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INSTITUTION OF ZAKAT IN COLONIAL MALAYSIA ABSTRACT

МАЛАЙЗИЯДАГИ МУСТАМЛАКА ДАВРИ ЗАКОТ ИНСТИТУТИ

ИНСТИТУТ ЗАКЯТ В МАЛАЙЗИИ В КОЛОНИАЛЬНЫЙ ПЕРИОД

Keywords: *Zakat, Malaysia, zakat on padi, zakat system, British rule, adat, amilun, zakat al-fitr.*

Калит сўзлар: *Закот, Малайзия, шоли закоти, закот тизими, Британия ҳукмронлиги, одат, амил, фитр садақаси.*

Ключевые слова: *закят, Малайзия, закят на рис, Британское правление, традиции, амил, закят фитра.*

Introduction

"Zakat" is one of the five pillars of Islam. It is also stated that it's one of the main components in Islamic finance. Its aim is to balance wealth distribution in the country fairly. Zakat is interpreted as almsgivings to the poor and the "needy" and for payers; it is the purification of their souls through helping the needy and a way of restraining from greed and arrogance. Legally, "Zakat means the transfer of ownership of specific wealth to the specific individual or individuals under the specific conditions"[1]. In Malaysia, the colonialists introduced dual institution where both Zakat and taxation developed simultaneously. This study also attempts to identify reasons as to why the colonists had taken actions toward changing the old institution of zakat. This study also intends to clarify the socio-political life of Malaysia during the colonial era.

The state of zakat at present has been shaped by the changes occurred during the British rule in Malaysia. Such influence in Central Asia did not diminish the role of the Shari'ah and traditions (*adat*), which had not been taken into account by the invaders at the beginning. The legal proceedings of Malaysia were in the hands of "Ulama." Zakat is collected by local zakat collectors (*amilun*) or the local masjid (mosque) Imam (leads prayers) in Malaysia. Paying specific attention to structural changes in governing the state's religious authorities and taxation system in Malaysia, during the colonial time will enable us to see changes that occurred in the zakat management and taxation. Insight on these structural changes in governing the country will allow us to understand the situation, which specifically reflects administration of the zakat and taxation system of the colonial era.

"Zakat" for the Muslim is an obligation that comes from the Almighty and its importance is emphasised in the Qur'an and many Ahadith (Prophetic actions and sayings). The role of the zakat as a balancer in the society has been proved for many centuries since the spread of Islam. Zakat was always remedied for the society and helped to keep it prosper. Previously, many types of research worked on the study of the zakat system of Malaysia. However, regarding the zakat system of Malaysia, there is a dearth of data and very little research has been done into it. The scope of the current research is that it only covers the period after the arrival of the colonialist powers until the end of their reign, which is roughly until the early second half of the 20th century in Malaysia.

In the pre-colonial era zakat was mainly paid in two categories, one was on agriculture production and another was Zakat al-Fitr (Eid zakat for exclusively poor and needy). In Malaysia, "zakat" was limited to the above categories and the local imams allocated most of the amount to the maintenance of the mosques, salaries and least proportion to the "asnaf" (eight categories of zakat recipients mentioned in the Noble Qur'an). In short, in a pre-colonial era in Malaysia, zakat institution was limited to the above categories and the local imams allocated most of the amount to the maintenance of the mosques, salaries and least proportion to the asnaf. Yassin points out that: "This practice did not benefit people who really were entitled to zakat. The poor and the needy very seldom got their share of the collected zakat by Muslims."[2]

Research Methodology

1) This research will be focusing on Malaysia. Research would be on the colonial zakat institutions during that time. Choosing this state is justified with the possibility to identify changes in the zakat management systems of the colonial period. This is to explore the colonialists' main positive and negative effects on the Islamic government system, which was based on strong traditions and beliefs.

