

## Issues and Challenges of *Zakāt al-Māl* Collection in Brunei Darussalam

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### ABSTRACT

*The collection of Zakāt al-Māl in Brunei Darussalam is a concern as it is still considered to be in a weak position knowing that the Zakāt al-Māl collection is the main contributor to the total Zakāt collected. Zakāt institutions faced many issues and challenges in carrying the role of improving Zakāt al-Māl collection. The main objective of this paper is to examine and elaborate on the issues and challenges of Zakāt al-Māl collection in Brunei Darussalam faced by the Brunei Islamic Religious Council (MUIB). This paper analyses and extracts the issues and challenges MUIB faces from personal interviews with the head of departments in MUIB. The findings of this study indicate the issues and challenges (1) there are limited promotions conducted by MUIB to educate the public regarding the payments of Zakāt; (2) a limited number of staffs; (3) The lack of using technology. This has limited the capability to improve the Zakāt al-Māl collection in Brunei to achieve its full potential. However, the findings also indicate several initiatives to tackle the issues and challenges. This paper highlights the need to promote and educate the public to increase awareness of Zakāt al-Māl payments and to utilize technology to enhance the management of Zakāt, especially in the collection of Zakāt al-Māl.*

Keywords: *Zakāt, BAKAZ, MUIB, Brunei Darussalam*

### INTRODUCTION

#### *Background*

*Zakāt* plays an important role in developing society and the economy through the circulation of money to help uplift people experiencing poverty and needy people. It is an effective socio-economic tool to alleviate poverty. *Zakāt* is the third pillar of Islam, right after the obligation of performing *salāh* (prayer). In the al-Qur'ān, *Zakāt* is mentioned thirty-two times, and twenty-six are associated with *salāh* (Al-Laham, M. S., 2009). As the third pillar of Islam, which acts as the financial obligation of a Muslim, it cannot be taken lightly, and every eligible Muslim must pay their dues of *Zakāt*. The *Zakāt* payers are the most vital part of the *Zakāt* system, where it acts as the main source. Without it, there will be no distribution of the Zakat fund in the first

place. It has been empirically proven that *Zakāt* is a more effective indicator of developing a nation's economy. According to Kafabih & Wahyudi (2020), who did a study on three Muslim Southeast Asia countries, he has found that *Zakāt* significantly and positively affects the per capita income of the three countries, and it has a greater coefficient to increase the economic development compared to Foreign Direct Investment (FDI).

Although it is the role of each Muslim to carry this responsibility, it is also the role of the government as the zakat administrator to manage *Zakāt* from the collection and accumulation to the distribution of *Zakāt* to the eight *aṣnāf* (the poor and needy). It is the role of the zakat administrator to educate and increase awareness among the public to pay their *Zakāt*, to collect and manage the zakat payments as well, as to distribute it to the

eligible *aṣṇāf* (*Zakāt* recipients) available, including investigating the eligibility of each *Zakāt* recipients. This role has been shown throughout the era of the prophet Muhammad *Ṣallallāhu 'Alayhi Wasallam*, further continued by his companions and the caliphates after them (al-Qaradawi, 2005).

According to Kahf (2000), during the time of the prophet Muhammad *Ṣallallāhu 'Alayhi Wasallam* in the second year of the *hijrah*<sup>1</sup>, *Zakāt* has a pivotal role in the collection and disbursement of the *Zakāt* funds. The prophet Muhammad *Ṣallallāhu 'Alayhi Wasallam*, as the head of the state in Madinah at that time, adopted a centralized system of managing the *Zakāt*. The prophet has appointed several officers as the collectors of *Zakāt* in every corner of the state. Among the roles of these appointed officers were; to collect the *Zakāt* from the *Zakāt* payers, to identify and assess the *aṣṇāf* eligible to receive the *Zakāt* funds collected, to disburse *Zakāt* to the identified *aṣṇāf* and to report all activities related to *Zakāt* to the central government in Madinah. The four caliphates further continued this after the passing of the prophet Muhammad *Ṣallallāhu 'Alayhi Wasallam*. During the time of the caliph Umar Bin al-Khattab, as more people became Muslims, it resulted in a sudden growth of the Muslim population and a drastic increase in wealth. This has made the Caliph Umar create a new record-keeping system for each state. He also appointed more *Zakāt* collectors, which included officers directly collecting the *Zakāt* from merchants along trade routes of local and foreign Muslim merchants.

