

Legal Review Of Islamic Economic Law On Digital Fundraising Practices In Collecting Zakat Funds (Case Study Of Baznas West Java Province)

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ABSTRACT

Islam focuses on the financial and economic sectors that play a role in social issues. Islam requires every Muslim to perform zakat from the wealth that has been obtained through all kinds of business and work that must be paid at a predetermined time. In line with the current zakat payment mechanism that can be done through digital or digital fundraising methods. Then, the adjustment mechanism in digital fundraising transactions must be in accordance with Sharia. Sharia compliance is in the form of fulfilling the pillars, contract requirements and is not included in prohibited transactions. The research aims to describe the results of research that is expected to add knowledge and sharpness of analysis related to the problem of collecting zakat funds through digital fundraising. Research shows the results that; (1) The practice of digital fundraising for zakat fundraising in BAZNAS, West Java Province, has developed in recent years. Even so, there are still some obstacles in practice; (2) The mechanism for paying zakat through digital fundraising practices in raising zakat funds at BAZNAS West Java Province is in accordance with Sharia Economic Law, referring to the rule "Kullu syartin kaana min mashlahatil 'aqdi aw min muqtadlohu fahuwa jaizun".

Keywords: *Digital Fundraising; Sharia Economic Law; Zakat*

INTRODUCTION

Islam focuses on the financial and economic sectors, which also address social issues. Islam requires every Muslim to pay zakat from wealth acquired through various types of work or business, and this must be done at a specified time. This demonstrates that human relationships and mutual support among people are built on sacred values. The existence of zakat is a clear indication that Islam is not solely focused on worldly life; rather, zakat serves as a means to build humanity (Asnaini, 2008).

Paying zakat is an obligation for every Muslim. In Indonesia, regulations related to zakat management are outlined in Law No. 23 of 2011 on Zakat Management and Minister of Religious Affairs Decree No. 581 of 1999 concerning the Implementation of Law No. 38 of 1999 on Zakat Management (Pahlevi, 2021). The presence of zakat regulations signifies that the state also plays a role in zakat management. In Islamic law, paying zakat is obligatory for every Muslim, and failing to do so is considered a sin. The command to pay zakat is mentioned in the Quran, Surah Al-Baqarah [2]: 43:

وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَارْكَعُوا مَعَ الرَّاكِعِينَ

“ Establish prayer, pay alms-tax, and bow down with those who bow down.”

The rapid development of digitalization has made it increasingly easy for people to meet their needs, including conducting financial transactions. Financial technology is now widely recognized for making daily life easier. The majority of the population tends to use digital technology in their daily lives, which facilitates economic activities. This trend also extends to philanthropic institutions, which are increasingly engaging in the digital sphere. One such institution utilizing digital systems in zakat management is BAZ (Badan Amil Zakat) and LAZ (Lembaga Amil Zakat), which collaborate in collecting, managing, and distributing zakat to those in need. Here is the data on zakat collection by BAZNAS West Java Province:

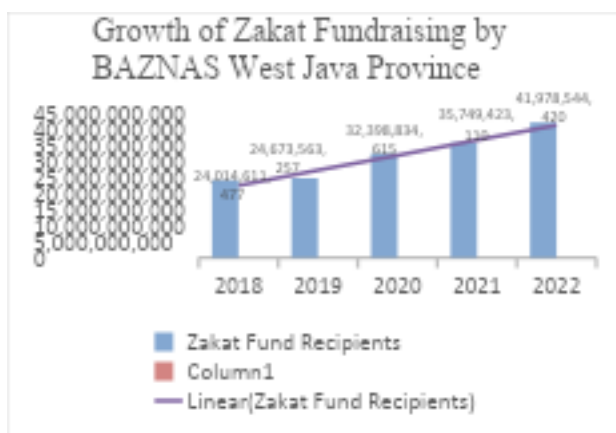


Figure 1. Growth of Zakat Fundraising by BAZNAS West Java Province

There has been an increase over the last five years. In 2018, the funds amounted to IDR 24,014,611,477. In 2019, the funds were IDR 24,673,563,257. In 2020, the funds reached IDR 32,398,834,615. In 2021, the funds were IDR 35,749,423,110.

