723 <https://doi.org/10.1016/j.adiac.2023.100723>

⁴⁴ Adrianna Syarifur Rakhmat and Irfan Syauqi Beik, 'Pengelolaan Zakat Dan Wakaf Di Malaysia Dan Turki: Studi Komparatif', *ILTIZAM Journal of Shariah Economics Research*, 6.1 (2022), 48–58 <https://doi.org/10.30631/iltizam.v6i1.1077>

⁴⁵ Fatma Nur Zagrali, 'An Analysis of the Institutional Structure of Zakat and the Case for Turkey', *Share: Jurnal Ekonomi Dan Keuangan Islam*, 6.1 (2017), 85 <https://doi.org/10.22373/share.v6i1.1521>

the government and zakat institutions include continuously enhancing transparency, accountability, and efficiency in zakat management, as well as strengthening cooperation among institutions to optimize the potential of zakat for the welfare of the community. Based on the foregoing elucidation, presented herewith is a tabular comparison of the regulatory frameworks governing Zakat management in Malaysia, Turkey, and Indonesia (Table 1).

Aspect	Malaysia	Turkey	Indonesia
Primary Managing Body	Majlis Agama Islam Negeri (MAIN)	Diyanet İşleri Başkanlığı (Directorate of Religious Affairs)	Badan Amil Zakat Nasional (BAZNAS)
Legal Basis	State Zakat Laws	Regulations of the Directorate of Religious Affairs	Law No. 23 of 2011 on Zakat Management
Zakat Collection System	Through MAIN and related institutions and online and manual systems	Through the Directorate of Religious Affairs and related institutions	Through BAZNAS and Zakat Collection Agencies (LAZ) and Online and manual systems
Zakat Distribution	Based on <i>asnaf</i> (recipient groups) according to sharia	- Based on <i>asnaf</i> (recipient groups) according to sharia	Based on <i>asnaf</i> (recipient groups) according to sharia
Oversight and Accountability	MAIN is responsible for zakat management and reporting	The Directorate of Religious Affairs is responsible for zakat management and reporting	BAZNAS is responsible for zakat management and reporting to the government and public

Table 1 above provides a comprehensive overview of the comparative regulatory frameworks for Zakat management across three countries: Malaysia, Turkey, and Indonesia. Each country is equipped with a principal managing body responsible for the collection and distribution of Zakat, supported by a legal foundation that underpins Zakat management. The Zakat collection systems in these countries incorporate information technology to enhance efficiency and transparency. Furthermore, oversight and accountability in the management of Zakat funds are emphasized as primary objectives to ensure that Zakat funds are managed appropriately in accordance with Sharia law.

Zakat Maal Management Practices in Indonesia

The management of zakat in Indonesia is regulated by several legislative statutes. The most fundamental regulation governing zakat management in Indonesia is Law No. 23 of 2011 on Zakat Management. This law replaced Law No. 38 of 1999 on Zakat Management and strengthens the role and function of the National Zakat Agency (Badan Amil Zakat Nasional, BAZNAS) as the authorized institution to manage zakat at the national level. Additionally, this regulation mandates the establishment of Zakat Collection Agencies (Lembaga Amil Zakat,

LAZ) that operate at the regional level or as community organizations involved in zakat management.⁴⁶

BAZNAS, as a non-ministerial government institution responsible for zakat management, plays a crucial role in ensuring that zakat is collected and distributed effectively and efficiently to those entitled to receive it. BAZNAS collaborates with LAZ to expand the reach of zakat collection and distribution. This collaboration is regulated under the Zakat Management Law to ensure that zakat management is conducted in an integrated and uniform manner across Indonesia. Some researchers are focusing on charitable practices in Indonesian society, such as the study of charity motivation, charity techniques or mechanism, charity management models, the profile of institutions employing charity managers, and fundraising and its distribution. There are still many civil society groups managing charitable institutions that are stuck in the “charity” mindset and are using outdated methods. In certain areas, mosques employ both official and unofficial zakat collectors. Lembaga Amil Zakat Infak Sedekah Muhammadiyah (*LazisMU*), Nadhatul Ulama (*LazisNU*), Dompot Amal Sejahtera Ibnu Abbas (*LAZ DASI*) and Nadhatul Wathan (*LazisNW*) are just a few of the NGOs in Indonesia that have begun to foster new traditions, arrange agendas, and develop programs that adhere to sustainable development principles, practice transparent and accountable management, create a systematic distribution system, and increase the visibility of their empowerment initiatives.⁴⁷