2) Historical analysis - methods are based on the primary data on the field of study and within the

[1] Rahman, A. A. (2007), 'Pre-requisites for effective integration of zakat into mainstream Islamic financial system in Malaysia' Islamic Economic Studies, Vol. 14, No. 1 & 2, see p.6

[2] Yassin A. A. (1957) Zakat: A Perspective on its Origin and Place in Malay Society. University of Malaya. Singapore. p. 11

"Zakat" is one of the five Pillars of Islam and it is stated that it's one of the main principles in Islamic finance. Its aim is to balance wealth distribution fairly among all state members, and it has a deep meaning for not only the one who is eligible to receive, but also the one who is eligible to perform it. "Zakat" is often interpreted as the almsgivings to the poor and the needy and as from the zakat payers' perspective; it is the purification of their soul through helping the "needy" and a way of restraining one from greed. Using library-based research, this study investigated the colonial zakat institution of Malaysia in order to find changes that occurred in the zakat institution of Malaysia at that time. The main objectives of this study are to identify the main factors that motivated the colonialists to initiate the changes in the zakat institution in Malaysia as well as to describe the zakat institution and zakat practices during the colonial period in Malaysia. The main findings suggest that there were many changes, which occurred during that time. For instance, evidence indicates that due to the British influence the zakat institution became more centralised and well organised compared to the pre-colonial era.

Закот Исломнинг бешта рукнидан бири бўлиб, Исломий молия соҳасида асосий принциплардан бири эканлиги таъкидланган. Унинг мақсади жамиятнинг барча аъзолари ўртасида бойлик тақсимотини тенг равишда мувозанатлашдир ва бу нафақат олиш ҳуқуқига эга бўлган, балки уни амалга ошириш ҳуқуқига эга бўлган киши учун ҳам чуқур маънога эга. Закот кўпинча фақирларга ва муҳтожларга садақа беришдир ва закот берувчилар нуқтаи назаридан эса бу муҳтожларга ёрдам бериш ва очкўзликдан сақланиш орқали уларнинг руҳини поклашдир. Манбашуносликка асосланган тадқиқотлардан фойдаланган ҳолда, ушбу тадқиқот ўша пайтда Малайзия закот муассасасида рўй берган ўзгаришларни топиш учун Малайзиядаги мустамлака закот муассасасини ўрганишга бағиланган. Ушбу тадқиқотнинг асосий вазифалари мустамлакачиларни Малайзиядаги закот муассасасида ўзгаришлар қилишга ундаган асосий омилларни аниқлаш, шунингдек, Малайзиядаги мустамлака давридаги закот муассасаси ва закот амалиётини тавсифлашдир. Асосий натижалар шуни кўрсатадики, ўша вақт ичида кўплаб ўзгаришлар бўлган. Масалан, далиллар шуни кўрсатадики, Британия таъсирида закот муассасаси мустамлакадан олдинги даврга нисбатан анча марказлашган ва яхши ташкил этилган ҳолатга эга бўлган.

Закят является одним из пяти столпов ислама, и считается, что это один из основных принципов исламских финансов. Его цельсбалансировать распределение богатства между всеми членами общества, и он имеет глубокий смысл не только для того, кто имеет право на получение, но и для того, кто имеет право на оплату закята. Закят часто интерпретируют как пожертвования для бедных и нуждающихся, а также, с точки зрения плательщиков, закят – это очищение их души через помощь нуждающимся и способ удержать человека от жадности. Используя библиотечное исследование, это исследование изучало институт закята Малайзии колониального периода, чтобы найти изменения, которые произошли в заведении закят Малайзии в то время. Основными целями этого исследования является выявление основных факторов, побудивших колонизаторов инициировать изменения в институте закята в Малайзии, а также описание института закят и практики закят в колониальный период в Малайзии. Основные выводы показывают, что за это время произошло много изменений. Например, данные свидетельствуют о том, что благодаря влиянию Великобритании институт закят стал более централизованным и хорошо организованным по сравнению с доколониальной эпохой.

research, it helps the research to find answers on how the zakat system change after the arrival of colonial powers in Malaysia. The historical investigations allow to know and to reflect on a phenomenon, considering emphasize of the concepts and hypotheses and aims at understanding the relations of the History with the Time, with the memory or with Space. In this sense, two important structures need to be dominated by those who are interested in this type of historical study. This is the theory and methodology of history.

3) Content analysis – used in this research to analyse zakat institutions and their changes over time. This study was divided into smaller paragraphs in order to see the content of each parameter by periods. Content analysis is a research tool used to determine the presence of certain words or concepts within texts or sets of texts. The results will allow us to come up with the conclusion on how effective was the invaders' influence on the zakat system after they initiated structural changes in zakat administration.