With effective and efficient *Zakāt* management, the goal of *Zakāt* to achieve poverty eradication and to provide financial assistance to those in need listed under the *aṣṇāf* category can be realized, and it has

been proven from the era of the caliphates. In the era of the Caliph' Uthman, when the *Zakāt* funds exceeded the required amount to be given to the recipients, hence, he halted the obligation of paying the *Zakāt* to the government; instead, Caliph' Uthman encouraged all *Zakāt* payers to voluntarily pay directly to the *aṣṇāf* applying their judgment and opinion (Kahf, 2000). In the Umayyads caliphate, *Zakāt* reached its full potential during the Caliph Umar Bin Abdul Aziz era. According to Agussalim and Siradjuddin (2020), during Caliph' Umar Bin Abdul Aziz's era, his reign covered the eastern sides of Kufah, Basrah and Khurazan to the western side of Andalusia, Spain and North Africa with a population of about 62 million people. His era marked the absence of those receiving the *Zakāt*, indicating that the people had enough for themselves. Poverty eradication can be achieved, and the government's role is to uplift society using *Zakāt* as an effective socio-economic tool.

In Brunei Darussalam, the management of *Zakāt* is solely managed by the Brunei Islamic Religious Council (Majlis Ugama Islam Brunei, MUIB), Ministry of Religious Affairs (MoRA) through the Collection and Disbursement Unit (Bahagian Agihan dan Kutipan Zakat, BAKAZ), where they adopted a centralized *Zakāt* management system. This authority is given by the Laws of Brunei, 1/1984, Religious Council and Kadi Courts, Chapter 77, Section 114, to collect on behalf of His Majesty and to dispose of as His Majesty may. The Laws state that "*The Majlis shall have the power, and shall be under the duty, to collect on behalf of His Majesty, and to dispose of as His Majesty may, subject to the provisions of this Act direct, all Zakāt and fitrah payable in Brunei in accordance with Muslim law, and shall do so to the extent and*

<sup>1</sup> Islamic calendar starting from the migration of the Prophet and his companions from Makkah to Madinah.

in the manner provided in this Act." All *Zakāt al-Fiṭr* and *Zakāt al-Māl* collected by MUIB and the *Zakāt al-Māl* in Brunei consist of six categories, namely, *Zakāt* on savings, *Zakāt* on business, *Zakāt* on gold, *Zakāt* on silver, *Zakāt* on paddy and *Zakāt* on poultry.

According to MUIB, the *Zakāt* collection in Brunei Darussalam has reached between BND 17.9 million and BND18.4

million. According to Bashir et al. (2012), when compared to the Gross Domestic Product (GDP) of a country, which indicates the economic well-being of the country, in the year 2001 to 2008, *Zakāt* does not exceed 0.2 percent of the total GDP. The researcher for this study adopted the same model that Bashir et al. (2012) created from 2014 to 2020, as shown in Table 1.

Table 1. Gross Domestic Product and *Zakāt* Payment in Brunei Darussalam, 2014-2019

Indicator	2014	2015	2016	2017	2018	2019	2020
GDP at current prices (BND million)	21,694.7	17,776.9	15,747.7	16,747.7	18,300.7	18,375.0	16,578.6
Total Amount of <i>Zakāt</i> Collected (BND million)	17.9	17.8	18.4	18.4	17.6	18.3	17.9
% of <i>Zakāt</i> to GDP	0.08	0.10	0.12	0.11	0.10	0.10	0.11

Source: Department of Statistics, Department of Economic Planning and Development, Prime Minister's Office. (2015, 2017 & 2019). Department of Brunei Islamic Religious Council, Ministry of Religious Affairs. (2019).

