

# SHARIAH VIEWS ON ZAKAT FINANCING AND ITS IMPLEMENTATIONS

Munawwaruzzaman Mahmud & Muhammad Aqil Syafiq

Jamaludin

*Maybank Islamic Berhad*

## INTRODUCTION

Zakat is one of the pillars of Islam and an obligation to all Muslims. It has a long history grounded in Islamic civilization. Throughout history, zakat has assisted Muslims in many aspects of their life (al-Qaradawi, 1997). As the third pillar of Islam, zakat is closely related to worship tenets, i.e., prayer and fasting. Zakat is defined from the linguistic perspective as growing and increasing, as the nature of items that are paid as zakat will expand and grow (Ibn Qutaybah, 1997). According to some linguistic scholars, the root of the word zakat in Arabic means cleanliness, growth, blessing, and praise (Ibn Manzur, 1993). In this situation, zakat that is collected from plants relates to growth, while zakat that is collected from other items relates to the element of increasing. This is the understanding of some linguistic scholars. For a further explanation, plants only grow if they are clean of insects; thus, the word zakat refers to cleanliness and cleansing. And when it is referred to as a person, zakat means betterment and righteousness. For instance, when we say a man is *zaki* (knowledgeable), he is considered a good character. These are some understandings of the word zakat from Arabic linguistics.

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

From the Shariah perspective, zakat denotes the determined share of wealth prescribed by Allah to be distributed among deserving categories (an-Nawawi, 2008). And this share of wealth is defined as zakat because it increases the funds taken and protects them from being lost or destroyed. Some Shariah scholars described zakat as a right that Allah obligates to the wealth that shall be distributed to its rightful categories (Ibn Qudamah, 1997). Some Shariah scholars further explained that the word zakat is commonly used as a material thing which is the part of the fund paid out in the form of zakat. And it can be referred to as an abstract meaning which is the action of sanctification (al-Zamakhshari, 1971).

There is a discussion among Shariah scholars about whether the word zakat already existed before Islam or is a word that Allah taala specialized in the Quran. In this issue, some Shariah scholars argue that it should be realized that zakat is an Arabic word known before Islam and it has been used in classic Arabic poetry (al-Mawardi, 1999). Another Shariah scholar refutes that zakat had no source in the Arabic language before it was used in the Quran (Ibn Hazm, 2003). In response to this refutation, al-Mawardi responds that although this is wrong, differences in the name do not affect the rulings on zakat. To conclude this discussion, it is a known understanding among Usulist (Islamic legal theory scholars) that the meaning of a word contains both linguistic and Shariah definitions. And when there is a dispute among scholars among which definition shall prevail, the Shariah definition will be selected (al-Asfahani, 1999).

On another side, zakat relates to social responsibility whereby the rich donate part of their money to the poor. These tenets will instill a moral responsibility to the rich to keep part of their wealth

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

for the benefit of the poor and part of their obligation to Allah. The current method of distribution might be different from one country to another. But the main concept for it remains the same: the collection of zakat will be distributed to the *asnaf* one-off without deliberating whether the *asnaf* is benefiting from the zakat. There are many attempts to measure whether the zakat distributed really assists the *asnaf*. This paper proposes the permissibility and possibility of providing zakat financing as part of measuring the succession and the higher objectives of Shariah (*maqasid al-Shariah*) of zakat are achieved.

### **Problem Statement**

The general concept of zakat refers to the determined share of wealth prescribed by Allah to be distributed among deserving categories (al-Qaradawi, 1997). And it is understood here when the zakat has been allocated to the defined needy groups (*asnaf*), it shall not be returned to the state (*amil*) as the ownership has been transferred to the *asnaf*. And looking at the current management of zakat that distributes the fund to the selected entrepreneur, some studies suggest that the zakat distributed has failed to reach its aims as the fund has not been appropriately utilised (Adnan, N., & Roselam, M., 2018). In this regard, comes a proposal as part of the enhancement of zakat and measurement to analyse the succession of zakat distribution, to provide financing by way of *qard al-hasan*, commodity *murabahah*, *musharakah mutanaqisah* or other Shariah contracts by using the zakat fund to fully utilising and achieved the higher objectives of zakat. The enquiry that arose is whether this approach is permissible in Shariah. And who are the classical and modern Shariah scholars that allow this approach?

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

This paper intends to examine the proponent and opponents of this issue and understand their justifications behind the ruling.

### **Objectives**

The key objectives of zakat financing can be summarized as follows:

- i. To define the zakat financing from a Shariah perspective;
- ii. To elaborate on the Shariah scholars' opinions on zakat financing;
- iii. To explore a proposed *tarjih* (the strong opinion) on zakat financing;
- iv. To elaborate practices of zakat financing in the market; and
- v. To propose suggestions on zakat financing to be implemented in the market.

## LITERATURE REVIEW

### **The Opponent Views on Zakat Financing**

This chapter shall be the main concern for this paper because analyzing both classical and contemporary Shariah scholars concerning zakat financing will indicate the proposed practice to the market. The opinion to prohibit granting financing through *qard* or other Shariah contracts from the zakat fund has not been discussed based on our critical review through various classical *fiqh*, and *fatwa* references. This is perhaps the understanding that zakat is a one-off fund granted to *asnaf* without an obligation for the *asnaf* to repay the fund to the zakat authority; it has been a common understanding among Muslims since the time of the

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

Prophet Muhammad. In this regard, we explore whether there is an *ijma'* among Shariah scholars regarding this prohibition. Ibn Hazm (1998), Ibn Munzir (1999), Ibn Qattan (2004), Ibn Hubairah (2009), and Al-Luhaydan (2018) did not mention specifically the prohibition of granting financing from the zakat fund; after elaborating various *ijma'* pertaining to zakat.

Among modern Shariah scholars that oppose the view are Jad al-Haq, Ahmad Abdullah Hamid, Rafi' al-Misri, Abdullah al-Faqih, Husamuddin Affan, and the fatwa of Kuwait Ministry of Awqaf and Islamic Affairs (KMAIA) in its fifth session. KMAIA (1995) stated that:

*And it is not permissible to grant qard from the zakat fund, and it is compulsory to distribute zakat to its recipients (asnaf) as mentioned in the Quranic verses.*

Ahmad Abdullah Hamid (1995) further elaborated that:

*Granting qard from the zakat fund has not been mentioned by the Sahabah, Tabi'in or any Shariah scholars after them until the modern days, and it could be concluded that as an ijma' that is definitive.*

The Shariah justifications for the opponent of zakat financing are as follows:

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- i. The verse 60 surah al-Tawbah contains the understanding that the term *sadaqah* in the verse is a general term specified for the mentioned *asnaf* and other justifications as explained in the previous chapter.