Analysis of the colonial Zakat institution of the British Malaysia

After the British Empire arrived at the Malaysian peninsula at the end of the 18th century, their interest was focused on the economic benefits from these lands. Together with trade and mining opportunities, the British established a colonial office in order to take over the control of the Malaysian peninsula. At the beginning of their presence, the British agreed not to interfere with any religious matters and to leave all matters related to religion to the Sultans. However, they influenced the state of affairs regarding every matter directly or indirectly, even religious ones. For instance, the zakat institution that changed during the British colonial rule is analysed in this paragraph.

At the end of the 19th century, the British administered and united the states of Selangor, Perak, Negeri Sembilan, and Pahang, establishing residency institutions to administer their matters and by 1884; these states formed Federated Malay States (FMS). The appointed residents who ruled over the states had real

power over administrative matters and administered each state independently. After the establishment of the Residents, all matters were governed directly by them, except religious ones, which were left with the Sultans of the respective states.

Regarding the "zakat," the institution changes started to be initiated at the end of the 18th and the beginning of the 19th century. For instance, Yegar observes, "Efforts to regulate the collection of zakat and fitrah were made early in the British period. In 1897, at the first durbar of the rulers and chiefs in Kuala Kangsar, Yam Tuan Muhammad of Negri Sembilan pointed to the need for a law enforce payment of zakat."[3] Later, these efforts were in a more vivid manner. For example, Yegar states that, "In Kelantan, collection of zakat and the compulsory religious tax (*ushr-one-tenth of the harvest*) on the *padi* (unhusked rice) crop had been made entrusted to the Majlis Ugama (Religious Council) since 1916; it had till then, been in the hands of the imams of surau (prayer room)…"[4]

Zakat Practices Prior to the Establishment of the Central Administration

At the beginning of British rule, the question of "zakat" was one of the discussed topics among the British administration; below are some proofs. In 1880, The Resident of Perak Hugh Low signed a Resolution on the Zakat share for the *Qadhi* (Islamic Judge), where it states, "It is ordered that the Tuan *Qadhi* and the Assistant *Qadhi*, who are paid officers of the State, shall not in future receive Zakat."[5] As mentioned earlier, religious leaders started to lose their position and became subordinates in the hierarchy of the bureaucracy of the British Administration.

Another example is when in 1883, in the District of Kuala Langat in Selangor, the Tax Collector reported about the situation regarding the land tax as well as his subordinates. He states, on

1) Land tax

the land tax has now made any of the people discontented, but has frightened away some paddy planters, and may have stopped some men from making new kampongs, if it had not been for this source of revenue, the Expenditure would have exceeded the Revenue, by two or three hundred dollars.

2) Collector's Establishment

I am perfectly satisfied with all my clerks, any headmen, schoolmaster. They all do their work well.

The collector praises local subordinates and talks positively about the revenue and expenditure. However, it appears that he talks about zakat on paddy as a land tax as he mentions paddy planters. It shows that even at the beginning of the colonial rule zakat collections were in the hands of the British authorities.

Another instance was found in the Archival Documents of the Secretary of the State, "Zakat" collection in Krian in the State of Perak. There the following was stated, "With reference to your letter S. of S.671/1909, dated 18th of June 1909, I am directed to forward a copy of a letter from the British Resident Perak, replying to the point raised on the Zakat question and also furnishing certain information with regard to the "*padi"* crop in Krian. By Federal Secretary."[6] In this letter zakat and tax on *padi* cultivators are mentioned, it is clear that the colonial administrators treated the zakat on *padi* as a tax. The reply to the afore-mentioned letter proves that the British treated the zakat as tax. As Sergeant Francis StG. Caulfeild writes,

I trust that I may be pardoned for expressing my hope that the tax recently levied for the maintenance of the Mosques, may be reduced to an amount proportionate to that actually required for this purpose in the Krian district. As, in that case, I feel sure that there would be no desire on the part of the Padi Planters to evade the incidence of this tax; and no risk of discouraging an industry, which, for a quarter of a century I have labored to assure.[7]

However, they realized that the zakat collected had to be returned, as the British did not use it with the purpose. Due to this, the Resident-General in Kuala Lumpur wrote the following answer to the previously raised matter,

If His Excellency the High Commissioner has no objection I would beg that the Colonial Office be informed that the payment of the zakat is absolutely voluntarily; that in this case it was collected overzealously by order of Chief Kathi who was removed from his office for various errors ... that the collections have all been refunded except $30, which will be repaid as soon as those who gave the money, can be refunded.[8]

The zakat collection confused the British and they considered it as taxation; however, after they found out, zakat was already collected and this caused a misunderstanding on the British side. From the provided letters above, it is evident that the need for

[3] Yegar M. 1979) Islam and Islamic institutions in British Malaya: policies and implementation. Magnes Press, Hebrew University, Jerusalem. See p. 225

[4] Ibid. See p. 225

[5] Resolution of 28th February 1880. Perak

[6] Secretary of State. (1909) Tax levied on the padi Growers of the Krian District. Federated Malay States. Despatch No. 116.