Table 1 indicates that the *Zakāt* collected is still weak. It has been stagnant over the seven years, especially when Brunei has a very high average per capita income, where the oil sector has continuously contributed strongly to the national income. This means the collection of *Zakāt* in Brunei has yet to improve. Despite the government as a sole organisation to administer *Zakāt* are unable to reach a wide range of more potential *Zakāt* payers among the public.

Table 2 shows the collection of both *Zakāt al-Fiṭr* and *Zakāt al-Māl* in terms of its

amount and the number of *Zakāt* payers. The figure indicates there are no issues regarding *Zakāt al-Fiṭr* as most Muslims in Brunei are paying. However, there are issues concerning the *Zakāt al-Māl* where between 4,000 to 5,000 *Zakāt al-Māl* payers pay their dues of *Zakāt*. Since *Zakāt al-Māl* is the main contributor to the total of *Zakāt* collected, it is a major concern. There is a need to investigate the issues and challenges the management has faced, which hinders them from increasing the *Zakāt* collections.

Table 2. *Zakāt al-Fiṭr* *Zakāt al-Māl*

Year	Year	2014	2015	2016	2017	2018	2019	2020
<i>Zakāt al-Fiṭr</i>	Number of <i>Zakāt</i> payers	329,475	330,976	332,582	344,426	342,571	347,208	346,103
	Total <i>Zakāt</i> collected (BND)	927,300	931,640	937,480	972,170	967,190	980,250	977,820

<i>Zakāt al-Māl</i>	Number of <i>Zakāt</i> payers	4,489	5,014	4,638	5,050	4,902	5,096	5,678
	Total <i>Zakāt</i> collected (BND)	16,923,250	16,830,150	17,942,310	17,486,710	16,622,460	17,312,350	16,962,900
<b>Grand Total <i>Zakāt</i> Collected</b>		<b>17,850,540</b>	<b>17,761,790</b>	<b>18,879,780</b>	<b>18,458,880</b>	<b>17,589,650</b>	<b>18,292,600</b>	<b>17,940,710</b>

Source: Department of Brunei Islamic Religious Council, Ministry of Religious Affairs. (2020).

### Objective

The research aims to investigate the issues and challenges revolving around the collection of *Zakāt al-Māl* from the perspective of the *Zakāt* management, MUIB in Brunei Darussalam. As there is no issue in the *Zakāt al-Fiṭr* where the majority of Muslims are paying them in Brunei, the *Zakāt al-Māl*, however, needs to be investigated as it is still considered low. Furthermore, the study also includes the initiatives initiated by MUIB to tackle the issues and challenges faced. The study first describes the background and objectives of this research. Secondly, the study reviews the literature regarding *Zakāt* management in Brunei, its issues and challenges, and other countries such as Malaysia. Thirdly, the study presents the research methodology and findings in the fourth section. Lastly, the fifth section will conclude the study and provide implications.

### LITERATURE REVIEW

The government's role is to collect and distribute the *Zakāt* to the deserving recipients. Many methods for managing the *Zakāt* vary from country to country depending on the Muslim ummah's needs and era. However, managing the *Zakāt* can be categorized into three main groups. According to Kahf (2000), who did a study on contemporary Muslim countries, the three types of management vary from each other.

The first type is through a specialized voluntary committee consisting of private individuals to collect and distribute the *Zakāt* without any interference from the government. The second type is through the government via a special department supervised by one of the country's ministries. It consists of full-time government employees. The last type of management is quite similar to the second. However, all collection and disbursement are carried out on a mandatory basis enforced by the power of the law. Kahf (2000) emphasized that the second and third types of *Zakāt* management are the most preferred and adopted methods.

