
TRUST IN ZAKAT AUTHORITIES AND ZAKAT COMPLIANCE: A CONCEPTUAL ANALYSIS

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Abstract

Trust in zakat authorities is becoming a significant factor influencing zakat payers to perform their zakat obligations with formal governing institutions. A lack of trust in zakat authorities may lead to an increase in self-zakat distribution practices and a decrease in zakat collection. Even though zakat is a system that redistributes wealth from the rich to the poor, understanding the elements of trust in zakat authorities is crucial for promoting Islamic economic, social, and governance sustainability. Inspired by the governance compliance framework that underpins the study, this paper adopted the four concepts of trust: accountability, performance, fairness, and transparency. The aim of this paper is to explicate the accountability, performance, fairness, and transparency concepts that represent trust in zakat authorities. Additionally, this paper also defines the zakat compliance term critically. This conceptual analysis entails distinguishing terms, analysing the understandings to which they refer, and representing them in a zakat compliance context. The analysis has shown that accountability is reflected in the credibility and competency of zakat authorities in managing zakat affairs; performance refers to the efficiency of service quality and promotion of zakat awareness; fairness focuses on collection and distribution procedures; and transparency demonstrates to what extent disclosure practices are rendered by zakat authorities. The present study adds to the growing body of zakat compliance research. Future studies should attempt to examine the relationship between trust in zakat authorities and zakat compliance by conducting applied research.

Keywords: Zakat compliance, trust, governance, performance, transparency, fairness

(KEPERCAYAAN KEPADA PIHAK BERKUASA ZAKAT DAN PEMATUHAN ZAKAT: ANALISIS KONSEPTUAL)

Abstrak

Kepercayaan kepada pihak berkuasa zakat menjadi faktor penting yang mempengaruhi pembayar zakat untuk melaksanakan kewajipan zakat mereka dengan institusi pentadbiran formal. Kurangnya kepercayaan kepada pihak berkuasa zakat boleh membawa kepada peningkatan dalam amalan agihan zakat sendiri dan penurunan dalam kutipan zakat. Walaupun hakikatnya zakat adalah sistem yang mengagihkan semula kekayaan daripada yang kaya kepada yang miskin, memahami unsur-unsur amanah dalam kalangan pihak berkuasa zakat adalah penting untuk menggalakkan kelestarian ekonomi, sosial dan tadbir urus Islam. Diilhamkan oleh rangka kerja pematuhan tadbir urus yang menyokong kajian, kertas kerja ini mengguna pakai empat konsep amanah: akauntabiliti, prestasi, keadilan dan ketelusan. Matlamat kertas kerja ini adalah untuk menjelaskan konsep akauntabiliti, prestasi, keadilan dan ketelusan yang mewakili kepercayaan terhadap pihak berkuasa zakat. Selain itu, kertas kerja ini juga mentakrifkan istilah pematuhan zakat secara kritis. Analisis konseptual ini memerlukan istilah yang membezakan, menganalisis pemahaman yang mereka rujuk, dan mewakilinya dalam konteks pematuhan zakat. Analisis telah menunjukkan bahawa akauntabiliti dicerminkan dalam kredibiliti dan kecekapan pihak berkuasa zakat dalam menguruskan hal ehwal zakat; prestasi merujuk kepada kecekapan kualiti perkhidmatan dan promosi kesedaran zakat; keadilan memberi tumpuan kepada prosedur pengumpulan dan pengedaran; dan ketelusan menunjukkan sejauh mana amalan pendedahan dilakukan oleh pihak berkuasa zakat. Kajian ini menambah kepada bidang penyelidikan pematuhan zakat yang semakin berkembang. Kajian masa depan harus cuba mengkaji hubungan antara kepercayaan terhadap pihak berkuasa zakat dan pematuhan zakat dengan menjalankan penyelidikan gunaan.