- ii. The understanding from the following hadith:

*What I grant you and do not withhold from you I am just distributing, putting it where I have been commanded (al-Bukhari, 2002).*

The understanding from this hadith relating to zakat is the zakat fund shall only be distributed to the *asnaf* suitable in a way that Allah has commanded and granting financing from the zakat fund is considered a deviated practice.

- iii. The understanding from the following hadith:

*Allah is not pleased with a Prophet's or anyone else's decision about sadaqah till He has given a decision about them Himself. He has divided those entitled to them into eight (8) categories, so if you come within those categories, I shall give you your right (Abu Daud, 2009).*

The hadith indicates that granting financing from the zakat fund is a desecration of what Allah has determined in the Quran (Taha, H., 2009).

- iv. The understanding from the following hadith:

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

*Sadaqah (zakat) is not permissible to the rich*

(Ibn Majah, 2009)

The message from the hadith is the customer who applies for zakat financing is not considered poor, if not he or she entitles to zakat in one-off and do not require to repay the zakat received. And this is an *ijma'* that prohibits granting zakat funds to the rich (Ibn Abd al-Bar, 1993).

- v. The prohibition to take benefits from the zakat items as explained in the following hadith:

*Umar Ibn al-Khattab drank some milk that he liked (very much) and he asked the man who had given it to him, "Where did this milk come from"? The man told him that he had come to a watering place, which he named, and had found grazing livestock from the zakat. He was given some of their milk, which he then put into his water skin, and that was the milk in question. Umar Ibn al-Khattab then put his hand into his mouth to make himself vomit (Malik, 1985).*

The act of Umar al-Khattab when he knew that the milk was from zakat items and he tried to vomit denotes the act of precaution from taking benefits from the zakat items because the right to receive benefits from zakat items is exclusively for the *asnaf*. To connect with this paper, granting zakat financing from the zakat fund, whether to the *asnaf* or non-*asnaf* is considered a violation of the verse

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

because Allah has determined that *asnaf's* right without repayment and non-*asnaf* is not eligible to receive zakat.

- vi. The understanding from the following hadith:

*A man mentioned to Prophet Muhammad: If I paid zakat to Allah and His Messenger, will I fulfill the obligation? The Prophet responds that: yes, if you paid zakat to Allah and my messenger (through amil) you have fulfilled the right of Allah and His Messenger and are entitled to the reward from Allah, and the sin is for those who replace the zakat items with other items (al-Tabarani, 1995).*

The hadith states the prohibition of replacing zakat items with other items. To relate to zakat financing, the repayment will be in cash, not the zakat assets. Thus, it is regarded as a replacement that is not permissible according to the hadith.

- vii. Granting zakat financing through *qard* or other Shariah contracts has never been narrated from the Companion, Tabi'in all Shariah scholars since the time of the Prophet although there is a surplus of zakat or there is a need to grant zakat to non-*asnaf* during the time of the Prophet.
- viii. There is an *ijma'* on the obligation to grant zakat to *asnaf* on the basis of surah al-Tawbah verse 60, and this *ijma'* continues whether the zakat grants immediately or deferred, or through the ruler or *amil*. Thus, granting zakat financing is prohibited on the basis that it will thwart the



## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

right of *asnaf* and delay the distribution of zakat to them (Jad al-Haq, 2005).

- ix. Granting zakat financing could lead to the elimination of the zakat fund because the financing receiver might delay the repayment, or might be defaulted.
- x. Granting zakat financing requires standalone management and a system to analyse the financial background of the customer or Know Your Customer as in the banking industry, the due diligence procedure, to record the amount of zakat financing granted to the receiver, the amount of repayment receives and others that are might not suitable with the nature of the zakat institution and will require additional staff and budget. This augmentation might burden the zakat institution further.
- xi. The nature of *qard* contract is based on the *tabarru'* tenet as the lender lending his money to the borrower without additional amount for sake of Allah. This requires the lender to own the fund before he is able to advance it to others. To connect with the zakat financing, the zakat institution does not own the zakat fund as they are only *amil* or *wakil* to collect zakat from the rich and distribute it to the poor (Majalla, 1989). The *wakil* situation is *yad amanah* (based on trusteeship) and does not entitle to grant zakat from the zakat fund.
- xii. The element of *tamlík* in verse 60 surah al-Tawbah denotes specific permission or detail from Allah. As-Subki (2000) further explained that:

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

*Ownership or gift originates from Allah and not from the imam. The imam does not have the right to own anything other than what Allah has granted them.*

To relate to this paper, as the zakat financing receiver did not have the right to the zakat, the imam or his *wakil* did not have permission to grant financing to the receiver.

- xiii. It is more appropriate to grant zakat financing to *ibn sabil* (the needy traveller) as they need temporary assistance and to grant financing to them during the travel period and for them to repay the financing when they return is more suitable and bring more *maslahah*; because the zakat financing fulfills their need during the period and for them to repay the zakat will help other *asnaf*. But Allah taala has not commanded this and only demanded one-off zakat assistance to the *asnaf* without a repayment.
- xiv. One of the Islamic legal maxims related to need is as follows:

*The more needed matter will be preferred over others*

(Al-Izz, 1991)

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

In this relation, granting zakat to the *asnaf faqir*,  *miskin* and others are more achieving the need of these *asnaf* compared to granting zakat financing to others.

- xv. According to the proponent of zakat financing, the *illah* (main justification) for granting zakat financing to others is *hajah*. This *illah* might not be strong enough as the receiver could apply for other assistance from the government or other institutions and is not limited to the zakat fund.
- xvi. Granting zakat financing restricts the *maqasid al-Shariah* of zakat which is conducting goodness to the *asnaf* and it would not be achieved by granting the financing.
- xvii. The concept of granting zakat financing through *qard* or other Shariah contracts could bring more harm to society because if the amount of default is higher, it could damage the zakat institution. The incident of the global financial crisis in 2008 should be the main consideration and lessons shall be taken as the main reason for the crisis is loan default on the global scale (The Economist, 2013).

