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HOW E-ZAKAT HAS CHANGED THE WAY MUSLIMS PAY THEIR ZAKAT IN INDONESIA

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Abstract. Nowadays everything is surrounded by information technology (IT) or better-known as the 'Internet of Things (IoT).' This increasing trend has impacted all parts of our lives including zakat collection. Zakat is supposed to promote the welfare of all people but it is not what happens in reality. Two obstacles that hamper Muslims to settle their zakat are; first, whether or not their zakat will be given to the right people (poor and needy) which gives rise to the issue of accountability and second, the easiness of paying zakat. This paper aims to reveal the viewpoint on E-Zakat implementation that has changed the way Muslims pay their zakat, that in this case is zakat al-fitr and also the impact that it has on modern society. We sincerely hope to be able to contribute our findings to parties involved with E-Zakat which are: banks, academicians, the giver, the recipient and Muslims in Indonesia.

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INTRODUCTION

Zakat "that purifies" (Benda-Beckmann, & Benda-Beckmann, 2007) is the taxation of income and wealth of a Muslim (Ahmed, & Gianci, n.d). It is a form of obligatory alms giving, and the collected amount is paid to poor Muslims, to Zakat collectors, to new converts to Islam, as income to its clergy, and others (Ariff, 1991). Qur'an discusses charity in many verses, some of which relate to zakat. The word zakat, with the meaning used in Islam now, is found in (suras: 7-156, 19:31, 19:55, 21:72, 23:4, 27:3, 30:39, 31:3 and 41:7).

Zakat is found in the early Medinan surat. In the Quranic view, zakat is obligatory, but considered more than taxation. One must give zakat for the sake of one's salvation: while those who give zakat can expect reward from God in the afterlife; neglecting to give zakat can result in damnation (Heck, 2006). The giving of the zakat is considered a means of purifying one's wealth and soul (Heck, 2006). Zakat is part of the covenant between God and a Muslim (Heck, 2006).

Qur'an makes zakat as one of the three prerequisites as to when a pagan becomes a Muslim, through verse 9:5 "But if they should repent, establish prayer, and give zakat, let them go on their way. Indeed, Allah is Forgiving and Merciful" (Surat At-Tawba, verse 9). In a study, Shirazi (2014) states widespread poverty persists in Islamic world despite zakat collections every year. Over 70% of the Muslim population in most Muslim countries is

impoverished and lives on less than \$2 per day. In over 10 Muslim-majority countries, over 50% of the population lives on less than \$1.25 per day income, states Shiraz. In Indonesia – the world's most populous and predominantly Muslim country – 50% of Muslims live on less than \$2 per day. This suggests large scale waste and mismanagement by those who collect and spend zakat funds. Zakat has so far failed to relieve large scale absolute poverty among Muslims in most Muslim countries (Shirazi, 2014).

Given the widespread poverty among Muslim-majority countries, the impact of zakat in practice, despite the theoretical intent and its use for centuries, has been questioned by scholars (Zeinelabdin, & Taleb, 1996).

Objective of the Study

Based on the background, we would like to know more about E-Zakat, how this new system of paying zakat through electronic means at banks has changed the way Muslims pay their zakat, the omission of Ijab Qabul, and finally its impact on the amount of zakat collection after the implementation of E-zakat.

LITERATURE REVIEW

E-Zakat

Electronic zakat is one of the channels to pay zakat, or in other

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words we can pay zakat online. Zakat online payment service allows users to pay the zakat from their bank account or credit cards, and even via SMS. In today's technology reliant age, an ever-increasing number of people are using the power of the internet to avail a host of services. Online payment is one of the approaches of electronic payment or better-known as e-payment. It is capable of implementing payment process through internet which is simpler and faster compared to the manual process (Noor Syahrin Ibrahim).

The Recipient

According to Surah Al-Tawba, there are eight categories of people (asnaf) who qualify to benefit from zakat funds.

1. Those living without means of livelihood (Al-Fugraha), the poor
2. Those who cannot meet their basic needs (Al-Masakin), the needy
3. To zakat collectors (Al-Amiliyn Aliha)
4. To persuade those sympathetic to or expected to convert to Islam (Al-Mu'allafatu Qulubuhum), recent converts to Islam, and potential allies in the cause of Islam
5. To free from slavery or servitude (Fir-Riqab), slaves of Muslims who have been or intend to be freed from their masters by means of a kitabah contract
6. Those who have incurred overwhelming debts while attempting to satisfy their basic needs (Al-Gharimin) or debtors who in pursuit of a worthy goal incurred a debt
7. Those fighting for a religious cause or a cause of God (Fi Sabilillah) or for Jihad in the way of Allah and for islamic warriors who fight against the unbelievers but are not part of salaried soldiers
8. Wayfarers, stranded travelers (Ibnu Al Sabil), travelers who are traveling on an Islamic goal but cannot reach their destination without financial assistance