Kata kunci: *Pematuhan zakat, amanah, governan, prestasi, ketelusan, adil*

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1. Introduction

Zakat is a form of obligatory almsgiving and charitable giving in Islam. It is considered a fundamental act of worship, a medium for wealth distribution, and a channel to reduce the gap between the rich and the poor. Allah SWT has ordained every Muslim who is affordable to aid those who are in need by performing zakat as a religious duty and to achieve Islamic social justice. It is obligatory upon Muslims who have met the zakat conditions to share only 2.5 % of their wealth to the zakat beneficiaries. The Prophet (peace be upon him) is reported to have said: "Allah verily did not accept the judgment of a Prophet (peace be upon him) or anybody else in (the distribution of) zakat, so He gave the judgment

on it. He divided it into eight parts (Sahih Muslim).” The eight categories of people to whom zakat can be distributed comprise the poor (*Al-Fuqara*), the needy (*Al-Masakin*), administrator of zakat (*Al-Amilina ‘Alayha*), reconciliation of hearts, for those in bondage, those in debt (*Al-Gharimin*), in the cause of Allah (*Fi-Sabilillah*) and the wayfarer (*Ibn as-Sabil*). This hadith further explains the eight categories of the beneficiaries of zakah which Allah specifies in the Surah At-Taubah verse 60.

إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَرَمِينَ وَفِي سَبِيلِ اللَّهِ
 وَأَبْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ ٦٠

Zakah expenditures are only for the poor and for the needy and for those employed to collect [*zakah*] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah. And Allah is Knowing and Wise.

In order to ensure the proper distribution of zakat, zakat governance should be a top priority. Zakat authorities play a crucial role in enhancing zakat governance by increasing zakat compliance. In ensuring zakat payment is made to formal zakat authorities, improving the function of zakat institutions would require good governance (Sawmar & Mohammed, 2021). Taufiq (2015) defines good governance as a governmental model or system that upholds the quality of public services that generate a customer-oriented service satisfaction. This study focuses on trust and zakat compliance elements in discussing good governance in the context of zakat institutions.

Zakat compliance is becoming a topic that has gained the interest of Muslim scholars. However, there are less clear and concise definitions of zakat compliance. Trust in zakat authorities is found to be a significant factor influencing zakat payers to perform their zakat obligations with formal governing institutions. A lack of trust in zakat authorities may lead to an increase in self-zakat distribution practices and a decrease in zakat collection. Despite the fact that zakat is a system that redistributes wealth from the rich to the poor, understanding the elements of trust in zakat authorities is crucial for promoting Islamic economic, social, and governmental sustainability.

This study adopted the zakat governance compliance framework proposed by Sawmar & Mohammed (2021) as the underpinning theory of the study. The main aim of this paper is to explain the concepts of accountability, performance, fairness, and transparency that represent trust in zakat authorities. Additionally, this paper provides a systematic review of the definition of zakat compliance. Abdul Shukor (2021) conducted a systematic literature review on zakat compliance determinants, proposed that psychological, environmental, organizational and socio-demographic factors are among the influencing factors of zakat compliance. Findings have shown that psychological factors such as religiosity, attitude, moral obligation, perceived behavioral control and knowledge signify key factors in determining zakat compliance, followed by environmental and organizational factors (Abdul Shukor, 2021). To increase zakat compliance behavior among Muslims, Abdul Shukor (2021) suggested that zakat institutions strategize approaches by planning and organizing marketing activities appropriately, and reporting zakat collection and distribution in a transparent and full disclosure manner. Prior literature on the relationship between trust in zakat authorities and zakat compliance is synthesized

and discussed in the following section. This conceptual analysis entails distinguishing terms, analysing the understandings to which they refer, and representing them in a zakat compliance context.

