



Transforming zakat distribution: Integrating Nahdlatul Ulama's fatwa to address Indonesia's social inequality challenges

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Article Info

Article History

Received : 2024-11-01

Revised : 2025-03-02

Accepted : 2025-02-26

Published : 2025-03-04

Keywords:

Zakat distribution, Fatwa Bahtsul Masail, Nahdlatul Ulama, Legal regulations, Social inequality

DOI:

<https://doi.org/10.20885/RISFE.vol4.iss1.art3>

JEL Classification:

G22, Z12, L31, O16

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Paper type:

Research paper



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Abstract

Purpose – This study explores the transformation of zakat distribution principles as outlined in Nahdlatul Ulama's Fatwa Bahtsul Masail and its implications for Indonesia's legal regulations. The goal is to understand how these principles can enhance zakat management by addressing social inequality and poverty alleviation.

Methodology – A normative juridical approach was used, with a descriptive analytical study based on a literature review. The research focuses on four main aspects: analyzing zakat distribution principles in the context of Indonesian law, examining the legal reasoning (istinbath hukum) behind these principles, identifying factors driving and hindering the transformation, and assessing the significance of implementing these principles in Indonesian legal frameworks.

Findings – This study identifies three main principles—justice, equality, and regionality—that should be integrated into regulatory frameworks. It also highlights challenges, including a lack of public participation in zakat distribution through official institutions, such as NU CARE-LAZISNU.

Implications – The findings suggest the need for increased socialization of zakat management principles by the National Amil Zakat Agency (Badan Amil Zakat Nasional, BAZNAS), based on both Sharia and secure legal regulations, to enhance the effectiveness of zakat management in Indonesia.

Originality – This research provides valuable insights into the evolving principles of zakat distribution and their integration into legal frameworks, contributing to the adaptation of zakat management practices to contemporary challenges in Indonesia.

Cite this article:

Ahyani, H., Solehudin, E., Mutmainah, N., Rahman, E.T., Ahmad, M.Y., 5 Muhammad, Z., Muharir, M., Sartono, S., Fahmi, A.Z., & Bhatti, M.S. (2025). Transforming zakat distribution: Integrating Nahdlatul Ulama's fatwa to address Indonesia's social inequality challenges. *Review of Islamic Social Finance and Entrepreneurship*, 4(1), 33-43.
<https://doi.org/10.20885/RISFE.vol4.iss1.art3>

Introduction

This study is crucial because of the significant role of zakat as a primary instrument for poverty alleviation and reducing social inequality in Indonesia. Although zakat is widely known as a fundamental obligation in Islam, its distribution and management still face several challenges that need to be addressed. In Indonesia, zakat often fails to be distributed equally and effectively because of unclear regulations, lack of coordination among zakat institutions, and the absence of a transparent system for managing zakat funds. Therefore, this study aimed to investigate how a fairer and more effective zakat distribution system can be implemented by integrating the principles contained in the Fatwa Bahtsul Masail Nahdlatul Ulama into the existing zakat management framework in Indonesia. The Fatwa of Nahdlatul Ulama has a significant influence in providing guidance on various aspects of the lives of Muslims in Indonesia, including zakat issues, which require special attention within the context of social and national regulations. This research focuses on analyzing how the principles in the Fatwa Bahtsul Masail Nahdlatul Ulama can be integrated into zakat policies and regulations, aiming to improve the effectiveness and fairness of zakat distribution in Indonesia.