[7] Ibid. See reply of the Franics StG Caulfeild written on April 29th, 1909

[8] Ibid. See reply of the E. W. Birch. British Resident, Perak.

the centralized zakat collection emerged in order to stop such a burden for the local population as well as for the British to manage the collected amount more easily. The direct involvement of the British Residents in the zakat collection process is also evident from the afore-mentioned letter correspondences.

Another evidence that the British took control over the local taxation on land is indicated in the letter of the District Officer of the Batu Mengkebang, "… *padi* and coconut taxes collected on Duff Development Company's land during the year 1910 of which half amount is due to the Duff Company according to their agreement with Government. I understand, this is true of the coconut tax, though I cannot find authority for it in the office."[9] The collected tax from the *padi* and coconut had to be sent to the company, which rented the land. It is interesting that coconut was exempted from the payment of zakat, and only tax was due on this product. However, "*padi"* was also taxed even though, by the agreement with locals, it should have been exempted from the tax payments. It can be understood that the district officer, wherein the afore-mentioned statement, he only emphasized about the legality of the coconut tax, interestingly, he did not mention anything about "*padi."* The next instance, in 1911, regarding tax collections mentioned in the Official Memorandum of the British Adviser's office, where it is stated that "Herewith cheque for $394.20 being the half of the share of the *padi* and coconut taxes collected within your concession during 1911."[10] The direct involvement of the Residents can be seen in the next evidence, where the Resident Adviser of Kelantan requests in the Memorandum of 1914, No. 98-15, regarding following matters:

1. Investigation on the private farm rights with a view to their acquisition by the State.
2. Report on the Zakat Tax
3. Report on the Raja Muda's pension
4. Report on the payment of allowances to the servants of the Sultan

Relevant to research is the question of private farm rights and report on zakat. In the afore-mentioned Memorandum, in the letter by the Adviser of Kelantan following questions were raised,

There appear to be in Kelantan a certain number of old-time rights enjoyed by His Highness the Sultan, various "tungkus" and other persons in respect of which no decisive action has yet been taken by the Kelantan government. Thus in H.C.O.952/1914 the British Adviser makes an inquiry with regards to the privilege enjoyed by His Highness the Sultan in respect of ivory. Again, the 3rd paragraph of the letter (3) in 1749/1913, the British Adviser, Kelantan writes 'His Highness receives also… a kind of tithe…and there are probably also a good many other pickings.'[11]

The following was stated on the private land rights issues,

Again in (1) in 1268/1914, the British Adviser writes, 'The Raja Muda and other members of the Ruling family do not appear to me regard their pensions as extinguishing all their old rights.' On the other hand, there is a reference in the second paragraph of (1) in 130/1914 to certain dates, who, when pensions were first granted, received pensions in exchange of for ancient rights or privileges.

It would appear therefore that these rights have not been dealt with in any systematic manner. It is submitted that therefore should be an immediate and systematic investigation by the British Adviser in to all these rights. The State Council should further be asked to decide that it is desirable, in the interests of good government, that any private person as a private right should collect no form of revenue, and that it is the government's policy to acquire these rights as soon as possible. In case if documentary evidences do not support the right, it will be a question for the government to decide whether it will recognize the rights.[12]

The statement of the British Adviser is strong evidence towards the direct involvement on the matter of the local authorities, and their privacy rights, which was part of their traditional and religious practices. However, the British Adviser took steps to take control over the revenue received by the local Sultans from the collected rental and tax from the rented lands, make these collections systematic state tax income source, and establish fixed salaries to the subordinates of the Sultan.