2. Methodology

This study adopted an updated guideline of the Preferred Reporting Items for Systematic Reviews and Meta-analyses (PRISMA) 2020 statement, which has been reviewed by Page et al. (2021). The PRISMA 2020 provides a new structure and presentation of the items by expanding the checklist items and revising flow diagrams. This study used a PRIMA flow diagram for the identification of studies via databases and registers, which comprise three phases: identification, screening, and inclusion. For the purpose of the study, to identify the explanation of the zakat compliance concept, the key term “zakat compliance” was used in identifying articles from Scopus, Science Direct and Google Scholar databases. The literature search was limited to English articles, peer-reviewed and published between 2000 and 2023.

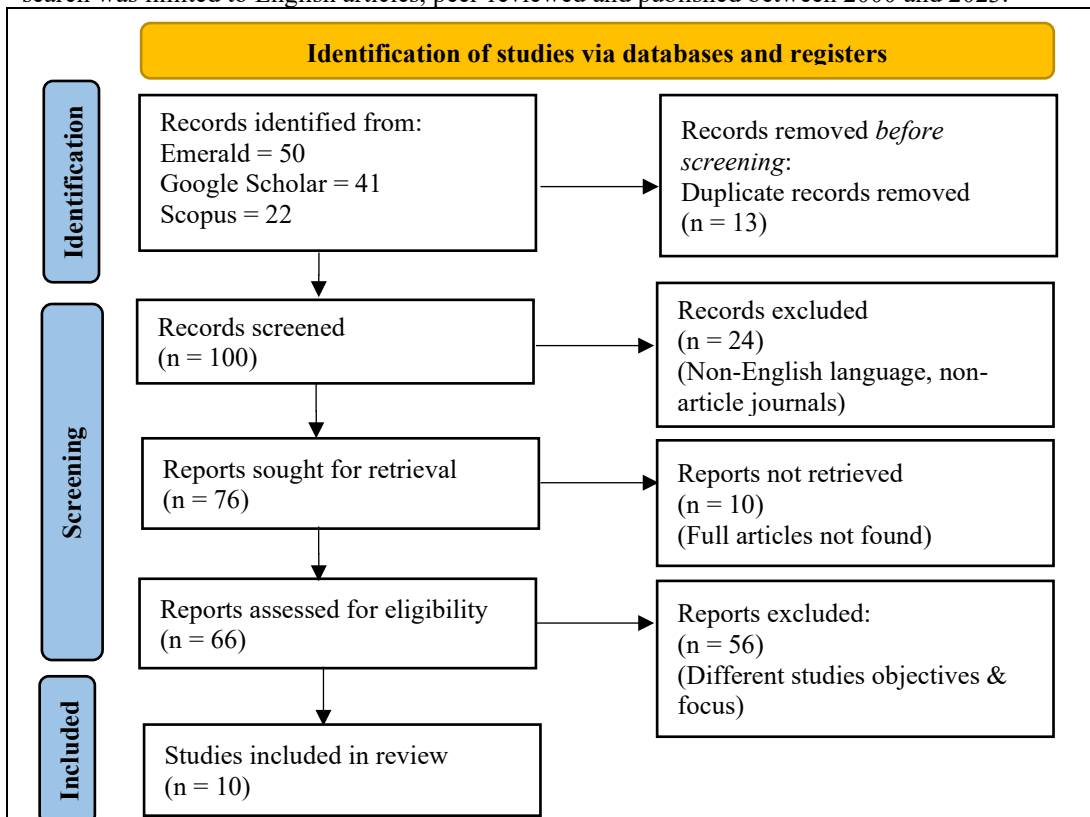


Figure 1: The Flow Diagram of Zakat Compliance Concept

Figure 1 presents the results of the studies included in reviewing the zakat compliance concept. The total number of records identified from three databases during the identification phase was 113. Due to duplication, 13 records were removed before the screening process. In

the screening phase, there are 100 records screened whereby 24 records are excluded due its irrelevant to the topic of zakat compliance. Thus, the remaining records sought for retrieval was 76. Only 10 articles were unable to retrieve due to no full articles found. Reports assessed for eligibility was 66 but almost 85% were excluded because of different research objectives. Finally, a total of 10 studies related to zakat compliance were selected and included in the assessment and synthesis.

