

The Role of Zakat Institution in Facing Covid-19: A Case Study of the Federal Territory Islamic Council (MAIWP) of Malaysia

Hambari, Arif Ali Arif, Muntaha Artalim Zaim
KIRKHS, International Islamic University Malaysia (IIUM)

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ABSTRACT

In the beginning of 2020, the Coronavirus (Covid 19) appeared, which attacks humans and quickly turns into a global pandemic. Covid-19 has resulted in multidimensional crises such as health, economic, social, and lifestyle crises. Many people in different countries face difficulties in life. Therefore, Zakat as an Islamic social fund has a role in overcoming this crisis, by providing assistance to the communities which is directly affected by the crisis. This study aims to examine the role of Zakat in this crisis from the perspective of Islamic jurisprudence and its application in the zakat institution by taking the case of the Federal Territory Islamic Council (MAIWP) that has done various programmes in helping people who are directly affected by the crisis. This study uses two methods including inductive and analytical approaches to achieve its objectives. Among the most important results of the study: Zakat distribution programs conducted by Baitulmal-MAIWP for zakat beneficiaries affected by Covid-19, was to help ease the burden on ordinary people following the implementation of Movement Control Order (MCO) by the government due to the spread of the Covid-19 pandemic. This program is named "Bantuan Zakat Kecemasan Covid-19" (Zakat Emergency Aid Covid-19) or #MusaadahCovid19MAIWP.

Keywords: Zakat, Covid-19, MAIWP, Malaysia

INTRODUCTION

In early 2020, a contagious virus from Wuhan City Province of Hubei, China called corona virus emerged. The case there actually appeared since December 2019, but the news just circulated in early January 2020, which was then confirmed by the World Health Organization (WHO) of the United Nation. On January 10, 2020 the causes started to be identified and obtained the genetic code, namely the new corona virus. Subsequent research has shown a link which is close to the corona virus that causes Severe Endemic Acute Respiratory Syndrome (SARS) in Hong Kong in 2003, then WHO named it as the novel corona virus (nCoV-19). The virus is transmitted is directly human to human transmission, which results to the rapid increase of the

positive cases. On February 11, 2020 WHO named it as COVID-19. The clue diagnosis pathway of COVID-19 were history of travel from Wuhan or others infected countries within 14 days prior, and symptoms of acute respiratory illness (ARI) or lower respiratory infection (pneumonia) with the result of real time polymerase chain reaction (RT-PCR) specific for COVID-19 (Handayani et. al. 2020).

Malaysia is one of countries that was early affected by Covid-19. According to Berita Harian (2020), the first case was detected on 23 January 2020. The Ministry of Health Malaysia (KKM) through the National Crisis Preparedness and Rapid Action Center (CPRC) received three reports of cases (two in Sabah and one in Selangor) being infected with the 2019 coronavirus (2019-nCoV). Then on January

25, the Malaysian Minister of Health confirmed the first case 2019-nCoV to ban three Chinese citizens who entered Malaysia via Johor from Singapore on January 23. Since then new cases have started to appear continuously, the Malaysian government began to be alert and take preventive action. On March 16th, the Prime Minister of Malaysia announced a Movement Control Order (MCO) for 14 days from 18 Mac to 31 Mac. Then the Malaysian government extended the MCO until 12 May 2020. Followed by Conditional Movement Control Order (CMCO) and Recovery Movement Control Order (RMCO). The timeline is as follows:

- a. Phase 1 - Movement Control Order (MCO) from 18th till 31st March 2020
- b. Phase 2 - Movement Control Order (MCO) from 01st till 14th April 2020
- c. Phase 3 - Movement Control Order (MCO) from 15th till 28th April 2020
- d. Phase 4 - Movement Control Order (MCO) from 29th till 3rd May 2020
- e. Phase 5 - Conditional Movement Control Order (CMCO) from 4th till 11th May 2020
- f. Phase 6 - Conditional Movement Control Order (CMCO) from 12th May 2020 till 9th June 2020
- g. Phase 7 - Recovery Movement Control Order (RMCO) from 10th June till 31st August 2020
- h. Phase 8 - Recovery Movement Control Order (RMCO) from 1st September till 31 December 2020

