



Sorfina Densumite
Mohammed B. Yusoff

Zakat administration, distribution and economic growth

A Study in the Federal Territory of Malaysia

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LAP LAMBERT Academic Publishing

Impressum / Imprint

Bibliografische Information der Deutschen Nationalbibliothek: Die Deutsche Nationalbibliothek verzeichnet diese Publikation in der Deutschen Nationalbibliografie; detaillierte bibliografische Daten sind im Internet über <http://dnb.d-nb.de> abrufbar.

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Bibliographic information published by the Deutsche Nationalbibliothek: The Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data are available in the Internet at <http://dnb.d-nb.de>.

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Coverbild / Cover image: www.ingimage.com

Verlag / Publisher:

LAP LAMBERT Academic Publishing

ist ein Imprint der / is a trademark of

AV Akademikerverlag GmbH & Co. KG

Heinrich-Böcking-Str. 6-8, 66121 Saarbrücken, Deutschland / Germany

Email: info@lap-publishing.com

Herstellung: siehe letzte Seite /

Printed at: see last page

ISBN: 978-3-8484-2568-6

Zugl. / Approved by: International Islamic University Malaysia, Dissertation, 2010

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ZAKAT ADMINISTRATION, DISTRIBUTION AND
ECONOMIC GROWTH

A study in the Federal Territory of Malaysia

Sorfina Densumite
and
Mohammed B. Yusoff

PREFACE

The Federal Territory of Malaysia comprising of Kuala Lumpur, Putrajaya, and Labuan are governed directly by the federal government of Malaysia. Kuala Lumpur is the national capital of Malaysia, Putrajaya is the administrative capital of the federal government, and Labuan is an offshore financial centre. Both Kuala Lumpur and Putrajaya are located in the state of Selangor, while Labuan is an island in the South China Sea off the coast of the state of Sabah of East Malaysia. Kuala Lumpur was declared as the first federal territory of Malaysia in 1974, followed by Labuan in 1984. Putrajaya is the administrative capital of the federal government became the third federal territory in 2001. In this book, the Federal Territory of Malaysia refers to the three federal territories: Kuala Lumpur, Putrajaya, and Labuan.

This book is concerned with the *zakat* administration in the Federal Territory of Malaysia emphasizing more on the management of *zakat* collection and distribution, and how it contributes toward the improvement in the well-being of the people in the Federal Territory. The book is organized in the following manner. Chapter 1 explains the concept of *zakat* while Chapter 2 provides the details of the laws and the practices of *zakat* collection in the Federal Territory of Malaysia. Chapter 3 discusses the groups who are qualified to receive *zakat* under the Islamic law and analyses the performance of *zakat* distribution in Malaysia, particularly in the Federal Territory. Chapter 4 presents the model and the estimation techniques to examine the impact of *zakat* distribution on economic growth in the Federal Territory of Malaysia and the discussion of the results. And finally, Chapter 5 summarizes the findings and their policy implications.

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15 February 2013

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