3. Findings and discussion

This section presents the discussion of findings that are based on the five concepts, namely zakat compliance, accountability, performance, fairness, and transparency that have been critically analysed in this study. Each concept is analysed separately and consequently, the relationships between accountability, performance, fairness, transparency, and zakat compliance are discussed based on previous literature.

3.1 Zakat Compliance

The concept of zakat compliance is becoming increasingly common and widely accepted in the context of Islamic economics. The concept of zakat compliance was found in 1971 in the dissertation titled ‘The Role of Accounting and Accountants in the Developing Economy of Saudi Arabia’ authored by Shinawi (1971). According to Shinawi (1971), designing and maintaining proper accounting records is an essential step for tax and zakat compliance. Consequently, the next step in computing zakat payable would be easier with complete and accurate record keeping. Ten articles have been analysed in order to gain more insights regarding the zakat compliance concept.

Table 1: Zakat compliance conceptual definitions

No	Authors	Year	Conceptual definitions
1	Md Idris	2002	The payment of zakat according to the fatwa and regulation gazette by zakat authority.
2	Saad	2010	Zakat compliance depends on the reason why Muslim individual taking a decision to comply or to avoid with command of Allah, Islamic obligation and the rules issued by zakat authority.
3	Ahmad et al.	2010	Zakat compliance which is more to pay the zakat through official channels.
4	Khamis et al.	2011	The concept of zakat compliance is about the human behavior (Muslim community) making a decision (comply or non-comply) to pay the zakat (official or unofficial channels) according to enactment and law implemented to achieve satisfaction in the present life and hereafter (<i>al-falah</i>).
5	Abdullah & Sapiei	2018	Zakat compliance refers to obligation to comply with the Islamic laws and regulations.

6	Ab Rahman et al.	2019	Zakat compliance concept is a concept where action of compliance is needed in order to fulfil the instructions and orders of the Almighty.
7	Farah et al.	2019	Zakat compliance is closely related to religious obligation.
8	Sawmar & Mohammed	2021	Zakat is an obligation whose compliance is imposed by two authorities: the lawgiver (Allah, the Almighty) and the state (on behalf of the lawgiver).
9	Bin-Nashwan et al.	2020, 2021	Zakat compliance is associated with faith and spiritual factors and the fiscal burden (costs and benefits).
10	Febriandika et al.	2023	Zakat compliance behavior usually arises from good habits and environmental literacy.

Table 1 presents ten conceptual definitions of zakat compliance used in their respective studies. In this study, zakat compliance refers to the zakat payments made by Muslims to zakat authorities after they have met the zakat conditions. Most of the zakat scholars emphasised that to be zakat-compliant, zakat payers must pay their zakat obligations to formal zakat institutions. Sawmar & Mohammed (2021) highlighted that the imposition of zakat is a mandatory obligation ordained by Allah SWT and implemented by zakat authorities. In this study, zakat compliance refers to adherence to the principles and mandatory obligations of zakat by discharging the zakat payment to formal zakat institutions.

Table 2: Original Statements in Measuring Zakat Compliance

No	Original Statements	Sources
1	I pay zakat every year.	Abdullah & Sapiei., 2018
2	I pay zakat to take advantage of tax rebate.	
3	I pay business zakat to General Directorate of Zakah Obligations (GDZO).	Bin-Nashwan et al., 2021
4	I pay business zakat every year if I meet requirement to GDZO.	
5	During my business period, I never missed paying business zakat to GDZO.	
6	I contact GDZO to pay business zakat.	

Table 2 lists the original items or statements used in the previous studies to measure zakat compliance variable. For future studies, these items will be adopted and modified accordingly in order to meet the context of the study. The measurement of the items will be using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. For example, for the first statement of zakat compliance, the modified statement must emphasise that the zakat payment must be made to the zakat authorities every year.

