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| Day 1 - Wednesday, November 17th, 2021 | Plenary Session (08.00-18.00) (Indonesia Time, GMT +7) |
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| Thursday, November 18th, 2021 | | Parallel Session 1 (01.30 - 03.30 PM) | | | | | | | |
|--|---------|--|--|---|---|--|---|--|---|
| | | Dr. Kamaru Salam bin Yusof | Alfarid Fedro, M.H. | Nurhidayati, SE., M.Si., Ph.D | Andini Rachmawati, M.CL. | Dr. Habeebullah Zakariyah | Jeihan Ali Azhar, S.Si.,MEI | Anniza Citra Prajasari, SE.I., M.A. | Dr. Amnisuhailah binti Abarahan |
| Time | Agenda | Room 1 | Room 2 | Room 3 | Room 4 | Room 5 | Room 6 | Room 7 | Room 8 |
| 01.30 - 01.50 PM | Paper 1 | INDONESIA - Universitas Malikussaleh Rani Puspitaningrum Aligning Sustainable Development Goals (SDGs) During Covid-19 Outbreak Through Green Sukuk Implementation | INDONESIA - Sultan Agung Islamic University Farikha Amilahaq, Provita Wijayanti, & Fadhila Luthfi Hutami Tax Policy Sentiment on Zakat Payment by Muzakki (Case Study on Muslim Entrepreneurs and Professionals) | ALGERIA - High School Teachers For Technological Education Djamel Belbekkai & Dounya Ferahta Family Resilience in Light of The Corona Panedemic | INDIA - University of Calicut Dr. Nasirudheen T An Analytical Study of Mobile Applications for Zakat Calculation (Zakat Apps) | BANGLADESH - International Islamic University Chittagong Md. Shahnur Azd Chowdhury E-Banking Transaction Risk and Security in Bangladesh in Covid-19 Situation | INDONESIA - Panca Budi University Emi Wakhyuni, Asmuni, & Rizal Agus The Effect of Job Satisfaction and Turnover Intention on Competitive Advantage at The Head Office of PT. Bank Aceh Syariah | MALAYSIA - Universiti Sains Islam Malaysia Setiyawan Gunardi Halal Logistics Governance in Malaysia to Stabilize Halal Industry in The Pandemic Era: Issues, Challenges and Solutions From Dynamic Fatwa | INDONESIA - Raden Fatah State Islamic University Diah Munawaroh & Peny Cahaya Azwari Determination of Firm Value with Financial Performance as Moderating |

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| 01.50 - 02.10 PM | Paper 2 | INDONESIA - Sultan Agung Islamic University Bedjo Santoso & Agustiya Fatriya Rizky Factors Influencing Sukuk Development in Indonesia (A Conceptual Model) | INDONESIA - University of Darussalam Gontor Iqbal Imari, Ahmad Suminto, & Atha Mahdi Muhammad Strategy for The Utilization of Zakat Funds in Developing MsmeS During The Covid-19 Pandemic: The Ponorogo Makmur Program Baznas Ponorogo-Indonesia | INDONESIA - Tazkia Islamic University College Hafiz Akbar Muhammad & Anita Priantina Determinants of Millenial Online Food Purchase Behavior in Bogor During Covid-19 Pandemic | INDONESIA - University of Darussalam Gontor Fadhila Sukur Indra, Devid Frastawan Amir Sup, & Sahira Sajjadia Luthia The Application of Al-Wakalah Bil Ujrah Contract on Prulink Syariah Generasi Baru | MALAYSIA - International Islamic University Malaysia Salaudeen Salaudeen Olasubomi & Salina Kassim Effects of Covid-19 on Financial Performance of Islamic Banks in Malaysia | SRI LANKA - South Eastern University of Sri Lanka M. A. C. Salfiya Ummah Moderating Effect of Entrepreneurial Background Between Individual Factors and Business Performance: Evidence From Sri Lankan Muslim Women-Owned/Led Small And Medium Sized Enterprises | INDONESIA - IAIN Pekalongan Hendri Hermawan Adinugraha Setanggor Halal Tourism Village: A Management Approach | MALAYSIA - International Islamic University Malaysia Razali Haron & Faaza Fakhrunnas Impact of Corporate Governance and Earnings Volatility on Debt Financing of Indonesian Firms |
| 02.10 - 02.30 PM | Paper 3 | INDONESIA - Universitas Brawijaya Dwi Retno Widiyanti Analisis Regresi Logistik dalam Mengungkap Peluang Pemahaman Masyarakat Muslim Tentang Cash Waqf Linked Sukuk (CWLS) | MALAYSIA - International Islamic University Malaysia Salina Kassim, Mohamed Hamza Ghaouri, Anwar Hasan Abdullah Othman, & Hamid Rashid Harnessing Blockchain for The Development of Islamic Social Finance: An Emphasis on Waqf | INDONESIA - Universitas Muria Kudus Tina Rahayu Empowering Leadership: A Role in Increasing Productivity During The Covid 19 Pandemic | INDONESIA - Sultan Agung Islamic University Dian Essa Nugrahini & Debby Nirma Sari Sejahtera Mobile Payments Adoption - An Integrated Framework of Health Belief Model and Expectation Confirmation Model | INDONESIA - Tazkia Islamic University College Afif Zaerofi & Rachmawaty The Service Performance and Customer Satisfaction Model in Islamic Banking | INDONESIA - Sultan Agung Islamic University Ardian Adhiatma, Abdul Hakim, & Agus Wachjutomo Spiritual Work Value in Employee Engagement: A Conceptual Model | INDONESIA - University of Tanjungpura Helma Malini, Benedict Valentine Arulanandam, & Rizqi Maghribi The Reality on The Ground – Placing Indonesian Halal Cosmetics onto The International Pedestal | INDONESIA - Sultan Agung Islamic University Sutapa, Pujiharto, & Heri Laksito The Effect of Intellectual Capital on Creative Industry Performance: Spiritual Capital as Moderation |

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| 02.30 - 02.50 PM | Paper 4 | INDONESIA - University of Darussalam Gontor Yunita Wulandari, Khurun'in Zahro', Fahman Mumtazi, & Dian Efendi نظرية الشريعة الإسلامية لتمويل العقاري دراسة حالة في غراند الشرعي KPR Syariah كوسوما يوربومسان فونوروكو سنة 2020م | INDONESIA - University of Darussalam Gontor Setiawan Bin Lahuri, Mulyono Jamal, Luluk Wahyu, & Rokhmat Muttaqin دور اهليبة الوطنية للزكاة سوراكارات في توزيع الزكاة على لمتضررين بفيروس كورونا من منظور الفقه الإسلامي | INDONESIA - Tazkia Islamic University College Anisa Karimah, Achmad Firdaus, & Indra Islamic Family Financial Planning, Literacy, Inclusion On Online Seller Housewives During Pandemic | INDONESIA - University of Darussalam Gontor Ahmad Muqorobin, Novan Fatchu Alafianta, Adinda Muftiviany Nur Jamilah, & Raisatul Karimah Analysis of Islamic Law on Online Business Youtube And Pay-Pal Earnings in Islamic Law in Indonesia | INDONESIA - University of Darussalam Gontor Mohammad Zen Nasrudin Fajri, Khoirul Umam, Lila Prisilia Putri, & Mohammad Ali Ramadhan The Effect of Covid-19 and Sectoral Financing on Islamic Bank Profitability | INDONESIA - Tazkia Islamic University College Fakhruddin & Muhammad Isa Mustafa The Influence of Communication Effectiveness, Service Quality and Trust on Commitment Connectedness to Customers | INDONESIA - UIN Sunan Kalijaga Yogyakarta Irma Yuliani & Alif Khuwarazmi Maulana Julendra The Impact of Hijrah Trends on the Consumer Decision to Consume Halal Product in Indonesia | INDONESIA - Tazkia Islamic University College Firyal Arina Salsabila & Rochania Ayu Yunanda The Quality of Green Accounting and Maqashid Shariah Performance: The Case of Indonesian and Malaysian Pharmaceutical Industry |
| 02.50 - 03.10 PM | Paper 5 | INDONESIA - University of Darussalam Gontor Setiawan Bin Lahuri, Khurun'in Zahro', & Wahyudi Bakri الضمان في عقد المضاربة في بنك المعاملات فرع سيراغين عام 2020 | INDONESIA - UIN Sunan Kalijaga Yogyakarta M. Zidny Nafi' Hasbi & Ipuk Widayanti Zakāh Contribution for Community Economic Development With Analytical Networking Process Method | INDONESIA - UIN Sunan Kalijaga Yogyakarta Siti Nur Azizah & Galuh Tri Pambekti Women's Islamic Financial Literacy and Impact on Financial Management in the Pandemic Era | INDONESIA - Tazkia Islamic University College Nesya Ayusnita & Anita Priantina Determinants of Millennial Consumption Behavior During The Pandemic | MALAYSIA - International Islamic University Malaysia Ihsanul Ikhwan & Aam Slamet Rusydiana Efficiency Stability of Indonesian Banking Industry During Covid-19: Dea Window Analysis | MALAYSIA - National Defence University of Malaysia Hafizah Mat Nawi Bibliometric Analysis of Fraud In Small and Medium-Sized Enterprises | INDONESIA - Sultan Agung Islamic University Marno Nugroho, Budhi Cahyono, & Rifqi Hasa Gunawan Model of Green Human Resources Behavior Based on Green Behavior Training, Green Competence, and Affective Commitment on Green Value | INDONESIA - Sultan Agung Islamic University Siti Sumiati & Rima Yulia Sueztianingrum Intellectual Capital and Shareholder Wealth |