Finally, in 2022, the funds amounted to IDR 41,978,544,420. The conclusion from the data over the last five years indicates an increase in zakat fundraising by *muzaki* that exceeds the targeted fundraising achievements. According to the 2023 National Amil Zakat Agency (BAZNAS) statistical report, the data for *muzaki* through BAZNAS and LAZ in West Java throughout 2022 was 3,636,291 individual *muzaki* and 136,469 institutional *muzaki* (BAZNAS Provinsi Jawa Barat, 2021).

Current zakat payment mechanism, which can be done through digital or online platforms, it should be noted that online zakat payments facilitate the community in channeling their zakat funds without needing to visit zakat management institutions directly. It can be said that everyone can make zakat payments online easily and efficiently through official payment sites at any time and from anywhere. In practice, online zakat payments fall under the category of digital fundraising. Digital fundraising is a new method for collecting and gathering funds digitally through web-based or other electronic means. According to Hafiza Elfira Nofitariani, the Digital Fundraising Manager at BAZNAS, donors are more attracted to visual content such as photos or documentation on the use of funds. Elfira also emphasizes the importance of using age-appropriate language in social media marketing strategies (Ikrar Syahdani, 2022).

In response to technological advancements, digital fundraising for zakat aims to facilitate the payment of zakat by *muzaki* from anywhere and at any time. Online zakat is an innovative method for collecting zakat funds indirectly, relying solely on internet media. However, it is important to examine how digital fundraising practices for zakat collection have been implemented so far. Are these practices truly in accordance with Islamic

law?

Based on the background outlined above, the author seeks to further investigate the implementation of digital fundraising for zakat collection and to review its compliance with Islamic economic law at BAZNAS (National Amil Zakat Agency) in West Java Province. Therefore, these changes and developments introduce digital fundraising services as a viable approach for advancing zakat growth in Indonesia (Hafiz, 2021).

METHODOLOGY

This research is analyzed in-depth using a qualitative approach to gain a comprehensive understanding of the review of Islamic economic law on digital fundraising practices for zakat collection. This study employs a descriptive analysis method, which involves deeply defining the data obtained and drawing general conclusions (A Anggito & J Setiawan, 2018). The type and source of data used are qualitative, consisting of words, phrases, or images. In the context of this research, qualitative data such as general information about the organization is used to elaborate on the research problem. The data sources include primary and secondary sources.

Data collection techniques include observation, interviews, documentation studies, and literature reviews. The collected data will then be analyzed as a crucial part of the research, where the researcher organizes the data to interpret it with deep meaning. The data analysis techniques involve data collection, data reduction, data presentation, and finally, drawing conclusions and verifying the data.

RESULT AND DISCUSSION

The development of zakat in Indonesia is now changing dynamically over time, including in terms of regulation, institutions, collection processes, and distribution (Annisa Maharani & Ade Nur Rohim, 2022). In the current era of digital transformation, the role of zakat in national development can be strengthened through the digital transformation of zakat, infaq, and shodaqoh. This is useful for increasing the effectiveness and efficiency of its operations through the use of digital technology (Rel Rizky, 2023).

Implementation of Digital Fundraising for Zakat at BAZNAS West Java Province

The rapid development of technology has impacted zakat collection, which has now innovated by utilizing digital systems to enhance zakat fundraising. The current digital transformation affects the development of zakat instruments. This is evident from the growth trends, where digital zakat payments have increased by 12% since the emergence of platforms providing zakat payment services. Digital media platforms as a zakat payment instrument have existed since 2016. Initially, the share was only 1%, which increased to 14% in 2019, and then to 20% by mid-2020 from the total digital receipts across various involved channels (HUMAS, 2020).

The zakat fundraising collected by BAZNAS West Java Province through digital fundraising has also seen an increase over the past three years. This data is obtained from the Marketing Support department, reflecting the total zakat fundraising revenue recorded at BAZNAS West Java Province. Here is the data on the total zakat receipt for the past three years: (BAZNAS Provinsi Jawa Barat, 2021).