As explained in the previous chapter, zakat is regulated by the SIRC in Malaysia and any *fatwa* or Shariah decision on any proposed practice regarding Islam shall get the decision from the State Fatwa Councils (SFCs). Rahman (2022) suggested that there are few SFCs that prohibited granting *qard* or financing from the zakat fund as follows:

- i. The Federal Territories SFC in its 131-meeting dated 10<sup>th</sup> August 2021:

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- a) *Tidak bersetuju untuk membenarkan pembiayaan mikro (pemberian pinjaman menerusi dana zakat).*
- b) *Pembiayaan akan diberikan kepada golongan asnaf yang memerlukan dan mereka tidak perlu membayar balik pembiayaan tersebut. Mereka juga perlu diberikan bimbingan berterusan.*

ii. Penang SFC in its meeting dated 11<sup>th</sup> December 2019:

*Wang zakat tidak harus diberi sebagai bantuan pinjaman kerana harta zakat merupakan tamlik memberi milik bukan untuk pinjaman.*

The Federal Territories and Penang SFCs did not allow granting *qard* from the zakat fund on the basis explained in the previous chapter, which is the concept of *tamlik*. The Federal SFC added that the zakat can be granted to the targeted *asnaf* entrepreneur and suggested a training session with the *asnaf* without a repayment requirement. Based on all the justifications above, we can conclude that the prohibition of granting zakat financing comes with solid reasons such as *ijma'*, the obligation from the Quranic and hadith verses and narrations, the Islamic legal justification of *istishab* (presumption of continuity) and achieving the *maqasid al-Shariah* relating to zakat.

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

**2.2 The Proponent Views on Zakat Financing**

The advocates for granting financing from the zakat fund justified that the fund can be distributed through *qard al-hasan*. *Qard* or *qard al-hasan* denotes that:

*A specific contract that grants an amount of money to others and it shall be returned the same amount*

(Ibn Abidin, 2003)

*To grant money on the basis of being closer to Allah and others could benefit from it and the money shall be returned with the same amount or its asset that was granted earlier*

(Al-Sa'idi, 1987)

*To own something that shall be returned its amount*

(Ibn Hajr, 1983)

*To grant money on the basis of helping other needs and the money shall be returned in its amount*

(Al-Buhuti, 1983)

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

The above definitions are from all four (4) madhab of fiqh from Hanafi, Maliki, Shafi'i and Hanbali. The modern *fatwa* and regulators bodies elaborated on the definition of *qard*, and some of the bodies stated that:

*Qard is the transfer of ownership in fungible wealth to a person on whom it is binding to return wealth similar to it*

(AAOIFI, 2017)

BNM (2018) in its policy document defined *qard* as:

*A contract of lending money by a lender to a borrower where the latter is bound to repay an equivalent replacement amount to the lender.*

To connect with the zakat financing, the financing granted to the customer using the zakat fund will be repaid to the zakat authority on a few justifications and objectives such as suggested by a few studies:

- i. Exploration of granting microfinancing using non-profit instruments such as zakat, *waqf*, *sadaqah* and *qard al-hasan* (Ibrahim, P., and Ghazali, R., 2014);
- ii. To limit the zakat fund granted to the *asnaf* who at the same time is an entrepreneur not being utilized accordingly (Adnan, N., and Roselam, M., 2018);
- iii. The zakat financing could be an alternative to the microloan which is prohibited in Islam because of the element of *riba* (Adnan, N., and Roselam, M., 2018); and

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- iv. To instill a responsibility value to the *asnaf* entrepreneur to utilize the zakat fund received in the right manner (Aida, F., 2016).

From the above objectives, some Shariah scholars explored the possibility of granting financing from the zakat fund to help them repay their existing financial obligation, and should the zakat financing receiver die before paying his obligation, the financing granted will be considered zakat *gharimin* and is not required to be repaid (Abu Zahrah, 1951). The modern Shariah scholars that allowed grant financing using the zakat fund are al-Maududi, Abdul Rahman Hasan, Abdul Wahab Khalaf, Abu Zahrah, Muhammad Hamidullah, Yusuf al-Qaradawi, Abdul Sattar Abu Ghuddah (ASAG), Muhammad al-Zuhaily (MZ), Abdul Hamid al-Ba'li, Nikmah Abd Latif, and the opinions of the third and the fifth zakat conferences held in Kuwait in 1992 and 1995 specified on granting financing using zakat fund only for marriage purpose. Both ASAG and MZ required other requirements such as the zakat financing limited for non-*asnaf* and the zakat financing is granted if there is a balance from the *gharimin* portion.

The proponent of zakat financing vindicated their views based on the following Shariah justifications:

- i. *Qiyas* (analogy) to the *asnaf gharimin* where if they rightfully from Shariah perspective to receive zakat without having an obligation to repay the zakat, to grant zakat financing to other than *asnaf* categories are regarded as more practicable (*min bab al-awla*) as they (the financing receiver) have to repay the zakat.

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

- ii. Allah taala has described the characteristics of *asnaf gharimin*, which is considered a debtor and in need of assistance. To grant financing by way of *qard* could be understood as one of the ways to assist those in need.
- iii. The customer opts for zakat financing could be regarded as *asnaf gharimin majazi* (metaphorically) considering their need and what might be occurred in the future.
- iv. To grant financing from the zakat fund does not violate the right of *asnaf gharimin*, in fact, it is considered as part of the *gharimin* portion for the reason that the *gharimin* portion is viewed as a specific fund that is different from other *asnaf* categories.
- v. Some people are reluctant to apply zakat although they need zakat assistance but are not disinclined to apply for *qard*. In this situation, opting for *qard* is easier than applying zakat for certain people.
- vi. The exploration of granting financing from zakat fund through *qard* leads to the elimination of *riba* in society.
- vii. The general objectives of Shariah relating to zakat allow granting financing using the zakat fund.
- viii. The exploration of granting financing from the zakat fund is regarded as one of the modern practices in diversifying the zakat distribution in society.
- ix. It is permissible for the *qadhi* or *imam* to grant *qard* from the orphan's wealth; in the same analogy it is also permissible for the imam or his representative to grant financing from the zakat fund on the condition that the *imam* preserves the public interest.



**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- x. It is permissible for the *waqf* manager to grant *qard* from the *waqf* fund; in the same analogy it is also allowable for the imam to grant *qard* from the zakat fund since both zakat and *waqf* are considered wealth paid or contributed to getting the blessing of Allah.
- xi. The imam could provide a specific condition for the people to take benefits from the zakat items based on the following hadith:

*Some people from the Uraina tribe came to Medina and its climate did not suit them, so Allah's messenger allowed them to go to the herd of camels (given as zakat) and they drank their milk and urine (as medicine)*

(Al-Bukhari, 2002)

Based on this hadith, it is permissible to take the milk without having the right of the camels (as it is considered as zakat items), the same analogy applies to other benefits from it such as riding the camels and others. The same analogy justifies the permissibility of granting financing from the zakat fund as it is considered a benefit (*manfaah*) from the zakat items and the amount will be returned accordingly.