3.2 Trust in Zakat Authorities

In today's rapid development in research, trust has been recognized as the main pillar in gaining the confidence of public in organizations. Strengthening public trust would result

in the success of numerous public policies that depend on the behavioural responses from the public (OECD, 2022). Theoretically, public trust will exist if one party has faith in the honesty and dependability of other parties, according to Morgan and Hunt (1994: 23). Particularly in zakat research, enhancing trust in the zakat authorities would increase zakat payers' confidence in their willingness to pay zakat to the formal zakat institutions. Besides that, Bin-Nashwan et al. (2021) emphasized that public trust in zakat authorities is essential for promoting the sustainability of zakat institutions. Recent study by Febriandika et al. (2023) found that trust emerged as the significant variable regarding compliance with zakat payments within formal zakat institutions. By fostering and building trust in zakat authorities, zakat compliance would increase (Bin-Nashwan et al. (2021) through good governance, performance, transparency and procedural fairness (Sawmar & Mohammed, 2019; 2021). Figure 2 demonstrates the dimensions and sub-dimensions of trust components. Accountability focuses on the credibility and competency of zakat authorities in performing their duties; performance focuses on the efficiency of service quality and the effectiveness of zakat promotion; fairness focuses on the collection and distribution procedures; and transparency focuses on the disclosure practices of zakat information.

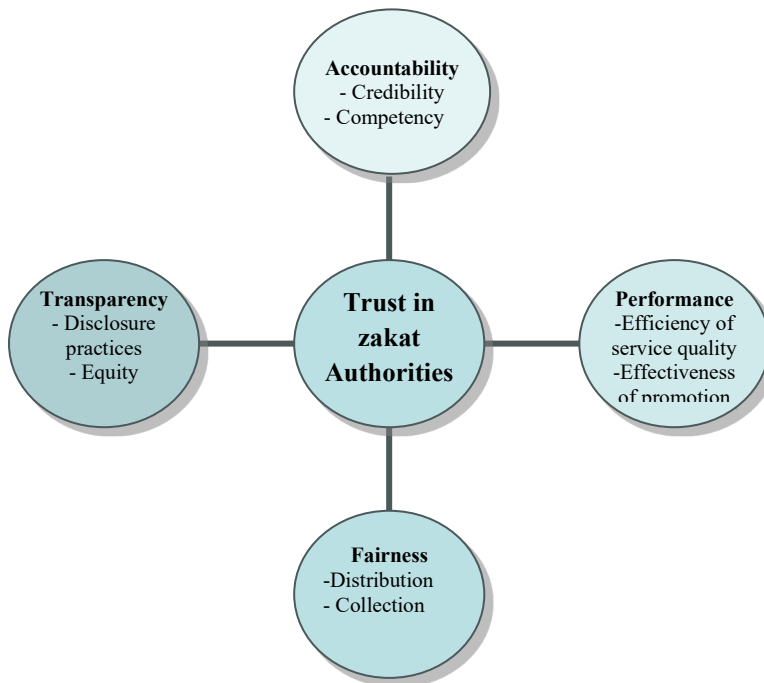


Figure 2: The Dimensions of Trust in Zakat Authorities

i. Accountability

Accountability is reflected in the credibility and competency of zakat authorities in managing the zakat affairs of the state. Accountability is one of the elements in good