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| 03.10 - 03.30 PM | Paper 6 | INDONESIA - Universitas Trunojoyo Madura Nasrulloh & Zaki Nur Anas The Economic Empowerment Program: Ziswaf Fund Contribution to Communities During Covid-19 Pandemic | INDONESIA - University of Darussalam Gontor Imam Kamaluddin, Iman Nur Hidayat, Risma Anis Nur Fuadah, & Virgin Muthia Imron أثر التدين في إدارة الوقف (دراسة) بمعهد دار السلام كوتنتور للبنات الأول | INDONESIA - Universitas Trunojoyo Madura Galuh Widitya Qomaro Enhancing Family Resilience: The Study of Pesantren Social Capital | MALAYSIA - UiTM Alor Gajah, Melaka Hainnuraqma Rahim, Hamidah Irpan, & Mohamed Saladin Abdul Rasool Acceptance of EPayment Zakat Among Muslims: Empirical Evidence From Malaysia | INDONESIA - UIN Sunan Kalijaga Yogyakarta Prasojo, Winwin Yadiati, Tettet Fitrijanti, & Memed Sueb Does Risk Taking and Shariah Governance have a Relationship with Maqasid Shariah based Performance? | INDONESIA - Sultan Agung Islamic University Mulyana & Erlinda Ramadhani Permata Putri Knowledge Sharing and Environmental Dynamism on Business Performance: An Empirical Study in Muslim Fashion SMEs | INDONESIA - UIN Raden Intan Lampung Adinda Thaliya & Dania Hellin Amrina Implementation of Partnership Program and Green Economy in The Tofu Processing Industry Towards Social Economic Systems Driving Sustainable Development of Islamic Economic Perspective | MALAYSIA - International Islamic University Malaysia Nur Sofea Ng Binti Muhamad Ng, & Mohamed Aslam Akbar Muzara'ah Sharecropping: Islamic and Western Perspectives of Agricultural Contracts for Sustainable Development |
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| Thursday, November 18th, 2021 | | Parallel Session 2 (04.00 - 06.00 PM) | | | | | | | |
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| | | Dr. Syara Syahira | Dr. Acmad Firdaus, M.Si | Hj. Nurul Nabilah binti H. Ali | Andi Triyawan, M.A. | Dinik Fitri Rahajeng Pangestuti, SE., M.Ak. | Hendri Setyawan, SE., M.P.A. | Mun Yah Zahiroh, SE.,M.B.A. | Dr. Hakimah binti Yaacob |
| Time | Agenda | Room 1 | Room 2 | Room 3 | Room 4 | Room 5 | Room 6 | Room 7 | Room 8 |
| 04.00 - 04.20 PM | Paper 1 | INDONESIA - Sultan Agung Islamic University Provita Wijayanti, Farikha Amilahaq, Osmad Muthaher, Nurul Syuhada Baharuddin, & Nur Raihana Mohd Sallem Modeling Zakat as Tax Deduction: A Comparison Study in Indonesia and Malaysia | INDONESIA - Tazkia Islamic University College Murniati Mukhlisin Renewable Energy and Halal Industry in Indonesia; Political and Governance Issues | INDONESIA - Sultan Agung Islamic University Rustam Hanafi, Luluk Muhamatul Ifada, & Muohamad Chilmi Fajri Towards Firm Value Based on Capital Structure | MALAYSIA - National University of Malaysia Anindya Mitra Raisnur Putri, Muhammad Hakimi Shafiai, Muhammad Adib Ismail, & Abdul Ghafar Ismail Refined Method of Multidimensional Poverty Measurement | MALAYSIA - International Islamic University Malaysia Razali Haron & Mukhtar Arif Siraj The Influence of The Investment Policy, Debt Policy, and Dividend Policy on The Stock Return of Shariah Compliant Stock in Indonesia (ISSI) | MALAYSIA - International Islamic University Malaysia Ghifary duyufur rohman & Habibullah Zakariya Realization of Maqasid Shariah Through Islamic Insurance During Covid-19 Pandemic: An Analytical Study | INDONESIA - Tazkia Islamic University College Fakhruddin, Muhammad Isa Mustafa, & Dody Yarli Concept of Marketing in Islamic Economics Perspective | INDONESIA - UIN Sunan Kalijaga Yogyakarta Jauhar Faradis & Awis Hardjito The Effect of Corporate Governance on Company Performance (Case Study on List of Sharia Securities (DES) in Indonesian |
| 04.20 - 04.40 PM | Paper 2 | MALAYSIA - International Islamic University Malaysia Siti Saffa and Syed Marwan Misconception of Zakat and Distributive Justice in Islam: Case Study of Zakat Institutions in Malaysia | INDONESIA - University of Darussalam Gontor Atika Rukminastiti Masrifah, Gunawan Setyo Utomo, & Reza Mustafa Designing The Financing Business Model Development in Halal Value Chain Industry: The Modified Salam Contract | INDONESIA - UIN Syarif Hidayatullah Jakarta Yusar Sagara & Sigit Novianto Strategic Leadership, Competitive Advantage, Management Accounting Information Systems in Indonesia Islamic Bank | INDONESIA - Tazkia Islamic University College Puri Hukmi Lestari One-Third Wealth Allocation in Islamic Financial Planning | INDONESIA - Tazkia Islamic University College Rochania Ayu Yunanda & Faried Kurnia Rahman Wealth Portfolio Design and Investment Behaviour of Muslim Women in The Economic Uncertainties | INDONESIA - Tazkia Islamic University College Grandis Imama Hendra & Luthfiah Khairunisa The Effect of Financial Performance on Sustainability and Maqashid Sharia of Islamic Bank | INDONESIA - University of Darussalam Gontor Muhammad Abdul Aziz, May Shinta Retnowati, & Risang Aiman Naufal Kontrak Penetapan Harga Ayam Pedaging Ditinjau sari Fiqh Jual Beli di PT Amanah Mitra Broiler Semarang | INDONESIA - Tazkia Islamic University College Asphia Sahida & Yaser Taufiq Syamlan The Impact of Islamic Religiosity, Financial Knowledge, and Financial Behavior on Personal Financial Distress |

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| 04.40 - 05.00 PM | Paper 3 | INDONESIA - University of Darussalam Gontor Mulyono Jamal, Meitria Cahyani, Annisa Silvi Kusumastuti, & Rabiatul Adawiyah Abdul Karim إدارة الوقت الإنتاجي في نظر الحكم الإسلامي وقانون الوقت الإندونيسي (دراسة حالة في معهد القدس بانتن) | INDONESIA - Tazkia Islamic University College Anita Priantina, Tasya Arviatunnisa, & Ade Nurul Hita Alfiani Halal Certification Research: Scopus and Google Scholar Database | INDONESIA - Sultan Agung Islamic University Ibnu Khajar & Nunung Ghoniyah A Model of SMEs Innovation Performance Improvement Through Intellectual Capital Moderated by Dynamic Capability (A Conceptual Model) | INDONESIA - University of Darussalam Gontor Adib Susilo, Hilman Luqmanul Hakim Dza Juned, & Faqih Ramadhan The Impact of Direct Assistance for Consumption, Health, and Education on The Welfare of The Community During The Pandemic | INDONESIA - Sultan Agung Islamic University Hanif Ahmadi The Causal Relationship Between Indonesian Stock Market and Singapore Stock Markets and The Effect of Macroeconomic Factors, World Oil Prices, and World Gold Prices | INDONESIA - UIN Sunan Kalijaga Yogyakarta Weri Mahendra & Anggari Marya Kresnowati Determinant of Economic Growth During Pandemic and Global Ression in OIC Countries | INDONESIA - Universitas Islam Negeri Imam Bonjol Reza Fahmi & Prima Aswirna Building Self-Fulfilment on Islamic Boarding School Based on in Techno-Entrepreneurship | INDONESIA - Sultan Agung Islamic University Sri Dewi Wahyundaru, Agustina Fitrianingrum, & Avisssa Exploring The Role of Iman/Faith in Business Performance Amongst Moslem Entrepreneurs in Central Java |
| 05.00 - 05.20 PM | Paper 4 | INDONESIA - Sultan Agung Islamic University Widiyanto bin Mislan Cokrohadisumarto, Sasti Anjana Widhyasti, & Aftuqa Sholikatur Rohmania Integrated Zakat Management to Improve Mustahik's QualityOf Life | INDONESIA - Universitas Islam Kiai Haji Achmad Shiddiq Jember Nikmatul Masrurroh, Moch. Fathorrazi, Muhammad Saleh, & M. Adenan The Halal Economic Design in The Framework of Sustainable Development | INDONESIA - University of Indonesia Belinda Azzahra Integrated Reporting: Future Corporate Sustainability Strategy | INDONESIA - Sultan Agung Islamic University Verina Purnamasari Fraud Triangle in Predicting Fraud Factors in Government Institutions | INDONESIA - UIN Sunan Kalijaga Yogyakarta Iftaha Nastiya Rizqi & Misnen Ardiansyah Factors Influencing Dividend Payout Ratio with Debt to Equity Ratio as an Intervening Variable in Jakarta Islamic Index 2012-2017 | MALAYSIA - International Islamic University Malaysia Mohamed Noordeen Mohamed Imtiyaz Issues, Challenges in Microfinancing and Mosque Based Financing Model for Micro Enterprises using Islamic Social Finance Solutions | INDONESIA - IAIN Lhokseumawe Siti Najma, Asmuni, & Saparuddin Siregar Dayah/Pesantren As Agent of Development Through Dayah Entrepreneurship Development in Aceh Province | MALAYSIA - International Islamic University Malaysia Dhiyana Riyan & Syed Marwan Indonesia's Tax Dispute Resolution: An Islamic Economic Ethics Perspective |
| 05.20 - 05.40 PM | Paper 5 | NIGERIA - Federal University of Kashere, Gombe State Nigeria Adamu Abubakar Muhammad, | INDONESIA - University of Darussalam Gontor Setiawan Bin Lahuri, May Shinta Retnowati, Yunita Wulandari, & Muhammad | INDONESIA - Tazkia Islamic University College Sofiya Nadhifah & Rahma Wijayanti The Effect of Green Accounting and Green Initiatives on | MALAYSIA - International Islamic University Malaysia Dr. Mariam Saidona Tagoranao & Dr. Alizaman D. Gamon | INDONESIA - University of Darussalam Gontor Muhammad Syifaurosyyidin, Muhammad Irkham Firdaus, Abdullah Khoiri, & Vinny Adilah Rahmani | INDONESIA - Universitas Islam Negeri Sumatera Utara Muhammad Yusnar & Munawwir Ramadhan Analysis of Government Expenditures and ZIS | INDONESIA - Tazkia Islamic University College Tiara Fatimah Ramadhanti, Nur Hendrasto, & Afif Zaerofi Analysis The Usage of Digital Marketing | INDONESIA - Sultan Agung Islamic University Ahmad Rudi Yulianto, Adilla Kustya Ulfa, & Marno Nugroho Human Resources Performance |

