

Unveiling Business Zakat Compliance: A Systematic Review of Determinants and Influential Factors

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Abstract - Purpose: This systematic literature review (SLR) investigates the determinants influencing business zakat compliance, synthesizing findings from 15 peer-reviewed studies from Scopus and Web of Science. By identifying psychological, socio-economic, institutional, and religious factors affecting compliance behaviour, this review aims to bridge research gaps and provide insights for policymakers, zakat institutions, and business stakeholders.

Methodology: Adopting organized search according to the preferred reporting materials for Systemic Reviews and Meta-Analysis (PRISMA) and screening process was carried out to extract and analyse studies focusing on business zakat compliance. Thematic synthesis categorized key determinants and contextual variations, offering a multidimensional perspective on compliance behaviour.

Findings: The review reveals that business zakat compliance is driven by a combination of psychological (attitudes, intention, and perceived behavioural control), socio-economic (financial stability, peer influence, and institutional trust), institutional (law enforcement, governance, and zakat service efficiency), and religious (faith commitment and zakat knowledge) factors. The study highlights significant regional and economic variations, where enforcement mechanisms alone prove insufficient without strong institutional credibility. Additionally, emerging factors such as digitalization, fintech-based zakat platforms, and the role of social influence networks are recognized as areas requiring further exploration. Theoretically, business zakat compliance dynamics are explained by several theories such as the Economic Utility Theory, Social Cognitive Theory, and Theory of Planned Behavior (TPB).

Implications: This study highlights the intricacies of business zakat compliance, stressing the necessity of holistic strategies that integrate financial incentives, education, technological advancements, and robust regulatory frameworks. Insights

from this review can guide policymakers in enhancing zakat governance and encourage businesses to incorporate zakat as an ethical financial practice, ultimately strengthening socio-economic development in Muslim-majority economies.

Originality: By synthesizing research across diverse contexts and integrating multiple theoretical perspectives, this study presents a comprehensive framework for understanding business zakat compliance. It identifies under-researched areas, particularly in fintech-driven zakat administration, cross-cultural comparisons, and long-term behavioural trends, offering a foundation for future scholarly and practical advancements in Islamic finance.

Keywords: Business Zakat Compliance, Zakat Behaviour, Islamic Finance, Institutional Trust, Compliance Determinants, Zakat Governance

I. INTRODUCTION

In Islamic finance, business zakat compliance is essential for ensuring that Muslim entrepreneurs and small-to-medium enterprises (SMEs) fulfil their religious obligations while adhering to ethical principles (Imam & Illori, 2022). Harahap et al., (2023) assert that zakat is not merely a worshipping act by the Muslims but also serves as a fundamental component of social finance by creating a platform for socio-economic justice i.e. redistribution of wealth as well as alleviation of poverty. Despite its importance, The elements that affect how companies behave when adhering to zakat regulations are still mostly unknown, underscoring the necessity of conducting comprehensive research to enhance comprehension and promote compliance mechanisms (Gayathri et al., 2018).

Integrating zakat with social and commercial finance is a great chance to address modern socio-economic issues. By matching zakat ideas with sustainable development goals (SDGs), Islamic financial institutions are able to provide creative ideas that satisfy ethical and developmental goals (Maulina et al., 2023). The creation of comprehensive regulatory frameworks and moral leadership are essential to the efficiency of zakat organization strategies supporting openness and stakeholder confidence (Napitupulu et al., 2024). As such, good government is also quite important (Ferdiansyah et al., 2023). A quantitative cross-sectional study on zakat compliance shows 118 publicly listed companies (PLCs) in Malaysia, owned by more than 30% Muslim owners, with a total zakat potential of RM290 million annually. Still, just 15 businesses revealed zakat payments in their financial accounts—RM76.8 million total. With a compliance rate of just 26% compared to a tax gap rate of about 7%, this points to a significant zakat gap of RM200 million yearly. The extreme zakat gap and minimal compliance rate among PLCs highlight the urgent need for strategic actions by authorities and relevant stakeholders to maximize zakat collecting and assure compliance (Wahab & Borhan, 2016). Moreover, promoting business zakat compliance depends on understanding Sharia compliance and consumer behaviour in Islamic finance. Andespa et al., (2024) underline how important factors such as financial literacy, institutional trust, and religious commitment are in determining compliance intentions (Duan et al., 2024). These results highlight the need for focused plans to inform and involve companies to guarantee that they properly satisfy their zakat responsibilities (Praveenraj et al., 2025).