Many researchers have investigated the effectiveness and efficiency of *Zakāt* management in Brunei Darussalam. Bashir et al. (2012) did a study to investigate the overall management of the distribution of *Zakāt* along with the collection and distribution processes of *Zakāt*. The study emphasized the lack of supervision on programs related to the distribution of *Zakāt* among the poor and needy. This has led to many downturns in the programs. The authors also highlighted how *Zakāt* in Brunei is still considered low compared to the GDP. Among the issues mentioned in this study is the change in management for the collection unit under BAKAZ, as it could net better collection in the future.

Similarly, Bashir & Nurul Nabilah (2012) investigated the perceived quality of the *Zakāt* management among the *aṣṅāf* in

Brunei. The findings suggest that although the *asnāf's* lives have improved from the distribution of *Zakāt*, awareness and publicity among the public need to be emphasized. This can be a mechanism to improve the collection and encourage more potential *Zakāt* payers to carry out their financial obligation. One of the main challenges within the management is the multitasking of the staff among BAKAZ officers, as they have been facing a lack of staff for a long time. The study has recommended enhancing management by adopting a stabilized computerized system that has yet to be implemented. Without the system, there are no mechanisms to track down the *Zakāt* payers. Furthermore, the study also suggested that a strong policy or law impose penalties for those who refuse to pay their *Zakāt*. Law enforcement can help to influence the *Zakāt* payers to pay their dues of *Zakāt*.

Lack of staff has always been the challenge faced by BAKAZ MUIB; a lack of expertise also exists. Hidayah Wahab (2016) has emphasized the need to recruit more staff to cater to the workload carried by the current staff and to provide education among the staff to increase their expertise on *Zakāt*. As lack of staff and expertise has become an issue within the *Zakāt* management in Brunei, a lack of pessimism also exists among the staff, which can be a concerning factor. According to Zaki Zaini & Khairul Hidayatullah Basir (2017), surprisingly, more than half of the staff in BAKAZ MUIB has shown a low level of belief that Brunei can achieve 'zero poverty' by 2035<sup>2</sup> and Sustainable Development Goals (SDGs) 2030. Consequently, most staff have agreed that Brunei has not yet reached its full potential and there is much room for improvement.

Issues and challenges in management are obstacles faced by all *Zakāt* management worldwide. This obstacle resulted in the wide gap between the desired *Zakāt* collection and the real *Zakāt* collection. As there are issues and challenges related to the backbone of the *Zakāt* management, regulations and law can also be an issue that can hinder the betterment of the *Zakāt* collection. Muhammad Aunnurrochim & Nurul Hasan (2021) has emphasized that the law should encourage more *Zakāt* payments among the *Zakāt* payers for *Zakāt* on business. While tax payments are more frightening than the responsibility to pay *Zakāt*, those who do not pay tax will be punished. The law can strongly support the *Zakāt* management to carry out their roles effectively. This was also highlighted by Azwan Abdullah et al. (2021), where the *Zakāt* payers who pay *Zakāt* on business preferred to pay taxes more than the *Zakāt* itself.

As it is important to implement the law and regulations to be enforced, it is equally important to increase public awareness, especially the potential *Zakāt* payers. Azwan Abdullah et al. (2021) also mentioned a need to increase the awareness among Muslim entrepreneurs to make them understand the obligation of paying *Zakāt* and its positive impact on the country's social issues and economic development. This impact created a balance between the socio-economic of a nation which is the main goal of *Zakāt* (Azwan Abdullah et al., 2021).

In addition to the issues and challenges, the emergence of the COVID-19 pandemic has affected all countries around the world, from causing thousands of deaths to negatively impacting the economic, health, social and educational sectors. For example, in the case of Malaysia, according to a 2020 report from the Department of Statistics in

<sup>2</sup> The 2035 Brunei Vision aimed to make Brunei Darussalam into a nation which excel in the three areas namely; An educated, highly skilled nation and

accomplished people; high quality of life and; to have a dynamic and sustainable economy.