- xii. It is not compulsory for the imam to distribute zakat immediately and the imam has the right to delay the distribution based on the following hadith:

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

*I took Abdullah bin Abi Talhah to Allah's  
Messenger to perform tahnik. I saw the Prophet  
and he had an instrument for branding in his  
hands and was branding the camels of zakat*

(Al-Bukhari, 2002)

One of the commentaries of this hadith revealed that the hadith attests the permissibility of delaying the distribution of zakat collection on the basis that if the zakat shall be delivered immediately, the brand (for the camel) will not be there during the companion's visit (al-Shawkani, 2006). To relate to this topic, if the postponement of zakat distribution is allowable in the time of the Prophet, it is also allowable today looking at the complex procedures of zakat distribution such as the list of zakat receivers, the decision which zakat receiver is more eligible to receive zakat, and other factors that require time to decide. During this postponement, the zakat collection shall be kept and grant financing from the zakat fund during this period carries benefits to the public.

- xiii. There are precedent cases in the time of the companion where Abdullah and Ubaidullah; both sons of Umar al-Khattab received wealth from the collection of Muslim properties from Abu Musa al-Asy'ari, the governor of Basrah at that time.
- xiv. To grant financing from the zakat fund is regarded as *maslahah mursalah* as it carries benefits to the receiver.

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- xv. According to the Hanbali madhab, it is permissible for the imam to distribute zakat to part of the *asnaf* category. For instance, it is allowable for the imam to distribute zakat only to the needy and the following year to other categories. This permissibility is justified by looking at which of the *asnaf* really requires the zakat and which of them does not yet require it. From this perspective, it is permissible to grant financing from the zakat fund to other than *asnaf* on the basis of need (*hajah*).
- xvi. According to Imam Abu Yusuf, Umar al-Khattab granted zakat to the poor of *ahl al-kitab* and this is supported by narrations from Ibn Sirin and al-Zuhri. In this relation, as granting zakat to the poor of *ahl al-kitab* is permissible because of the element of need, granting *qard* from the zakat fund to the Muslim is more valid.
- xvii. According to Hanbali madhab, it is allowable for the imam to sell the zakat items or part of them to gain more benefits. With this permission, it is permissible to grant *qard* from the zakat fund on the tenet of analogy to sell the zakat items (Ibn Qudamah, 1997).
- xviii. The zakat fund could exceed the amount *asnaf* required. In this situation, it would be beneficial to grant *qard* to those in need other than *asnaf*.
- xix. There are people who require financing through *qard*, and granting financing to fulfil their need is permissible.

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

Based on the aforementioned justifications, we can conclude that most of the justifications given are based on analogy, *maslahah* (benefits), and *hajah* (need). The *hajah* denotes:

*It (hajah) does not reach the complete harm triggered by the elimination of public interest.*

(Al-Shatibi, 2004)

A modern Shariah scholar further elaborated that:

*A situation that requires a broad understanding of something on the basis to eliminate difficulty that could lead to hardship in the absence of it*

(Al-Yubi, 1998)

The understanding derives from both classical and contemporary Shariah scholars is that *hajah* refers to a situation where a need of a person or a community is met by lifting the distress situation temporarily or permanently. If it is not addressed, may reach *darurah* (necessity) situation (Kafi, A., 2004). Another main justification is *maslahah*, which in our opinion is more precise to use *masalih mursalah* (consideration of the public interest) which is considered one of the Shariah justifications and is permissible according to Maliki madhab. And the term *maslahah* refers to the preservation of Shariah by achieving its objectives. Al-Ghazali (1997) elaborated that:

*It (maslahah) refers to the concept of attracting benefits or eliminating harm. And our intention does not limit to that, as attracting benefits and*

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

*eliminating harm are considered the objectives of creation and the goodness of creation to achieve its higher objectives. We intend (for the definition of *maslahah*) the preservation of the objectives of Shariah.*

This is the fundamental understanding of *maslahah* from Islamic legal scholars. And the term *masalih mursalah* refers to:

*A matter that is not justified by Shariah whether it is permissible or not impermissible*

(Al-Ghazali, 1997)

To relate to this paper, granting *qard* using the zakat fund could attract benefits to more recipients other than *asnaf*; as these people might require financing and want to avoid the complex procedure of applying financing through an Islamic financial institution (IFI) and requirements set by the IFI that are not reasonable for the certain group of people. In this situation, the method of granting financing through *qard* or other Shariah contracts should be more feasible. On another note, granting zakat financing assists customers in circumventing *riba* or interest-based transactions. The Shariah contract used, in our humble opinion, could be varied to other Shariah contracts applicable on the basis of analogy, which we will further explore in the last chapter. As for the Shariah justification, the proponent viewed that granting financing from the zakat fund is permissible on the basis of *masalih mursalah*; as there are no clear prohibitions in Shariah relating to this proposed practice.

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

A study proposes that there is *fatwa* from a few SFCs concerning the permissibility of granting financing through *qard* or other Shariah contracts from the zakat fund (Rahman, A., 2022). And the *fatawa* resolved are as follows:

- i. Selangor SFC in its meeting dated 23<sup>rd</sup> March 1998 resolved that:

*Memutuskan untuk bersetuju dan menerima dengan pembaharuan pelaksanaan agihan modal melalui konsep bayar semula separuh peruntukan agihan modal dalam Dana Amanah Fakir/Miskin dan Muallaf.*

- ii. Melaka SFC in its 2011 meeting resolved that:

*Membenarkan skim bantuan pinjaman perniagaan secara qard hassan daripada asnaf al-gharimin boleh dibuka kepada sesiapa sahaja tanpa mengambil kira pendapatan pemohon selagimana perniagaan yang dijalankan tidak bercanggah dengan hukum syarak.*

*Pinjaman am berjumlah RM5,000 dengan bayaran ansuran serendah RM15.*

- iii. Kedah Council of Zakat Collection and Distribution in its meeting dated 19<sup>th</sup> August 2022 and the concept concurred by Kedah SFC resolved that:

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- a) *Meluluskan cadangan Skim Pembiayaan Mikro Kredit Lembaga Zakat Negeri Kedah dengan mewujudkan satu tabung khas menggunakan peruntukan awal daripada Kumpulan Wang Pentadbiran dan Pengurusan berjumlah RM1,000,00.00.*
- b) *Ditubuhkan satu jawatankuasa khas secara pentadbiran bagi tujuan menilai dan menentukan kelayakan penerimaan serta kemampuan mereka untuk membayar semula pembiayaan ini.*
- c) *Satu laporan mengenai pelaksanaan skim ini hendaklah dibuat dan dibentangkan secara suku tahun bagi tujuan memantau dan mengawal risiko pelaksanaan skim ini.*