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| | | Muhammadu Sani Abubakar, Muhammad Kabir Ismail, & Muhammad Auwal Aliyu The Relevance of Islamic Models of Zakat and Waqf in Poverty Alleviation Among Vulnerables During The Pandemic Era in Bauchi StateNigeria. | Rizal Pranoto Analysis of Fatwa of The Indonesia Council of Ulama No. 26 Of 2013 on The Halal Product Standard | Profitability of Islamic Commercial Bank in Indonesia | The Role of Islamic Social Financial Institutions for Muslim Minorities Sustainable Economic Recovery | Andriana Impact of Covid-19 and Rupiah Exchange Rate on The Indonesian Economy | Funds Effect on Economic Growth in North Sumatera | Channels by Micro, Small, and Medium Enterprises in The Nganjuk Regency | Improvement Model Through Islamic Work Ethics and Affective Commitment |
| 05.40 - 06.00 PM | Paper 6 | MALAYSIA - International Islamic University Malaysia Zulfikri, Prof.Dr. Salina Kassim, & Dr. Anwar Hassan Abdullah Othman Challenges of Blockchain Technology for Zakat Industry in Indonesia | INDONESIA - UPN Veteran Jawa Timur, Surabaya Fauzatul Laily Nisa & Lilik Rahmawati Empirical Study Assessment of Bank Financial Statements Sharia in Indonesia Based on IFRS and AAOIFI Standards | INDONESIA - UIN Sunan Kalijaga Yogyakarta Alisya Esa Safitri and Riswanti Budi Sekaringsih Islamic Certificate of Bank Indonesia (SBIS)'s Impact on Indonesian Economic Growth | INDONESIA - Sultan Agung Islamic University Budhi Cahyono, Lutfi Nurcholis, & Marno Nugroho Green Innovation and Sustainability Competitive Advantage at Small Medium Enterprises (SMEs);The Moderating Effect of Islamic Environmental Ethics and Islamic Business Ethics | INDONESIA - Sharia Economic Applied Research & Training (SMART) Aam Slamet Rusydiana & Aisyah As-Salafiyah Productivity of Indonesian Islamic and Conventional Banking During Covid-19 Pandemic | INDONESIA - UIN Sunan Kalijaga Yogyakarta Mukhammad Yusuf Naufal Firdaus & Lailatis Syarifah Factors Affecting The Welfare of Cooperative Members (Case Study on Members of Darumafatihil Ulum Sharia Saving and Loan Cooperative Podokaton Pasuruan East Java) | INDONESIA - University of Darussalam Gontor Daud Sukoco, Yunita Wulandari, Adinda Muftiviany Nur Jamilah, & Muhammad Rifqi Al Fariz Islamic Entrepreneurship Towards Indonesian Sustainable Development Goals | BRUNEI DARUSSALAM - Universiti Islam Sultan Sharif Ali Qaisar Ali, Hakimah Yaacob, Shazia Parveen, Abdul Nasir Rani, & Zaki Zaini Environmental Beliefs and The Adoption of Circular Economy: Do Gender, Age and Knowledge Act As The Moderators? |

| Friday, November 19th, 2021 | | Parallel Session 3 (09.15 - 11.15 AM) | | | | | | | |
|-----------------------------------|---------|--|---|--|---|---|---|--|--|
| | | Dr. Afif Zaerofi, MM | Dr. Dra. Ken Sudarti, M.Si | Dr. Ardian Adhiatma, SE., MM. | M.Abdul Aziz, S.H.I., M.Si.. | Galuh Tri Pambekti, S.E.I., M.E.K | Dr. Ashurov | Jauhar Faradis , S.H.I., M.A | Prasojo, SE., M.Si |
| Time | Agenda | Room 1 | Room 2 | Room 3 | Room 4 | Room 5 | Room 6 | Room 7 | Room 8 |
| 09.15 - 09.35 AM | Paper 1 | INDONESIA - Waqf Center for Indonesian Development and Studies (WaCIDS) Lisa Listiana & Lu'liyatul Mutmainah Towards Energy Security and Sustainability in Indonesia: Exploring The Waqf Based Potential | INDONESIA - Sultan Agung Islamic University Edy Suprianto & Dedi Rusdi Sharia Bank Research Roadmap in Indonesia | INDONESIA - Universitas Bina Darma Leon A. Abdillah, Andi Christian, & Khana Wijaya Strengthening Islamic Economy Through Business Digital Transformation and Financial Technology in The Pandemic Era | INDONESIA - Sultan Agung Islamic University Lutfi Nurcholis, Budhi Cahyono, & Lulu Ayu Rida Tiani The Influence of Religiosity and Country of Origin Toward Purchase Intention: The Role of Brand Image as A Mediating Variable | MALAYSIA - Universiti Sains Islam Malaysia Muhammad Aiman Fathi bin Shamsuri, Hussein 'Azeemi Abdullah Thaidi, Muhamad Firdaus Ab Rahman, & Azman Ab Rahman The Integration of Micro Takaful and Temporary Waqf in Empowering The Poor Population During Pandemic: An Exploratory Study | PAKISTAN - University of Gujrat Dr. Ramzan Shahid & Saima Anwar, Ph.D Scholar Connecting The Economies: Analyzing The Impacts of Belt and One Road Initiative (BRI) on The Trade of Islamic World | INDONESIA - Pekalongan State Islamic Institute Novendi Arkham Muftadi & Wahid Wachyu Adiwianto The Implementation of Sharia Audits: Perception of Sharia Accounting Students | INDONESIA - University of Darussalam Gontor Ahmad Lukman Nugraha & Rekno Juminten The Implementation of Islamic Marketing Mixed at Sweet Sundae Home Industry Yogyakarta in Empowering The Community |
| 09.35 - 09.55 AM | Paper 2 | MALAYSIA - International Centre for Education in Islamic Finance (INCEIF) Mahadi Ahmad, Ph. D., CSAA A Proposed Special Waqf Entity for Delivering Takaful Coverage to The Underprivileged | INDONESIA - University of Darussalam Gontor Luluk Wahyu Roficoh, Selvia Namira Ahmad, Masyithah Auliya Rizqi, Safna Nur Rokhmah, & Widya Azaria The Role of BPRS in Improving SMEs During Covid-19 Pandemic To Achieve SDGs | BRUNEI DARUSSALAM - Universiti Brunei Darussalam Umar Habibu umar Habibu Umar & Muhammad Aminu Umar Integrating Islamic Fintech into Islamic Social Finance to Revive The Going Concern of MSMEs In The Covid-19 Era | INDONESIA - University of Darussalam Gontor Mufti Afif, Musta'an Al Faruqi, & Khurun'in Zahro' The Analysis of Online Shopping Satisfaction Islamic Perspective (Case Study To Student of University of Darussalam Gontor Campus Magelang on Period 2021) | INDONESIA - University of Darussalam Gontor Andini Rachmawati, Zulfatus Sa'diah, Mutiara Salsabila, & Friqly Aldinda Equity Crowdfunding Sharia as Islamic Social Finance in Recovering The Economy Amid Covid-19 Pandemic Crisis | INDONESIA - Statistics Indonesia (BPS) Dian Rizqi Khusnul Khotimah Big Data Analysis: How Public Response To Islamic Economy in Indonesia During Pandemic? | MALAYSIA - International Islamic University Malaysia Putri Ellynazura Binti Megat Nor Hashim, & Mohamed Aslam Akbar Prohibition of Riba' and Interest Based Financial Intermediation: Comparative Analysis Between The Consensus of Islamic Jurists and The Contemporary Polemicists | INDONESIA - Tazkia Islamic University College Anita Priantina, Bashir Ammar Hakim, & Ikha Nur Syamsiah Islamic Social Finance Research Trends: Past and Future |

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| 09.55 - 10.15 AM | Paper 3 | INDONESIA - Yarsi University Lukman Hamdani & Nurul Huda The Youtuber's Waqf and Zakat Model as A Fundraising Innovation for Waqf Funds | INDONESIA - Tazkia Islamic University College Nurizal Ismail, Zurina Shafii, & Siti Aisyah Interpreting Syaibani's The Ideas of Wealth Management in The Contemporary Islamic Finance | INDONESIA - University of Darussalam Gontor Atika Rukminastiti Masrifah & Nilam Suci Gilang Romadhona Measuring The Use of and Demand for Sharia Electronic Money Among Muslims | PAKISTAN - University of Engineering and Technology Taxila M. A. Rehman Shah, ShaheerBano, & Meher Bano Technological Transformation and Employees' Performance:A Case of Islamic Financial Institutions in The Amidst Pandemic Era | MALAYSIA - Universiti Teknologi Mara Zahariah Sahudin & Husniyah Abdul Rahim Determinants of Takaful Performance in Malaysia | INDONESIA - Universitas Airlangga Lina Nugraha Rani, Dwi Wulan Ramadani, & Johan Wahyudi The Islamic Financial Stability System: A Bibliometric Approach | INDONESIA - Sultan Agung Islamic University Sri Anik & Devya Rahma Saputri The Role of NPF In Mediating The Relationship Between Mudharabah and Musyarakah Financing to Increase Profitability in Islamic Commercial Banks | INDONESIA - Sultan Agung Islamic University Nurhidayati, Fransy Bismatama G Ibrahim, & Nailil Muna The Dual Benefits of The Dual Role of Students Working as Entrepreneurs Through Social Support |
| 10.15 - 10.35 AM | Paper 4 | INDONESIA - University of Darussalam Gontor Azidni Rofiqo & Sheema Hasina Armina Transparency and Reputation as The Factor Influences to The Intention Waqf: Empirical Studies in Institution of Waqf Gontor | INDONESIA - UIN Syarif Hidayatullah Jakarta Riris Aishah Prasetyowati Measurement of The Level of Competition in The Islamic Banking Industry | INDONESIA - Tazkia Islamic University College Fitria Novianti & Yaser Taufik Syamlan Factors Affecting Investment Decisions During Pandemic Through Sharia Financial Technology | INDONESIA - University of Darussalam Gontor Eko Nur Cahyo, Saipul Nasution, Fawwaz Raihan, & Dwi Rachmawati Digital Currency Bitcoin in Islam and Banking | INDONESIA - Tazkia Islamic University College Zahra Shafira & Anita Priantina Investigating Behavioral Intention Towards The Integrated Islamic Commercial and Social Finance | MALAYSIA - International Islamic University Malaysia Omercic Jasmin Integration of Knowledge (IoK) Methodological Approach to Reforming The Development of Islamic Economics, Banking and Finance (IEBF) on Light of Maqasid (Objectives) and Sustainable Development Goals (SDGs) | MALAYSIA - Universiti Teknologi MARA Nor Tasik Misba & Abd Halim Mohd Noor Empirical Review on Literature of Tahfiz | INDONESIA - Malangkeucecwara College Malang Imama Zuhroh The Rise of Islamic Social Finance in The Pandemic Era |