governance practice as mentioned by Taufiq (2015) that good governance in the Qur'an is embodied in the form of *rahmah* and *amānah* and it is based on faith (*īmān*) and in turn will make the surrounding safe because of performing one's obligations at best and be reminded that it will be accountable on it. However, it is found that the absence of formal and regulated zakat institutions in many Muslim countries contributes to the negligence to the role of zakat in the economies (Al-Qaradawi, 2002; Shaikh, 2016). It is evident that many Muslims countries are facing income inequality and poverty. Furthermore, the challenges in delivering the *amanah* is significant as for some developed and developing Muslims countries like Saudi Arabia and Malaysia has built up an established and sound zakat regulator to manage and administer zakat of the country. One of the challenges is to build up trust among the zakat payers. However, trust can be built up by ways of good governance and accountability practices (Bebchuk et al., 2019) that reveal a positive correlation between strong governance practices and firm value. It is when the institution been seen delivering the service in smooth management, transparency, and accountability, in return trust will be gained from the public. As been practiced in Malaysia many of zakat authorities have been corporatized with the believe that it is able to improve the administration and positioning of the zakat authorities even the administration is not standardized and each state has minor differences in their mission and vision in delivering the services.

Despite the different administration, vision and mission, accountability should be the same as to deliver the *amānah* in administering public funds. The accountability of the zakat institution is important to portray its competencies and credibility in delivering the service. In addition, excellent zakat distribution will eradicate poverty and nonetheless increase trust and zakat compliance. This relationship is the unbreakable chain that relates to each other. In order to build up the chain, there are many factors that need to be considered and formulated in order to enhance the trust which is the most essential element. A recent study by Sawmar & Mohammed (2019) identified four factors to gain trust through governance: first, is the legal and regulatory enforcement to non-compliance zakat payers, second, is related to image and reputation of the zakat authority, third, is the transparency and disclosure, and the last, is the fairness factor in delivering the service. With regards to governance, the management that administers the body should look at its competencies, capacity, shariah governance not to mention the mission and vision of the organization. Cokrohadisumarto & Zaenudin (2022) found that religious leaders play an important role in enhancing zakat rule and zakat socio-function comprehensions in Central Java, Indonesia. The leader's credibility and competencies show a good role model in gaining trust to increase zakat compliance. A local study by Khamis & Kamarudin (2022) found that among the six significant factors of zakat compliance behaviors of Small and Medium Enterprises (SMEs), four factors which are religious practices, level of knowledge, organizational factors and government incentives significantly impact the compliance behavior of business zakat among SMEs. While, the other two factors, length of business operation and business operation, are found to be significantly important in explaining the factors determining compliance behavior based on a logistic regression analysis.

Table 3: Original Statements in Measuring Accountability

No	Original Statements	Sources
1	There is a clear disclosure of information.	Rizqon et al., 2023

2	Timely presentation of financial statements.	
3	The audit was conducted by an independent auditor.	
4	Distribution of funds to the right mustahiq.	

Table 3 illustrate the statements that had been used by previous studies to measure the trust of zakat payers towards the accountability delivered by zakat authorities in delivering the task of disclosure of zakat collection as well as distribution. These items will be adopted and modified accordingly in order to meet the context of the study.

ii. Performance

Performance refers to the efficiency of service quality and the promotion of zakat awareness. The performance of zakat institution should be a medium that is visible and can be seen or measured by the public and a medium that could influence the trust of the zakat payers. A study by Sadallah et al. (2022) which attempted to identify influencers of zakat compliance amongst individual business owners in Algeria, revealed that the relationships between attitude, subjective norm, and perceived behavioural controls were positive and significant with the intention to comply with zakat and eventually influences the compliance behaviour of zakat. The performance of zakat institution is reflected through the efficiency of delivering service of collection and distribution of zakat. Therefore, good promotion and awareness programs are essential to make them as norms and mould the behaviour of the zakat payers. Nonetheless, Syafii et al.'s (2022) study on data of SMEs in Kedah using Partial Least Squares (PLS) by utilising the SmartPLS 3 software show a significant association between attitude, subjective norms, behavioural control, and intention to comply with business zakat payment. However, awareness does not affect the intention to comply with Islamic law and pay business zakat. It has been discovered that awareness is a mediator between subjective norms and attitudes towards the intention of paying business zakat. A systematic literature review study by Abdul Shukor (2021) suggests that compliance to pay zakat is determined by four factors namely the psychological factors, environmental factors, organizational factors and socio-demographic factors. The environmental factors had contributed to the level of compliance among Muslim individuals and may offers some implications for practitioners in implementing appropriate strategies to increase zakat collection. Performance measurement by way of promotion is also by publishing information to create awareness by ways of dispersing zakat knowledge among the public and updates of zakat distribution to the zakat payers. Sawmar & Mohammed (2021) argued that the success of organisations requires the consideration of the interests of all public throughout the strategic management process. Thus, it is important for the zakat institution to build up strategies to make the stakeholders involved and be a part of it, as simple as making them know what the zakat institution is up to.