Malaysia, the data has shown around 46.6 percent from self-employed individuals, 23.8 percent from employers, 33 percent from the fishing sector and 21.2 percent from agriculture & plantation sector have lost their job during the Malaysian Movement Control Order (PKP).

Governments around the world have to adapt to the difficult period and provide as much assistance as possible to help develop the economy and uplift the situation of the people affected by the pandemic. During the outbreak of Covid-19, the Brunei government has made many measures to assist all affected areas, including the private sector, where the employees are at risk of unemployment. Businesses in Brunei were one of the heavily focused areas as many were not yet established. The Ministry of Economy and Finance of Brunei has initiated measures to help those affected. Among the measures were such as; providing training with a focus on upskilling and reskilling for businesses and a 25 percent payroll subsidy for MSMEs (Micro Small Medium Enterprises) workers with 100 employees below for three months ("News - Brunei Sets Three Objectives Amid COVID-19 Outbreak", 2020).

Countries worldwide need to adapt and change to cater to the needs of the people. This unforeseen event has also affected *Zakāt*. According to Fathullah Asni (2021), as more people were affected, it either led to the reduced number of *Zakāt* amount collected or reduced number of *Zakāt* payers due to *Zakāt* payers falling under the categories of *aṣnāf* as many the pandemic has left many people unemployed.

It is the role of the *Zakāt* management to create and increase *Zakāt* awareness and education among the public as a mechanism to increase the collection of *Zakāt*. Moreover, it is also the responsibility of the *Zakāt* management to adapt to situations to provide efficient and effective management for *Zakāt*

to achieve the balance of the socio-economic of a nation.

During difficult times, digitalization in the collecting and disbursement of *Zakāt* is essential. The fast-growing modern technologies and their usage are inevitable. Therefore, *the Zakāt administrator must utilize it* to achieve efficiency and effectiveness in *Zakāt* management during the pandemic. As many use e-commerce and financial technology in their daily lives, it is very appropriate to digitalize *Zakāt*, which the *Zakāt* payers can access without bound to time and place (Utami et al., 2020), especially in a country that has a high usage of internet users such as Malaysia, Brunei and Singapore. Referring to DataReportal (2022), internet users comprise 63 percent of the world's population.

Similarly, social media users worldwide possess 58.7 percent of the world population. Specifically, looking into the majority Muslim countries, such as in the Southeast Asia region, which includes Malaysia, Singapore, Indonesia and Brunei, it can be seen how internet users and social media has been drastically increased throughout the years until recently in the year 2022. Brunei has the highest internet and social media users, with 95 and 116 percent of its total population, respectively. Followed by Malaysia and Singapore, with internet users of 92 and 89.6 percent and social media users of 89.5 and 91.7 percent, respectively. Indonesia's Internet users are also very high compared to its total population, with 73.7 percent and social media users with 68.9 percent of the total population.

The Covid-19 pandemic has pushed MUIB to create an online platform for those who need welfare assistance called The National Welfare System (Sistem Kebajikan Negara, SKN). The two agencies involved in providing Welfare Assistance are MUIB, under MoRA and the Department of Community Development (Jabatan

Pembangunan Masyarakat, JAPEM) under the Ministry of Culture, Youth and Sport (MCYS). Prior to the initiation of SKN, MUIB provided financial welfare assistance that was categorized under *Zakāt*. In contrast, JAPEM provides welfare assistance other than those categorized under *Zakāt* recipients. Before Covid-19, there were many overlapping applications, and all applicants had to apply through traditional methods via handwritten forms from the agencies. Some of the issues that resulted from these applications were; applicants received both welfare assistance, no system to cater to all applicants and overlapping information of applicants since many applied from both agencies. Therefore, the creation of SKN on July 2020 is an initiative to cater to these issues; it has become a centralized system for all welfare assistance provided by MUIB and JAPEM in one system, and all applications were made online to ease the application processes for the public.