Based on the aforementioned *fatawa* above, Selangor and Kedah fatwa did not mention clearly whether the fund provided is from the zakat fund. In our humble opinion, we will need a specific agenda presented to the Selangor SFC seeking a *fatwa* on the permissibility of granting financing from the zakat fund. For the Melaka SFC, there is a *fatwa* on the permissibility of granting *qard* to the *asnaf gharimin* conducting business on the condition the business conduct is not in contradiction with the Shariah requirements. Unfortunately, a study informed that this practice was stopped in 2015 for a few reasons (Rahman, A., 2022). The fatwa from Melaka SFC is adjacent to our study in this paper and the proponent of the zakat financing practice. In this regard, the *fatawa* from the Local *Fatwa* Council in Malaysia summarized the

## **INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS**

proponent views on zakat financing and we will provide our proposed view in the next subchapter.

### **RESEARCH METHODOLOGY**

This research combines both qualitative and library research methods by examining the Shariah perspective on zakat and its history, deliberating the Shariah scholars' opinions concerning zakat financing from both classical and contemporary *fiqh*, *usul al-fiqh*, and *tafsir* literature. The Shariah scholars' views are critically reviewed and analysed suitable with the objectives of this research. The research explores a proposed opinion that can be implemented in the zakat financing. On another note, this research explores the practices of zakat financing in the market and examines the method implemented by several countries that have granted microfinancing from zakat funds. The exploration aims to propose a suitable method of zakat financing in Malaysia.

### **FINDING AND DISCUSSION**

The proposed view in this subchapter is suggested after critically analyzing, studying, and reviewing both opinions of proponents and opponents of zakat financing. We profoundly appreciated the Shariah scholars that prohibited the zakat financing and concurred with the Shariah justifications presented. Although we believe the opponent view is more solid in terms of Shariah justification, we noted that there is room for exploration of granting zakat financing from the zakat fund on the bases:



## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

- i. Granting zakat financing is considered an investment of the zakat fund. The repayment occurs will increase the zakat fund and can be utilized for other *asnaf* benefits.
- ii. Granting zakat financing assists Muslims in avoiding *riba*-based transactions.
- iii. In the situation where an institution receives an appointment from the zakat authority as *wakil* to distribute zakat, the zakat fund collected could be invested for the *maslahah* and *hajah* of the *asnaf*.
- iv. A critical assessment is to be conducted during the repayment period. Any eligible customers that are substantiated having difficulty could be regarded as *asnaf gharimin* and are entitled to zakat. In this situation, the zakat financing granted will be converted to zakat and no repayment is required.
- v. Granting zakat financing is considered a monitoring and educating method because the financing receiver supposedly appreciates the amount received and utilizes the amount as needed. In the situation where they have been declared defaulted, situation (iv) implies.
- vi. An introduction portion of *asnaf gharimin* fund is to be set by the zakat authority as the initial fund for zakat financing. The zakat authority will critically monitor the success of the practice. The initial fund shall not contradict the benefits or rights of the eligible *asnaf*.

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

### **The Implementations of Zakat Financing in Muslim Countries**

The exploration of granting zakat financing through *qard* has been discussed by al-Maududi (1985). This is perhaps the earliest recorded opinion on zakat financing. Unfortunately, al-Maududi did not mention any Shariah justification for this proposed opinion. Al-Qaradawi (1997) further elaborated the permission of granting zakat financing from *qard* with the aim to avoid *riba*. Hamidullah (n.d.) deliberated that granting *qard* from the zakat fund is permissible based on the understanding that *gharimin* is similar to debtors that require financial assistance temporarily and granting *qard* is considered a solution to solve their needs and the repayment received will be utilized for other *gharimin*. Taha (2009) elaborated that the proposed view of granting *qard* from the zakat fund has been critically discussed and presented in third (1992), fifth (1995) and eighteen (2009) Zakat Conference organized by Kuwait Zakat House. He concluded that although the proposed view on zakat financing existed for almost half of the century, there are only a few Shariah scholars that opine on it and practices implemented in the world.

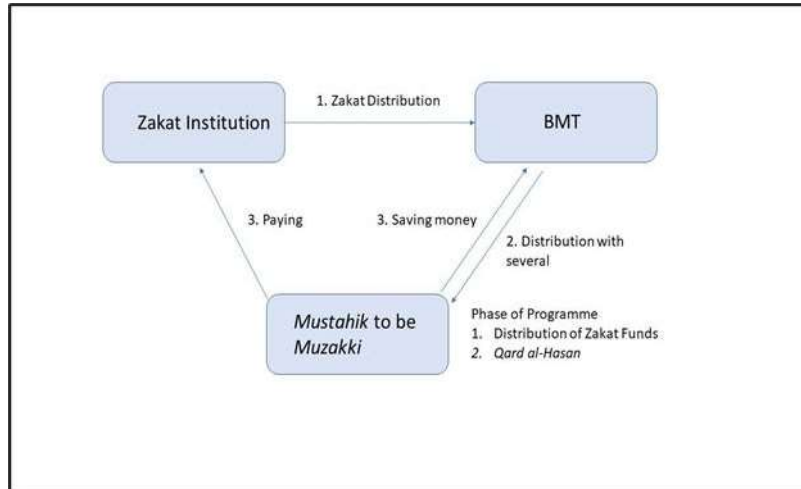
As elaborated in the last chapter, Melaka SFC resolved in 2011 on the permissibility of granting *qard* from the zakat fund although the practice was stopped in 2015 (Rahman, A., 2022). In our humble opinion, this is the only practice of zakat financing that clearly stated the fund is from the zakat fund and has been implemented in Malaysia. Indonesia is one of the countries that implemented zakat financing with the aim of alleviating poverty (Febianto, I., and Ashany, A., 2012). The limitation of zakat fund and higher needy and poor people in the country contribute to the need of establishing a *qard* financing from the zakat fund. Febianto (2012) reiterated that the repayment of the *qard* could be utilized

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

to finance other zakat recipients and he opined that this is a sustainable Shariah-compliant form of financing for the poor. Dompot Dhuafa Jawa Barat (DDJB) is another institution in Indonesia that provides the *qard* financing from the zakat fund. It started in 2009 and covers monetary assistance, intangible assistance, other facilities that aim in supporting the business and social welfare of the recipients (Febianto, I., and Ashany, A., 2012). Both authors concluded that the practice of DDJB has successfully assisted targeted recipients in Indonesia. To connect with this paper, there are two (2) main factors in determining the permissibility of granting *qard* from the zakat fund which is the need of the people in Indonesia comprising the size of its citizens, the requirement in diversifying the zakat distribution and secondly, the element in creating sustainable financing from various Islamic social finance tools.

