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Modern Payment Solutions for Zakat Fitrah: a Shariah Legal Examination of Pay Later Systems in Marketplaces

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Abstract

This study examines the use of Pay Later systems offered by digital marketplaces, such as Gopay and Shopee, as a method for fulfilling zakat fitrah obligations. While financial technology has enhanced accessibility and efficiency in zakat management, its integration with credit-based instruments raises significant Shariah concerns. This study is contextualized from a qualitative approach that combines normative legal analysis with digital ethnography, exploring whether deferred payment models align with Islamic jurisprudence and the objectives of Shariah. We highlight findings that although Pay Later provides convenience for zakat payers, it introduces elements of debt that risk contradicting the principle of immediacy in zakat fitrah. Nonetheless, under certain circumstances, such as compliance with DSN-MUI regulations and avoidance of riba, Pay Later may be considered permissible as a means of fee. This paper contributes to the growing discourse on Islamic fintech by clarifying the legal and ethical boundaries of credit-based worship payments and offers practical recommendations for zakat institutions to collaborate with fintech providers while safeguarding the integrity of religious obligations.

Keywords: Digital Zakat; Islamic Fintech; Pay Later; Shariah Compliance; Zakat Fitrah

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Introduction

The transformation of financial technology, often referred to as FinTech, has fundamentally changed the economic and social environment, impacting the fulfillment of religious duties like zakat. The widespread use of digital cash platforms during the COVID-19 pandemic has sped up this process. Zakat, a compulsory religious observance in Islam, serves dual purposes: it provides spiritual fulfilment and functions as a means of social justice intended to eradicate poverty and enhance fairness (Dhar, 2013). Therefore, the 'digitalization' of zakat administration is a notable transformation that presents both opportunities and risks. It presents advantages and disadvantages regarding accessibility, efficiency, and adherence to Islamic constitutional and ethical principles (Friyansyah et al., 2022).

Zakat al-Fitr is traditionally given in the form of food at the end of Ramadan. In recent days, online platforms have unveiled other facilities, such as the Pay Later service (available in Gopay and Shopee providers). With this component, zakat payers (*muzakki*) have the option to pay zakat for full payment later or in instalments, most of the time for an extra fee (Mujahidah & Akbar, 2022). While this seems convenient, it poses severe issues relative to Islamic jurisprudence because it has the same implications as paying zakat in the form of a debt, which is explicitly prohibited in Islam (Matien, 2021; Zuhaili, 1997). The issue of paying Zakat al-Fitr in cash has received a plethora of scholarly discourse. For example, Zuhaili (1997) focuses on the fee in the form of goods, while Al-Qaradawi, on the other hand, allows the payment in cash if it is more beneficial (*maslahah*) to the zakat recipients (Matien, 2021).

Moreover, the use of digital zakat platforms raises broader issues concerning governance, transparency, and ethical accountability. Numerous studies emphasize the importance of robust governance frameworks to prevent fund misuse and ensure adherence to Islamic ethical guidelines (e.g., Prasteyo et al., 2022). Accordingly, this article aims primarily to analyze the legitimacy of using Pay Later systems for Zakat al-Fitr from the perspective of Islamic law, with a focus on its juridical and ethical implications. In addressing the article to be more practical in the field, normative legal analysis mixed with digital ethnographic observation, this study seeks to clarify whether such a method aligns with the fundamental principles of zakat and the objectives of sharia (*maqasid al-shariah*). Ultimately, this study is expected not only to contribute to the academic discourse on Islamic fintech but also to provide practical guidance for zakat institutions and technology providers in navigating digital disruption in religious practices.

Literature Review

Structural analysis on the integration of financial technology (FinTech) into Islamic finance has flourished around the globe; however, a clear research gap remains concerning the practice of paying Zakat al-Fitr through modern mechanisms such as pay-later systems. In other words, academic inquiries that specifically examine the application of deferred fee schemes for zakat remain highly limited. Accordingly, there is no illustrative example that aims to synthesize existing studies by concentrating on three key pillars: first, Islamic constitutional perspectives on deferred deposit; second, the utilization of FinTech within zakat institutions; and third, the ethical implications of employing digital platforms.

Islamic Law on Deferred Payments and Credit

A growing body of literature elaborating structural studies on pay later systems within the framework of Islamic law has been predominantly concentrated on their application in commercial markets. For instance, Rohmatul (2020) explains that the juridical status of Shopee PayLater may fall into two categories: permissible (*mubah*) or prohibited (*haram*). A contract is considered valid if its procedural elements (offer and acceptance/*ijab* and *kabul*) are clearly established; however, the imposition of an additional 2.95% charge on deferred payments risks being classified as *riba,* which is strictly forbidden in Islamic business ethics. In the same observation, this inherent tension between permissibility and prohibition highlights the complexity of applying Islamic jurisprudence to modern financial instruments.