The type of assistance includes Monthly Welfare Assistance (BKB) from JAPEM and disbursement of *Zakāt* funds to the poor and needy from MUIB. Under the distribution of *Zakāt* funds, there are several Distribution Schemes introduced by MUIB to provide financial assistance for the poor and needy as follows:

1. Monthly Financial Distribution Scheme.
2. Basic Needs Financial Distribution Scheme.
3. Schooling Financial Distribution Scheme.
4. Rent Payment Distribution Scheme.
5. Higher Education Distribution Scheme.

For the first phase, only Monthly, Basic Needs, Schooling and Rent Payment Financial Distribution Schemes are available for application. The eligibility of applicants in applying for the schemes is evaluated and investigated by BAKAZ. This has shown

how MUIB has adapted to the needs of the public during the pandemic.

## METHODOLOGY

This study adopted a qualitative method to obtain the required data to achieve the research objective. An in-depth personal interview was conducted with two *Zakāt* officers, the Head of the Research Unit, BAKAZ MUIB, and the Head of the Collection Unit, BAKAZ MUIB. The respondents' selection was based on a purposeful sampling technique where the number of samples was considered relevant and appropriate as it was a recommendation by the BAKAZ MUIB themselves.

An in-depth personal interview was conducted using semi-structured interview questions to allow more varied answers from the respondents. The interview consists of two main sections. The first section directly involves the issues and challenges faced by BAKAZ MUIB in collecting the *Zakāt al-Māl* experienced by the staff of BAKAZ in Brunei Darussalam. The second section involves the initiatives of BAKAZ MUIB in tackling the issues and challenges faced in collecting the *Zakāt al-Māl* payments, including the initiatives in the previous years, currently and plans for the future. The primary data obtained were analyzed using Nvivo11 as a tool, and a thematic method was adopted to highlight the themes that emerged from the interview transcripts.

## RESULT

### *Issues and Challenges Faced by MUIB*

The findings of this study have explored some important issues and challenges which need to be highlighted. Among the issues and challenges faced by MUIB is the limited number of staff. This is one of the biggest challenges the *Zakāt* officers face, with only four officers managing all the *Zakāt al-Māl*

payments to MUIB in Brunei. Some of the issues that arise from this challenge are as follows;

- a. Officers were multitasking in their work, handling two or more work simultaneously.
- b. The need for assistance from each unit. According to the *Zakāt* officers, this often happened in the Disbursement and Investigation Unit, where the unit required manpower from the Collection Unit to assist in the mass applications of *aṣnāf* received by the Disbursement Unit, especially during the Covid-19 where a mass number of applications were received in a short period. One of the main processes in the application is the need for on-site visits for each applicant to assess the living conditions for an applicant's eligibility to receive the *Zakāt* fund. Similarly, when the officer from the Collection Unit was occupied for reasons such as attending events or etc., it left the counter open with no *Zakāt* collectors<sup>3</sup> available to collect the *Zakāt* payments. Therefore, assistance from the *Zakāt* collectors in the Disbursement Unit was required to collect the *Zakāt* payments on behalf of the Collection Units.
- c. No Marketing and Public Relation Unit to assist in creating and spreading awareness through booth exhibitions, showcases, roadshows and online platforms such as; social media, website, etc.

Another challenge regarding the lack of staff is no new recruitment of officers. An organization must acquire apprentices (young officers) to experience the current

collection processes and how they were conducted. According to the *Zakāt* officers, new officers have not been recruited in a long time. In addition, one of the Collection Unit's main officers will retire in a few years. Lack of expertise among the *Zakāt* officers is also another obstacle. The current officers lack the skills needed in business and Information Technology (IT) to assist in the calculations of *Zakāt* on business and enhance the overall *Zakāt al-Māl* collections with modern technologies.