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| 10.35 - 10.55 AM | Paper 5 | INDONESIA - Tazkia Islamic University College Nashr Akbar & Nurfikriani Factors Influencing Interest of Indonesian Muslim Millennials in Waqf | INDONESIA - Sultan Agung Islamic University Pungky Lela Saputri Islamic Banks and Its Role in Reducing Poverty: A Conceptual Framework | INDONESIA - Universitas Alma Ata Yogyakarta Muhammad Taufiqur Rohman & Dunyati Ilmiah Analysis of Financial Literacy Influence, Security Level, Service Features and Subjective Norms Against The Use of Sharia Mobile Banking Services Among Sharia Banking | INDONESIA - Sultan Agung Islamic University Diah Ayu Kusumawati Digital Transformation: Optimization of Digital Skill and EReadiness on SMEs in The Pandemic | INDONESIA - University of Darussalam Gontor Mohammad Ghozali, Eko Nur Cahyo, Vina Fithriana Wibisono, & Mohamad Andi Syamsul Maula تحليل عقود لمضاربة و الوديعة كصحة المعاملات في المدخرات وفقا لقانون المعاملة الإسلامية (دراسة حالة في بنك المعاملات, فرع يوجياكارتا) | INDONESIA - Tazkia Islamic University College Aam Slamet Rusydiana, Evania Herindar, & Nisful Laila The Impact of Covid19 on Islamic Economics and Finance Industry: Text Analytics Using R | MALAYSIA - International Islamic University Malaysia Andri Martiana & Salina Kassim Relevance of Agency Theory in Microenterprise Financing: Case of Baitul Maal Wa Tamwil in Indonesia | INDONESIA - Tazkia Islamic University College Herdy Almadipta Rahman & Yaser Taufik Syamlan Behavioral Intention to Adhere with Islamic Financial Planning of Healthcare Personnel During Covid-19 Pandemic |
| 10.55 - 11.15 AM | Paper 6 | INDONESIA - Universitas Alma Ata Rusny Istiqomah Sujono, Febrian Wahyu Wibowo, Al Haq Kamal Rusny Istiqomah Sujono, Febrian Wahyu Wibowo, & Al Haq Kamal Effectiveness and Efficiency of Cash Waqf Management in Tabung Wakaf Indonesia | MALAYSIA - International Islamic University Malaysia Nik Anis Idayu binti Nik Abdullah & Razali Haron Sustainability Reporting and Bank Credit Risk: Evidence from GCC Countries | Brunei Darussalam - Universiti Islam Sultan Sharif Ali Qaisar Ali, Shazia Parveen, Hakimah Yaacob, Razali Mat Zin, & Zaki Zaini Shariah Corporate Governance Reporting of Malaysian Islamic Banks | INDONESIA - Universitas Brawijaya Ananda Ramadhani & Nadia Nurmaya Regtech and Suptech: Implementations for Fintech Supervision in Indonesia Dynamics of Muslim's Consumption Behavior in Response to Halal Certification Regulations: Lesson Learned from Indonesian Halal Industry Ecosystem | INDONESIA - SEBI School of Islamic Economics Sigit Pramono, Muhammad Ismail, Ai Nurbayinah, & Tryono Apec Founding Countries | INDONESIA - UIN Sunan Kalijaga Yogyakarta Ali Zahidin & Lailatis Syarifah Analysis of Factors Affecting Foreign Direct Investment of | MALAYSIA - Universiti Sains Islam Malaysia Hussein 'Azeemi Abdullah Thaid, Muhamad Firdaus Ab Rahman, Azman Ab Rahman, & Muhammad Aiman Fathi Shamsuri The Practice of Islamic Microfinance: Issues and Challenges From The Perspective of Maqasid Shariah | INDONESIA - UIN Sunan Kalijaga Yogyakarta Miftakhul Choiri, Purbayu Budi Santosa, & Edy Yusuf AG Comparison of Village Cooperative (KUD) and Village Owned Enterprises (BUM Desa) in Indonesia |

| Friday, November 19th, 2021 | | Parallel Session 4 (03.30 - 05.00 PM) | | | | | | | |
|-----------------------------------|---------|--|---|---|---|---|--|--|---|
| | | Ahmad Muqorrobin, M.A. | Sunarsih, SE., M.Si | Hasan Al Banna, SEI., M.E | Dr Muhd Zaki bin H. Zaini | Bayu Taufiq Possummah, Ph.D., MA | Dr. Luqyan Tamanni, M.Ec | Herin Ratnaningsih, M.Pd.B.I | Dian Nuriyah Solissa, SHI., M.Si |
| Time | Agenda | Room 1 | Room 2 | Room 3 | Room 4 | Room 5 | Room 6 | Room 7 | Room 8 |
| 03.30 - 03.50 PM | Paper 1 | INDONESIA - University of Darussalam Gontor Syamsuri, Setiawan bin Lahuri, Muhammad Naufal Izzaturrahman, Triono Nugroho, & Roqi Muttaqi حوكمة الشركات الإسلامية (GCI) كحل المشكلات في إدارة وتطوير الوقف بإندونيسيا | INDONESIA - Tazkia Islamic University College Sulhani & Siti Khomstun Top Management Demographics and Risk Disclosure on Islamic Banking: The Role of Audit Committees Expertise | PHILIPPINES - Mindanao State University Jawad Salic Election Campaign Through Social Media: The Political Impact of Facebook, Instagram, Twitter and Youtube on Voting Decision in Lanao Del Sur, Philippines | INDONESIA - University of Darussalam Gontor Fajar Surya Ari Anggara, Soritua Ahmad Ramdani Harahap, Alfarid Fedro, & Mohamad Rohman Alim Implementation of Human Resources Development in Advancing The People's Economy Through The Zakat Institution Sector | INDONESIA - Tazkia Islamic University College Juan Fadri Ramadhai & Miftakhus Surur The Impact of Financial Literacy and Risk Tolerance with Personality as Moderating Variable on Islamic Stock Investment Decision | MALAYSIA - Universiti Sains Islam Malaysia Hussein 'Azeemi Abdullah Thaidi, Muhamad Firdaus Ab Rahman, Azman Ab Rahman, & Muhammad Aiman Fathi Shamsuri The Practice of Islamic Microfinance: Issues and Challenges from The Perspective of Maqasid Shariah | MALAYSIA - International Islamic University Malaysia Nufazil Altaf, Muhammad Imran Bhatti, Razali Haron, & Suraya Shafi Intangible Assets and Trade Credit: Evidence From Muslim Countries in Mena | BANGLADESH - Islamic University, Kushtia Dr. Dhanonjoy Kumar & MD. Jafor Ali Financial Inclusion and Factors Influencing Quick Acceptability of Mobile Financial Service |