Nevertheless, a significant knowledge gap emerges when this constitutional framework is extended to the context of zakat, which constitutes an act of worship rather than a mere commercial transaction. The practice of zakat requires strict adherence to sharia principles, and the introduction of debt-like structures through pay-later schemes raises fundamental questions about its validity. Accordingly, in-depth research is needed to assess whether deferring financial obligations for zakat aligns with the objectives of sharia (*maqasid al-shariah*). As noted above, while the status of pay later in trade has been extensively debated, its application to Zakat al-Fitr, an obligatory act of worship that demands immediate fulfilment, remains an unresolved issue.

FinTech and Zakat Institutions

An empirical example has confirmed the capacity of FinTech to optimize the collection and distribution of zakat. For instance, Ichwan (2020), employing the

Technology Acceptance Model, found that digital payment systems such as Gopay exert a positive influence on *muzakki* decision-making. As a result, the adoption of FinTech not only enhances zakat revenues but also broadens accessibility, particularly during the COVID-19 pandemic, as *muzakki* were able to fulfil their obligations conveniently from any location.

One of the primary benefits of FinTech in zakat management lies in the simplification of collection and distribution mechanisms. For example, the use of QR codes and mobile applications enables individuals to pay zakat quickly and securely, a feature that became particularly crucial when traditional collection methods were disrupted by the pandemic. As the context, zakat institutions such as BAZNAS in Indonesia collaborated with fintech companies to sustain and expand their services, underscoring the strategic role of technology in times of crisis (As-Salafiyah & Fatoni, 2021; Fadhilah, 2021). Furthermore, Fadhilah (2021) identified a behavioural shift in society, with greater reliance on digital wallets to facilitate cashless transactions, motivated in part by the desire to minimize health risks associated with physical currency.

In making the finding more practical in the field, Hidayat and Mukhlisin (2020) highlighted that digital platform such as *Dompet Dhuafa* significantly increased zakat collections due to streamlined and user-friendly procedures for *muzakki*. The transition to online systems is thus regarded as a crucial adaptation in the modern era, particularly for Generations Y, Z, and Alpha, who are already accustomed to digital financial transactions. Nevertheless, while these studies collectively emphasize the efficiency of FinTech in zakat collection, none specifically address the implications of pay-later services for religious obligations such as Zakat al-Fitr. Over the discussion, the majority of existing research tends to focus on administrative dimensions and general repayment methods. Consequently, the juridical and ethical implications of deferred fee schemes, which, by nature, resemble debt, within the context of zakat remain overlooked. This study, therefore, is designed to fill this significant gap in the academic literature.

Ethical Considerations and Governance in Digital Zakat Payments

The success of digital zakat payments in maintaining Sharia compliance and achieving effective distribution depends on ethical and governance dimensions. Using Financial Technology (FinTech) in zakat management has made improvements in transparency and accessibility, the foundations of trust among stakeholders (Sawmar & Mohammad, 2019; Syahputra & Mukhtasar, 202). Also, the use of blockchain technology in zakat management can bolster transparency, efficiency, and help resolve issues around the collection and distribution of zakat funds (Omar & Khairi, 2021). Bridging the theory to the context, technology does more than simplify procedures. It responds to the ethical requirement in zakat management to deliver funds to the intended beneficiaries quickly and inexpensively (Ibrahim Ahmed & B. Zakaria, 2021).

Having strong governance systems in place is important for managing zakat not just ethically, but also for maintaining transparency, especially in the digital realm where the potential for misuse thrives (Mulyadi et al., 2018). Zakat payments shifted to digital wallets to complete transactions, where the ethical Islamic guidelines still require transparency and effective fund management to prevent the risks level cashless transactions (Prasteyo et al., 2022). The introduction of pay-later options for zakat completed via digital wallets is also a cause for concern. Lastly, schemes built around zakat to improve 'saver fees' may present issues of zakat and even encourage misuse, since zakat's payout is direct and instant, features that may be overshadowed by these fees.

As noted above, there is missing evidence concerning the specific implementation of pay-later mechanisms for Zakat al-Fitr, especially from the perspectives of Islamic law and ethical governance. While the pay-later method has been widely analyzed in the context of e-commerce, its application to a religious obligation such as Zakat remains unfeasible. To address this issue, the present study seeks to bridge this knowledge gap by examining the legal and ethical implications of applying pay-later models to the payment of Zakat al-Fitr. The analysis focuses on assessing the extent to which such systems align with the principles of sharia, with particular emphasis on the understanding that zakat is an act of worship rather than a commercial transaction. Furthermore, this study aims to identify potential ethical risks and governance challenges arising from the adoption of deferred cash protocols in digital zakat institutions.