IT, as an important role in every organization, is essential, especially when it involves educating the public. According to the *Zakāt* officers, having no proper database and computerized system in the management of collecting the *Zakāt al-Māl* has made the *Zakāt* officers face difficulty in tracking the *Zakāt al-Māl* payers. In addition, there also should be a system that automatically or eases the *Zakāt* officers to remind the regular *Zakāt al-Māl* payers. Inaccessibility for the *Zakāt* payers to receive information from websites or applications and to pay via online platforms can be one of the main reasons there is not much increase in the number of *Zakāt* payers as many do not prefer to use the traditional method of going to the counter to make payments.

As for the computerized system, SKN is the system adopted by MUIB and JAPEM to ease the application processes for the public. However, SKN's launch in July 2020 has created new obstacles to MUIB, where mass applications have been made since then, in addition to the Covid-19 outbreak, where many were affected. The *Zakāt* officers highlighted the main issue where most of the BAKAZ MUIB focus was educating applicants for the application to the SKN. This resulted from illiteracy among applicants in using online devices (such as; laptops and mobile phones) and applying

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<sup>3</sup> In Brunei Darussalam, only selected officers are allowed to collect *zakāt* as the *zakāt* collectors.

through online platforms to apply for the *Zakāt* funds. This has further increased the workload and need for assistance from other units to cater to the mass application online. This further shows the vital need to address the lack of staff.

Furthermore, SKNs are mainly for the use and benefits of the Disbursement Unit. However, for the Collection Unit, there is currently no system for data collection and payments of *Zakāt*. Hence, a computerized system for the Collection Unit is vital to net better *Zakāt* collection.

Another concern is the Confidentiality issue. The *Zakāt* officers could not access the information of the *Zakāt al-Māl* payers from government or non-government agencies such as ROCBN and Islamic Banks. This information is crucial for the improvements where with the information, the *Zakāt* officers will be able to identify those who have the potential to pay *Zakāt al-Māl*, especially for *Zakāt* on business and saving. There is no law to grant authority to the Collection Unit to obtain required data from these agencies.

In summary, lack of staff and no implementation of technology specifically for collecting *Zakāt al-Māl* payments are one of the main challenges faced by the *Zakāt* officers. However, despite the many obstacles, the *Zakāt* officers have managed to lessen the burden by making several initiatives.

#### *BAKAZ MUIB's Initiatives to Overcome the Issues and Challenges Faced*

There are several initiatives implemented by BAKAZ in order to help overcome the challenges faced. Some of the initiatives were as follows:

1. The Collection Unit has the initiative to present in a Seminar to share some

insights on *Zakāt* collections in Brunei.

2. To initiate and increase collaborations with higher institutions (such as; universities) to open research opportunities that can improve the management of *Zakāt*.
3. The recruitment of I-Ready staff (an apprentice program initiated by the government of Brunei) was currently implemented to help cater to the lack of manpower for mass application through SKN, mainly in the investigation processes of applicants. This has reduced the need for assistance from other units, especially the Collection Unit. However, I-Ready staffs are temporary and for a short period.
4. One of the main initiatives highlighted by the *Zakāt* officers is the 'Zakat Fitrah Online', launched on the first day in the month of *Ramaḍān*<sup>4</sup> in 2021. The initiative was a collaboration between the Brunei Islamic Religious Council with Datastream Digital (DST), and BIBD. It is an available online platform for the *Zakāt al-Fiṭr* payers to have easy access to making *Zakāt al-Fiṭr* payments either through BIBD 'Quick Pay' features in the BIBD mobile application or through DST e-Zakat. The Covid-19 pandemic has pushed MUIB to accelerate plans for the digital *Zakāt al-Fiṭr* payments in 2021. It resulted in a further boost in the payments of *Zakāt al-Fiṭr* and has recorded its highest ever recorded compared to previous years, reaching BND\$1,013,534.93 million with 357,868 *Zakāt* payers in 2021, which is a 3.4 and 3.65 percent increase respectively from the year 2020 ("Over BND1M in Zakat Fitrah

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<sup>4</sup> Fasting month in Islam

collected in 2021 - Borneo Bulletin Online", 2022). According to the *Zakāt* officers, digital payments have proven to reach more *Zakāt* payers for the *Zakāt al-Fiṭr* as it is convenient for the *Zakāt* payers to fulfill their obligation without the need to go to mosques or *Zakāt* counters physically.