The Giver

The amount of zakat to be paid by an individual depends on the amount of money and the type of assets the individual possesses. The Quran does not provide specific guidelines on which types of wealth are taxable under the zakat, nor does it specify percentages to be given. But the customary practice is that the amount of zakat paid on capital assets (e.g. Money) is 2.5% (1/40). Zakat is additionally payable on agricultural goods, precious metals, minerals, and live stock at a rate varying between 2.5 (1/40) and 20 percent, depending on the type of goods. (Kuran, 2010)

RESEARCH MODEL

This paper uses the qualitative methods such as searching through academic literature. (Saunders, 2012, p. 110-112). Data is obtained from secondary data. The secondary data consists of external data from published materials, (Creswell, 1998, p.65).

This research also uses descriptive method by describing the condition of the object of research based on the data that has been collected from academic literature, online articles and other resources on the Internet.

DISCUSSION

From (Kitab-e-Zakat), there are four points concerning zakat;

1. There is no obligation to pay slavery and horse zakat for a Muslim

Hadith narrated by Abu Said Al-Khudri:

Of the Prophet, he said: There is no zakat on crops that are less than five Wasaq (three hundred sha'), there is no zakat on less than five camels tail, no zakat on less than five silver uqiyah. (Saheeh Muslim, No.1625)

Hadith narrated by Abu Hurairah:

That the Messenger of Allah said: There is no obligation to pay slavery and horse zakat for a Muslim (Saheeh Muslim, No.1631)

2. About prioritizing charity and removing reluctance

Hadith narrated by Abu Hurairah, he said:

Prophet Muhammad sent Umar to collect zakat. Then it is said that Ibn Jamil, Khalid bin Walid and Abbas, the uncle of the Prophet were reluctant to give zakat. Then the Messenger of Allah said: The rejection of Ibn Jamil is nothing but denial of favors, he was formerly destitute, then God made him rich. As for Khalid, then you are all that prosecute Khalid. He has endowed armor and war equipment for Allah. While Abbas, his zakat and other charities become my obligation. Then he said: O Umar, do you feel that someone is representing his father's uncle? (Saheeh Muslim, No.1634)

3. Zakat al-Fitr is obligatory upon the Muslims, in the form of dates and wheat

Hadith of Ibn Umar:

That the Messenger of Allah requires zakat al-fitr in Ramadan to humans, which is one Saa (bushels) of dates or one grain Saa upon every Muslim, free or slave, male or female. (Saheeh Muslim, No.1635)

Hadith narrated by Abu Said Al-Khudri ra, he said:

We always put out zakat al-fitr for one food or one Saa of wheat or Saa of dates or Saa of cheese or Saa of wine. (Saheeh Muslim, No.1640)

4. Commands to pay zakat al-fitr before Eid prayer

Hadith of Ibn Umar:

That the Messenger of Allah ordered that zakat al-fitr is given before man set off for Eid prayer. (Saheeh Muslim, No.1645)

E-zakat is now starting to gain momentum. Not only because of its simplicity but also the support it gets from Islamic scholars. According to an article written by (Fadzil, 2008) there are two conditions that must be fulfilled by the zakat payer, so his zakat is valid; first, intend in your heart that the zakat you are paying is obligatory. Second; give possession of the property/zakat money to the person entitled to receive directly or through a

representative who is believed to convey the property to the person entitled to receive it. The purpose of giving possession is to separate the property from the possession and surrender the property to be owned by people who are eligible to receive zakat prescribed by Allah in Surah At-Tawbah verse 60.

Looking at the conditions above, do not be a hindrance in paying zakat online provided that the giver is to be ensured that account belongs to the person entitled to receive zakat or belonging to a trusted representative who can distribute Alms to the people who deserve it. In addition, have the intention to pay zakat when the transfer is being conducted.

CONCLUSION

Based on the explanation above, we can draw a conclusion that electronic zakat is justifiable because it doesn't break the rules of paying zakat. This conclusion is also supported by the evidence of the hadith from the Prophet Muhammad, SAW: 'Yassiru wa laa tu'assiru which means make it easy and not difficult. If paying zakat through ATM transactions eases the process of paying zakat, then it is valid to be conducted this way. Also, today, people tend to pay zakat via online payment methods because it is more transparent and accountable.

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— This article does not have any appendix. —