Many methodical studies on zakat studies by scholars have given the field insightful analysis of the developments in the study. These reviews have also given direction for further studies (Alshater et al., 2021; Apriliyah & Fianto, 2022; Khalifah et al., 2024; Niswah, 2020; Riani & Ikhwan, 2022; Shukor, 2021). These gifts have surely improved our knowledge of zakat from many angles. Still, the study of commercial zakat compliance elements is conspicuously lacking, which is necessary for Muslim entrepreneurs to have a more sophisticated awareness of zakat adherence. The timely and important contribution to this subject made (Ramli et al., 2023) is the thematic evaluation. It underlines several of the most important factors influencing business zakat compliance (Sundara Bala Murugan et al., 2024). However, their analysis just covers articles released between 2015 and 2020, thereby excluding a significant corpus of research from the years following 2020. Given the major changes in global economic, social, and legal environments that have come about in the post-2020 age, this difference is especially remarkable. These changes are supposed to have a significant influence on how closely companies pay zakat. Therefore, more recent studies should be incorporated in the review to encapsulate these dynamics shifting in zakat compliance behaviour so that a comprehensive knowledge about the factors influencing business zakat compliance in the current situation. Besides more recent studies, this review

synthesizes and postulates several important theories about the zakat compliance studies including the Theory of Planned Behaviour (TPB), the Rasch Measurement Model, socio-psychological and economic perspectives, the Theory of Reasoned Action (TRA), Institutional Theory, and Social Cognitive Theory. These offer diverse knowledge, especially on the complex motivations of business zakat compliance. The syntheses help to uncover different elements that could influence compliance behaviour such as individual attitudes, social pressures, institutional structures, and policy incentives. Furthermore, as asserted (Harahap et al., 2023) zakat could be regarded as the framework of Islamic finance, this review also put forward other aspects affecting zakat compliance including socio-cultural and ethical factors. The thorough theoretical framework presented by this review will benefit various stakeholders, not only improving academic debate but also giving academics, legislators, and practitioners real, practical ideas to maximize zakat collecting and distribution.

Ultimately, this helps to ensure that wealth is distributed fairly and that socioeconomic progress in line with Islamic values advances.

Practically speaking, the knowledge gained from this research can operate as a spark for the enhancement of business zakat compliance in actual surroundings. Using identification of the main factors influencing compliance behaviour, this review helps legislators and practitioners to create tailored interventions and methods encouraging zakat adherence among companies and entrepreneurs. Among these measures could be improvements to the quality and availability of zakat services, educational campaigns raising knowledge of zakat responsibilities, and technology integration to streamline zakat collecting and distribution. The ultimate goal of the research is to guarantee that by encouraging more compliance, business zakat satisfies its expected role of supporting sustainable economic development and social welfare. The main research question driving this systematic review is: What are the main elements affecting business zakat compliance behaviour, and how may this information guide the next studies and pragmatic projects meant to improve zakat adherence among companies and entrepreneurs? By answering this question, this review hopes to contribute significantly to business zakat compliance practical applications as well as academic research.

II. RESEARCH METHODS

The present research used the systematic literature review (SLR) technique to examine the key factors influencing company zakat compliance, according to the Preferred Reporting Items for Systemic Reviews and Meta-Analyses (PRISMA) criteria suggested by Det Udomsap and Hallinger (2020). The SLR methodology ensures an open and transparent approach to integrating recent research, providing a comprehensive understanding of the elements affecting zakat compliance among businesses and owners.

Search Strategy

As shown in TABLE 1, this study employs the specific keywords AND business OR corporate AND zaka OR alm AND compliance, a systematic search was conducted on the Scopus, and Web of Science database with keywords of (corporate OR business OR entrepreneur OR enterprise) AND (zakat OR zakah OR alm OR "Islamic tax"). NOT ("zakat institution"). Both databases are well known for their large body of academic articles. Then, verification is based on the main results of the same searches in Google Scholar. These keywords were chosen to encapsulate research on Business zakat compliance practices of entrepreneurs and SMEs. Without regard to study design or publication year, all searches were conducted between March and April 2024. The study used extra filters based on publication date and document type to further narrow search results. Emphasizing empirical research and full-text accessibility, inclusion criteria targeted papers analysing variables affecting zakat compliance among companies or entrepreneurs. Studies missing enough data or falling short of these standards were excluded. After screening titles and abstracts, the methodical review procedure included a thorough full-text assessment for eligibility.