Table 1. Total Zakat Receipts for the Last Three Years

Year	Total Zakat Receipts	Total Zakat Receipts Through Digital Fundraising
2021	Rp35.749.423.110	Rp2.502.459617,7
2022	Rp41.978.544.420	Rp2.098.927.221
2023	Rp44.469.475.342	Rp3.557.558.027,36

The total zakat receipts for 2023 are still undergoing an audit and therefore cannot be published in the financial report of BAZNAS West Java Province. The figure mentioned above is an estimated total zakat receipt for 2023, based on the average increase in zakat funds over the past three years. However, the exact percentage of zakat funds raised through digital fundraising is already known. This information is based on research and interviews with Mrs. Ulfah Amatulloh Murtado, the Administration Manager at BAZNAS West Java Province (Ulfah Amatulloh Murtado, Personal Communication, 29 Januari 2024).

Based on the figures obtained above, the percentage of zakat receipts through digital fundraising is:



Figure 2. Percentage of Zakat Fundraising Through Digital Fundraising

The figures above show the percentage of total zakat collection obtained through digital fundraising, based on interviews and research conducted by BAZNAS West Java Province (Ulfah

Amatulloh Murtado, personal communication, January 29, 2024). In 2021, the figure was 7% of the total revenue of IDR 35,749,423,110.00 (BAZNAS Provinsi Jawa Barat, 2021). This percentage is considered quite good relative to the overall amount collected through various media. In 2022, the percentage was 5% of the total revenue of IDR 41,978,544,420.00. Although the amount of revenue from collecting zakat funds has increased, the amount obtained by BAZNAS of West Java Province in collecting funds digitally has decreased compared to the previous year. Furthermore, in 2023, the number of zakat fund collections will increase by 8%.

This figure is the highest when compared to the previous two years. The total zakat fundraising revenue increased, the amount collected by BAZNAS West Java Province through digital means decreased compared to the previous year. However, in 2023, the zakat fundraising percentage increased to 8%. This figure is the highest compared to the previous two years.

The presence of zakat today aims to improve the social welfare of the Muslim community and to leverage the impact of zakat. Therefore, the development of technology-based zakat collection is considered necessary. Digital zakat payment facilitates more efficient transactions and provides greater flexibility for everyone and anywhere (Yuniar et al., 2021).

Challenges in Zakat Fundraising Through

Digital Fundraising

Despite this, in reality, paying zakat is not always easy for some Muslims, particularly through digital fundraising. Digital zakat payments also face several obstacles. Based on interviews conducted during research at BAZNAS West Java Province, several challenges or barriers have been identified:

First, Lack of Coordination and Capability: There is a deficiency in information coordination and the ability of zakat management institutions to identify potential *muzaki*, which makes zakat collection less effective. This impacts the use of digital fundraising methods, as few *muzaki* are aware of digital zakat payment options. Effective identification of zakat by zakat institutions is needed to ensure that potential *muzaki* can fulfill their zakat obligations efficiently.

Second, Limited Resources: Both the quantity and quality of resources are limited, hindering the optimization of zakat management, whether digital or non-digital. Human resources with minimal knowledge of zakat significantly impact the management performed by zakat institutions. Skilled personnel knowledgeable about zakat are crucial, so that maintenance of digital fundraising and dissemination of zakat information can be maximized.

Third, Lack of Trust: There is a lack of trust among the Muslim community regarding zakat funds, affecting collection, management, and distribution. The primary cause of this issue is the insufficient education and outreach by zakat institutions to the Muslim community. Many still view zakat as less important and often confuse it with *infaq* and *sadaqah*, despite their distinct purposes. Trust in zakat institutions is vital for their reputation, which is crucial for fundraising objectives.

Referencing the development, zakat

fundraising figures have continuously increased over the past five years. However, if these issues are not addressed, they could adversely affect zakat revenue. As a result, the distribution of zakat may not be effectively executed, and the objectives of fundraising such as building a positive image of the institution, increasing donor trust, and ensuring donor satisfaction may not be achieved. Proper management and improvements in digital and non-digital fundraising activities are necessary for successful zakat collection.