The *Zakāt* officers also shared the future initiatives to improve the *Zakāt al-Māl* payments in Brunei. Since the success of 'Zakat Fitrah Online', the plan to create a similar platform for *Zakāt al-Māl* payments has also been discussed. According to the *Zakāt* officers, this initiative will be called 'Zakat Harta Online', and it will take a lot more time to prepare as it contains features other than payments of *Zakāt al-Māl*, such as calculators and detailed information for each category of *Zakāt al-Māl*. The platform will be an ongoing and continuous platform, unlike 'Zakat Fitrah Online', which is seasonal and available only during the *Ramaḍān* month. This is a huge step to digitalize the collection of *Zakāt* in Brunei Darussalam. The implementation of digital platforms can further enhance the efficiency and effectiveness of the collection of *Zakāt* and hope to reach more potential *Zakāt* payers.

## CONCLUSION

### *Conclusion*

*Zakāt* management globally will always face issues and challenges as obstacles to improving overall management. In Brunei Darussalam, there is evidence that the lack of staff has been the main issue for many years, which is also the main reason for the inexistence of a Marketing Unit to handle the promotions of *Zakāt al-Māl* through exhibitions, social media, roadshows, etc. This is where the use of technology is vital to assist in the lack of staff since lacking the use of technology is one of the main challenges

faced. However, BAKAZ MUIB is in the right direction to improve the management with the plan and continuous preparation to execute 'Zakat Harta Online' as the previous 'Zakat Fitrah Online' was a successful mechanism to increase the amount and payers of *Zakāt al-Fiṭr* and as a step to digitalize the *Zakāt* management.

### *Recommendation*

The researcher has underlined several suggestions to improve and tackle the issues and challenges. To develop Public Relations and Marketing Unit. This unit will be responsible for handling the promotions to spread awareness and educate the public regarding the *Zakāt al-Māl*. In addition, this division is also responsible for providing publicity to what MUIB and other government agencies are currently doing on the *Zakāt* fund. This is to improve the public trust towards the *Zakāt* management in Brunei. This can be done by conducting road shows, seminars and conferences, exhibitions, publicity (using social media, websites or applications), attractive printed materials such as articles, pamphlets and tools that can help the public calculate their wealth, etc.

Public awareness should be the main focus for *Zakāt* management. The Public Relation and Marketing Unit must focus on educating the public to carry out the financial obligation. Besides using the social media and printed materials mentioned previously, the unit can also cooperate with mosques as it is located strategically in Brunei. Mosques can be the focused platform for educating the public. As the findings of this study resulted in a very high level of religiosity among the *Zakāt al-Māl* payers, it is important to target those who go to the mosque regularly as the potential *Zakāt al-Māl* payers. As mosques are said to be the main platform, most *amil* are among the mosque officials. Therefore, a

clear objective should be embedded in the *amil* to improve the *Zakāt Al-Māl* payments in Brunei. The Public Relation and Marketing Unit should arrange and conduct discussions with the *amil* to strategize methods or ways to educate the public and spread awareness. The unit can collaborate with the Human Resource Unit to conduct the arrangements and training to instill the necessary knowledge and skills of *Zakāt Al-Māl* calculations and information (such as; the rulings, conditions and issues related to *Zakāt Al-Māl* payments).

Implementing a full operating system within the *Zakāt* management is also necessary. The system should be able to help manage the payments of *Zakāt* to the disbursement of *Zakāt* to the eligible recipients. The system should include the *Zakāt* payers' and recipients' databases. This will make it easier for the *Zakāt* officers to track down the *Zakāt al-Māl* payers. As suggested before, the Database and Statistics Unit can operate this. It is vital as it can help more research and development for improving *Zakāt* management.

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