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|------------------------|---------|--|---|---|--|--|---|---|---|
| 03.50 - 04.10 PM | Paper 2 | MALAYSIA - International Islamic University Malaysia ولاء حسين أبازيد The Role of Banks in Achieving Sustainable Development in The Islamic Economy | MALAYSIA - Putra Business School, UPM Prof. Khaliq Ahmad Islamic Management Practices in Financial Institutions- Case Studies from Islamic Banking and Finance | INDONESIA - Tazkia Islamic University College Hanan Mukriyadi Analysis of Gender Equality On Islamic Economic Growth | INDONESIA - Gadjah Mada University Wendy Rabiviani & Aprilia Beta Suandi Understanding Governance in Community Organization- Based Zakat Management Institutions A Social Capital Approach | MALAYSIA - International Islamic University Malaysia Razali Haron & Mukhtar Arif Siraj Risk-Return TradeOff on Stock Investment. Empirical Analysis on Indonesia Stock Exchange | INDONESIA - Sultan Agung Islamic University Yuli Indah Sari, Pungky Lela Saputri, Erma Sri Hastuti, & Asyhari HR Interest in Studying at The Undergraduate Level: Islamic Microfinance Institution Study | INDONESIA - UIN Ar- Raniry Aceh Dr. Hafas Furqani, M.Ec, Prof. Dr. Euis Amalia, M.Ag, Dr. Zaki Fuad, M.Ag Configuring Problems of Economics in Islamic Perspective: Moral Nexus, Realities and Its Unification | INDONESIA - Universitas Muhammadiyah Yogyakarta Alfina Rahmatia, Arief Dwi Saputra, & Arni Surwanti How Can Islamic Islamic Financial Inclusion become A Sustainable Financial System? |
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| 04.10 - 04.30 PM | Paper 3 | <p>INDONESIA - University of Darussalam Gontor Luluk Wahyu, دمحم شفاء الرشيديين & M. Ali Zikhafid</p> <p>الإجارة في الفقه الإسلامي و تطبيقها المعاصرة على أعمال غسل الملابس</p> | <p>INDONESIA - IAIN Salatiga Rosana Eri Puspita & Mohamed Asmy bin Mohd Thas Thaker</p> <p>Netnography on Finance Research: The Case of Customer Blackmail in A Sharia Bank</p> | <p>MALAYSIA - International Islamic University Malaysia Oumaima Tounchibine & Asst. Prof. Dr. Nor Razinah Mohd Zain</p> <p>An Overview on Regulation Policies for Refugees in Malaysia and The Selected European Countries: Current Situation and Future Consideration</p> | <p>INDONESIA - Sultan Agung Islamic University Zainal Alim Adiwijaya</p> <p>Good Baznas Governance Model at The Amil Zakat National Agency in Semarang</p> | <p>INDONESIA - Universitas Islam Negeri Antasari Selvi Annisa & Novia Nour Halisa</p> <p>Macroeconomics Effect on Conventional and Sharia Stocks During The Covid19 Pandemic</p> | <p>MALAYSIA - Universiti Sains Malaysia Dr. Md Aslam Mia</p> <p>Transforming Conventional Microfinance into Islamic Microfinance in Bangladesh: A Proposed Shariah Based Model(s)</p> | <p>MALAYSIA - USIM Nilai Nagri Sembilan Malaysia Baidar Mohammed Mohammed Hasan, Munner Ali Abdu Alrab, & Mualimin Mohd Sahid</p> <p>The Principle of Financial Consolation Between Spouses in Light of The Covid 19 Pandemic: An Analytical Study</p> | <p>INDONESIA - University of Darussalam Gontor Adib Susilo, Nurdianawati Irwani Abdullah, & Nor Azizan Che Embi</p> <p>Factors That Influencing Cash Waqf Literacy : Evidence from Gontor's Student</p> |
| 04.30 - 04.50 PM | Paper 4 | <p>MALAYSIA - University of Islamic Science Malaysia رمزي شانف أحمد شاهر, الدكتور عبد المنان إسماعيل , الدكتور حسين عزمي بن عبد الله</p> <p>Zakat on Bee Products Other Than Honey</p> | <p>INDONESIA - Universitas Negeri Jakarta Nada Arina Romli & Prima Yustitia Nurul Islamir</p> <p>Communication Model for Community Development of Sharia Bank Financing Products in Empowering Women</p> | <p>INDONESIA - Tazkia Islamic University College Aam Slamet Rusydiana & Muhammad Syamsul Bahri</p> <p>Green Economy and Some Relevancies From Islamic Finance Perspective: A Bibliometric Review</p> | <p>INDONESIA - International Centre for Waqaf Studies (ICAST), University of Darussalam (UNIDA) Gontor Syahrudin, Hartomi Maulana, & Fadhila Tianti</p> <p>Mudi Awalia Waqf for Sustainable Development in The Amidst Pandemic Era: Lesson Learned from Pondok Pesantren Trubus Iman, East Kalimantan, Indonesia</p> | <p>MALAYSIA - International Islamic University Malaysia Naji Mansour Nomran & Razali Haron</p> <p>Global Pandemic and Stock Market Volatility of Asia Pacific Countries</p> | <p>INDONESIA - Tazkia Islamic University College Wulan Asnuri, Nurul Huda, & Ronald Rulindo</p> <p>Determinant Analysis of Liquidity Risk in The Sharia Microfinance Institutions: A Case Study on KSPPS BMT Bina Ummat Sejahtera (BMT BUS)</p> | <p>INDONESIA - Sultan Agung Islamic University Ken Sudarti</p> <p>The Role of Holistic Value Co-Creation to Increase Sales Innovation Speed</p> | <p>MALAYSIA - International Islamic University Malaysia Adi Saifurrahman & Salina Kassim</p> <p>Collateral Imposition and Financial Inclusion: A Case Study Among Islamic Banks and MSME in Indonesia</p> |

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| 04.50 – 05.10 PM | Paper 5 | | | | | | MALAYSIA - International Islamic University Malaysia Mirakilov Khurshed, Ashurov Sharofiddin, <i>Razali Haron</i> , Azman Bin Mohd. Noor Identifying the Challenges of Sustainable Development of Islamic Banking System as an Alternative Banking in Tajikistan | | |
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Modeling Zakat as Tax Deduction: A Comparison Study in Indonesia and Malaysia

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ABSTRACT

Research goals – The strategy to increase tax ratio is a priority in a country that makes taxes the biggest source of state revenue. On the other hand, zakat also has an important role to realize social welfare in Muslim-majority countries including Indonesia and Malaysia. This study aims to analyze the factors propelling compliance of paying zakat and taxes with zakat regulatory antecedents as tax deduction.

Methodology – 129 respondents from academicians and managers in Indonesia and Malaysia were taken as sample of this study. By using Mann-Whitney test and linear regression.

Finding - The result shows that there are differences in zakat payment compliance between Indonesia and Malaysia. The implementation of zakat as tax deduction regulation has a significant effect on zakat and tax compliance behavior in both countries. Meanwhile, zakat as tax deduction regulation executed in Malaysia makes tax compliance behavior higher than in Indonesia.

Research limitations/implications – Apart from differences in policies / regulations in the payment of zakat and taxes, differences in the findings of this study are also caused by differences in the level of welfare and the nominal amount of zakat and taxes that must be paid.

Practical implications - Socialization from both the tax officials and zakat officials that zakat can be used to reduce taxable income are needed. Suggested to apply zakat as tax deduction for Indonesia as well as Malaysia conducted.

Originality/value – This research contributes to the Indonesian government in exploring the potential of Indonesian Muslims in paying zakat and taxes.

Keywords: Zakat, tax deduction regulation, zakat and tax compliance behaviour

1. Introduction

Zakat and taxes are two important sources of income for the Islamic economic system. The tax ratio for Indonesia is 10.8% which is lower among the Southeast Asian region compare to Malaysia (14.4%), Philippines (13.67%), Singapore (14.29%) and Cambodia (15.3%). This condition is not in line with Indonesia's position as the highest gross domestic product (GDP) in the ASEAN region, number 5 in Asia, and 15 in the world. Indonesia's tax ratio is still lower than the average value of the world tax revenue to GDP ratio which is 15.06% (World Bank, 2016). Ideally, tax ratio should in linear with the economic progress of a country. This reality is a

challenge for the Government of Indonesia to increase the ideal tax ratio, which is close to the state budget of around 15-16% of total GDP so that it can guarantee fiscal sustainability and deficits that are under control.

Tax revenues from various sectors are still low causing Indonesian government to explore the potential sources of tax revenues from the biggest tax subjects, namely Muslims, which make up to 75% of the total population of Indonesia. Based on Global Religious Future data, Indonesia's Muslim population is estimated to reach 229.62 million people in 2020 and could potentially receive the largest zakat in the world with 280 trillion rupiah according to BAZNAS (Susanti & Ika, 2019). According to Ministry of Religion, the potential of zakat in Indonesia is still very low at 0.2% of the target in 2018.

The potential of receiving zakat can indicate the level of welfare of the community, especially in countries with a majority of Muslim population, but the potential of receiving zakat has not yet reached the target due to the lack of understanding that zakat can improve society's welfare (K. A. Kusuma & Ryandono, 2016). In addition, low trust on amil zakat (LAZIS or BAZ) in distributed zakat also make muzakki (zakat payer) prefer to pay zakat to mustahik (zakat recipient) directly. Thus, the collection and distribution processes of zakat cannot be optimal (Zakiyah, 2011; Bakar and Rahman, 2007 and Musthapa and Sapaie, 2007). Previous studies mentioned that role of zakat could be optimal if the Government and zakat institution cooperate to collect and distribute them systematically (Daud & Audu, 2011; A. Samad & Glenn, 2010; Sari, Bahari, & Hamat, 2013). Therefore, the Government is trying to harmonize zakat and taxation by making zakat as one of the tax reliefs in collecting income tax (PPH) in Indonesia (Ghaffari, 2017).

According to Nurhayati and Siswantoro (2015), society's awareness on tax deduction is still low even though it is regulated in the law. This is due to the situation where zakat is not considered as overpaid tax; approved laws/regulations are not yet known by local Islamic law; and society's education particularly in undergraduate grade that assume the complexity of zakat as tax deduction and also there is no record of zakat payment. It is also caused by motivation where people do not want to be known that they have paid zakat and public trust in zakat management institutions.

Indonesian government has made the rules as a solution to the dual obligations of Muslims, namely in paying zakat and taxes. These rules are listed in article 22 of Law No. 23 of 2011 concerning "Zakat that has been paid to amil zakat bodies or amil zakat institutions is deducted from the taxable profit/residual income of the relevant taxpayers in accordance with applicable laws and regulations". However, the practice of zakat as a tax deduction in Indonesia is very small and there are still many Muslim communities who do not know that the zakat they pay can reduce the value of taxes that must be paid (Soimah, 2016). Djatmiko's research (2019) added that the reformulation of zakat as a tax reduction is expected to increase the number of taxpayers and zakat payers, therefore when zakat becomes a deduction from income tax, there will be greater economic influence.

In contrast to Indonesia, the implementation of the integration of zakat and tax in Malaysia is done by giving tax deductions on zakat that have been paid by Muslims. Malaysia is one of the countries where zakat contribution is voluntarily paid and Malaysian who pays zakat to a zakat institution will get tax rebates. The resolution made by government provides relief for Muslim taxpayers from being burdened by double taxation. No matter how much zakat is paid, it will be deducted from the tax that should be paid on condition that the zakat is paid in the same estimated year and the proof / receipt from the State's Islamic Religious Council in Malaysia (Suprayitno, Kader and Harun, 2013). This zakat rebate on individual income tax is granted

when Muslims in Malaysia make their zakat payments to any zakat institutions. However, if they pay their zakat direct to “Asnaf”, there is no rebate entitle for them. Therefore, the income tax on the chargeable income is reduced by the rebate. The zakat rebate is to be charged based on the data zakat was paid in the year of income tax assessment. Zakat in Malaysia is managed by every state with full rights and authority. Therefore, zakat is not collected and distributed centrally, each state has its own zakat center and the distribution of zakat in each state will also be assisted by the baitulmal.

Zakat has a different concept from tax. Zakat is purely intended for social and spiritual purposes and will provides benefits such as poverty alleviation, wealth distribution, as well as being a medium to cleanse wealth and hearts. There is no material benefits directly felt by the payer. A study by Fidiana (2014) has revealed the fact that paying taxes and zakat involves the concept of dualism which obedience and compliance. The study shows that zakat payers willing to pay the zakat and they are honest and not dares to cheat (manipulate/cheat) in paying zakat. This is different from the tax concept that has been so rigid with various rules that have an impact on fines, criminal sanctions, potential audit, and so on, but there are still many avoidance and evasion of taxes. This difference in reality is an interesting thing to study more thoroughly again.