TABLE 1 SEARCH STRINGS USED ON SCOPUS AND WOS

SCOPUS	AND business OR corporate AND zaka OR alm AND compliance	71 results
WOS	(corporate OR company OR institution OR bank OR business OR entrepreneur OR enterprise) AND (zakat OR zakah OR alm OR "Islamic tax" OR "Islamic due") AND ("factor" AND ("comply") NOT ("zakat institution"))	3 results

Data Extraction

The search turned up a total of 74 papers from SCOPUS and three from WOS initially. One duplication was found and eliminated; thereafter, a thorough screening process using PRISMA rules was undertaken as reflected in Fig. 1. To preserve the quality and dependability of the study, Non-journal articles such as book chapters and conference proceedings were eliminated; only English-language, peer-reviewed journal articles were taken under consideration. Thirty papers that fit the defined criteria came out from the screening procedure in a polished collection. To assess their relevance and methodological rigour, these papers received a thorough, full-text assessment. Studies lacking empirical data or with an eye toward business zakat compliance were routinely turned away. Selected for their connection with the study goals and their capacity to offer insightful analysis of the factors influencing business zakat compliance, TABLE 1 Accommodate the final choice consisting of 15 studies (one from WOS and 14 from SCOPUS).

Using a consistent form, data extraction gathered important information from every chosen study including author(s), publication year, research aims, methodology, sample characteristics, major discoveries, and conclusions. Selected

papers' quality assessments were conducted to measure their methodology and analysis strength.

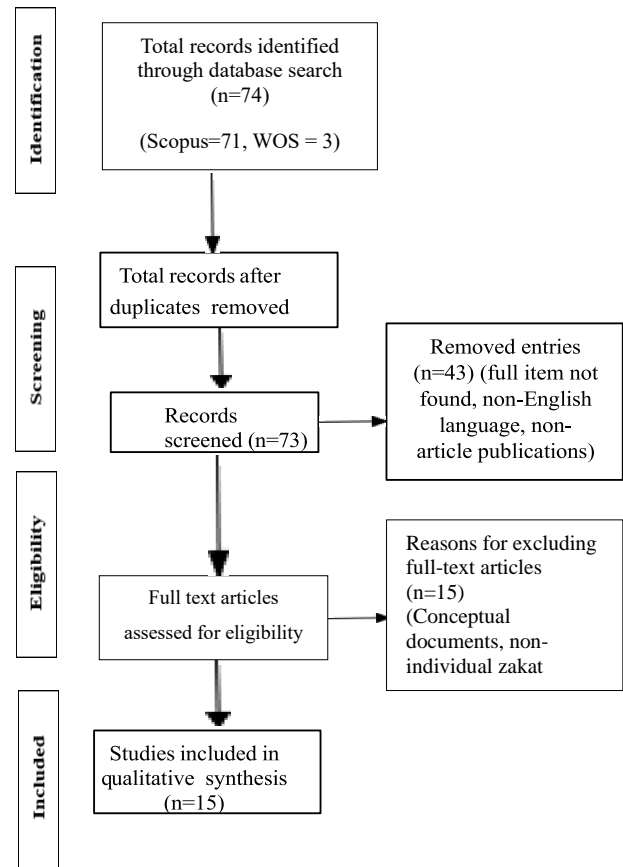


Fig. 1 PRISMA Study Selection Flow C

Data Synthesis

The gathered data was synthesized using thematic analysis, therefore enabling the discovery of common themes, patterns, and variations amongst the chosen studies. This methodical synthesis offers a comprehensive knowledge of the several elements influencing company zakat compliance behaviour, hence supporting the study's objective of providing lawmakers with insightful information, practitioners, and academics.

The ultimate aim of this SLR is to improve the knowledge of the characteristics driving business zakat compliance and help to design efficient strategies and interventions supporting greater compliance rates among companies and entrepreneurs. This aligns with the primary objective stated in the Opening, which is to assist the fair sharing of wealth and socio-economic growth in conformity with Islamic values.