Table 1. Number of Confirmed Covid-19 Cases in Malaysia, by States (Cumulative, as of 13 September 2020, 12 pm)

State	No. of New Cases *	Cumulative
Perlis	0	33
Kedah	14	303
Pulau Pinang	0	138
Perak	0	269
Selangor	1 (1)	2,194
Negeri Sembilan	0	1,039
Melaka	0	262
Johor	0	752
Pahang	0	371
Terengganu	0	114
Kelantan	0	160
Sabah	31	839
Sarawak	0	700
WP Kuala Lumpur	1 (1)	2,619
WP Putrajaya	0	99
WP Labuan	0	23
Total	47 (2)	9,915

Source: KPK Kesihatan Malaysia (2020)

Malaysia is also one of the best countries in dealing with covid-19. Bernama (2020) reported that Malaysia has been recognized as among the five nations in the world that has succeeded in

controlling the spread of COVID-19. That is the result of the government's hard work and the cooperation of all the people in complying with the MCO directive. In addition, also the result of the front line

officers who have fought to overcome the covid-19 attack. The government always reports the updates of Covid-19 Cases in Malaysia on daily basis, so that all citizens know the progress of pandemic fighting.

Table 1 above shows the example of daily report of the covid-19 cases from the Ministry of Health of Malaysia. The total number of the positive case is calculated since the first positive case emerged. The table shows that as of 13 September 2020 WP Kuala Lumpur has the highest cumulative number of positive case, followed by Selangor and Negeri Sembilan. However, the new daily cases for these

three states were only 0 to 1, meanwhile Sabah has the highest number of daily new cases by 31 cases.

MCO has influenced the economy of the people of Malaysia, therefore zakat institutions in Malaysia are helping the government to overcome the Covid-19 crisis. Ahmad (2020) mentioned a total of RM153.24 million zakat has been paid to zakat beneficiaries (*asnaf*) throughout the country during the Movement Control Order (MCO). This is in line with the Malaysian government economic stimulus package named “Prihatin” that will help households and business (Hidayat, 2020).

Table 2. Zakat Distribution by States during Pandemic Covid-19

No	Zakat Institutions	Zakat Distributions (RM Million)
1	Federal Territory Islamic Council (MAIWP) & Center for Zakat Collection (PPZ)	34.41
2	Zakat Pulau Pinang	14.52
3	Pahang Islamic Council and Malay Heritage & Center for Zakat Collection of Pahang	12.2
4	Kelantan Islamic Council	12.6
5	Perak Islamic Council and Malay Heritage	14.35
6	Terengganu Islamic Council and Malay Heritage	20.2
7	Selangor Zakat Board (LZS)	15
8	Johor Islamic Council	7.4
9	Kedah Zakat Board	16.7
10	Negeri Sembilan Islamic Council (MAINS)	4.3
11	Zakat Melaka & Melaka Islamic Council	4.26
12	Perlis Islamic Council and Malay Heritage	3.98
13	Sabah Islamic Council	6
14	Baitulmal Sarawak	6

Source: Kisah Zakat Malaysia 12 April 2020

Table 2 shows total zakat funds distributed to help *asnaf* who are affected by the crisis. This zakat fund really helps them during MCO. As described by Fuad (2020), most of the B40 group has limited savings. Without financial assistance, this group would have to risk not only their lives but the overall population as they will go out from their houses to find any means to earn income instead of staying at home following the government’s MCO program.

LITERATURE REVIEW

Hafidhuddin (2004) explained that zakat can be distributed to victims of natural disasters. Covid-19 has been considered as a disaster, therefore it is very possible to use zakat funds to help peoples affected by covid-19. Al Qardhawi (2005) also discussed, zakat is one of Islamic social security fund that is needed by the community, especially for the poor. So

zakat institutions must pay attention to the needs of society and fulfill their basic needs such as food, health etc. The concept of zakat itself is a fundamental basis for Islamic economics to bring a balance between rich and poor people and also to strengthen the nation's entire economy (Al-Mamun & Haque, 2015).