Previous research has identified various issues in zakat management in Indonesia; however, none have comprehensively linked the principles of the Fatwa Bahtsul Masail Nahdlatul Ulama with a more structured and systematic zakat management approach. [Andriansyah \(2023\)](#) highlights the importance of scholarly communication in supporting more inclusive zakat management. In this context, [Andriansyah \(2023\)](#) emphasizes how religious and academic institutions can contribute to the introduction of more relevant solutions for improving zakat distribution in Indonesia. Moreover, research by [Maisyarah and Hamzah \(2024\)](#) shows that despite numerous studies on zakat distribution management, there are still gaps in organizing zakat systems that hinder optimal distribution. They highlighted the need for a more structured approach to address these challenges through better management and optimized distribution. Furthermore, [Dikuraisyin and Najah's \(2024\)](#) research offers insights into the importance of local cultural and political contexts in zakat management. They argue that zakat is influenced not only by existing systems, but also by local political dynamics and values in society. This perspective is crucial for understanding how Nahdlatul Ulama's fatwas, which reflects local cultural values, can shape zakat programmes. [Widiastuti et al. \(2022\)](#) proposed an integrated Islamic social finance model that connects zakat, waqf (endowment), and other forms of Islamic finance, advocating for a holistic approach to resource management. However, while these studies provide valuable guidelines for better zakat management, most do not specifically address the religious and cultural aspects of Nahdlatul Ulama's Fatwa. This research fills this gap by examining how the principles of NU fatwa can be applied to improve zakat distribution in Indonesia.

The novelty of this study lies in integrating the principles of Nahdlatul Ulama's Fatwa with zakat management in Indonesia. This study develops and proposes how NU fatwa, which often contains guidelines more relevant to Indonesia's social and cultural contexts, can be applied to enhance zakat management. One key distinction of this research is its approach to combining religious, social, and cultural insights into a holistic framework. Nahdlatul Ulama's fatwa holds significant authority in Indonesia, as it is one of the largest Islamic organizations in the country with substantial influence in shaping the Islamic perspective on social, economic, and political issues. Most fatwas issued by the NU not only addresses ritual and religious matters but is also directly related to social, economic, and political issues in Indonesia. Therefore, integrating these principles into zakat policies will offer a more contextual solution that aligns with local values and is accepted by society. Previous studies have generally focused on the administrative and practical aspects of zakat management without linking it directly to the local wisdom and religious guidance found in the NU's fatwas. This study offers a new perspective by proposing that zakat management should align with the values embedded in NU's fatwa to achieve better outcomes in empowering communities and alleviating poverty in Indonesia.

The main objective of this study is to analyze the zakat distribution principles in Nahdlatul Ulama's Fatwa and explore how these principles can be integrated into Indonesia's zakat policies to achieve fairer and more effective distribution. This study aims to identify and analyze the factors

that could influence the successful integration of NU's fatwa principles into zakat management. Additionally, this study provides recommendations for the government, zakat institutions, and society on steps to improve the transparency and effectiveness of zakat distribution. It is hoped that this research will contribute significantly to the development of zakat policies based on religious and cultural principles that have proven relevant and effective in Indonesian society. By integrating these principles, zakat will not only become a more effective tool for poverty alleviation but will also contribute to greater social justice. This study is also expected to provide insights into strengthening the zakat management system in Indonesia to make it more structured and accessible to all layers of society, particularly those in need. Thus, the results of this research offer solutions based on a deep understanding of social and religious contexts and provide practical guidelines for addressing inequalities in zakat distribution in Indonesia.

Literature Review

The distribution and management of zakat (almsgiving) in Indonesia have garnered significant attention in recent years, particularly in the context of social equity and poverty alleviation. This literature review synthesizes key findings from various studies that contribute to understanding the challenges and opportunities in zakat distribution, focusing on integrating fatwas from Nahdlatul Ulama to address social disparities.