Mechanism of Digital Fundraising for Zakat Funds

Zakat payments can now be easily made through the BAZNAS (National Amil Zakat Agency) website for West Java Province. Before making a zakat payment transaction, there is a zakat nisab calculation calculator available for use, which can help if the payer (*muzaki*) has difficulty calculating the zakat to be paid. The calculation is straightforward as it only requires the *muzaki* to input their income expenses. Zakat payment transactions now also collaborate with other official payment merchants

Digital zakat payments can only process certain types of zakat, including: zakat fitrah; zakat profession; zakat on wealth encompassing savings, deposits, checking accounts, property & vehicle values, and jewelry; commercial zakat; and zakat on savings. For agricultural and livestock zakat, which cannot be converted to cash, the calculation and payment must be done directly by contacting BAZNAS West Java Province or other zakat management institutions.



Figure 3. Mechanism zakat payment on baznasjabar.go.id

The mechanism for zakat payments through the baznajibar.go.id website indicates that BAZNAS does not charge any fees to the muzaki. However, according to BAZNAS service terms, there are certain clauses regarding the rounding of the zakat amount paid and the addition of a three-digit unique code when making payments via bank transfer. This is different from payments through virtual accounts and e-wallets, which only involve rounding of the zakat amount without a unique code.

Based on the outlined mechanism, several points need to be noted:

First, Technology Utilization: BAZNAS West Java Province has effectively utilized technology for digital fundraising and has collaborated with several zakat payment media platforms. This includes promotion and application through various social media pages. Partnering with diverse digital fundraising platforms and providing various payment methods positively impacts the fulfillment of donors' needs to pay their zakat. However, there are still zakat payment methods that collaborate with conventional banks.

Second, Compliance with Sharia Principles: For zakat payments via digital fundraising, BAZNAS must comply with the prohibition of *riba* (interest) emphasized in Islamic economics concerning service fees. In practice, there is a zakat payment clause where the amount

must be in thousand multiples. If the zakat amount is not a whole number, it must be rounded to expedite transaction verification. Without rounding, the transaction cannot proceed to the next stage.

Third, Unique Code for Bank Transfers: Zakat payments made via bank transfer incur a fee represented by a three-digit unique code. This code will be donated at the end. The use of these unique codes must be transparent and agreed upon clearly between BAZNAS JABAR and the *muzaki* to avoid any issues prohibited by Islamic law. The unique code should serve as a transaction identifier and not as a compulsory donation with an unclear additional amount.

Last, **Sharia Compliance in Digital Transactions:** Digital zakat payment mechanisms, whether through e-wallets or bank transfers, must adhere to the principles of Islamic economics. This means that digital fundraising must provide clear and easy access for *muzaki* while maintaining transparency and security in transactions. BAZNAS West Java must also ensure that payment channels adhere to sharia principles and avoid conventional channels that may not fully align with these principles.

Legal Review of Islamic Economic Law on Digital Fundraising Practices for Zakat Collection

The findings of this study indicate that zakat payment amounts are rounded to the nearest thousand. BAZNAS claims that this rounding is intended to expedite transaction verification and that the zakat amount distributed will match the rounded figure. However, this rounding must be approved by the *muzaki*. If the *muzaki* does not approve, the transaction cannot proceed. If there is agreement and consent from the *muzaki* regarding this rounding, the

transaction can be considered valid or permissible. According to the principles of fiqh:

الرَّضَىٰ بِالشَّيْءِ رِضَىٰ بِمَا يَتَوَلَّدُ مِنْهُ

“Approval of something means acceptance of the consequences that follow from it.”

In the context of transactions, approval refers to voluntary acceptance and agreement to the transaction conducted by one individual with another within an agreement. This principle aligns with the values of transactions in Islam, which are based on the mutual consent of both parties. The presence of consent from all parties involved in the transaction is a crucial principle that must be applied. This principle asserts that every transaction must be based on the voluntary agreement of all parties involved. If this principle is not fulfilled in a transaction, it is equivalent to an unlawful misuse of property.