Both Indonesia and Malaysia have the greatest tax subject equality from the majority of the Muslim population and the existence of zakat regulations as a tax deduction even though the execution of tax deduction slightly different. Therefore, researchers are interested in conducting a comparative study related to the willingness to pay tax with zakat so that the research questions are 1) How is the implementation of zakat regulation as a tax deduction in Indonesia and Malaysia, 2) How is compliance paying zakat and taxes in Indonesia and Malaysia, 3) Do the implementation of zakat regulations as a tax deduction have a positive effect on zakat and tax compliance in Indonesia and Malaysia?

2. Literature Review

Compliance is an action or action to fulfill the needs/desires or requests of other parties (Taylor, 2006). The subject of obedience includes two or more interacting parties, namely the governing party and the governed party to obey. As a result of this interaction is compliance or non-compliance. Compliance theory in the organizational structure is an approach to internal or organizational structure that integrates ideas from the classical model and management participation. Pressure or demand from other parties requires the organization to do something according to the criteria as a form of management participation in meeting compliance (Lunenburg, 2012).

Compliance from the internal side of a company can be formed from six factors (Taylor, 2006) including: information, rewards, trust, power, legitimate authority and coercion. Related to this research variable, the regulation of zakat as a tax deduction is included in the factor of reward and legal authority.

Zakat is the command of Allah Almighty which in many verses of the Qur'an is mentioned in unison with the command of prayer. Both of these commands contain very deep meaning. The order of prayer is intended to strengthen the Islamic identity of humans on the personal dimension of spirituality, while the command of zakat is intended as actualization of the Islamic identity of man on the dimension of ethical awareness and morality on the social dimension (Mas'udi, 2019). Zakat is basically not an institutional teaching, but a spiritual and moral teaching about the responsibility of the state and people with more wealth to uphold the benefit and justice of the universe that is prioritized for the helpless. Meanwhile, tax is the technical language of the institutional concept which is the body/body of zakat (Mas'udi, 2019).

However, zakat cannot replace taxes, given the foundation used. Alms have been determined levels and calculations in the Qur'an and Sunnah. Different from the tax, the calculation depends on the needs and policies implemented by the government, so that a Muslim is asked to fulfill both. Zakat is a form of obedience to the Creator while tax as a form of obedience to the state. Payment of taxes by Muzaki (zakat payer) is considered as a perfection of worship (Bayinah, 2015). Tax and zakat are inseparable from compliance in living the life of a state and religion. Tax or zakat are both aimed at increasing the welfare and prosperity of the people (Permana, 2020).

Zakat in terms of fiqh is a certain amount of wealth or wealth that is required by Allah Almighty to be submitted to the right party. The amount issued will make more, more meaningful and protect wealth from destruction. According to Ibn Taimiah, "The soul of the tithe will be clean and his wealth will be clean too: clean and increase in meaning". However, according to language, the basic meaning of the word zakat has a sacred meaning, growing, blessing and commendable (Qardhawi, 1999). The meaning of growth and holiness is not only intended for wealth, but also for the souls of those who pay alms. Zakat generates material and spiritual growth for the poor, and develops the soul and wealth of the rich (Santoso & Agustino, 2018.).

There are two types of zakat that are required of Muslims, namely zakat fitrah and zakat maal. Zakat fitrah is a small levy that all muslims must be paid without fail, regardless of age, gender or wealth. Zakat fitrah is zakat paid by Muslims ahead of Idul Fitri which is equivalent to the type of food consumed daily as much as 3.5 liters or 2.7 kg, while zakat maal or zakat assets are income and services, agricultural products, livestock, gold or silver that has reached the haul (time) or has reached the size of one Nisab. Calculation of maal zakat is different according to the type of income and it can be owned by individuals or business entities (Agossalim, 2018). In Malaysia, each state declares the zakat rate for the year based on current market price of its local rice.

In this paper the focus is more on zakat maal (especially zakat on income or profession) which has experienced development in the modern economy. Zakat on income or profession is zakat issued on professional income (profession results) when it reaches Nisab. These professions are for example public or private employees, consultants, doctors, notaries, accountants, artists, and entrepreneurs. Professional income is in the form of money. From this point of view, it is different from plants, and closer to gold and silver. Therefore, the professional zakat level which is pronounced with gold and silver alms, which is 2.5% of all gross income. The hadith which states the levels of zakat of gold and silver is: "If you have 20 gold dinars, and have reached one year, then the zakat is half a dinar (2.5%)" (HR. Ahmad, Abu Dawud and Al-Baihaqi).

So that Muslims are not exposed to the double burden of paying zakat and taxes, and to encourage concern for others and increase religious observance, the government has determined zakat as a deduction for taxable income (PKP). The basis for the stipulation is regulated in Law No. 36 of 2008 concerning Income Tax states that compulsory zakat can be deducted from gross income on condition that it is paid through zakat recipient bodies/institutions established and approved by the government. Government Regulation (PP) No. 60 of 2010 concerning zakat or religious donations which are mandatory that can be deducted from gross income also stipulates that zakat can reduce taxable income. Law No. 23 of 2011 concerning Management of Zakat in article 22 and Article 23 paragraph 1-2 also regulates the same thing, namely: Zakat paid by muzaki to the National Amil Zakat Agency (BAZNAS) and the Amil Zakat Institution (LAZ) deducted from taxable income (article 22)

and Baznas or LAZ are required to provide proof of zakat payment to each muzaki (zakat provider), and the evidence is used as a deduction for taxable income (Article 23).

During this time, wrong assumption is circulating among Muslims, that paying zakat can directly reduce the tax to be paid. Actually, the truth is as stated in Law No. 38/1999 that the zakat that has been paid to the official BAZ or LAZ will be deducted from the profit/taxable residual income of the taxpayer concerned. In Law No. 17/2000 also stipulates that zakat on income that is actually paid officially by an Islamic taxpayer or a domestic corporate taxpayer owned by Muslims, can be deducted from taxable income. Decree of the General Director of Taxes No. Kep No. 542/PJ/2001 that zakat on income can be deducted from net income (Mukiyanto. & Hendrian, 2008).

In Act Number 7 of 1983 concerning Income Tax, which was last amended by Act Number 36 of 2008, it is stated that zakat or religious donations that are obligatory can be deducted from gross income provided that they are paid through zakat recipient bodies/institutions or religious donations which are mandatory in nature formed or authorized by the government.

This provision applies both to individual taxpayers and corporate taxpayers owned by Muslims. To be deducted from taxable income, a person or business entity that pays zakat has the right to request proof of Zakat deposit. The amount of zakat paid is stated in the column below gross income and attaching evidence of zakat deposit from designated institutions. Appointed bodies/institutions are regulated in Director General of Taxes Regulation Number PER- 11/PJ/2018, some of which are National Amil Zakat Agency (BAZNAS), Amil Zakat Institution (LAZ) on a national scale, and Amil Zakat Infaq and Shodaqoh Institutions (LAZIS).

Compliance with paying zakat in Indonesia is still relatively low. This can be seen from the existence of a very large gap between the potential for receiving zakat and the value of zakat. The gap indicates that some Muslims are less motivated to pay zakat (Mukhlis & Beik, 2013). Another factor of the low acceptance of zakat in Indonesia is that zakat payments are made directly to mustahiq without going through amil zakat institutions, so that the realization of zakat values is not recorded. Another cause is the assumption that taxes are more important than zakat (Mujaddid and Ramadan, 2019).

Zakat in Malaysia is managed by every state with full rights and authority. So, zakat is not collected and distributed centrally, each state has a zakat organization in the form of a private company managing zakat and baitul mal or zakat power department under the authority of the State Islamic Religious Council with their respective basis, goals and functions. In several states the collection and distribution of zakat is carried out by these two institutions. The collection of zakat is carried out by a private company under the Minister of Islam, while the distribution is done by BaitulMaal (Suprayitno, Kader and Harun, 2013).

Previous research states that the factors that influence adherence to pay zakat are religious factors such as faith, religious understanding, and reciprocity, as well as social care, self-satisfaction, and organizational factors. The professionalism of the Zakat Management Organization (OPZ) also influences the observance of paying zakat (Mukhlis & Beik, 2013). (Mujaddid and Ramadan, 2019) reports that religiosity is able to explain the willingness to pay tax and zakat. The dimensions of the importance of religion and the intensity of prayer have a negative effect, while the dimensions of consideration of religious values have a positive effect on the willingness to pay taxes and zakat. Willingness to pay tax and zakat does not show significant differences both at high and low levels of religiosity. The factors that influence muzakki to pay zakat as tax deduction are knowledge, halal and haram aspects,

legal awareness, and religiosity. Especially the halal and or haram aspect of which is a very significant factor for the perception of Muslim consumers about zakat as a tax deduction in Malaysia (Al-mamun & Haque, 2015). According to (Sahaludin & Mokhtar, 2019) through their study found that some factors such as age, marital status and income are a major significant which may influence the payment of zakat as well as zakat payment mechanism through salary deductions.

H1: There is a difference in compliance paying zakat in Indonesia and Malaysia

Demographic and policy factors between Indonesia and Malaysia can also be the cause of differences in tax compliance behavior in the two countries. This is consistent with the theory put forward by (Lunenburg, 2012) that compliance theory is an approach to organizational structure that integrates several ideas from classical and participatory management models. In the theory, organizations can be classified based on the type of power they use to direct the behavior and involvement of members. In most organizations, the types of power and involvement are related in three predictable combinations: coercive-alternative, utilitarian-calculative, and normative-moral. Organizations can combine two or even all three types of power; for example, using utilitarian and normative power to obtain compliance. The use of power that is incompatible with environmental conditions can reduce organizational effectiveness.

Taxpayers in Malaysia will face law enforcement. Malaysia has also placed tax authorities directly under the Prime Minister, while tax management in Indonesia is under the authority of the Ministry of Finance which limits the movement of the Directorate General of Taxes (DGT) steps in optimizing tax achievement targets (Darussalam, 2019).