[Andriansyah \(2023\)](#) explores the journey towards inclusion in the academic landscape through the lens of the *Millah: Journal of Religious Studies*. This study highlights the importance of scholarly communication and the role of religious studies journals in promoting inclusive discourse. This perspective is crucial for understanding how academic frameworks can support zakat distribution and enhance community engagement. [Maisyarah and Hamzah \(2024\)](#) presented a systematic literature review on zakat distribution management, identifying key themes and gaps in existing research. Their findings emphasize the need for a structured approach to zakat management that incorporates best practices and innovative strategies to improve distribution efficiency and effectiveness. [Dikuraisyin and Najah, \(2024\)](#) examined the political culture surrounding zakat management in Madura Basar. They argued that local political dynamics significantly influence zakat distribution, suggesting that cultural and political contexts must be considered when designing zakat programs. This insight is essential for integrating Nahdlatul Ulama's fatwas, which often reflects the local cultural values. [Widiastuti et al. \(2022\)](#) proposed an integrated model of Islamic social finance to establish an effective governance framework. Their model underscores the interconnectedness of zakat, waqf (endowment), and other forms of Islamic finance, advocating a holistic approach to resource management that can enhance social welfare and reduce inequality. [Syafiqah et al. \(2024\)](#) discussed the implementation of Zakat Village Index 2.0, which aims to support community development programs through improved zakat distribution. Their research highlights the importance of localizing zakat initiatives to ensure that they meet the specific needs of communities, aligning with the objectives of Nahdlatul Ulama to promote social justice. [Ahyani et al. \(2021a\)](#) investigated the perspective of Sharia economic law on cash waqf in the context of the Fourth Industrial Revolution. Their findings suggest that innovative financial instruments, including cash waqf, can complement zakat efforts and enhance social finance strategies.

[Panggiarti \(2022\)](#) offers a normative and contextual approach to zakat, infaq (voluntary charity) and shodaqoh (donations). This study emphasizes the need for a comprehensive understanding of Islamic philanthropic practices to address social issues effectively, reinforcing the relevance of Nahdlatul Ulama's fatwas in guiding these practices. Tika et al. explored the nexus between Islamic social finance, human resource quality, governance, and poverty alleviation ([Widiastuti et al., 2022](#)). Their research indicated that effective governance and capacity building are critical for optimizing zakat distribution and achieving social equity. Finally, [Sugeng et al. \(2024\)](#) address the transformation of zakat in Indonesia's digital era and discuss the opportunities and challenges posed by technological advancements. Their study highlighted the potential of digital platforms to enhance zakat collection and distribution, making it more accessible to a broader audience.

In summary, the integration of Nahdlatul Ulama's fatwas into zakat distribution practices is crucial for addressing social inequality in Indonesia. The reviewed literature provides valuable insights into various dimensions of zakat management, emphasizing the need for inclusive, context-sensitive approaches that leverage both traditional and modern strategies to enhance the effectiveness of zakat in promoting social justice.

Research Methods

This research employs a qualitative approach with a descriptive-analytical design aimed at analyzing the principles of zakat distribution as outlined in the Fatwa Bahtsul Masail Nahdlatul Ulama and its impact on the transformation of these principles into regulations and laws in Indonesia. This research is library-based, relying on document analysis of relevant legal regulations, including Law No. 23 of 2011 on Zakat Management, Law No. 41 of 2004 on Waqf, and Government Regulation No. 14 of 2014. Additionally, this study will analyze fatwas issued by Bahtsul Masail Nahdlatul Ulama, as well as relevant academic papers and previous studies related to zakat. This approach aims to explore the principles of zakat distribution within the Indonesian legal framework, and how these principles are integrated into zakat policies for greater inclusivity.

Regarding the data collection technique, this study used document analysis as the primary instrument. The research instrument consists of an analytical checklist or questionnaire that includes questions about the principles of zakat distribution, the role of the Bahtsul Masail Nahdlatul Ulama fatwa, and the transformation of these principles into Indonesian regulations. Data validity was ensured through source triangulation, which involved cross-checking information from multiple data sources to verify the accuracy and credibility of the findings. The data analysis method employed in this study is content analysis, which is used to identify and interpret key themes from the collected documents. This process involves categorizing relevant information, organizing findings according to specific topics, and analyzing the relationships between the findings to provide a comprehensive understanding of zakat distribution principles and the role of fatwas in shaping Indonesia's regulations.

Results and Discussion

The principles of zakat distribution in Indonesian laws and regulations

The redistribution of wealth in India through Zakat is a policy of the local government (Nayak and Hegde, 2023). In Indonesia, it is the same, namely, policies that are the authority of the central and regional governments. Thus, the spirit of Islamic economics in zakat in Indonesia is strongly regulated (Mth, 2004). This means that Indonesia is trying to create a just and prosperous country through various political economies (Siyasah syar'iyah) (Yusdani, 2023).