In the next point, of the same Memorandum, again question on the zakat collection was raised, where it states,

The kind of Tithe referred to above is probably tax known as zakat. It is annual charitable donation made by the peasant, in respect of his harvest, towards religious and quasi-religious purposes. This tax gave

[9] National Archive of Malaysia. (1957) Ref. No. 1957/0490377. Statements on Padi and Coconut taxes collected on D.C.C.L. land during 1910. Half of each amount to be sent to D.C.C.L., Kelantan. 357/1911

[10] National Archive of Malaysia. (1957) Reference No. 1957/0490864. Official Memorandum. From British Adviser's Office, Kelantan. To The managing Director, Duff Development Co., Ltd, Kuala Lebir. No. 106/1912

[11] National Archive of Malaysia. (1957) Memorandum. Subject: British Adviser of Kelantan on the private rights and Zakat tax. No. 1605/1914

[12] Ibid. See. p. 2

sir Hugh Low a great deal of trouble in his first years in Perak and it gave me constant trouble in Kedah until eventually I persuaded the State Council to resolve to regard it as a voluntary donation with which the Government declined to concern itself in any way. The British Adviser may be asked to make this the subject of a separate report.[13]

The British involvement in the religious duty of a Muslim can be noticed throughout the given above instances. Since the beginning, the British powers were interested in the religious and traditional matters of the Malays and tried to influence above religious duties. Until 1915, it is observed that many Residents were requesting reports on the tithe collections and sometimes they referred to the zakat as tax. However, their attempts eventually, led to the development of the central bureaucratised institution pertaining to religious matter matters.

Reforms of the Zakat institution after the 1915

By the early 20th century, starting with Kelantan, the remaining states started to establish centralized administrative institutions to govern matters pertaining to a religion known as the Council of Religion and Malay Customs. The British had the interest to establish a centralised institution in every matter. Every state had its own rulings regarding religious matters due to the independent rule of each state. As regards of Zakat administration, the *Qadhi* issued fatwa differently, for instance, as Muhamad states, "In the administration of the Zakat, there were also differences, for instance in the determination of the *nisab*."[14] However, a similar situation was that in almost all states the new reforms led to the diminishing of the role of the local religious authorities such as imam and *Qadhi*. As Muhamad observes, "The nominal control of these Councils over all aspects of religious practices within the State was in some extent constrained by the isolation of the rural areas and the relative efficiency of the district *Qadhi* and other religious officials."[15] Until the establishment of central administration, the local authorities were the religious leaders such as imams. However, after the new administration was formed, the role of the local religious authorities weakened and it reflected in the zakat funds management as well. As opposed to pre-reform era, when the zakat institution's main administrators were local religious leaders, both pertaining collection and distribution, after the centralisation of the religious matter under The Council of Religion and Malay Customs, the need for the zakat management emerged and local imams reduced in the status as only the *amil*- zakat collector. Zakat funds were by then started to be managed by the Religious Council. After the collected Zakat was sent to the Religious Council's Zakat collection and distribution department, *amil* then received fixed salaries from the fund for their work. The zakat payments made from two main sources of rice and zakat *fitrah.* Other important products such as tin mining, coconut, rubber and palm oil were charged with conventional tax and were exempted from Zakat dues.

Zakat institution at the end of the colonial era

The Establishment of the Religious Council, from a financial point of view had a great success for the British as well as the local administration. As Muhamad states, "For the Malay aristocratic and bureaucratic elites as well as the British officials, the *Majlis* initially at least appeared as an instrument of progress or modernisation or as a means of indigenous social revolution. This was considered so because the revenues of the *Majlis* were devoted to the educational and philanthropic ends."[16] However, the success, which was in the eyes of the elites, did not relieve the burden of the poor and the needy. As Muhamad indicates, "For Haji Wan Musa, zakat and *fitrah* monies were the right of the poor. If this right were to be taken from them, or used for the needs of the other kinds, nothing at all would remain to them."[17] The collected zakat funds were spent for the constructions of Mosques and schools for the elite local's children. The British aimed to educate the elite's children in such schools and prepare them for the administrative works in future, in a way the British were hoping to reduce costs, hiring locals instead of expensive administrative staff from Europe. Muhamad observes that, "The old elites and their sons thus needed to be trained to fit into colonial pattern of administration. Many of the sons of the elites were trained not only in the English school in Kelantan but also in the Malay College (Eaton) of Kuala Kangsar. They were also sent to England at the *Majlis's* expense, in income of which derived almost exclusively from zakat given by the peasants."[18]

Towards the end of the colonial era, centralized and backed with the statutes zakat collection and distribution scheme was developed. In Selangor, in 1950, in the Selangor Secretariat documents, with the Central Collection of Zakat the President of the Muslim Religious Affairs of Selangor. He wrote a letter to the State Secretary of Selangor, where he highlighted following matters,

[13] Ibid.
[14] Muhamad, A. A (1993) Zakat and Rural Development in Malaysia. Berita Publishing, Kuala Lumpur, Malaysia. See. p. 221
[15] Ibid. See p. 221
[16] Ibid. See p. 238
[17] Ibid. See p. 241
[18] Ibid. See p. 239

I have the honour to refer your Correspondence Sel. Sec. 1812/1949 on the subject of the Central Collection of Zakat. About the end of July last, I had an interview with the Honourable Mentri Besar on the question of legislation for the above purpose.