كَانُوا مَا بِأَحْسَنِ أَجْرٍ هُمْ وَلَنَجْزِيَنَّهُمْ أَجْرَهُمْ طَيِّبَةً حَيَاةً فَلَنَحْيِيَنَّهُ مُؤْمِنًا وَهُوَ أَنَّهُ أَوْ ذَكَرٍ مِّنْ صَالِحًا عَمَلٍ مَّن
 ٩٧ يَعْمَلُونَ

Whoever does righteousness, whether male or female, while he is a believer - We will surely cause him to live a good life, and We will surely give them their reward [in the Hereafter] according to the best of what they used to do.

Table 4: Original Statements in Measuring Performance

No	Original Statements	Sources
1	Customers and Stakeholders	Fadilah et al., 2016
2	Financial	
3	Internal Business Process	
4	Employees and Organization Capacity	

Table 4 demonstrates the variable that had been used by previous study to measure the performance by zakat authorities in Indonesia in collecting zakat by employing the Balance Score Card evaluation model. The research uses explanatory method and data analysis tool of SEM-PLS. Data collected thru questionnaires, interviews and documentation review.

iii. Fairness

From Islamic economics perspective, fairness or justice, which is used interchangeably in this study, is a term associated with equality. It has various meanings, depending on the context. There is one fairness term mentioned in the Qur'an that has sparked interest in zakat research.

أَعِدُّوا تُعَدُّوا أَلَا عَلَى قَوْمٍ سَنَّانٌ يَجْرِمُكُمْ وَلَا بِالْقِسْطِ شُهَدَاءُ لِلَّهِ قَوْمِينَ كُونُوا ءَامِنُوا الَّذِينَ يَأْتِيهَا
 ۸ تَعْمَلُونَ بِمَا حَبِيبُ اللَّهِ إِنَّ اللَّهَ وَأَنْتُمْ لِلنَّفْوَى أَقْرَبُ هُوَ

O you who have believed, be persistently standing firm for Allah, witnesses in justice, and do not let the hatred of a people prevent you from being just. Be just; that is nearer to righteousness. And fear Allah; indeed, Allah is Acquainted with what you do. (Al-Maidah, 5:8) Saheeh International

لَعَلَّكُمْ يَعْظُمُكَ وَالْبَغْيِ وَالْمَنْكَرِ الْفَحْشَاءِ عَنِ وَيَبْهَى الْقُرْبَى ذِي وَإِبْتَائِي وَالْإِحْسَانَ بِالْعَدْلِ يَأْمُرُ اللَّهُ إِنَّ
 تَذَكَّرُونَ

Indeed, Allah orders justice and good conduct and giving to relatives and forbids immorality and bad conduct and oppression. He admonishes you that perhaps you will be reminded. Al-Nahl, 16:90

Taufiq (2015) highlighted that the Qur'an stressed the importance of accounting and justice. Prior literature demonstrates the effect of procedural fairness on trust, which increases compliance and acceptance of decisions made by legitimate authorities. There is an association between procedural fairness and zakat compliance (Sawmar & Mohammed, 2021). In this context of zakat, fairness focuses on collection and distribution procedures performed by zakat institutions.

Table 5: Original Statements in Measuring Fairness

No	Original Statements	Sources
1	Generally, I feel that the current zakat system is fair.	Bin-Nashwan et al., 2021
2	I believe that the current tax system is a fair system that the government uses to collect revenue.	