The principles of zakat distribution in Indonesian laws and regulations include 3 principles, namely the principles of equity, justice, and territoriality. Zakat must be distributed to mustahiks in accordance with Islamic law. Distribution is based on a priority scale with due observance of the principles of equity, justice, and regionalism. Zakat can be utilized for productive businesses in the context of handling the poor and improving the quality of the people if the basic needs of the mustahik have been met. This is as stated in Article 25 of the Law of the Republic of Indonesia Number 23 of 2011 concerning Zakat Management, where Zakat must be distributed to mustahik in accordance with Islamic law. Furthermore, Article 26 implicitly explains that the distribution of zakat, as referred to in Article 25, is carried out based on a priority scale with due observance of the principles of equity, justice, and territoriality.

Zakat and waqf Islamic Social Finance can alleviate poverty (Lestari et al. 2023). Zakat, which has been managed properly, can afford poverty in 39 member countries of the Organization of Islamic Cooperation (OIC) from 2007 to 2020 (Widiastuti et al. 2022). In addition, the prospects for the Islamic economy in Indonesia also require sufficient regulation to ensure the implementation of a sustainable economy (Ahyani, et al., 2021b). One good principle of zakat succession is social capital (Syakir et al., 2021). Alternative utilization of productive zakat in Indonesia is also required. (Alim 2015) Religious Perspective in terms of zakat has a significant positive relationship with the

performance of zakat institutions, namely, by ensuring that the principle of collecting Zakat contributors by Zakat institutions meets Sharia standards (Ali et al., 2014). Moral reasoning and the intention to tithe have also become fundamental principles in areas such as Kano and Nigeria (Muhammad and Saad, 2016). In Indonesia, the principle of internal control and competency of Amil Zakat influences Financial Reporting Quality (FRQ) (Naz'aina 2015). In addition, one of the instruments for channeling institutional zakat in Indonesia is loan-free capital assistance (Hassan & Noor 2015). Asset zakat enables consumers to be more rational in consumption and allows additional marginal assets for future generations (Ghassan & Al-Jeefri, 2016).

Legal Istinbath the principles of zakat distribution

The legal bath of the principles of zakat distribution in the Fatwa Bahtsul Masail Nahdlatul Ulama and its transformation into laws and regulations in Indonesia refers to the reasons for maqasid syari'ah (sharia objectives), especially the reason for hifdzul mal, namely, maintaining the sustainability of assets.

Zakat on people who have debts is not obligatory. The reason is that it is in accordance with the maqashid syari'ah, namely al-takhfif 'ala shahibil al mal (reducing property ownership). akhidzu min a'ghniyaim wataraddu 'ala fuqaraim. An indication of a rich person (in the chapter on zakat) is having assets that reach nishab (milkul Al Nishab). Fuqaha (2017) mentions the word "Milkul Al Nishab" as "Asbab Wujub al-Zakah" that is what causes zakat to be obligatory, this is due to the existence of a rich indicator (Mudhzonnatul al Ghina). The consequence of the wujubul al asbab is wujubul al-hukmi. However, if those who have assets that have reached the nishab have a lot of debt, then milkul al nishab is no longer mudzonnatul al ghina, so the person concerned is not obliged to pay zakat, this is in accordance with maqashid sharia namely al-takhfif 'ala shahibi al mal.

Meanwhile, the renewal of zakat law in fatwas can be in the form of fatwas regarding zakat on savings, deposits, current accounts, zakat on agricultural products other than rice, zakat on fisheries, zakat on productive businesses, and other zakat (Solehudin 2017). This means that maximizing zakat instruments in Indonesia has become a necessity because the principles of zakat distribution in Indonesia need to be maximized so that the potential for zakat can be realized in accordance with Maqashid Sharia (Putra & Solehudin 2022).