TABLE II SUMMARY OF STUDIES ON FACTORS INFLUENCING BUSINESS ZAKAT COMPLIANCE

No	Country/ Year/ Authors	Title	Journal	Method	IV	Mod/ Med. V.	DV	Findings	Theories
From Emerald-Scopus database									
1	Malaysia 2010 Ram Al Jaffri Saad, Zainol Bidin, Kamil Md. Idris & Md Hairi Md Hussain	Elements that Affected Business Zakah Compliant Practices	Journal of Pengurusan	Survey questionnaire	Attitude, subjective norm, and perceived behavioural control	-	Zakat compliance	This research model is in line with the notion of planned behaviour, according to the findings of 108 Perlis businessmen.	Theory of Planned Behaviour (TPB)
2	Malaysia 2015 Wahabawadh	Does legal regulation have an impact on SMEs' business zakat compliance behavior? A quick measurement technique provides evidence.	-	Survey questionnaire	Law enforcement	-	Zakat compliance	showed that out of 276 respondents, 92 complied with law enforcement related to zakat payments, 87 did not, and 97 were misfits.	-
3	Malaysia 2019 Saad, Ram Al Jaffri; Farouk, Abubakar Umar; Wahab, Muhammad Syahir Abdula; Ismail, Mohammad	What motivates business owners to pay zakat or Islamic taxes?	Academy of Entrepreneurship Journal	Survey questionnaire	Knowledge, self-efficacy, service quality, and frequency of interaction	-	Zakat compliance	Knowledge, self-efficacy, and frequency of interaction influenced compliance behaviour.	-
4	Yemen 2019 Saeed Awadh Bin-Nashwan, Hijattulah Abdul-Jabbar, Saliza Abdul Aziz	Do peers, regulations, and religion affect Zakah's adherence behaviour?	International Journal of Financial Research	Survey questionnaire	Islamic religiosity, peer influence, law enforcement	-	Zakat compliance	Business Zakah compliance was strongly correlated with Islamic religiosity and peer influence, but not with law enforcement.	-
5	Kano, Nigeria 2020 Saad, Ram Al Jaffri; Farouk, Abubakar Umar; Abdul Kadir, Dzarfan	In a developing nation, business zakat adherence intent	Journal of Islamic Accounting and Business Research	Survey questionnaire	Attitude toward Zakat Evasion Moral Reasoning Ethnic Diversity Religious Leaders Peer Influence Zakat Knowledge Zakat System Structure Enforcement of Zakat Law Quality of Zakat Distribution Zakat Board Capital	-	Intention to Pay Zakat	Intention to pay zakat is favorably influenced by a number of factors, including evasion of zakat, moral reasoning, peer pressure, zakat knowledge, zakat distribution, and perceived zakat board capital. Zakat law enforcement had a detrimental effect on intention.	Theory of Planned Behaviour (TPB)
6	Yemen 2020 Saeed Awadh Bin-Nashwan, Hijattulah Abdul-Jabbar, Saliza Abdul Aziz, Alhassan Haladu	Entrepreneurs' Zakah compliance behaviour: a financial variables perspective	International Journal of Ethics and Systems	Self-administered questionnaires	Zakah law complexity Law enforcement Religiosity	-	Zakat compliance behaviour	Zakah law complexity negatively influenced compliance, while religiosity positively influenced compliance. Law enforcement had no influence.	Economic Approach
7	Indonesia 2020 Ira Murweni, Nanang Fattah, Kusnendi and Mokh. Adib Sultan	Evaluation of alms service standards about almsgiving pleasure and conformity in an educational environment	Management Science Letters 1	Survey questionnaire	Alms service quality and governance	-	Zakat compliance	Alms service quality significantly influenced service satisfaction and compliance. Compliance was not influenced by service satisfaction.	Behaviour Planning Theory
8	Yemen 2021 Saeed Awadh Bin-Nashwan, Hijattulah Abdul-Jabbar, Saliza	A socio-psychological and economic analysis of zakah adherence	Journal of Financial Reporting and Accounting	Survey questionnaire	Socio-psychological and economic perspective Attitude Perception	-	Zakat compliance	Conceptual framework provided for understanding zakah compliance.	Fischer Model of Tax Compliance, Economic and Socio-