Beik (2018) proposed the practice of Baitul Mal wat Tamwil (BMT) and its roles to collect zakat, *sadaqa*, *infaq* and distribute the funds to those entitled to receive them, or to grant *qard* to recipients that are in need because of financial distress. The structure of BMT *qard* financing from the zakat fund is as follows:

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS



Riyadi and others (2021) further elaborated that:

- i. Portion of zakat funds in zakat institutions is distributed to BMT.
- ii. BMT manages and distributes it to the poor, micro and small business entrepreneurs at three (3) levels. An important note here is that BMT can make agreements with beneficiaries for a commitment to enhance their standard of living and make BMT a partner for their efforts. BMT can execute the following three (3) levels as follows:

- a) Distribution of Zakat Fund

The first stage is the provision of zakat funds aimed at beneficiaries (poor people). BMT and zakat institutions collaborate and provide zakat funds for consumptive and productive purposes. This is the first step for beneficiaries to open a productive

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

business with the assistance and monitoring of BMT. This is one of the social missions that zakat funds are not only intended for consumption. The poor must be empowered because they have the ability.

b) *Qard al-Hasan*

The *qard al-hasan* is the second level after the beneficiaries can be productive, but the funds received are not yet maximized. These funds will be distributed to small and medium microeconomic actors with limited capital. They will receive *qard* funds which later they will only return the principal.

c) Profit-Loss Sharing

At the third level, they are expected to have received several benefits from their businesses; both initially the poor and micro-entrepreneurs. At this level, BMT implements a profit-loss-sharing system for its efforts.

- iii. After going through several phases, the *mustahik* (recipients of zakat financing) is expected to be able to have enough income. The outcome is, that their welfare will automatically improve and lead them to be *muzakki* (zakat payer). The peak of their welfare can be actualized in the form of saving to BMT and fulfilling their religious obligations by giving zakat, *infaq*, and *sadaqah* funds through zakat institutions.

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

We can summarize that the BMT's practice is instilling a sense of responsibility to the receiver of zakat financing with the objectives the receiver contributes through *infaq* or other tools to the BMT. To relate to Malaysia's direction, BNM in its Financial Sector Blueprint 2022 to 2026 proposed:

*A more flexible repayment terms that accommodate irregular income streams and not impose repayment obligations on beneficiaries (e.g., financing funded by zakat funds) (BNM, 2022).*

The proposed zakat financing practice is in line with the BNM's direction to explore various Islamic social finance products based on zakat, *waqf*, *sadaqa*, and others. For the Middle Eastern countries, Kuwait is a country that introduces *qard* from the zakat fund through Kuwait Zakat House. An initial fund amounting to 3000 Kuwaiti Dinars is distributed for the *gharimin*, for medication purposes, education purposes, and Kuwaiti students' financial assistance in oversea university. The repayment will be paid monthly to the Kuwait Zakat Authority (Khalid, 2009). It is noted that the amount of family benefited from the *qard* reached 1387 families in 2010 (Kuwait Zakat House Report, 2011).

To summarize, although the opinions that prohibited zakat financing have solid Shariah justifications, there are spaces for exploring zakat financing practice and it has been implemented in a few countries. For the Shariah contract used in granting the financing, a study suggested that the Shariah contracts used could be diversified to other Shariah contracts such as *qard*, *murabahah*, *mudarabah*, *musharakah mutanaqisah* (Adnan, N., and Roselam,

## INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS AND EMERGING TRENDS

M., 2018). In this regard, the SIRC's and IFI could further research on the practicability in introducing the financing based on the zakat fund.

### CONCLUSION AND RECOMMENDATION

Zakat is considered one of the pillars of Islam and its obligation is continuous for all Muslims. This provides a unique opportunity for the government, SIRC's, IFI, and other relevant authorities to explore the best practice in utilizing the zakat fund in achieving *maqasid al-Shariah*. There are a few conclusions and recommendations we propose, which are as follows:

- i. The zakat financing is a contemporary Shariah issue in which Shariah scholars differ in its permissibility. The majority of Shariah scholars opposed it, and some modern Shariah scholars proposed it.
- ii. The main Shariah justifications for the proponents of zakat financing are *maslahah* and *hajah*.
- iii. The element of *tajdid* is proposed to be the main essence for discovering various enhancements in zakat management.
- iv. SIRC's and IFI's are reinvigorated in discovering zakat financing methods such as through *qard*, *murabahah*, *mudarabah*, *musharakah mutanaqisah* or other suitable contracts.
- v. The exploration of granting zakat financing is supported by the BNM's Financial Sector Blueprint 2022 to 2026 that encourages IFI conducts social finance-based products.

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

**REFERENCES**

- Abū Dāud. (2009). *Sunan Abī Dāud*. Beirut: Dar al-Risalah al-Ilmiyyah.
- Abu Zahrah. (1951). *Fatāwā Shaykh Muhammad Abū Zahrah*. Damascus: Dar al-Qalam.
- Accounting and Auditing Organization for Islamic Financial Institutions. (2017). *Al-Maayir al-Shar'iyyah*. Manama.
- Adnan, N., and Roselam, M. (2018). The Distribution of Zakat Fund to the Underprivileged Entrepreneurs Using Micro Finance in Malaysia. *Journal of Fatwa Management and Research*, 1(13), 1-12.
- Al-Azīzī, A.A. (2017). *Al-Sirāj al-Munir Syarh al-Jāmi' al-Saghīr fī Hadīs al-Basyir al-Nazir*. Beirut: Dar al-Kutub al-Ilmiyyah.
- Anis, I. (2004). *Al-Mu'jam al-Wasīd*. Cairo: Majma' al-Lughah al-Arabiyyah.
- Aida, F. (2016). *Critical Success Factors of Micro Entrepreneurs Under the Aim and Asnaf's Economic Development Programme*. Universiti Teknologi Mara.
- Al-Bukhārī, M.I. (2002). *Sahīh al-Bukhārī*. Beirut: Dar Ibn Kathir.
- Al-Buhūti. *Kashāf al-Qinā An Matn al-Iqnā*. Beirut: Alam al-Kutub.
- Al-Ghazāli, M. (1997). *Al-Mustasfā min Ilmi al-Usūl*. Beirut: Muassasah Risalah.
- Al-Izz. (1991). *Qawāid al-Ahkām fī Masālih al-Anām*. Cairo: Maktabah al-Kuliyyah al-Azhariyyah.