Driving factors and inhibiting factors transforming the principles of zakat distribution

Factors driving and inhibiting the transformation of the principles of zakat distribution in the Fatwa Bahtsul Masail Nahdlatul Ulama into Indonesian laws and regulations include the lack of Indonesian people channeling ZISWAF funds to the NU CARE-LAZISNU. So the solution is that the government needs to socialize the BAZNAS Management Principles which consist of 3 principles including: the principles of Safe Syar'i, Safe Regulations, and Safe NKRI (Unitary Republic of Indonesia) (Badan Amil Zakat Nasional, 2016).

To minimize obstacles to the implementation of the transformation of the principles of zakat distribution in Fatwa Bahtsul Masail Nahdlatul Ulama into laws and regulations in Indonesia, the government must make special regulations that implicitly regulate obligations in implementing the principles of Safe Syar'i, Safe Regulation, and Aman NKRI (Unitary State of the Republic of Indonesia) into law, at least in government regulations, regulations of the Minister of Religion of the Republic of Indonesia, or other regulations. The Indonesian government also needs to disseminate the BAZNAS Management Principles which consist of 3 principles including: the principles of Safe Syar'I, Safe Regulations, and Safe NKRI (Unitary State of the Republic of Indonesia) on a massive basis. Not just jargon. As far as the researcher's research indicates, these three principles are only limited to jargon in the implementation of distribution; they have not yet been included in binding legislation.

The distribution of zakat must comply with zakat regulations applied in Indonesia. Starting with the Zakat Law, PP Zakat, Presidential Instruction, Perbazznas, and Decree of the Minister of Religion (KMA) Number 606 of 2020. The current list of regulations regarding zakat in Indonesia includes 1) Law Number 23 of 2011 Concerning Zakat Management and 2) Government Regulation Number 14 of 2014. Implementation of Law Number 23 of 2011 concerning Zakat Management.

However, recently, the Government of Indonesia has implemented a policy in which elements of zakat can become tax relief in the collection of Income Tax (PPh). Thus, the zakat paid by the National Amil Zakat Agency (BAZNAS) can be used as a tax deduction (Klikpajak and Fitriya 2023). In addition, the legal certainty factor for amil zakat institutions (LAZ) in Indonesia also needs to be clarified the legal umbrella. Review of Law Number 23 of 2011 concerning Zakat Management because there are several articles that will cause problems in the future. There are three things being debated in Zakat Management Law: the centralization of zakat management, the criminalization of amil zakat institutions, and the requirements for zakat management institutions (Chalid, 2023).

For example, Article 5 Paragraph (1) of Law No.23/2011 states that the National Zakat Amil Agency (BAZNAS) is the sole operator of zakat management. If this is implemented, it is feared that it will weaken the role of the amil zakat institution (LAZ) and traditional zakat managers, whose presence has been strategic. In 2007, he stated that the amount of zakat collected from regencies/cities throughout Indonesia reached IDR 348 billion. The amount collected by the BAZNAS is the IDR. 102 billion, and BAZDA is IDR. 26 billion, and the LAZ is the IDR. 219 billion. This means that approximately two-thirds, or 63%, of the incoming zakat funds are collected by LAZ. Therefore, it is necessary to consider the level of acceptance and public trust in BAZNAS if it is to be the sole manager of zakat. Law No.23/2011 states that the management of zakat without the permission of the authorized government can be sanctioned in the form of imprisonment for a maximum of five years and a maximum fine of IDR 500 million. This will obviously be detrimental to traditional zakat managers, whose presence existed long before the law was enacted. In addition, the law stipulates the requirements for a zakat management institution that must obtain a ministerial permit and have a legal entity. This rule will obviously be burdensome for the LAZ; therefore, its presence will be limited. These weaknesses should be reviewed so that they do not become problems in the management of zakat in the future. The urgent requirement of the government is to increase the credibility capacity of BAZNAS, BAZDA, and LAZ, as well as to socialize that zakat must be paid through formal institutions.