	Abdul Aziz, Adel Sarea	in Muslim nations			zakah system structure non-compliance opportunity demographic factors Islamic religiosity				Psychological Model
9	Algeria 2022 Mouad Sadallah, Hijattullah Abdul-Jabbar, Saliza Abdul Aziz	Encouraging zakat compliance among Algerian entrepreneurs: the role of observance intent as a mediator	Journal of Islamic Marketing	Self-administered questionnaires	Intention to pay zakat, attitude, subjective norm, perceived behavioural controls, past behaviour	Compliance intention	Zakat compliance	Attitude, subjective norm, and perceived behavioural controls positively influenced the intention to comply with zakat, which in turn influenced compliance behaviour.	Extended Theory of Planned Behaviour (TPB)
10	Yemen 2022 Hijattullah Abdul-Jabbar, Saeed Awadh Bin-Nashwan	Does compliance with alms tax (Zakat) depend on deterrence-based implementation?	International Journal of Social Economics	Survey questionnaire	Institutional credibility, social pressure	Law enforcement (moderator)	Zakat compliance	Compliance was substantially influenced by institutional credibility and social pressure. The impact was mitigated by law enforcement.	Economic Approach, Maximising Utility Theory
11	Algeria 2022 Mouad Sadallah, Hijattullah Abdul-Jabbar	Algerian business zakat conformity: an ethical viewpoint	International Journal of Ethics and Systems	Self-administered questionnaires	Political instability, trust, knowledge	-	Zakat compliance	Political instability, zakat knowledge, and trust significantly influenced zakat compliance.	Ethical Theory, Divine Purposes Theory
12	Algeria 2023 Sadallah, Mouada; Abdul-Jabbar, Hijattullah; Bin-Nashwan, Saeed Awadh; Abdul Aziz, Saliza	From a social cognitive approach, entrepreneurs' intention to comply with the alms tax (ZAKAT): the moderating impact of information	Journal of Islamic Accounting and Business Research	Survey questionnaire	Extrinsic and intrinsic motivations (political instability, trust in institutions, service quality)	Alms tax knowledge	Zakat compliance	Political instability, trust, and service quality influenced compliance intention. Knowledge moderated the effect of political instability.	Social Cognitive Theory
13	Malaysia 2014 Ram Al Jaffri Saad, Roszaini Haniffa	Factors influencing the behaviour of zakah (Islamic tax) adherence	Journal of Islamic Accounting and Business Research	Questionnaire survey	Attitude toward zakah and intention, Subjective norm and intention	Intention (mediator)	Business income compliance behaviour	The association between attitude, subjective norm, and compliance was mediated by intention, which also strongly predicted zakah compliance behaviour.	Theory of Reasoned Action
14	Malaysia 2018 Mazni Abdullah, Noor Sharoja Sapiei	Does zakat adherence depend on a person's race, level of schooling, and religion? The Malaysian case	International Journal of Social Economics	Self-administered questionnaire	Religiosity, Gender, Islamic education	-	Zakat compliance behaviour	Religiosity significantly influenced zakat compliance. Gender negatively influenced compliance, while Islamic education had no significant effect.	-
From WOS Database									
15	Malaysia 2015 Khamis, MR; Yahya, NC	Does Legal Enforcement Affect SMEs' Adherence with Business Zakat? Data from the Rasch Measuring Method	Global Journal Al-Thaqafah	Survey questionnaire	Law enforcement	-	Compliance behaviour of business owners towards business zakat	Law enforcement had an impact on SMEs' compliance practices.	-

III. FINDINGS AND DISCUSSION

Fifteen peer-reviewed researches on the behaviour of business zakat compliance are systematically analysed to expose a multi-dimensional framework including psychological, socioeconomic, institutional, and religious factors (as tabulated in TABLE). These factors interact complexly in many different geographical and regulatory environments. The findings are compiled in seven important topic areas: psychological, socio-economic, institutional, religious, and contextual variances; theoretical perspective;

and the evolution of fieldwork. This study presents a rigorous review of the factors/motivations influencing business zakat compliance.

Psychological Factors

Psychological factors are discovered to have a big impact on zakat compliance. These factors are constructed as a result of a combination of behavioural theories namely the Theory of Reasoned Action (TRA) and the Theory of Planned Behavior (TPB). The influence of views, perceptual norms and

standards, and perceived behavioural control aspects on an individual's behaviour are examples of psychological factors. Thus, these elements are employed to understand the cognitive processes leading to compliance decisions. Several studies such as (Saad et al., 2010; Sadallah & Abdul-Jabbar, 2022) found that positive perception about zakat, social influences such as shared community belief and a feeling of behavioural control can greatly motivate zakat compliance intention. Those who view zakat compliance as improving their social and spiritual position are most likely to exhibit adherence activities. This is especially evident in nations where religious ideals and group identification greatly affect financial decisions.

Another crucial element in mediating the compliance process is the intention. Al Jaffri Saad & Haniffa, (2014) revealed that attitudes and behaviours are linked by compliance intention, as modelled in TRA, to be swiftly translated into compliance behaviours. The most recent Theory to highlight other psychological factors in compliance study is the Divine Purpose Theory, which was employed (Sadallah & Abdul-Jabbar, 2022) to ascertain and explain how moral obligations and religious sanctions serve as vital parts in shaping compliance behaviour.

Socioeconomic Factors

Particularly in nations of financial uncertainty, the interaction of economic reality, peer influence, and institutional trust shape business zakat compliance in a considerable part. Companies operating in financially precarious conditions frequently prioritize zakat requirements less than economic survival (Bin-Nashwan et al., 2021; Sadallah & Abdul-Jabbar, 2022). Especially in emerging countries, economic problems signalling by pressing financial concern, fluctuate and unsteady trend of economic downturns, currencies devaluation and inflation could jeopardise zakat compliance rates as these factors contradict the obligations to pay zakat.