3	I believe that the current tax system requires all zakat payers to pay their fair zakat due on business.	
4	I believe that the current tax system does not require me to pay more than my fair zakat due on business.	
5	I am satisfied with the fair benefits received by zakat beneficiaries from the government.	
6	The zakat paid is unreasonably high considering the benefits received by zakat beneficiaries from the government.	
7	The benefits received by zakat beneficiaries from the government in exchange for zakat paid is reasonable.	

Table 5 represents the seven items used by Bin-Nashwan et al. (2021) in examining the role of trust in zakat institutions. In order to measure the fairness perception on trust in zakat authorities, all items will be modified in the future study. The study reported that fairness has not significantly impacted the zakat compliance behavior among the zakat payers in Yemen.

iv. Transparency

Transparency demonstrates to what extent disclosure practices are rendered by zakat authorities. Transparency, which is always associated with *ihsan*, is essential for achieving goodness consisting of rational, empirical and aspirational components (Taufiq, 2015). Sawmar & Mohammed, (2021) perceived that transparency is closely related to disclosure practices. Therefore, in the context of zakat compliance, transparency is essential for establishing trust.

٧ طين من الإنس خلق وبدأ خلقه شئء كل أحسن الذي

Who perfected everything which He created and began the creation of man from clay. Saheeh International Surah al Sajdah:7

يَأْبُ وَلَا بِالْعَدْلِ كَاتِبٌ بَيْنَكُمْ وَأَلْيَكُنْ فَكُتِبَوهَ مُسَمًى أَجَلٌ إِلَىٰ يَدَيِّنَا نَبَأِكُمْ إِذَا ءَامَنُوا الَّذِينَ يَأْبُهَا شَيْئًا مِنْهُ يَبْحَسُ وَلَا رَبَّهُ اللَّهُ وَلَيَبْقُ الْحَقُّ عَلَيْهِ الَّذِي وَلَيَمْلِكُ فَلْيَكُنْبِ اللَّهُ عَمَهُ كَمَا يَكُنْبُ أَنْ كَاتِبٌ

O you who have believed, when you contract a debt for a specified term, write it down. And let a scribe write [it] between you in justice. Let no scribe refuse to write as Allah has taught him. So let him write and let the one who has the obligation dictate. And let him fear Allah, his Lord, and not leave anything out of it. Saheeh International Surah al Baqarah: 282

Table 6: Original Statements in Measuring Transparency

No	Original Statements	Sources
1	Zakat institutions should disclose full financial information in the audited report.	Abioye Mustafa et al., 2013

2	Zakat institutions should disclose full financial information in the audited report.	
3	Diverse professional experiences of board members may have a positive influence on the scope of information disclosed by zakat institutions.	

Table 6 represents the transparency items that will be adapted in this study. The measurement for accountability, performance, fairness, and transparency items will be using a five-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree.

4. Conclusion

This study aims to analyze the conceptual definitions of zakat compliance and trust components comprising accountability, performance, fairness, and transparency. Based on the conceptual analysis carried out, accountability is reflected in the credibility and competency of zakat authorities in managing zakat affairs, whereas performance is reflected in the efficiency of service quality and the effectiveness of zakat awareness. While fairness focuses on collection and distribution procedures; transparency demonstrates to what extent disclosure practices are rendered by zakat authorities. Trust has been identified as the most important factor in establishing public confidence in organizations. Building and strengthening trust in the zakat authorities is essential, especially for service-based institutions in effectively managing the collection and distribution of zakat funds. The pivotal role of trust would increase zakat payers' confidence and preference in their willingness to pay zakat to the formal zakat institutions. The present study adds to the growing body of zakat research by disaggregating and analyzing the trust variable into four valid dimensions. Future studies should be devoted to investigating the relationship between trust in zakat authorities and zakat compliance by conducting applied research.

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