Meanwhile, the quasi-state zakat institutions just recently exist in the form of Badan Amil Zakat (BAZ) which is an official institution with position of semi-independent in state structure. Some of LAZs, like *LazisMU*, have achievement in zakat fundraising extraordinarily, yet the articulation seemed not so huge compared to the potency in other places. Zakat movements mentioned above “followed the development of new tradition in civil society Zakat institutions (Islamic CSOs) which way earlier”, like the establishment of *Lazis Muhammadiyah*, *Nadhatul Ulama (LazisNU)*, *Dompot Amal Sejahtera Ibnu Abbas (LAZ DASI)* and *Nadhatul Wathan (LazisNW)*, and many others, that adopting the modern Islamic Zakat institution program and policy (such as two institutions above). Despite being the “pioneer” modern civil society in Indonesia, their expansion to build more appropriate Zakat system is at the early stage.⁴⁸

⁴⁶ Abdul Kadir Jaelani, ‘The Restructuring Righteous Foreign Worker Regulations: The Challenge Of Enormous Influx Of Foreign Workers’, *Jurnal Hukum UNISSULA*, 40.1 (2023) <https://doi.org/http://dx.doi.org/10.26532/jh.v40i1.36781>

⁴⁷ Reza Octavia Kusumaningtyas and others, ‘Reduction of Digitalization Policy in Indonesian MSMEs and Implications for Sharia Economic Development’, *Juris: Jurnal Ilmiah Syariah*, 21.2 (2022), 157–71 <https://doi.org/10.31958/juris.v21i2.6855>

⁴⁸ Bambang Tri Bawono and others, ‘The Impact of Islamic Economics Principles on the Tax Compliance Payment Entertainment Policy’, *JURIS (Jurnal Ilmiah Syariah)*, 23.1 (2024), 107–27 <https://doi.org/http://dx.doi.org/10.31958/juris.v23i1.12182>

However, the private sector shows the similar trend, with the numbers of Zakat institution formed as part of social commitment of corporate to share the revenue for social activities (corporate social responsibility, or CSR) or by the initiative of business unit manager to mobilize the ZIS movement inside the company. They tend to utilize the pragmatic way where fulfilment of duties, but not intend to enter the next stage. Hierarchically, in legal perspective in Indonesia there are multiple policies and constitutional regulations, that tried to manage and accomodate Islamic Zakat management as institution. In the international and regional level, Indonesia has declared the commitment in creating friendly and generous world through three indicators, which are submit money for charity, help foreigners, provide time for social activity (volunteerism).⁴⁹

Laws and regulations at the national and local levels in Indonesia have facilitated the management of Zakat by public and private institutions. At the national level, various laws and government regulations have been issued to regulate and guide the management of Zakat, particularly zakat and religious donations. One of the important regulations is the Law of the Republic of Indonesia Number 23 of 2011 on Zakat Management. This law provides a legal framework for the collection, distribution, and use of zakat in Indonesia. Zakat management is further regulated in Government Regulation of the Republic of Indonesia Number 14 Year 2014, which is the implementation of the law.⁵⁰

Furthermore, the Decree of the Minister of Religious Affairs Number 333 of 2015 on the Establishment of the Amil Zakat Agency regulates the establishment of a special institution tasked with collecting and distributing zakat. The purpose of this institution is to ensure efficient and effective management of zakat. The Law of the Republic of Indonesia Number 9 Year 1961 on the Collection of Goods or Funds provides a legal framework for the collection of funds or goods by organizations or individuals.⁵¹

The regulation aims to ensure that the collection of funds is done in a transparent and accountable manner. Government Regulation of the Republic of Indonesia Number 60 Year 2010 on Zakat or Compulsory Religious Donations that Cannot Be Deducted from Gross Income regulates the deduction of zakat or religious donations from gross income. The purpose of this regulation is to