Despite the negative association between zakat compliance and economic problems, Bin-Nashwan et al., (2020) found that businessmen who have a network of upholding zakat as shared responsibility comply better. These connote that the surroundings such as social networks and peer influence play an important role in community-based accountability factors in enhancing zakat compliance (Bin-Nashwan et al., 2020). This outcome is parallel to the Social Cognitive Theory which explains that changes in behaviour could be assisted by observational learning and reward in social situations. Besides community support, the association between socioeconomic limitations and zakat compliance may also be lessened by trust in the zakat organization. Companies will choose to comply even in tight economic situations if they perceive the zakat institution as transparent and properly managed (Abdul-Jabbar & Bin-Nashwan, 2022). In addition, the economic incentives rewarded such as tax rebates or financial rewards provided for the zakat payment made by businesses are found as new important elements to be

leveraged to enhance zakat compliance (Sadallah et al., 2023).

Institutional Factors

Government structures, law enforcement performance and service delivery efficiency are encapsulated as institutional factors that significantly influence zakat compliance behaviour. Nevertheless, the findings are inexhaustive as the studies present mixed results especially about the law enforcement efforts where some studies suggest stricter enforcement rules while others claim that enforcement by itself is insufficient. For instance, Khamis & Yahya, (2015); Wahab & Borhan, (2016) claim that reinforcement with severe fines could force businesses to fulfil their zakat obligations. In contrast, Bin-Nashwan et al., (2019, 2020) argue that the enforcement by the zakat institution would be successful if it is accompanied by great institutional legitimacy and efficient service delivery. Strict enforcement rules interacted with the perceived bad reputation of zakat institutions particularly bureaucratic or corrupt, which might explain the low compliance rate in such conditions.

Religious Factors

This review discovers that consistent awareness of zakat obligations and religious devotion are two primary indicators for zakat compliance. Abdullah & Sapiei, (2018); Bin-Nashwan et al., (2019) revealed that people with a higher degree of religious fidelity show strong compliance attitudes towards zakat as they perceive zakat as moral and spiritual needs. This finding is strengthened (Sadallah & Abdul-Jabbar, 2022) who then found that religious ideas are intrinsic motives that promote zakat compliance compared to past outside government influence. These substantiate the theory/model i.e. Divine Purpose Theory that suggests religious grounds significantly influence financial behaviour like zakat compliance.

Contextual Background of Research on Business Zakat Compliance

Among the countries highlighted in the fifteen studies are Indonesia, Algeria, Malaysia and Yemen. Most of the studies were carried out in Muslim-majority countries to demonstrate the necessity of zakat compliance in Islamic financial contexts. As Muslim-majority countries, those countries possess a great share of Islamic financial sectors and manifest diverse socio-economic and cultural surroundings. These situations form a good fit for research to be conducted about factors influencing both individual and business zakat compliance. Though four countries were highlighted to contribute to the most of business zakat compliance studies other various geographical contexts were also considered. Some studies focus on countries or regions, while some utilise a cross-national approach to cover broader areas for example studies done (Saad et al., 2020) in Kano, Nigeria.

From the contextual analyses, Malaysia is reflected as a prominent country that has an ideal setting for zakat compliance studies compared to other countries chosen in other studies as seen in (Abdullah & Sapiei, 2018; Saad et al., 2024). Malaysia is known as major destination for Muslims because of its developed Islamic financial industry and also its well-known established Islamic legal framework. This quality qualifies Malaysia as an appropriate setting for zakat or related Islamic religious study.

Yemen is another country that received special interest in the studies reviewed, especially research carried out (Abdul-Jabbar & Bin-Nashwan, 2022; Bin-Nashwan et al., 2021; Bin-Nashwan et al., 2019). The studies claimed that Yemen is distinctive compared to other popular selected Muslim countries for zakat compliance studies due to its sociopolitical context as areas not only a Muslim-majority country but also as a country which had experienced and been devastated by war. Thus, it offers a great environment to accommodate certain factor such as political turmoil in explaining the zakat compliance behaviour in that Yemeni setting.

Other unique setting for zakat compliance research were offered by Algeria. Algeria offers a suitable place for the researchers to explore on the practical involvement (pragmatic interventions) to promote zakat compliance among companies in the country as conducted by Sadallah's team i.e. Sadallah & Abdul-Jabbar, (2022); Sadallah et al., (2023); Sadallah et al., (2023). The evolving of Islamic financial landscape and the reinforcement of Islamic regulatory framework in Algeria are the "stepping in" factors to be included as new opportunities for the researcher to capitalise in improving the research design relating to business zakat compliance and other financial inclusions.

