

UNIVERSITI TEKNOLOGI MARA

**PAYING BUSINESS ZAKAT AMONG SMALL AND
MEDIUM-SIZED ENTREPRENEURS: A CASE STUDY
IN KUALA LIPIS, PAHANG**

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ABSTRACT

Business catalyzes the nation's socio-economic development and is regarded as an act of devotion in Islam. Nevertheless, the business's profits must be distributed via issuing business zakat. Conversely, a few dealers remain oblivious to their obligation as mandated by the syara'. This is probably attributable to their misunderstanding of the payment of business zakat. Therefore, this study aims to implement paying business zakat among small and medium-sized entrepreneurs (SMEs) in Kuala Lipis, Pahang. In addition, this study also wants to see the factors that influence the payment of business zakat among small and medium-sized entrepreneurs. This study also analyzes solutions to increase awareness of paying business zakat among small and medium-sized entrepreneurs. This research uses qualitative data collection techniques through interview methods and document analysis. The participants who will be interviewed are two officers from the Pusat Kutipan Zakat Kuala Lipis and several small and medium-sized entrepreneurs. The study findings show that factors that influence zakat payment are traders' personal attitudes towards the obligation to pay zakat, perfect management of zakat money, their trust in zakat institutions, and communication techniques using current technology. The results of this study may contribute to improvements by zakat institutions for a system that is more helpful to small and medium-sized entrepreneurs.

Keywords: Zakat, Business Zakat, Factors Influence Business Zakat, Pusat Kutipan Zakat Pahang

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

In Islam, zakat is a mandatory responsibility for those who can ensure justice and social stability. It has a major role in the economy and society. Zakat is not just an obligation of worship but also a financial obligation. It has a relationship between humans and their creator, encompassing human relationships with humans and society. Zakat involves a specific portion of wealth that Allah has obligated to be given to specific categories of people under specific conditions, as an act of worship and obedience to Allah. Muslims are responsible for providing certain assets (with conditions and needs) to certain groups to whom they are entitled. The main purpose of making zakat obligatory is to purifying the wealth of Muslims from doubtful elements (Saudah, 2021). The law of paying zakat is Fardhu Ain and obligatory on Muslims who meet its conditions.

There are several arguments in the Quran about the obligation to pay zakat. Among them is a call for Muslims to give out property as zakat, infaq or sadaqah as stated in the Word of Allah SWT in surah At-Taubah, verse 103:

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ

Take (some) of their wealth as charity, so that you may cleanse them (from sin) and purify them (from bad morals), and pray for them, for verily your prayer is a source of peace for them, and (remember) Allah is All-Hearing, All-Knowing.” (Al-Taubah: 103)

And the Word of Allah SWT, which means:

وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَأَطِيعُوا الرَّسُولَ لَعَلَّكُمْ تُرْحَمُونَ

“And establish prayer and give zakat and obey the Messenger that you may receive mercy”
(An-Nur: 56)

Specifically, this verse highlights the significance of zakat as an act of worship that has the potential to cleanse both a person's soul and their property while also contributing to the