Al Anshory et. al. (2020) said that Zakat institution has an important and strategic role to assist the government in preventing Covid-19 given its position as a philanthropic organization. This role can be carried out in various fields including health, economy, social, Islamic preaching and education. Among the recommendations for Zakat institution is in the health sector, zakat institution supports the study that entails the vaccine of Covid-19 to prevent the spread of the virus infection.

In Malaysia, zakat authorities are administered at the state level, and the authorities are responsible for the collection and distribution. In Federal Territory of Malaysia zakat administered by the Federal Territory Islamic Council (MAIWP) (Paizin, 2013), since the Covid-19 pandemic, MAIWP has been among the most active in providing zakat assistance to communities in the Federal Territory including Kuala Lumpur, Putrajaya and Labuan through various programs.

The covid-19 pandemic has a negative impact on the economy of the people of Malaysia especially in Federal Territory because most of them live in urban areas and most of them have income from trading. According to Fabeil et. al. (2020), the impact is more significant among micro-enterprises than its larger counterparts. Entrepreneurs experience business cancellation or closure and reduced income due to the closure of several supporting sectors such as retails and transportation. At this point they need help to continue their business. Zakat institutions can take on the role of providing assistance to support small

businesses, because this is included in the distribution of productive zakat. In principle, zakat is distributed in two approach consumptive and productive. There are various forms of zakat distribution practiced by the zakat institutions. One of them is the distribution of zakat in a form of business capital given to productive zakat recipients (Ibrahim & Ghazali, 2013).

As explained in the above texts, it is evident that zakat significant role in facing pandemic covid-19. This study aims to extend the evidence from the Federal Territory Islamic Council of Malaysia.

RESEARCH METHODOLOGY

This research is descriptive analysis and used the inductive approach in tracking and collecting scientific materials and referring to old and modern references, this includes books, research, articles, recommendations of scientific conferences, and so on. The analytical approach was used to study the issues and the elements related to it, by analyzing the opinions of scholars and researchers and the experiences of workers in applying the process of distributing zakat in the Federal Territory Islamic Council (MAIWP) in facing the Covid-19 crisis in Malaysia.

RESULTS AND DISCUSSIONS

Brief Profile of MAIWP

Zakat regulations in Malaysia are included in the laws of every states. The management of zakat is under the State Islamic Religious Council (MAIN). Each MAIN is under the auspices of the King (Head of State) or *Yang DiPertuan* of each states. Especially for MAIWP, it is under the auspices of *Yang DiPertuan Agong* (King of Malaysia). As for the zakat management fellowship area, it is carried out by MAIWP based on the Federal Constitution and the Administration of

Islamic Law (Territory). (Federal Territories) 1993 [Act 505]. In this law, it explains the position of MAIWP and its areas of assignment, as well as the position of *Baitulmal* and its field of duty (Paizin, 2013).

The Federal Territory Islamic (MAIWP) was formed in February 1, 1974 in conjunction with the establishment of the Federal Territory of Kuala Lumpur. Its establishment was to take care of Islamic affairs in the Federal Territory of Kuala Lumpur. MAIWP was also responsible for managing the affairs of Muslims in Labuan and Putrajaya. As for the management of zakat MAIWP has two institutions under it, namely the Zakat Collection Center (PPZ) for zakat collection and *Baitulmal* for the distribution. *Baitulmal* MAIWP was established following Section 60 (1), Act 505.

Baitulmal MAIWP has three main roles, namely:

1. Zakat distribution in Federal Territory
2. Zakat *Fitrah* Management
3. General resource property management

To determine *asnaf* who is eligible to receive zakat assistance in the Federal Territory, the *Baitulmal* Section has used the *asnaf* pointing to the 51st *Mesyuarat Jawatan kuasa Hukum Syarak Wilayah Persekutuan* on 13th Mac 1999. However, in 2016 the MAIWP has determined a new definition for zakat *asnaf*. Based on 96st *Mesyuarat Perundangan Hukum Syarak Wilayah Persekutuan* on 24th February 2016. In this determination it also refers to the Office of Mufti of the Federal Territory (Nordin, 2019).