**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- Al-Qaradāwi, Y. (1997). *Fiqh al-Zakāh Dirāsah Muqāranah li Ahkāmihā wa Falsafatihā fi Daw al-Qurān wa as-Sunnah*. Beirut: Muassasah Risalah.
- Al-Qaradāwi, Y. (2001). *Min Ajli Sahwah Rāsyidah*. Kaherah: Dar al-Syuruk.
- Al-Qurtubī. (2016). *Al-Jāmi' li Ahkām al-Qur'ān*. Cairo: Dar al-Kutub al-Misriyyah.
- Al-Qarāfī. (2010). *Anwār al-Burū' fi Anwā' al-Furū'*. Riyadh: Wizarah al-Awqaf al-Saudiyyah.
- Al-Maudūdī. (1985). *Fatāwa al-Zakāh*. Riyadh: Jamiah al-Malik Abdul Aziz.
- An-Nawawī, Y. (2008). *Al-Majmū' Sharh al-Muhazzab*. Damascus: Dar al-Fikr.
- As-Sa'dī. (2004). *Tāysir al-Karīm al-Rahman fi Tafṣīr Kalām al-Manān*. Beirut: Muassasah Risalah.
- As-Sobūnī. (1981). *Safwah al-Tafāsir*. Cairo: Dar as-Sobuni.
- Al-Zamakhshari. (1971). *Al-Kashāf an Haqāiq Ghawāmid al-Tanzīl*. Beirut: Dar al-Kitab al-Arabi.
- Al-Zarkashī. (1992). *Al-Bahr al-Muhīd fi Usūl al-Fiqh*. Kuwait: Wizarah Awqaf wa Shu'un Islamiyah.
- Al-Mawardi. (1999). *Al-Hāwi al-Kabīr fi Fiqh Madhab al-Imām al-Shāfi'i*. Beirut: Dar al-Kutub al-Ilmiyyah.
- Al-Munāwi, A.T. (1971). *Fāidh al-Qadīr Syarh al-Jami' al-Saghīr*. Kaherah: Maktabah al-Tijariah al-Kubra.
- Al-Rāzī. (1981). *Maḥāṭib al-Ghāyb*. Beirut: Dar Ihya' al-Turath al-Arabi.

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- Al-Asfahānī, M. (1999). *Sharh al-Minhāj li al-Bāidāwī fī Ilm al-Usūl*. Riyadh: Maktabah al-Rusd.
- Al-Asfahānī, H. (1991). *Al-Mufradāt fī Ghārib al-Qur'ān*. Damascus: Dar al-Qalam.
- As-Sharbīnī. (1994). *Mughnī al-Muhtāj Ila Ma'rifah Ma'ānī Alfāz al-Minhāj*. Beirut: Dar al-Kutub al-Ilmiyyah.
- Al-Tabarī. (2014). *Jami' al-Bayān An Ta'wīl Ai al-Qur'ān*. Riyadh: Dar al-Tarbiyyah wa al-Turath.
- Al-Tabarānī. (1995). *Al-Mu'jam al-Awsad*. Riyadh: Dar al-Haramain.
- Al-Shawkani. (2006). *Nail al-Authār min Asrār Muntaqā al-Akhhār*. Al-Damam: Dar Ibn Jauzi.
- As-Subki. (2000). *Fatāwā as-Subki*. Beirut: Dar al-Ma'rifah.
- As-Sa'idi. (1987). *Kifāyah al-Talīb al-Rabbāni ala Risālah Ibn Abī Zāid al-Qairawānī*. Cairo: Matbaah al-Madani.
- As-Shātibi. (2004). *Al-Muwāfaqāt fī Usūl al-Sharīah*. Amman: Dar Ibn Affan.
- Al-Yūbī. (1998). *Maqāsīd al-Sharīah al-Islamiyyāh wa Alaqatuhā bi al-Adillah al-Shar'iyyāh*. Riyadh: Dar al-Hijrah.
- Al-Zuhaily. (2009). *Al-Tafsīr al-Munīr fī al-Aqīdah wa As-Sharīah wa al-Manhaj*. Damascus: Dar al-Fikr.
- Asni, F. (2019). History of the Establishment and Development of Islamic Banking in Malaysia. *International Journal of Academic Research in Business and Social Sciences*, 9(6), 305-315.

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- Ahmad, A., and Wahid, H. (2017). Kontrak Wakalah Dalam Agihan Zakat: Kajian Di Majlis Agama Islam Wilayah Persekutuan. *Prosiding Persidangan Kebangsaan Ekonomi Malaysia ke-12*, 44-54.
- Azam, A., and Habibi, M. (2020). Kutipan Zakat Menerusi Konsep Wakalah: Satu Sorotan Awal. *International Journal of Zakat and Islamic Philanthropy*, 2(2), 143-151.
- Beik. (2018). Unlocking the Potential of Zakat and Other Forms of Islamic Finance to Achieve the SDGs in Indonesia. *Intellectual Seminar Series at Islamic Economics Institute of King Abdul Aziz, Kingdom of Saudi Arabia*.
- Budiman, I., Abdulaziz, M., Jaffar, A., Lo, M. (2019). Impacts of the Islamic Financial Services Act 2013 on Investment Account Products Offered by Islamic Banks in Malaysia. *International Journal of Management and Applied Research*, 6(4), 318-327.
- BNM. (2016). *Wakālah*.  
[https://www.bnm.gov.my/documents/20124/938039/PD\\_Wakalah.pdf/fe87974d-190f-0e11-b0e3-9cb7ab96eb02?t=1592244614898](https://www.bnm.gov.my/documents/20124/938039/PD_Wakalah.pdf/fe87974d-190f-0e11-b0e3-9cb7ab96eb02?t=1592244614898) (Accessed: 14<sup>th</sup> August 2022).
- BNM. (2018). *Qard*.  
[https://www.bnm.gov.my/documents/20124/938039/PD+Qard\\_26022018.pdf/795395cd-aece-d497-109d-e3af19874a44?t=1592245448584](https://www.bnm.gov.my/documents/20124/938039/PD+Qard_26022018.pdf/795395cd-aece-d497-109d-e3af19874a44?t=1592245448584) (Accessed: 14<sup>th</sup> August 2022).