The urgency of transforming the principles of zakat distribution

The urgency of transforming the principles of zakat distribution in the Fatwa Bahtsul Masail Nahdlatul Ulama into laws and regulations in Indonesia, namely the Management Principles of BAZNAS which consists of 3 principles namely Safe Syar'I, Safe Regulation, and Safe NKRI (Unitary State of the Republic of Indonesia) must be This is done because these three principles are in line with what is stated in the Law of the Republic of Indonesia Number 23 of 2011 concerning the Management of Zakat, where in Article 26 it is implicitly explained that the distribution of zakat is carried out based on a priority scale with due observance of the principles of equity, justice and territoriality. The details are listed in Table 1.

From the Table 1, the transformation of the principles of zakat distribution in the Fatwa Bahtsul Masail Nahdlatul Ulama into laws and regulations in Indonesia is a form of transformation of various BAZNAS Management Principles including management principles that are Safe for Syar'I, Safe for Regulation, and Safe for the Unitary State of the Republic of Indonesia. Here's the explanation:

First, the elaboration of the principles of Safe Syar'i management means that the management of zakat carried out by BAZNAS must be in harmony with the corridors of syar'i law. The management of zakat must be in harmony and not conflict with the sources of Islamic law, the Al-Quran, and Sunnah.

Second, the elaboration of the Safe Regulation management principle means that zakat management must pay attention to the signs of legal regulations and stipulations.

Third, the elaboration of the Aman NKRI management principle means that the management of zakat in BAZNAS must further strengthen the brotherhood of the nation's children and distance themselves from various activities/acts of terrorism in order to support the upholding of the Unitary State of the Republic of Indonesia.

Table 1. The urgency of transforming the principles of zakat distribution in the Fatwa Bahtsul Masail Nahdlatul Ulama into laws and regulations in Indonesia

The principles of the distribution of zakat into the laws and regulations in Indonesia	<ol style="list-style-type: none"> 1. The principle of equity 2. The principle of justice 3. Territorial principle
The principles of zakat distribution in the Fatwa Bahtsul Masail Nahdlatul Ulama	<ol style="list-style-type: none"> 1. Zakat on people who have debts is not obligatory zakat. This is in accordance with the maqashid syari'ah, namely التخفيف على صاحب المال. (Committee for the National Deliberation of Alim Ulama and the Nahdlatul Ulama Grand Conference 2021, 39) 2. Zakat mal musytarak (zakati property that is under the ownership of two or more people) is not obligatory zakat the reference is maqashid syari'ah, namely that the condition for assets must reach the nishab so that the obligatory zakat means to relieve (not burden) the owner. 3. The obligation to pay zakat, which is enough to have an expertyyah al-wujub. 4. A separate challenge for Nahdlatul Ulama because the NU CARE-LAZISNU Philanthropy movement is still far from being a serious competitor in the world of philanthropy. The gap that can be read is the lack of Indonesian people channeling ZISWAF funds to NU CARE-LAZISNU while NU is the largest organization in the world. This rationale became the background for proposing a change in the status of NU CARE-LAZISNU from a PBNU Institution to a NU Special Agency. As a consequence of this change, NU CARE---LAZISNU can be managed centrally and by prioritizing professional management. 5. The Tax Issue that for Muslims, the levy that must be paid based on direct orders from the Al-Quran and Hadith is explicitly zakat. Meanwhile, the obligation to pay taxes is only based on indirect orders (implicit) in the context of obeying the authorities (ulil 'amr). Rulers in spending state funds obtained from taxes, based on the fiqh rule "tasharruful imam 'alal ra'iyyah manuutun bil mashlahah", must refer to the goal of benefiting citizens (especially the poor). (Wiranu & Hadrawy 2012, 167) 6. Halal income from work and services should be seen as being subject to the burden of zakat according to the Shari'a, namely all halal income that contains elements of mu'awadhah (exchange) both from professional/non-professional work and from service industry in all its forms that have fulfilled Zakat requirements include reaching 1 (one) nishab and the tijarah intention is subject to the obligation of zakat. However, in reality it is rare to meet these requirements because there is no element of tijarah (continuous exchange of assets for profit). 7. Classification into mal zakat and how much the nishab standard must be guided by is income from work and services (which have met the requirements) in the context of zakat classified as tijarah zakat which is guided by the gold nishab standard. 8. The level of zakat or the salary of civil servants (PNS) which is deducted directly per month by certain Amil Zakat Bodies is not allowed. The reason is that the salary deduction is still not legally calculated as zakat payments, because the calculation and the amount of the obligation at the end of the year are not from the gross salary and have not been received by the owner. (Fuqaha 2017, 432)
Transformation of the principles of zakat distribution in the Nahdlatul Ulama Bahtsul Masail Fatwa and its transformation into Indonesian laws and regulations	<p>BAZNAS Management Principles:</p> <ol style="list-style-type: none"> 1. Safe syar'i 2. Safe Regulation 3. Safe NKRI (Unitary Republic of Indonesia)