On the ninth instant the Ulamas consisting the Sheikhul Islam, Chief Kathi and Tuan Sheihk Mahmoo Bokhari at a meeting, unanimously advised His Highness that it was quite proper for the State to collect Zakat, distribute according to Sharak, and further recommend legislation be introduced for the purpose.[19]

The agreement on Central collection of Zakat and *Fitrah* was settled among the administrative leaders of the Selangor state. Furthermore, the memorandum on Zakat and *fitrah* had been worked out. In the state of Selangor, zakat collection and distribution was organized in a systematic manner by the Muslim Law Enactment, which passed in 1952, entitled "Scheme for the collection of the zakat and *fitrah*." This Enactment enabled the Council of Religion and Malay Custom to collect zakat and *fitrah* on behalf of H. H. the Sultan. This establishment became the responsible institution to collect and distribute zakat in Selangor. The scheme for collection and distribution of zakat and *fitrah* were meant to clarify roles and responsibilities of each side, which was required to make sure that zakat was collected and distributed in a fair and timely manner.

In an enactment of 1952, article 107 -109, explained about the procedure regarding Zakat and *Fitrah*. An enactment 107 states,

The "Majlis" shall have the power, and shall be under the duty, to collect on behalf of His Highness the Sultan, and to dispose of as the "Majlis" with the approval of His Highness may, subject to the provisions of this Enactment, direct, all zakat and "fitrah" payable in the State in accordance with Muslim Law.[20]

In another, point, article 108, it was stated about the methods of collection,

The Majlis, with the approval of His Highness the Sultan, may make rules for and regulate all matters in connection with the collection, administration and distribution of zakat and fitrah.

Without prejudice the approval of his Highness the Sultan, may make rules –

a) To prescribe from time to time the amount of zakat and fitrah to be paid by all Muslims in the State of Selangor;

b) To provide for the method by which zakat and fitrah shall be collected;

c) For the appointment of agents for the collection of zakat and fitrah;

d) To provide penalties for the collection or payment of zakat and fitrah by or to unauthorised persons.[21]

In the next article-109, it was explained the procedure of appeal.

Any person may make objection to the Majlis against any demand for payment by him of zakat and fitrah. The majlis shall consider such objection and may order that such person shall pay the amount of zakat and fitrah demanded from him, or such lesser amount as to the Majlis shall seem proper or may order that person shall not be liable in any one or more years to pay zakat and fitrah. The decision of the majlis on such objection shall be final and shall not be called in question in any Court.[22]

The afore-mentioned articles became the basis for the collection and distribution procedures of zakat and fitrah institution. In the last years of colonial rule, the zakat institution became centralised, until independence, collection and distribution methods did not change considerably. However, the scheme for collection and distribution had some reorganization processes in the years to come until independence. Such reorganization occurred in 1953, where few points in the administration process were changed. Changes applied to salary scale for the employees, distribution of the work regarding the collection of zakat and fitrah as well as the roles of the *Qadhi* Besar. However, the centralized institution started to be organised and stayed more or less the same even after independence for the years to come.

Zakat system in Selangor

At the beginning of the mid-20th century, in the state of Selangor, the Muslim Law Enactment, which was passed in 1952, entitled, organized zakat collection and distribution in a systematic manner and Selangor Secretariat archival document states that, "Scheme for the collection of the zakat and *fitrah.*"[23] This Enactment enabled the Council of Religion and Malay Custom to collect zakat and *fitrah* on behalf of H. H. the Sultan. This establishment became the responsible institution to collect and distribute zakat in Selangor.

The scheme for the collection and the distribution of the zakat and *fitrah* were meant to clarify the roles

[19] Selangor Secretariat. (1950) Central Collection of the Zakat and Fitrah. No. 5 Sel. 122/49. See Letter of President Muslim Religious Affairs, Selangor.