⁴⁹ Iza Hanifuddin and Nur Kasanah, 'Al-Qar ḍ Al- Ḥ Asan Program of Bankziska: Zakat Fund-Based Empowerment Model for Victims of Loan Sharks', *JURIS (Jurnal Ilmiah Syariah)*, 23.1 (2025), 1–12 <https://doi.org/http://dx.doi.org/10.31958/juris.v23i1.10799>

⁵⁰ Ruslan Abdul Ghofur and Pertiwi Utami, 'The Role of Muslim Generation Community at Zakat Collection on Realizing Sustainable Development Goals (SDGs) in the Era of Digital Society 5.0', *Juris: Jurnal Ilmiah Syariah*, 22.1 (2023), 105–18 <https://doi.org/http://dx.doi.org/10.31958/juris.v22i1.6562>

⁵¹ Jenifer Sevilla, Asianto Nugroho, and Arida Turymshayeva, 'The Effectiveness of Accelerating Stunting Reduction Policy', *Journal of Sustainable Development and Regulatory Issues*, 2.2 (2024), 108–23. <https://doi.org/10.53955/jsderi.v2i2.31>

provide incentives for individuals and companies to give zakat, or religious donations. At the local level, both in the provinces and in the capital city, various laws and regulations have also been issued to accommodate philanthropic management. Although these regulations vary depending on the local context, they generally aim to support and facilitate philanthropic management by government and private institutions.⁵²

The presence of Zakat institution regulation in Indonesia, the contribution of it to solve the social-economic problems in society used two, as follow productive and traditional models. Despite, most of benefits felt through productive management. The productivity is not only meaning productive which understood as materialistic, but productive in term of spiritual mentality, Badan Amil Zakat Nasional (BAZNAS) is an institution having authority to manage zekat in Indonesia. The zekat empowerment program is sufficiently impactful to poor people economics, yet it is quite minimum and required development. In the poverty eradication, policy setting (formulation) about poverty eradication relied on each region which diversified depending on regional advocacy potencies⁵³, but modernization in Zakat has shown the Zakat social justice role that a great developing the utilization of Zakat fund in the economic field for empowerment program⁵⁴.

The challenge in utilizing Zakat fund derived from internal factor of the institution, related to organizational management and institution accountability. Zakat program must reach substantial aspects in order ummah development, such as: health, education, and welfare, though it is relatively slight. The factor of society religiosity influence the Zakat-based welfare, hence still accompanied, and empowering society, though has limitation in management regulation, because of it needed relations inter-institution with partner (entrepreneur) with the kinship bond (*silaturahmi*) in reaching economic social justice which can reduce the poverty level.⁵⁵

The empowerment process can be done with three ways. First, creating the environment that open the possibilities for society to grow. Second, strengthening the potency or power that possessed by the society, so it requires a more positive

⁵² Armalia Berlinda Irawan, 'Legal Protection in Land Acquisition for Public Interest : A Dilemma Between State Regulation and Social Welfare', *Journal of Sustainable Development and Regulatory Issues*, 2.2 (2024), 124–44. <https://doi.org/10.53955/jsderi.v2i2.38>

⁵³ Daniele Malerba, 'Poverty Alleviation and Local Environmental Degradation: An Empirical Analysis in Colombia', *World Development*, 127 (2020), 104776 <https://doi.org/10.22495/jgrv10i4art14>

⁵⁴ Singgih Purnomo and others, 'Empowerment Model for Sustainable Tourism Village in an Emerging Country', *The Journal of Asian Finance, Economics and Business*, 7.2 (2020), 261–70 <https://doi.org/10.13106/jafeb.2020.vol7.no2.261>

⁵⁵ Dinda Agustin Wulandari, 'Income Tax Regulations for Child Content Creators on TikTok Platform : The Inefficacy of Indonesian Legal Frameworks', *Journal of Sustainable Development and Regulatory Issues*, 2.2 (2024), 145–57. <https://doi.org/10.53955/jsderi.v2i2.35>

atmosphere and environment. Third, empowerment can be meant as protecting society from moral destruction. In the empowerment process, due to incapability to face stronger, the poor people condition gets poorer must be anticipated and reduced. As the consequence of philosophical basis, the Zakat activist becomes prophetic contains which patterned ideal humanistic due to local wisdom that have emotional, cultural, and intellectual proximities.⁵⁶