Quantitatively, research could always be enhanced with sizeable population to generalise better. For this purpose, Indonesia offers substantial Muslim population with diverse economic setting as recorded in (Murweni et al., 2020). The study examined the quality of zakat services and their consequences on compliance behaviour in Indonesia. With sizeable Indonesian Muslim community, adding up with dynamic zakat ecosystem and Islamic banking industry fast growth, factors significantly influencing zakat compliance are very important to be studied as the context and the impact are changing rapidly. This is to allow research and innovation to take place in zakat compliance approach in order to keep up with the swift economic growth setting like Indonesia.

The abovementioned countries are well discussed in the literature, however, there are scarce studies particularly on business zakat compliance were carried out in other well known Muslim majority countries such as Africa and in the Middle East. More insight could be harvested if study on business zakat compliance is widened to the other places especially less-studied places, not only on Muslim majority countries but also in Muslim minority contexts. By stretching the geographical contexts, new opportunities of research of zakat compliance can be designed to establish motivations

upon zakat compliance behaviour globally. This would then create successful and sustaining effective programs in fostering zakat adherence at international level.

Theoretical Approach Applied in Research on Business Zakat Compliance

This review of theoretical approaches employed in the study of zakat compliance behaviour had manifested a combination of different characteristics of decision makers about zakat matter inside the Islamic finance framework. Though different theories have been applied, some theories offer quite similar explanations for business zakat compliance motivations. The Theory of Planned Behaviour (TPB) and Theory of Reasoned Action (TRA) assist in explaining the role of attitudes, subjective standards/ norms and perceived behavioural controls towards compliance behaviour within different settings either Islamic or non-Islamic financial contexts. These theories can be seen in (Murweni et al., 2020; Al Jaffri Saad & Haniffa, 2014; Saad et al., 2020). Whereas the inclusion of law enforcement as zakat compliance driven can be explained by accommodating Rasch Measurement Model. This model provides a statistical prism to investigate the impact of the pragmatic intervention over zakat compliance. Studies carried out (Bin-Nashwan et al., 2020; Bin-Nashwan et al., 2021) employed this model to look at the interactions of factors in TPB and TCA and interventions such as financial incentives towards zakat compliance decisions. Recent studies (Sadallah et al., 2023) applied Social Cognitive Theory to justify the link between cognitive processes and social impacts undergone by entrepreneurs. Practically, they translated the cognitive process as knowledge about zakat compliance and social impact as zakat compliance behaviour. Acknowledging and accommodating different theories in zakat compliance research is crucial to cope with zakat's unique utility in Islamic principles which encompasses both material and spiritual security in this world (*dunya*) and the hereafter (*akhirah*). The combination of theories / models employed will contribute to the development of comprehensive framework to include the factors and its interactions to the mechanism along the line on zakat compliance behaviour model.

Besides the above-mentioned theories, Maximising Utility Theory stands out to be prominent economic point of view. Abdul Jabbar & Bin Nashwan, (2022) presented this theory in their article titled "Does deterrent-based enforcement matter in alms tax (Zakat)?" Here, the authors emphasise logical decision-making processes and the expected costs linked with non-compliance, therefore viewing compliance behaviour from an economic perspective. Inspired by maximizing utility theory, people are depicted as logical actors comparing the probable expenses against the rewards of fulfilling Zakat criteria. This study employed this theory to investigate how zakat payer perceived risk of deterrence action by the government such as government detection and penalty imposition. The application of this theory into Islamic finance setting is crucial to see how financial benefits or threats transcend into the unique utility of Zakat in Islamic principle. Islam is considered as having compliance with

Zakat obligations as part of a greater desire for balance and enjoyment in both worldly activity and spiritual fulfilment. Hence, the twofold dimension of utility inherent in Islamic ideas improves the economic perspective by addressing the well-being of people in this world and the next.

Development of Research on Compliance with Business Zakat

Studies in the field of business zakat compliance provide in great detail how understanding of components influencing compliance behaviour is evolving historically. From using Theory of Planned Behaviour (TPB) as a basis to explain zakat compliance element in the early studies such as (Saad et al., 2010) to the employment of Rasch measurement model to evaluate the effect of law enforcement on zakat compliance as demonstrated (Khamis & Yahya, 2015).

Analyzing the interaction between religiosity, gender, and educational background on compliance behaviour, Abdullah & Sapiei, 2018 found demographic aspects as a main focus of research in next studies. Building on this basis, Bin-Nashwan et al., (2019); Saad et al., (2019) broadened the scope to investigate how knowledge, self-efficacy, peer influence, and enforcement strategies shape compliance attitudes among entrepreneurs.

Moreover, Murweni et al. (2020) examined the zakat services quality and their impact on compliance behaviour, therefore providing a new angle on the study. This study underscored the need of institutions providing top priority to provide service satisfaction and the need of service delivery in promoting adherence to zakat obligations.