Source: Fatwa Bahtsul Masail Nahdlatul Ulama, National Congress 2012 and 2021, and Law of the Republic of Indonesia No. 23 of 2011 concerning Zakat Management.

Furthermore, the central BAZNAS has emphasized the Importance of Principle 3A in Zakat Management that the Importance of 3A is due to the fact that in the management of zakat, infaq, and alms funds entrusted by muzaki to BAZNAS and the Zakat Management Organization (OPZ) it is actually a mandate. As these zakat funds are trustworthy, governance is the next concern. In safe syar'i there are also 4 main dimensions, namely management, collection, distribution, and regulation. To ensure the safety of the Unitary State of the Republic of Indonesia, measurement tools are needed to support the achievement of goals, namely the National Zakat Index, Zakat Impact Assessment, and Mustahik Identification Number (Sakwan et al., 2023). Safe syar'i according to includes strengthening the Indonesian National Work Competency Standards (SKKNI) sharia supervisory board and draft sharia compliance Minister of Religion Regulation (PMA). Safe regulations include the development of unlicensed zakat institutions and their accreditation of zakat institutions. Furthermore, sharia supervision in the management of ZIS (Zakat, Infak, Sadaqah) is needed to ensure sharia compliance. The guarantor of Sharia principles in the management of ZIS at amil zakat bodies/institutions is then carried out by the Sharia supervisor. Sharia supervisors internally represent the functions of Sharia representatives (BAZNAS Puskas, 2023). Figure 1 shows the urgency of transforming the principles of zakat distribution in Fatwa Bahtsul Masail Nahdlatul Ulama into Indonesian laws and regulations.