Still a lot of Zakat organizations which operated in current society. They encourage people to share the wealth to distribute to those who assumed rightful based on religious teachings and social necessary. The most attractive to people donate to the institution? The other question is, do the semi-government Zakat institution can effectively manage the Islamic Zakat program in Indonesia. There are so many Zakat organization like this operating in the society currently. In the last part of analysis, it must be remembered that Ummah Endowment Fund (Dana Abadi Umat, or DAU (waqf)), which managed directly through government institution bureaucracy, Religious Affairs Ministry (Kementerian Agama, or KEMENAG). In this context, the state seemed attempting to non-tax assets that came from haj fund. The fund is in the same position with investment fund. It caused, DAU and same kinds, such as social fund in other governmental departments, become vulnerable, if the management is not controlled and tight audit.⁵⁷

The ability of Ladan Amil Zakat (LAZ) to be classified as third sector organization can be valued from two perspectives, structural and functional. Structurally, it can be taken to bureaucracy. The staff of LAZ in every level are government officials. LAZ led by governor in each province, major or regent in regional level, and so on. Functionally, LAZ functioned as ummat social fund which earned from society through many fundraising mechanisms. From this perspective, though LAZ formed by the state, it can be categorized as civil society organization if the requirements fulfilled. LAZ must autonomous from state intervention in the decision-making process, board recruitment process, and resource management ability, so that it can be assumed as civil society organization. LAZ must democratic internally, not certain political interest tools; having accountability, and mechanism also clear procedure for members to

⁵⁶ Dwi Edi Wibowo and Muhammad Nur, 'Green Village Tourism in Indonesia: Regulation, Development and Challenges', *Journal of Sustainable Development and Regulatory Issues*, 2.2 (2024), 158–84 <https://doi.org/https://doi.org/10.53955/jsderi.v2i2.36>

⁵⁷ Paul Atagamen Aidonojie, 'Nigeria's Adoption of Robotic Lawyers: Legal and Socio-Economic Challenges', *Bestuur*, 12.1 (2024), 69–81 <https://doi.org/https://dx.doi.org/10.20961/bestuur.v12i1.89747>

control all kind of decisions and actions; and LAZ must fulfill open recruitment, so that it cannot be only certain part of groups.⁵⁸

Since 2006 until today, majority researchers concluded if there is shift in society approaches in distributing their wealth, because of the capacity shift from third sector organization is more successful compared to others, even more touching lower-level society directly. In fact, it can be said that the healthy competition between the institutions, is not a fundamental problem. What more important is how the achievement of those institutions in other strategic fields, so it can be possible for many kinds of society fund manager institutions can have bigger roles.

The Islamic Zakat movement in Indonesia. Amidst the competition between BAZIS (Badan Amil Zakat Infak Sedekah) and LAZIS (Lembaga Amil Zakat Infak Sedekah) which pioneered by civil society organization birth, it can be a common thought that it needs the pattern how to build synergy between BAZIS and LAZIS, and how to create cooperation pattern inter-LAZIS, in developing system of ZIS wealth management which orientated in strengthening civil society in Indonesia. As a result, the revitalization of FOZ (Forum Zakat) can be ignored no more. Now is the time to highlight zakat management institutions (AMILs) as proper stewards of charitable funds. To optimize the Islamic charity movement, it is important to note that zakat AMILs must provide professional and transparent zakat management; that zakat funds must be used as business capital, endowment, and sustainable capital; that zakat institutions must have clear and planned goals; and that AMILs must be willing to collaborate and cooperate with each other to achieve economic justice for the community, especially the poor.