Related to demographic factors, tax compliance behavior in Indonesia is related to education level, type of work, and income level. Higher educated taxpayers are more aware of tax regulations and fiscal policy and know about ways to avoid tax (tax avoidance) and smuggling tax (tax evasion). Taxpayers who work as Civil Servants are more obedient compared to Entrepreneurs, because the income received by Employees/Employees is routinely deducted by the employer, while entrepreneurs have more opportunities to carry out tax evasion. In addition, employers generally require ownership of a Taxpayer Identification Number (NPWP) as a condition of job application. In fact, some employers, especially government agencies require employees to submit annual tax returns on time. Based on income level, the higher a person's income, the lower their tax compliance behavior (Pasaribu and Tjen, 2016). In Malaysia, demographic factors related to tax compliance behavior are ethnic factors, academic qualifications, and behavior towards tax compliance (Al-mamun & Haque, 2015). Kusuma (2017) states that the level of compliance of tax people in Indonesia is still far lower compared to Malaysia.

Based on the differences in tax obligations and influencing factors in Indonesia and Malaysia as well as the findings of previous studies, thus this third hypothesis was developed;

H2: There are differences in compliance with paying taxes in Indonesia and Malaysia

Zakat regulation as a tax deduction in Indonesia and Malaysia is intended to ease the double burden on Muslims in paying zakat and taxes. With regard to this relief it is expected that compliance with paying zakat and taxes can increase. This is consistent with the theory which states that tax relief in taxation can be done to increase tax revenue in the short term and tax compliance behavior in the future (Darussalam, 2014).

The implementation of zakat regulations as a tax deduction in Indonesia is also intended to reduce the double burden on Muslims in paying zakat and taxes and to create justice for Muslims (Setianingrum, Madjid, & Asaari, 2018; Logawali et al., 2018; Zhaputri, B, & Handayani, 2018). This implementation is expected to recruit only taxpayers or zakat payers to become one more part of zakat payers and taxes (Setianingrum et al., 2018).

The study of zakat as a tax deduction for Muslims in Malaysia found that the halal-haram aspect in Islamic Sharia has a very positive influence on the perceptions of Muslim consumers regarding the tax reduction system (Al-mamun & Haque, 2015). Another study found that in addition to the halal-haram aspects of Islamic Sharia and legal awareness, Muslim consumer religiosity is also a positive contributor in fostering perceptions about tax rebates on zakat on income in Malaysia (Haque & Jan, 2020). The tax structure, consisting of tax rate, audit rate and penalty rate, are influential factors on taxpayers' compliance behaviors. Even, a study by Loo (2006) found that the penalty rate appeared to be the most influential determinant of tax compliance behavior. Despite the tax structure being evident to deter the non-compliance behavior of taxpayers, the enforcement of the rules was viewed to be rather loose which may reduce the integrity. He also concludes the threat of punishment remains significant in deterring the negative intentions or behavior of taxpayers.

In Malaysia, muslims more focusing on zakat fitrah and zakat on income. Management of zakat collection and distribution throughout the states in Malaysia showed a positive increase with the increase in zakat collection. According to (Wahab & Tamkin Borhan, 2015), zakat collection in Malaysia increased from RM423.8 to RM1.936 billion in 2012 compared to 2003 with an increase of 356.3 percent in 10 years.

In general, many of the previous studies tested the demographic factors which are anticipated as affecting the payment behavior. They also tried to logically reason out and justify why the significant (and non-significant) factors influence the total of zakat collection. There are some of the previous studies tested the relationship between Muslim's perception and belief on certain zakat issues with their payment behavior and will also consider in our study. The present study would complement the previous literatures by going a step further in identifying and emphasizing on the implementation of zakat regulations as a tax deduction affects the compliance of paying zakat in Indonesia and Malaysia. In essence, it provides empirical evidence on the potential and actual reasons of the zakat collection.

Based on the theoretical basis and findings of previous studies, therefore the fourth and fifth hypotheses were developed:

H3: The implementation of zakat regulations as a tax deduction affects the compliance of paying taxes in Indonesia and Malaysia

H4: The implementation of zakat regulations as a tax deduction affects the compliance of paying zakat in Indonesia and Malaysia

3. Methodology

Primary data from the questionnaire distributed through an online survey among academicians as well as the Council of the Islamic Economic Community and zakat management organizations in Malaysia and Indonesia were the source of the data in this study. The questionnaire to measure zakat as a tax deduction is represented by 15 questions/indicators, while for compliance paying taxes with 8 questions and compliance

paying zakat contains 11 questions. Each question is given a choice of answers on a 1-5 Likert scale.

Indicators of zakat variables as tax deductions include: the legal basis governing, zakat reduces personal taxes, zakat as tax deduction is self-calculated, zakat as a cost, zakat benefits as a tax deduction, zakat as a tax deduction must be paid at the official OPZ, zakat policy as a deduction taxes can increase zakat and tax revenue, integrated zakat and tax collection systems increase motivation to pay zakat and taxes, socialization of tax regulations on zakat increases taxpayer compliance, paying professional zakat, differences in zakat and tax, zakat and tax as a dual obligation of a Muslim.

Indicators of taxpayer compliance include: registering as a taxpayer voluntarily, reporting tax returns on time, calculating income tax correctly, paying taxes on time, paying taxes is an obligation, taxes supporting development activities, never getting a tax bill (STP).

Indicators of zakat compliance variables include: not delaying paying zakat every time there is an increase in assets, zakat helps relieve those who are more in need, zakat cleansing assets and getting rewards, believes that OPZ will distribute zakat correctly, pay zakat after there are government regulations, pay professional zakat on time, perform professional zakat according to calculations, distribute professional zakat every month, are willing to accept sanctions if they do not pay zakat, are not burdened with professional zakat obligations, and have been accustomed to sharing since childhood.

Furthermore, differences in the implementation of zakat as a tax deduction between Indonesia and Malaysia were analyzed by using Mann Whitney test, while the effect of the implementation of zakat as a tax deduction on tax compliance behavior and zakat was analyzed by using simple linear regression test with the help of SPSS version 22.0 software at the significance level $p < 0,05$.

4. Results and Discussion

Within three months, the researcher has received 129 completed questionnaires, consist of 69 Malaysian respondents and 60 Indonesian respondents. The results of the validity analysis obtained an invalid indicator, the 5th indicator for the variable of zakat as tax deduction and the variable of zakat compliance (with r count < 0.237). Invalid indicators were excluded from the analysis. The results of the reliability analysis showed that the three variables in this study were reliable, indicated by the Cronbach alpha value of > 0.90 each. The demographic characteristics of respondents between the two countries are shown in Table 1.

Table 1. Demographic characteristics

| Characteristics | Country | | <i>p</i> |
|---------------------------|-----------|-----------|----------|
| | Indonesia | Malaysia | |
| Age (year) | | | |
| 20-30 | 9 (18) | 9 (15) | 0,000 |
| 31-40 | 1 (2) | 33 (55) | |
| 41-50 | 19 (38) | 10 (16,7) | |
| 51-60 | 21 (42) | 8 (13,3) | |
| Sex | | | |
| Male | 35 (53,8) | 13 (21,7) | 0,000 |
| Female | 30 (46,2) | 47 (78,3) | |
| Marital status | | | |
| Single | 6 (10,2) | 8 (13,3) | 0,679 |
| Married | 53 (89,8) | 51 (85,0) | |
| Divorced | 0 (0,0) | 1 (1,7) | |
| Number of children | | | |
| No one | 12 (24,0) | 16 (26,7) | 0,277 |
| 1-3 children | 30 (60,0) | 27 (45,0) | |
| 4-6 children | 8 (16,0) | 15 (25,0) | |
| 7-9 children | 0 (0,0) | 2 (3,3) | |
| Income/month | | | |
| < 3 million | 5 (16,1) | 0 (0,0) | 0,000 |
| 3-9 million | 5 (16,1) | 11 (18,3) | |
| >9-18 million | 18 (58,1) | 23 (38,3) | |
| >18-27 million | 0 (0,0) | 22 (36,7) | |
| >27-36 million | 1 (3,2) | 3 (5,0) | |
| >36 million | 2 (6,5) | 1 (1,7) | |
| Zakat of income | | | |
| < 3 million | 25 (100) | 27 (45,8) | 0,000 |
| 3-9 million | 0 (0,0) | 30 (50,8) | |
| >9-18 million | 0 (0,0) | 2 (3,4) | |
| >18-27 million | 0 (0,0) | 0 (0,0) | |
| >27-36 million | 0 (0,0) | 0 (0,0) | |
| Tax on income | | | |
| < 3 million | 29 (100) | 31 (53,4) | 0,000 |
| 3-9 million | 0 (0,0) | 16 (27,6) | |

| Characteristics | Country | | <i>p</i> |
|-----------------|-----------|----------|----------|
| | Indonesia | Malaysia | |
| >9-18 million | 0 (0,0) | 7 (12,1) | |
| >18-27 million | 0 (0,0) | 4 (6,9) | |
| >27-36 million | 0 (0,0) | 0 (0,0) | |

Data presented in n (%)

Description and differences in the regulation of zakat as tax deductions, compliance of zakat payer and taxpayers between in Indonesia and in Malaysia are shown in Table 2.

Table 2. Differences in compliance of zakat payer and taxpayers between in Indonesia and in Malaysia

| Variable | Country | | | | <i>p</i> |
|-------------------------|------------|---------------------|------------|---------------------|----------|
| | Indonesia | | Malaysia | | |
| | (n = 69) | | (n = 60) | | |
| | Mean (SD) | Median (Min-Max) | Mean (SD) | Median (Min-Max) | |
| compliance zakat payer | 42.5 (9.6) | 44 (16-55) | 47.4 (5.6) | 48 (33-55) | 0,004* |
| Compliance of taxpayers | 32.5 (6.8) | 34 (2-40) | 34.8 (4.8) | 37 (24-40) | 0,105 |

Information: * = significant difference

The Malaysian government has made a policy by giving reductions to individual zakat payers. Through a scheduled tax deduction model or a monthly deduction (PCB) system they will experience a tax reduction of zakat or zakat can be used to reduce taxes up to 100% (Deed 53, 2. 6A (3)). The policy is aimed at avoiding double tax payments for zakat payers as an incentive to the Muslim community of zakat payers; this incentive has significant implications for the receipt of zakat in Malaysia. In 2008, zakat receipts in all states in Malaysia reached RM1.2 billion, equivalent to Rp 3.36 trillion with a Muslim population of 60% of the total 28 million inhabitants, which is very different compared to Indonesia with a Muslim population of 85% from a total of around 270 million people (Suprayitno et al., 2013).