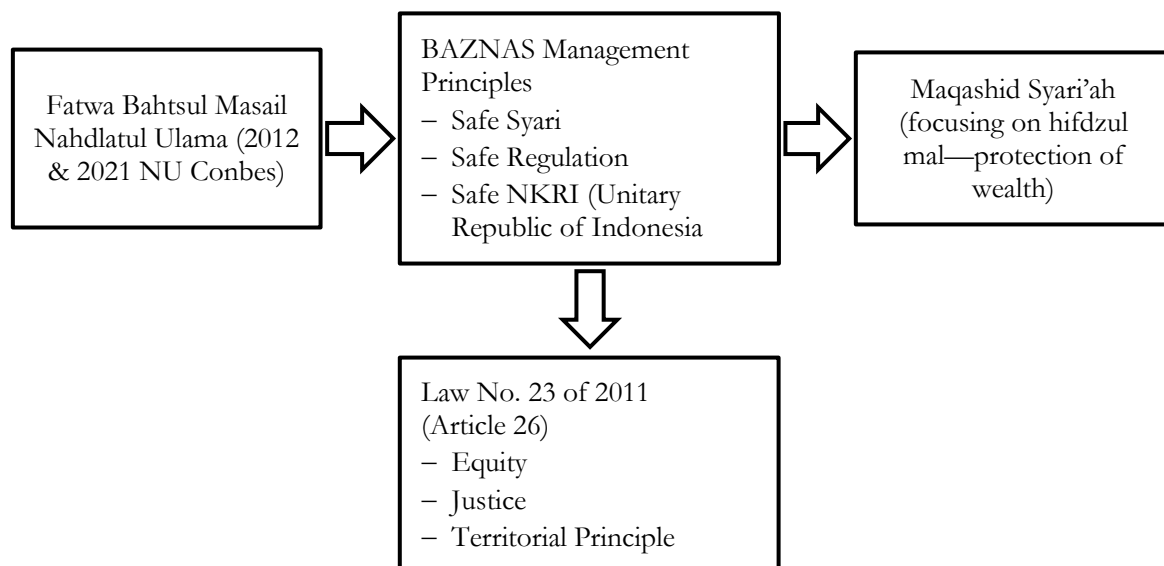


Figure 1. Principles of zakat distribution

Source: Fatwa Bahtsul Masail Nahdlatul Ulama, National Congress 2012 and 2021, and Law of the Republic of Indonesia No. 23 of 2011 concerning Zakat Management.

Conclusion

This research successfully answered the research questions posed at the outset, aligning with the objectives set for the study. The analysis confirmed that the principles of zakat distribution, as outlined in the Fatwa Bahtsul Masail Nahdlatul Ulama, are crucial to Indonesia's zakat management system, and their transformation into national regulations and laws is a vital step in improving zakat distribution in the country. This research highlights that the principles of equity, justice, and territoriality are embedded in Indonesian zakat regulations, such as Law No. 23 of 2011 on Zakat Management. This transformation process ensures that Zakat management aligns with Maqasid Syari'ah and the broader goals of Islamic social finance.

The practical implications of this study include the need for stronger legal frameworks and better dissemination of zakat principles, especially for local zakat management organizations. The research also underscores the theoretical contribution to Islamic economics, showing how maqasid syari'ah can be applied in the context of zakat distribution and the role of legal institutions. In terms of policy implications, this study calls for the centralization of zakat management under the National Amil Zakat Agency (BAZNAS) to improve efficiency while also ensuring the inclusivity

and accountability of zakat practices through stronger regulatory oversight. Additionally, this research offers a transformation of the principles of zakat distribution in the Fatwa Bahtsul Masail Nahdlatul Ulama into Indonesian laws and regulations, specifically the Management Principles of BAZNAS, which consists of three key principles: Safe Syar'I, Safe Regulation, and Safe NKRI (Unitary State of the Republic of Indonesia). These principles align with Law No. 23 of 2011, particularly Article 26, which implicitly emphasizes that zakat distribution should follow a priority scale with consideration for equity, justice, and territoriality. This alignment between Fatwa and national laws ensures a more coherent and effective zakat management system in Indonesia.

However, this study has some limitations. Data availability on the practical implementation of zakat distribution, particularly regarding local zakat institutions and their relationship to national regulations, was a significant constraint. Methodological limitations also arose due to reliance on secondary data from legal texts and fatwas, which might not fully reflect the real-world challenges of zakat distribution. Furthermore, the scope of the research did not address the potential challenges faced by amils in implementing zakat laws at the grassroots level.

In conclusion, recommendations for future research include an in-depth exploration of the effectiveness of zakat policies in alleviating poverty in Indonesia, particularly in light of the political economy that influences zakat management. Future studies could also focus on quantitative analyses of the impacts of zakat distribution across various regions in Indonesia and explore the role of technology in improving transparency and efficiency in zakat collection and distribution.

This research offers a transformation of the principles of zakat distribution in the Fatwa Bahtsul Masail Nahdlatul Ulama into Indonesian laws and regulations, namely the Management Principles of BAZNAS which consists of 3 principles namely Safe Syar'I, Safe Regulation, and Safe NKRI (Unitary State of the Republic of Indonesia). This must be done because these three principles are in line with what is stated in Law of the Republic of Indonesia Number 23 of 2011 concerning the Management of Zakat, in Article 26 it is implicitly explained that the distribution of zakat is carried out based on a priority scale with due observance of the principles of equity, justice, and territoriality.

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