Digital zakat services introduced by BAZNAS West Java, in collaboration with banks or non-bank digital channels such as e-wallets for transaction payments, are as follows: e-wallet (Dana, ShopeePay, GoPay, LinkAja, etc). The following is an illustration of BAZNAS West Java's position on zakat payments made by *muzaki* through digital means:



In this transaction, BAZNAS West Java acts as the recipient of funds from banks or non-bank entities (e-money) from users, which are transferred to BAZNAS West Java's account without any administrative transfer fees. Instead, there are three unique codes that will be donated. When transformed, banks or non-bank institutions (e-wallets) in the context of

Islamic Economic Law are involved in a transaction using a *wakalah* (agency) contract before the zakat payment contract occurs, representing the muzaki in the transaction.

In practice, it is clear that digital payments to BAZNAS West Java also involve a *wakalah* contract where banks and non-bank entities (e-money) act as intermediaries for zakat payments. For transactions using bank transfers or e-wallets, no *ujrah* (fees) are found on each payment. Digital zakat payments also have a set time limit, such as a payment deadline of up to 21 hours from the zakat payment time and a processing duration by BAZNAS West Java of up to 10 minutes, provided there are no disruptions. If the transaction exceeds the time limit, the system will automatically cancel the zakat payment.

As with every transaction, BAZNAS requires users to add a certain amount of money referred to as a unique code in bank transfer payments. This mechanism of adding money is used as a transaction identifier on the BAZNAS West Java website. However, for each zakat payment transaction via bank transfer, there is a 3-digit unique code described in the clause as a donation, although the destination of this donation is not yet known.

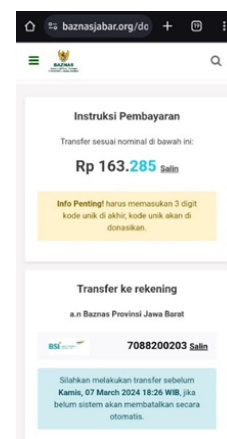


Figure 4. Three Digit Unique Code

Source <https://www.baznasjabar.org/>,
2024

The existence of this unique code is also explained as being for donation purposes, and it is permitted as long as it does not violate sharia provisions, according to the following fiqh principle:

الأصلُ في المعاملة الإباحة إلا أن يدلَّ دليلٌ على
تحرِيمها

"The default rule in all forms of muamalah (transactions) is that they are permissible until there is evidence prohibiting them."

The unique code attached to each transaction is a requirement set by BAZNAS. If a user fails to include the unique code amount along with the desired transfer amount, the transaction cannot be processed by BAZNAS. Certain conditions in a transaction or contract are allowed as long as they serve a beneficial purpose. In this case, the requirement for a unique code to expedite and identify transactions on the BAZNAS website adheres to the principle: (Enang Hidayat, 2019)

كُلُّ شَرْطٍ كَانَ مِنْ مَصْلَحَةِ الْعَقْدِ أَوْ مِنْ مُقْتَضَاهُ فَهُوَ جَائِزٌ

"Any condition that benefits the contract or is necessary for the contract is permissible."

This principle refers to permissible conditions as long as they are implemented for the benefit of the contract. This principle is commonly applied in Islamic economics. It is based on the notion that any economic transaction is considered valid unless there is evidence (*dalil*) that prohibits (forbids) it. It is allowed as long as it is based on the mutual consent of both parties and does not contradict the Quran, *Hadith*, *Ijma'* (consensus), or *Qiyas*

(analogy). However, if the terms or agreements contradict Islamic law, then such conditions are prohibited (Enang Hidayat, 2019).

CONCLUSION

Based on the research findings and discussions outlined in the previous chapters, it can be concluded that digital fundraising practices for zakat collection at BAZNAS West Java Province have advanced in recent years, particularly due to the increased use of digital technology among the public. However, several obstacles are still present in practice, including: insufficient coordination and capabilities of zakat management institutions; limited resources both in terms of quantity and quality; and a lack of trust among the Muslim community regarding zakat funds, including in collection, management, and distribution. Additionally, the mechanism for zakat payments through digital fundraising at BAZNAS West Java Province is in accordance with Islamic Economic Law. The rounding of zakat amounts and the use of three-digit unique codes in the payment methods comply with the principles "*Kullu syartin kaana min mashlahatil 'aqdi aw min muqtadlohu fahuwa jaizun*"

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