The research on zakat compliance then stretched into looking into investigating the aggregation of social influences (socio-psychological) and economic problems (economic factors) on zakat compliance behaviour as recorded in (Bin-Nashwan et al., 2020; Bin-Nashwan, et al., 2020). Abdul-Jabbar & Bin-Nashwan, (2022) then extend the zakat compliance study into considering other interventions such as societal pressure and institutional legitimacy impact on zakat compliance behaviour.

Sadallah & Abdul-Jabbar, (2022) in their latest study offers a new insight by focusing on ethical problems and institutional trust in zakat institutions to promote compliance attitudes. Sadallah et al., (2023) also explored contextual aspects including political upheaval, zakat awareness, and trust in determining compliance behaviour in several sociopolitical environments. By means of an investigation of the moderating effect of knowledge in compliance behaviour, they also underlined the significance of considering individual-level aspects to promote compliance.

From individual-level aspects to socio-cultural, economic, and institutional consequences, the chronological development of study in the topic of business zakat compliance shows a widening range and deepening

knowledge of compliance drivers generally. These findings will have significant effects on policymakers, practitioners, and researchers aiming to increase compliance rates and endorse moral financial practices in Islamic finance.

Direction for Future Research

Future studies on business zakat compliance should investigate several paths to increase knowledge of compliance behaviour and offer empirical data to guide policy and practice. The function of technology developments—including digital payment systems and online zakat platforms—in forming compliance behaviour is one important topic needing more research. Although psychological and theological factors have been well investigated, little is known about the influence of technologically powered treatments. Particularly for younger entrepreneurs, looking at how digital platforms help compliance can provide insightful analysis of current zakat management.

The lack of longitudinal investigations is another important discrepancy in the literature. Most of the current studies use cross-sectional data, which limits the capacity to evaluate long-term trends and causal links. Using longitudinal studies, researchers would be able to monitor changes in compliance behaviour over time and investigate the effect of changing socioeconomic circumstances on zakat liabilities.

Comparative studies between cultures also show great value for study. Different cultural, legal, and institutional systems mean that zakat compliance habits could vary among areas. Using expanding comparative study across other populations, one can help distinguish universal from context-specific determinants of compliance, therefore fostering the creation of a more complete theoretical framework.

Moreover, qualitative research techniques like in-depth interviews and focus groups can shed more light on the reasons, difficulties, and decision-making procedures of business owners about zakat compliance. Complementing quantitative results, a qualitative approach would provide a more complex knowledge of behavioural factors independent of statistical relationships.

At last, future studies should investigate how well technological interventions improve zakat collecting and distribution methods. Using developments in fintech, artificial intelligence, and blockchain as well as fintech could help to increase openness, responsibility, and effectiveness in zakat handling. Dealing with these research gaps not only advances scholarly debate but also helps legislators and practitioners create evidence-based plans to significantly increase business zakat compliance.

IV. CONCLUSION

Finally, this systematic literature review (SLR) provides insightful analysis of the elements affecting business zakat

compliance behaviour, therefore augmenting scholarly knowledge as well as useful applications in the field of Islamic finance. From personal-level elements like faith and knowledge to socio-cultural, economic, and institutional effects, the examined research offers a thorough analysis of several causes.

By aggregating results from many research conducted in various settings, this SLR has enhanced the corpus of knowledge by offering a modest awareness of zakat compliance behaviour. Research moves chronologically, reflecting the changing terrain of Islamic finance scholarship as studies advance theoretical models, methodological tools, and pragmatic consequences.

Practically, the revelations from this study have significant ramifications for legislators, practitioners, and zakat organizations trying to improve compliance rates and advance moral financial behaviour. Knowing the main factors influencing compliance behaviour helps stakeholders start planned interventions and approaches to properly handle compliance issues. It is important to recognize some limits in the current literature, though, including a predominate focus on some geographical settings, such as Malaysia and Yemen, which would limit the generalizability of outcomes to other areas.

Moreover, even if the examined works provide insightful analysis, there are chances for more investigation to close current gaps and progress understanding in this sector. Future directions of research could include cross-cultural comparisons to grasp contextual factors influencing compliance practices across different regions, longitudinal studies to examine the dynamic character of compliance behaviour over time, and qualitative research approaches to get deeper insights into the motives and decision-making processes driving zakat compliance behaviour.

Further more worth more research are technological interventions, which present interesting ways to improve zakat compliance and simplify collection and distribution procedures. This SLR emphasizes overall the need for ongoing study to encourage zakat adherence among companies and entrepreneurs, so advancing ethical financial practices and socioeconomic growth in Muslim-majority nations and beyond.

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