These requirements go beyond mere suggestions and should be seen as essential criteria for concrete change. Professional management prevents misuse of funds and provides trust for both donors and beneficiaries. Transparency also provides clear insight into how zakat funds are collected and distributed, which contributes to donor satisfaction and the sustainability of the fund. Utilizing zakat funds as business capital goes beyond simple relief efforts and can promote economic independence and contribute to long-term poverty reduction. In addition, ensuring that zakat organizations' goals are clear and planned means that there is a roadmap for effective resource allocation and goal achievement, and this helps to create a baseline against which the organization's performance can be measured and evaluated. Finally, collaboration between amils can prevent duplication of resources and maximize the effectiveness of the overall zakat movement. This is essential for working towards a common goal and realizing economic justice. Strengthening the role and function of zakat management

⁵⁸ I Gusti Ayu, Ketut Rachmi, and Jasurbek Rustamovich Ehsonov, 'Governing Illegal Settlements : Housing Policy in Singapore and Australia', *Journal of Sustainable Development and Regulatory Issues*, 2.2 (2024), 86–107 <https://doi.org/https://doi.org/10.53955/jsderi.v2i2.44>

institutions is therefore not just an option, but a crucial step towards realizing social justice through the Islamic economic system.

Improving Zakat Maal Management Practices in Indonesia

The management of *zakat maal* in Indonesia faces unique challenges and opportunities compared to other countries such as Malaysia and Türkiye. To enhance the practices of *zakat maal* management, it is essential to understand how other countries manage their zakat systems and to identify best practices that can be implemented in Indonesia.⁵⁹ Indonesia, Malaysia, and Türkiye share several similarities in the management of *zakat maal*, including the presence of official institutions responsible for the collection and distribution of zakat. In Indonesia, the National Amil Zakat Agency (BAZNAS) and various Amil Zakat Institutions (LAZ) play critical roles. Malaysia has State Zakat Institutions that manage zakat at the state level, while Türkiye has the Diyanet, which oversees various religious aspects including zakat. Another commonality is the focus on improving the welfare of zakat recipients (*mustahik*) through social and economic programs.

Despite these similarities, there are significant differences in the management of *zakat maal* across these countries. In Malaysia, zakat management is regulated by individual states, leading to variations in regulations and efficiency. In contrast, Türkiye's zakat management is more integrated with the broader government system, allowing for better coordination with other social assistance programs. In Indonesia, the primary challenges include low public awareness about zakat obligations and issues related to transparency and accountability in zakat management. Several best practices in *zakat maal* management can be derived from Malaysia and Türkiye. Malaysia has successfully digitized its zakat collection system, making it easier for the public to pay zakat online. Türkiye has demonstrated success in integrating zakat with government social assistance programs, ensuring more equitable and targeted distribution. Indonesia can learn from these examples by enhancing its zakat collection system through technology and improving coordination with government programs.

The regulations are crucial for effective *zakat maal* management. Malaysia has developed robust regulations at the state level, although further standardization is needed. Türkiye illustrates how integrated policies with the government system can enhance efficiency. In Indonesia, there is a need to improve regulations to ensure transparency and accountability, as well as to encourage public participation in zakat payment. In Indonesia should consider regulatory reforms that enhance transparency and accountability in *zakat maal* management. Zakat practitioners need to be trained in utilizing technology for zakat collection and distribution.

⁵⁹ Tarjo Tarjo and others, 'Corporate Social Responsibility, Financial Fraud, and Firm's Value in Indonesia and Malaysia', *Heliyon*, 8.12 (2022) <https://doi.org/10.1016/j.heliyon.2022.e11907>

Additionally, the government should consider integrating zakat with existing social assistance programs to ensure more equitable and targeted distribution. Effectively managing *zakat maal* is a challenge faced by many countries, including Indonesia. By learning from the best practices in Malaysia and Türkiye, Indonesia can improve its zakat management. Regulatory reforms, the use of technology, and integration with social assistance programs are some steps that can be taken to ensure that *zakat maalis* distributed more efficiently and effectively. Policymakers and practitioners must work together to implement these changes for the betterment of society.

4. Conclusion

From this discussion, the practice of managing and regulating *zakat maal* in Malaysia, Turkey, and Indonesia allows us to conclude that each country possesses a unique approach to zakat management, influenced by its historical context, culture, and government policies. Malaysia stands out for its structured and closely integrated zakat management system with government support. This enables efficient and transparent zakat management, contributing to the enhancement of community welfare. On the other hand, Turkey adopts a more decentralized model with strong involvement from non-governmental organizations and civil society, reflecting a belief in community participation and flexibility in zakat management. Meanwhile, Indonesia takes a hybrid approach, with the presence of both government and private zakat institutions regulated by continuously updated laws, attempting to combine formal structure with community participation.

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