The implementation of zakat as tax deduction in Indonesia has also been carried out, but it seems that it has not been fully appreciated by Muslims as zakat payer and taxpayers, so that society's welfare is still not attainable (K. A. Kusuma & Ryandono, 2016). In addition to the differences in calculation methods in reducing taxes, it is also due to the lack of knowledge of zakat regulation as tax deduction. The Indonesian government applies zakat as a deduction from taxable income which is considered still burdensome to taxpayer Muslims because its double obligation to pay zakat and tax is still relatively greater. While the Malaysian government applies zakat as a direct deduction of income tax (tax credit) so that accrued taxes become more effective (Logawali et al., 2018) and this concept will have a greater economic impact (Djutmiko, 2019).

Based on the indicators used, it is known that of the 14 indicators analyzed, almost the majority were perceived lower by respondents in Indonesia, namely the legal basis governing zakat as tax deduction, the treatment of zakat as an individual tax deduction, taxpayers do

their own calculation of zakat as tax deduction, the benefits of applying zakat as tax deduction, zakat can reduce the tax burden, the reduction of zakat on taxes can occur if zakat is paid at an official institution appointed by the government, the tax policy as tax deduction can increase the receipt of zakat and taxes simultaneously, zakat and tax collection systems managed in an integrated manner can increase the motivation to pay zakat and tax, between zakat and tax have the same in terms of objects, subjects, functions and goals, professional zakat that has been paid, and the difference between zakat and tax is in the case of nisab. The lower perception of respondents in Indonesia on these indicators indicates that there is still a need for socialization and an increase in the understanding of the people who are obliged to pay zakat and tax payers regarding the regulation of zakat as tax deduction.

Previous research indicating the difference in the implementation of zakat as tax deduction between Indonesia and Malaysia is shown by Purwakananta (2020) where the management of zakat in Indonesia is still ineffective. Meanwhile, Malaysia is an example of a country that has succeeded in applying zakat as tax deduction when it is paid at official government institutions (Iskandar, 2019; Suprayitno et al., 2013).

Description of the compliance of zakat payer variable in Indonesia obtained a range of total scores between 16-55 with an average value of 42.5 ± 9.6 and a median of 44. As for Malaysia, a range of total scores ranging from 33-55 with an average value of 47.4 ± 5.6 and median 48. The Mann Whitney test results obtained a p value of 0.004 ($p < 0.05$) indicating that there are differences in the compliance of zakat payer between Malaysia and Indonesia. Therefore, the first hypothesis (H1) of this study was accepted.

Previous research in line with the results of this study was shown by Tarmidzi (2016) stating that differences in compliance on paying zakat due to the existence of sanctions and the determination of zakat as an obligation to be paid.

Compliance on paying zakat in Indonesia is lower than compliance on paying zakat in Malaysia. The low level of compliance to pay zakat in this study is evident from the differences in perception of the indicators used. Respondents' perceptions in Indonesia about stability and intention not to delay issuing zakat every time there is an increase in income or wealth in accordance with religious orders is lower than respondents in Malaysia. Respondents' perceptions in Indonesia about the belief that zakat issued will help ease the burden on others who are more in need are also lower than respondents in Malaysia. The perception of Indonesian respondents in paying professional zakat in a timely manner is also lower, the respondents in Indonesia who perceive not feeling burdened and reluctant with the obligation of professional zakat are less than respondents in Malaysia, and the number of respondents in Indonesia who are not accustomed to sharing since childhood is more than with respondents in Malaysia.

These results are relevant to previous studies that adherence to paying zakat can be due to the lack of motivation, faith factors, religious understanding, and reciprocity, social awareness, self-satisfaction and organization (Mukhlis & Beik, 2013). Religiosity is able to explain the willingness to pay taxes and zakat (Mujaddid and Ramadan, 2019). Compliance on paying zakat is low because of the influence of subjective norms and religiosity (Mokhtara et al., 2018). Awareness in carrying out religious duties helps realize the payment of zakat (Ali et al., 2018)

The compliance of taxpayers' variable in Indonesia obtained a range of total scores between 2- 40 with an average value of 32.5 ± 6.8 and a median of 34. While for Malaysia, a range of total scores was obtained between 24-40 with an average value of 34.8 ± 4.8 and median of 37. The Mann Whitney test results obtained a p value of 0.105 ($p > 0.05$) indicating that taxpayer compliance between Indonesia and Malaysia was not significantly different. Hereby, the second hypothesis (H2) of this study was rejected.

Based on the descriptive results it can be seen that the average total score of taxpayers' compliance behavior of Indonesian respondents is 32.5 while the total score of taxpayers' compliance behavior for Malaysian respondents is 34.8. The total score is close to the maximum total score (40) indicating that perceptions of taxpayers' compliance in Indonesia and Malaysia are both relatively high. The relatively similar level of compliance on paying taxes between Indonesian and Malaysian respondents could be due to the fact that most of the respondents in this study were professional workers whose taxes or reporting were mostly managed by the institution or agency where they worked. This result is relevant to the study of Pasaribu and Tjen (2016) that taxpayers who work as Civil Servants (employees in an institution) are more obedient compared to entrepreneurs, because the income received by Employees is routinely deducted by employers, whereas entrepreneurs have more opportunities to do tax evasion. In addition, employers generally require ownership of a Taxpayer Identification Number (NPWP) as a condition of job application. In fact, some employers, especially government agencies require employees to submit annual tax returns on time.

The finding of this study is not in line with the report from Kusuma (2017) which states that the level of compliance of tax payer in Indonesia is still much lower compared to Malaysia. The effect of implementing zakat as tax deduction on paying zakat and tax compliance behavior in Indonesia and in Malaysia is shown in the Table 3.

Table 3. The effect of implementing zakat as tax deduction on paying tax and zakat compliance in Indonesia and in Malaysia

| Country | Zakat | | | Tax | | |
|-----------|---------|-------|-------|-------|-------|-------|
| | β | t | P | b | T | p |
| Indonesia | 0,523 | 5,017 | 0,000 | 0,741 | 7,928 | 0,000 |
| Malaysia | 0,659 | 6,666 | 0,000 | 0,535 | 3,739 | 0,000 |

The implementation of zakat as tax deduction is proven to affect the compliance of paying zakat and tax both in Indonesia and in Malaysia ($p < 0.05$). The third and fourth hypotheses (H3 and H4) of this study were accepted.

Descriptive analysis results show that the average total score of zakat implementation as tax deduction in Indonesia is 54.0 with compliance on paying zakat and taxes respectively 42.5 and 32.5. While the average of total scores of implementing zakat as tax deduction in Malaysia is 65.7 with compliance on paying zakat and taxes respectively 47.4 and 34.8. These figures indicate the higher the implementation of zakat as tax deduction, the higher the compliance of paying zakat and taxes, as also shown by the results of the analysis which shows that the value of the regression coefficient is positive.

Zakat as tax deduction is intended to ease the dual obligations of Muslims in paying zakat and taxes, so that its implementation can motivate Muslims to be more obedient in paying zakat and taxes. The study (Logawali et al., 2018) also reported that zakat as a PKP reduction in the Ministry of Religion of Gowa Regency provided relief for Muslims in paying zakat and taxes so as to increase awareness and honesty to pay zakat and taxes in order to increase state income.

5. Conclusion

There are differences in the compliance of paying zakat between Indonesia and Malaysia. However, there is no difference in compliance of paying taxes between in Indonesia and in Malaysia. Besides this, the implementation of zakat as tax deduction affects the compliance of paying zakat both in Indonesia and in Malaysia.

The implication of this research is that the strategy to increase zakat and tax revenues in Indonesia has several obstacles. First, the lack of socialization from both the tax officials and zakat officials that zakat can be used to reduce taxable income. When reporting annual tax returns, tax officials often do not ask taxpayers whether the reported income has been paid through zakat. In addition, zakat officers, when submitting Evidence of Zakat Deposit, do not explain to muzakki that the evidence can be used to reduce taxable income. Second, there are still many psychological factors in Indonesian Muslims who are reluctant to disclose the amount of zakat that they pay for fear that it will affect the level of sincerity in fulfilling one of these Islamic laws. So many do not include TIN in the Zakat Proof form. Third, it is not yet clear what types of zakat that can be deducted from taxable income. In the explanation of the Income Tax Law it is stated that what is meant by “zakat” is as referred to in the Law governing zakat. Whereas in the Zakat Management Act it is stated that zakat that can be deducted from taxable income includes all types of zakat, both zakat maal and zakat fitrah. However, in practice, only zakat on income (professional zakat) can be deducted from taxable income. For this reason, it is necessary to implement regulations which emphasize that only professional zakat can be used as a deduction as well as an example of the correct calculation method in order to minimize doubts in the community. Fourth, zakat has not been managed as modern as tax revenue. If all this tax money paid by taxpayers has been recorded in the State Revenue Module (MPN) and received a State Revenue Number (NTPN), then in the future it is expected that each zakat fund paid by muzakki will also be recorded in the Zakat Revenue Module (MPZ). The muzakki can monitor where the zakat funds they have paid and are used for which activity.

The proposal to include zakat in the State Budget (APBN) structure still faces many obstacles, because the allocation of zakat funds is limited to only eight groups namely the Poor, Destitute, 'Amilin, Mu'allaf, Riqob, Gharimin, Fii Sabilillah, and Ibnu Sabil. However, the complementary synergy between zakat and tax must continue to be done in order to improve the welfare of the Indonesian society.

The successful implementation of zakat as tax deduction and compliance in paying taxes in Malaysia compared to Indonesia suggests the need for Malaysia's contribution to share tips with Indonesia and also be responsive to the need to increase the global/world zakat movement. However, the findings of this study still have limitation. First, its results might reflect only a section of the whole society. Second, the study is bias in its sample selection whereby it focusing on academician and does not represent the real state of affairs in the

society at large. Third, the survey received very low responses and thus limits its generalizability. Nevertheless, in spite of these limitations, the findings of this study still useful for certain crucial topics which need attention from those who are involved in zakat. It aims to design strategy of effectiveness enhancement in zakat and taxes collection.

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