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- BNM. (2022). *Financial Sector Blueprint 2022 to 2026*.  
[https://www.bnm.gov.my/documents/20124/5915429/fsb3\\_en\\_book.pdf](https://www.bnm.gov.my/documents/20124/5915429/fsb3_en_book.pdf) (Accessed: 8<sup>th</sup> August 2022).
- Economist. (2013). *The Origins of the Financial Crisis*.  
<https://www.economist.com/schools-brief/2013/09/07/crash-course> (Accessed: 8<sup>th</sup> August 2022).
- Febianto, I., and Ashany, A. (2012). The Impact of Qardhul Hasan Financing Using Zakah Funds on Economic Empowerment (Case Study of Dompet Dhuafa, West Java, Indonesia). *Asian Business Review*, 1(1), 15-20.
- Ibn Abd al-Bar. (1993). *Al-Istizkār*. Halab: Dar al-Wafa'.
- Ibn Abidin. (2003). *Rad al-Muhtār Ala Dar al-Mukhtār*. Beirut: Alam al-Kutub.
- Ibn Qutaybah. (1997). *Gharīb al-Hadīth*. Baghdad: Maktabah al-Ani.
- Ibn Manzūr. (1993). *Lisān al-Arab*. Beirut: Dar al-Sadir.
- Ibn Qudāmah. (1997). *Al-Mughnī*. Riyadh: Dar Alam al-Kutub.
- Ibn Hazm. (2003). *Al-Muhalla bi al-Asār*. Beirut: Dar al-Kutub al-Ilmiyyah.
- Ibn Hazm. (1998). *Marātib al-Ijma'*. Beirut: Dar Ibn Hazm.
- Ibn Hajr. (1983). *Tuhfah al-Muhtāj bi Sharh al-Minhāj*. Cairo: Maktabah Al-Tijariyyah al-Kubra.
- Ibn Munzir. (1999). *Al-Ijma'*. Beirut: Dar al-Muslim li al-Nasr wa al-Tauzi'.
- Ibn Mājah. (2009). *Sunan Ibn Mājah*. Beirut: Dar al-Ihya' al-Kutub al-Arabiyyah.

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- Ibn Qattan. (2004). *Al-Iqna' fi Masā'il al-Ijmā'*. Cairo: Al-Faruq al-Hadithah li al-Tibaah.
- Ibn Hubāirah. (2009). *Ijmā' al-A'immah al-Arbaah wa Ikhtilafuhum*. Cairo: Dar al-Ula'.
- Al-Luhaydan. (2018). *Mausuah al-Ijmā' fi al-Fiqh al-Islāmī*. Cairo: Dar al-Hadi al-Nabawi.
- Ibn Bayyah. (1999). *Amālī al-Dilālāt wa Majālī al-Ikhtilāfāt*. Beirut: Dar Ibn Hazm.
- Ibn Juzāy. (1995). *Al-Tashīl li Ulūm al-Tanzīl*. Beirut: Sharikah Dar al-Arqam.
- Ibn Ashūr. (1984). *Al-Tahrīr wa al-Tanwīr*. Tunisia: al-Dar al-Tunisiyyah.
- Ibn Ashūr. (2001). *Maqāsid al-Sharīah al-Islamiyyāh*. Amman: Dar al-Nafais.
- Ibrahim, P., and Ghazali, R. (2014). Zakah As An Islamic Microfinancing Mechanism to Productive Zakah Recipients. *Asian Economic and Financial Review*, 4(1), 117-125.
- JAKIM (2006). *Kompilasi Pandangan Hukum Muzakarah Jawatankuasa Fatwa Majlis Kebangsaan Bagi Hal Ehwal Ugama Islam Malaysia*. Malaysia.
- Jad al-Haq. (2005). *Al-Fatāwā al-Islamiyyāh*. Cairo: Dar al-Faruq.
- KMAIA. (1995). *Al-Nadwah al-Khāmisah li Qadāya al-Zakāh al-Muasirah*. Kuwait.
- Kafi, A. (2004). *Al-Hājah al-Shar'īyyāh Hududuhā wa Qawā'iduhā*. Beirut: Dar al-Kutub al-Ilmiyyah.

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

- Khalid. (2009). Tajribah Bait al-Zakāh bi Dawlah al-Kuwait fi Majāl al-Taḥsīl wa al-Infāq. *Al-Dawrah al-Tadribiyyah Haul al-Idarah al-Iqtisadiyah wa al-Maliah li Muassasat al-Zakah*, 239-255.
- Laldin, M., and Furqani, H. (2018). Islamic Financial Services Act (IFSA) 2013 and the Shariah-Compliant Requirement of the Islamic Finance Industry in Malaysia. *ISRA International Journal of Islamic Finance*, 10(1), 94-101.
- Mufti of the Federal Territories of Malaysia (2017). *Irsyad Al-Fatwa Khas Ramadhan Siri Ke 95: Zakat Fitrah Bukan Hanya Berdasarkan Beras Yang Kita Makan*. <https://ms-my.facebook.com/muftiWilayahPersekutuan/photos/irsyad-al-fatwa-khas-ramadhan-siri-ke-95-zakat-fitrah-bukan-hanya-berdasarkan-be/951119251694721/> (Accessed: 17<sup>th</sup> August 2022).
- Malik. (1985). *Al-Muwatho'*. Cairo: Dar al-Ihya' al-Turath al-Arabi.
- Ottoman Empire. (1989). *Majallah al-Ahkām al-Adliyah*. Turkey.
- PPZ-MAIWP. (N.D.) *Wakālah*. <https://www.zakat.com.my/info-zakat/wakalah/> (Accessed: 5<sup>th</sup> August 2022).
- Razimi, M.S., Romle, A.R., and Erdris, M.F. (2016). Zakat Management in Malaysia: A Review. *American-Eurasian Journal of Scientific Research*, 11(6), 453-457.
- Rahman, A. (2022). Implementasi Mikro Kredit Berasaskan Qard Hasan Menggunakan Dana Zakat. *Muzakarah Cendekiawan Syariah Nusantara Ke-16*. Kedah.

**INNOVATIONS IN ISLAMIC PHILANTHROPY: NEW HORIZONS  
AND EMERGING TRENDS**

Riyadi, a., Abdukad, A., Saif, B., Takow, H., and Sharofiddin, A. (2021). The Effect of Utilizing Zakat Fund on Financing Production to Achieving Social Welfare in Indonesia As A Case Study. *Journal of Islamic Finance, Special Issue*, 10(1), 19-29.

Taha, H. (2009). *Al-Iqrād Min Amwāl al-Zakāh*. Kuwait: KMAIA.