Therefore, MAIWP always pays close attention to the recipients of zakat according to sharia regulations and always prioritizes assistance to those who really need it. In obtaining zakat the applicants can come directly to the office or through

an online application. Apart from that, MAIWP has officers to look for *mustahik* in the Federal Territory, this is called a “Squad *Baitulmal* or Squad *Jejak Asnaf*”.

Zakat for Covid-19 by MAIWP

To deal with the Covid-19 crisis, MAIWP has taken special actions. The Special Aid for Covid-19 is one of MAIWP’s efforts to help ease the burden on ordinary people following the implementation of MCO by the government due to the spread of the Covid-19 pandemic. This program is named *Bantuan Zakat Kecemasan Covid-19* (Zakat Emergency Aid) or #*MusaadahCovid19MAIWP*.

Assistance is provided to small traders, employees and individuals affected by their source of income in order to survive during this period. The objectives of this assistance are:

1. Assisting middle income groups affected by the COVID-19 Outbreak Movement Control Order (MCO).
2. Helps ease the living burden of small traders and B40 workers so that they can continue better living.

The Special Aid for Covid-19 by MAIWP divided into five programs. These include monthly financial assistance, additional special zakat assistance, respiratory assistance to seven hospitals, daily food assistance throughout the MCO, pillow and mattress assistance for special homeless center.

Table 3 shows that during the MCO, MAIWP pays more attention to consumptive zakat distribution. From the programs implemented by MAIWP, it is found that MAIWP has focused more on fulfilling the basic needs of daily living throughout the MCO, besides giving attention to the health sector. That is understandable as during MCO, people are prohibited from doing any outside activities.

Table 3. Types of Zakat Distribution Program for Covid-19 by MAIWP

No	Programs	Recipients	Amounts (RM)
1	Monthly Financial Assistance	24,196 <i>Asnaf</i>	9.67 Million
2	Additional Special Zakat Assistance	24,196 <i>Asnaf</i>	12.1 Million
3	Respiratory Assistance to Seven Hospitals		3.27 Million
4	Daily Food Assistance Throughout the MCO	678 Box	49.000
5	Pillow & Mattress Assistance for Special Homeless Center		15.000
		Total	25.11 Million

Source: MAIWP

It can also be observed that there are almost fifty thousand *asnaf* has received a direct cash and foods, while only a few of them has received indirect assistance such as hospitals equipment and homeless center. These have been MAIWP's strategies in helping people affected by covid-19 in emergency situation.

CONCLUSION

The covid-19 pandemic has a major impact on the lives of the people of Malaysia. When the government imposed MCO, MAIWP has been one of the zakat institutions in Malaysia which is making efforts to assist the government in dealing with the Covid-19 crisis. During the implementation of MCO, MAIWP has provided zakat assistance through various programs for people affected by the crisis. This effort shows that zakat institution has significant role in helping people during the covid-19 crisis. MAIWP's efforts can become a reference for other zakat institutions. With the cooperation with various parties, the process of overcoming the crisis will be lighter.

There are some recommendations for MAIWP to help overcome the Covid-19 crisis, including: Providing productive zakat assistance for people affected by the crisis, after the MCO so that they can resume business activities and develop the economy. Aside from that, giving research

fund for researchers to find a covid-19 vaccine so that this outbreak can be resolved immediately.

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Hambari
Ph.D. Candidate at Department of Fiqh and Usul Al-Fiqh, Kulliyah of Islamic Revealed Knowledge and Human Sciences, International Islamic University Malaysia (IIUM)
kangbari@yahoo.com

Arif Ali Arif
Professor at Department of Fiqh and Usul Al-Fiqh, Kulliyah of Islamic Revealed Knowledge and Human Sciences, International Islamic University Malaysia (IIUM)

Muntaha Artalim Zaim
Assistant Professor at Department of Fiqh and Usul Al-Fiqh, Kulliyah of Islamic Revealed Knowledge and Human Sciences, International Islamic University Malaysia (IIUM)