[20] Selangor Secretariat. (1952) Enactment No. 3 of 1952. State of Selangor. See article 107.

[21] Ibid. See article 108.

[22] Ibid. See article 109.

[23] Selangor Secretariat. (1953) Scheme for the collection of zakat padi, (Selangor Enactment №.3 of 1952) Selangor. See. p 7

and responsibilities of the each aspect, which was required to make sure that the zakat was collected and distributed in a fair and timely manner. According to the above Enactment, the following were the sources, which fall under the zakat payable:

(a) Cereal crops – They are *padi* and to a small extent maize and the rate is 10% of a crop of 375 *gantangs.*

(b) Business assets of Muslim firms, partnerships joint stock companies. The rate is 2.5 % of the declared and certified assets at the end of the financial year of the business.

(c) Muslim Hoarders of gold and silver when a hoarder owns, in the case of gold – *tahils* and 2 mas or more and in case of Silver 200 *dirham* or $ 23.07 or more. The rate is 2.5% of the value of the amount.

(d) Breeders of animals-buffaloes, cattle, sheep and goats. In the case of buffaloes and cattle when an individual or a partnership owns 30 animals or more the rate is one animal. In case of sheep or goat when an individual or a partnership owns 40 or more animals then the zakat rate is one animal.

As Selangor Secretariat report of 1949 states,

Main source of zakat collection was from rice cultivation. In 1948-1949 season in Selangor state, there was 42,500 acres of land planted with rice and the yield was equal to 12,495,000 gantangs of rice. The average yield from an acre of the land was 304 gantangs of padi. That gave an average 900 gantangs of rice per cultivator. Each cultivator if the nisab of 375 gantang or more yielded had to pay zakat at the rate of 10%. Based on the above estimations total collection of the zakat on padi equals to $675.000 and minus $75,000 deducted for the salaries and collection related expenses. The total income estimated $600,000 from this source in Selangor state for the 1948-49 season. Owing to lack of data it was not possible to indicate, what were the yield of Zakat from the other three (zakat on wealth, business and livestock) sources.[24]

In the 1951-52 season, the total *padi* production by Muslim in Selangor increased and reached 13 million *gantangs*. 10 % of which zakat was due and from which 15-20% was retained by the Department as a commission for the services provided to collect zakat.

In Selangor, the accountant at the department of Religious Affairs was in charge of the administration of the zakat and *fitrah* in the State. He was assisted by a supervisor of zakat stationed at Tanjong Karang, and Inspector of zakat and *fitrah,* and two clerks. These officers, with the exception of the supervisor of the zakat, were employees of the Religious Affairs department. The supervisor was nominated by the Council of the Religion and Malay Custom and received a monthly allowance of one hundred dollars.

The methods of collections

Since cereals were localized in the rural areas, the collection of the zakat from this source was done through local bodies. The oldest and most respected institutions were the Mosques. They were organized on modern lines, i. e. they were given proper constitution and a committee elected annually on democratic principles under the constitution. The committee members were responsible to take crop census and to assess zakat payable by each cultivator in their specific allocated area. Long before the harvest season the committee appointed *amil* who received a special letter of appointment under the Enactment and given specific area for his responsibility to collect zakat on behalf of the *Majlis*. *Amil* was given counterfoil receipt book. Receipt was issued for each zakat payer. Zakat was paid either in cash or in kind. His responsibility was to maintain account of the area under his responsibility. The collected cash zakat amount had to be deposited in the local Treasury in the name of the *Majlis* and in case, the zakat was paid in kind he had to hand it over to the local body committee, which was eligible to dispose to approved *padi* buyers. Zakat collector's wage was based on the commission with the rate of 1.5% to 2.5% of the total collected amount. The government also kept 15-20% from the collected zakat amount in order to pay salaries, pensions, travel expenses and stationery of the people involved in the collection of the zakat[25]. Estimate for the year 1953 was that based on the above facts the budget of the State religious department income was as following:

Table 12. Revenue to the State Religious Affairs department budget in Selangor in 1952-53[26]

From Zakat	$150,000
From Zakat *fitrah*	$12,000
From court fees, fines, commissions of the administration of Awqaf, Trusts, etc	$20,000
Total	$182,000

The role of the *amil*

A local collector *amil* was appointed to collect zakat from the predetermined locality. He had a census book, a receipt book and stock book with him. His responsibility was to collect information about each

[24] Selangor secretariat. (1949) Memorandum on central collection of Zakat and fitrah. See. p 1

[25] Selangor Secretariat. (1953) Scheme for the collection of zakat padi, (Selangor Enactment №.3 of 1952) Selangor. P.3

[26] Ibid. see p. 10

household's crop census. After the crop harvest, he had to collect the zakat due from the farmer. Upon collection, he issued a receipt of the zakat paid to the payer. The information about the amount of the *padi* received as a zakat was written down in the stock book. The *amil* sold the collected *padi* as zakat to the authorized buyer, where the latter gave the *amil* chit about the quantity handed over by him. The amount of the rice received and minus the paid transportation, cost to the *amil* is written down in his book. Every week, once or twice, the buyer of the rice had to make payment for the rice he bought directly to the Religious department office.

The payment to the *amil* and local body members was made on commission basis. 1.5% for the Assistant Collectors and 2.5% for the helpers respectively paid from what they have collected as a remuneration. In order to systematize the helper's movements during collection as stated in his letter of appointment, it was decided to give him a specific area to collect zakat.

Methods of distribution

As a method adopted in the collection of the zakat, the distribution process also occurred in the same manner, through the local committee. They were supposed to know better who were eligible to receive the zakat in their respective areas. Receipt for each zakat distributed was issued and during the payment to the respected recipient, the local *Penghulu* was invited to oversee the process.

Collection and distribution of the zakat *fitrah*

The collection and the distribution of this zakat was done through the local bodies. The collection in either cash or kind was not taken out from the *kampong* where they had not been collected and it was distributed among recipients immediately. The local collecting bodies had to submit a certified statement of the collection and distribution. For every collection, a receipt was issued and for every distribution, a voucher was given. In 1953, there were 20,000 Muslims in this state. It was decided to retain, of the collected amounts', 10% as a commission to the state. It was estimated that this would bring $12,000 into the state budget.

The Scheme for the collection of the zakat *padi* in Selangor in 1953-54

The largest *padi* areas in Selangor were Tanjong Karang and Panchang Bedana[27]. The quantity of the produced *padi* was around 16 million *gantangs* per year. Muslims share was 75 % from all the produce. Judging from the previous year's yield on *padi* every cultivator yielded more than 500 *gantangs* in average per lot. Selangor Secretariat document states that,

The expected collected zakat amount was between 800 thousand to 1 million Malaysian ringgit. In the following areas, zakat on padi was collected:

1. *The Sempadan Mukim area*
2. *The Sungei Burong area*
3. *The Sungei Leman, Pasir Panjang and Sungei Nipah areas*
4. *The Panchang Bedena area*[28]

Each of these areas were under the charge of an Assistant Supervisor who was responsible to the President for the collection, storage, transport and sale of the *padi* zakat. He had a number of assistants who were appointed in advance and were given specific areas to collect zakat and gather the necessary information about the expected crop volume. The collectors were given official receipts which they had to issue upon the zakat on *padi* was made. The Supervisors and Assistant Supervisors were eligible to receive bonuses at the end of the season. The collectors made proper accounts of the *padi* collected and sold to the Mills. These accounts were submitted to the Headquarters for the Audit at the end of the season.

Conclusion

Importance of the zakat as a religious obligation was emphasised in the Qur'an in many instances *At-Taubah, (9:60), (9:103), Sura al Waqi'ah, (56:63-67).* In Malaysia prior to the arrival of the colonialists, zakat institution existed and functioned in a local levels. In Malaysia, it was characterised with its localised manner. The arrival of the colonial powers in Malaysia of the British was characterised with changes that they started. For instance, the British in Malaysia took steps to modernise the zakat and taxation institution and took gradual control over them. These changes led to the establishment of the central zakat collection and distribution institutions and by the end of the colonial era in almost all states, this centralised institution was functioning. Even though, British agreed not to intervene religion and customs of Malay community, they indirectly tried to influence them through education as well as economic activities, which were targeted to achieve only economic welfare of the British Empire. However, it is unfair to state that British intervention was not always harmful to the Malaysia, good example again is the establishment of the organized Taxation and Zakat system.

[27] For the size of the above areas, see the table 16 on the list of tables.

[28] Selangor Secretariat (1953) Scheme for the collection of zakat padi for the season 1953-54. See pp.2-3

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