Methods

To make this study more applicable in practice, we examine modern "buy now, pay later" services on platforms such as *Shopee* and *Gopay,* situating them within the emerging context of online zakat and the growing popularity of deferred payment systems. Employing a qualitative design, this study combines two approaches: a normative method, following Marzuki (2006), to analyze juridical regulations and primary Islamic legal sources (e.g., DSN-MUI fatwas and *Bahtsul Masail* rulings), and a case study approach to assess how these frameworks operate in real-world settings. Secondary sources, such as academic publications, journal articles, and legal texts, offer additional context (Moleong, 2004; Zed, 2008). To understand contemporary user behaviors, we perform digital ethnography (Anggito & Setiawan, 2018), which enhances conventional legal studies by examining user behaviors on a specific online platform. Validity is important, so we follow systematic steps suggested by Sugiyono (2013), which start with a literature review and interviews with key informants, and then proceed with data reduction, structuring, and the identification of patterns (Moleong, 2004). Ongoing comparisons of field data and theory help to polish preliminary findings, while iterative analysis of findings across various datasets (Siyoto & Sodik, 2015) finalizes the conclusions. This method enables us to accomplish the integration of practical digital zakat management with abstract legal theory, balanced digital zakat management.

Result and Discussions

Online Zakat Payment and the Role of Digital Platforms

This examination considers the increasing trend of online zakat payments, a convenient choice for *muzakki* (zakat payers) who may wish to avoid direct engagement with zakat organizations. Nowadays, allowances can be processed via various options, including banking applications and e-commerce sites such as *Gopay* and *Shopee.* However, the introduction of "Pay Later" services on these platforms adds a layer of complexity that needs to be examined, especially for a religious duty like zakat.

This digital transformation has reshaped how people give, particularly among millennial Muslims who are fluent in online systems. It's not just about making the payment process faster; technology has improved the entire experience for the person giving. As research by Utami and Basrowi (2021) shows, millennials' familiarity with digital zakat platforms makes them more inclined to pay. This generation simply values the ease and accessibility that align with their tech-savvy lifestyles (Ninglasari, 2021). So, what convinces someone to use a digital zakat platform? One of the biggest factors is how easy they expect it to be. If a user anticipates a smooth, straightforward process, they are far more likely to be interested (Kasri & Yuniar, 2021). This move to digital has clearly boosted the number of zakat payers, with online transactions trending upward in recent years

(Karmanto et al., 2021). This shift wasn't just driven by new technology; it was accelerated by global events like the COVID-19 pandemic, which forced everyone to rethink traditional repayment methods (Ninglasari & Muhammad, 2021).

However, despite these advantages, getting everyone on board remains a challenge. A study by Musahidah and Sobari (2021) found that even when the technology is available, many users feel the platforms are clunky or don't work as well as they should. These negative perceptions can stop potential *muzakki* from switching from traditional to digital giving. To fix this, zakat institutions need to focus on educating and supporting users to build confidence and encourage adoption (Hanafi, 2020). The effectiveness of digital zakat platforms relies on fulfilling user requirements, as trust, security, social impact, and user experience influence adoption (Oktavendi & Mua'ammal, 2021; Ahmad et al., 2021). Consequently, institutions need to guarantee secure systems and beneficial transactions. Digitalization improves governance and transparency by optimizing financial management and fostering accountability (Widiastuti et al., 2021; Rohman & Indrarini, 2021). Blockchain technologies provide a secure means of tracking donations, and digital platforms enhance zakat literacy for younger audiences (Hamdani, 2020; Widiastuti et al., 2021). The COVID-19 pandemic expedited the shift to digital, maintaining support and drawing in new contributors (Ninglasari & Muhammad, 2021; Hidayat & Mukhlisin, 2020).

Still, there is no illustrative example that lies between the potential of online zakat and the actual amount collected. Research by Nilawati and Rijal (2020) shows that while interest in digital payment is high, many people still prefer traditional methods. To close this gap, zakat institutions must develop targeted strategies to overcome these barriers by improving the user experience, enhancing platform functionality, and earning the public's trust.

The Evolution of Payment Systems in Zakat Collection

Essentially, digital transactions aren't about handing over physical cash; they're about transferring value represented by numbers in an account. When you pay zakat online, you're doing just that, digitally moving funds from the payer (*muzakki*) to the administrator (*amil*) without needing a face-to-face meeting. This approach fits perfectly with a modern lifestyle that values convenience. From an Islamic law perspective, this is generally seen as perfectly valid. Paying zakat isn't like a commercial sale, so it doesn't need a formal verbal contract (*ijab qabul*). As long as the core pillars are in place, the payer, the assets being donated, and a rightful recipient (*mustahik*), and the process doesn't cause harm (*mudharat*), an online zakat deposit is considered sound. However, the recent introduction of "Pay Later" services on these platforms does raise new juridical and ethical questions that require a closer look.

Zakat collection has evolved dramatically from the manual, often inefficient methods of the past. Today, technology is revolutionizing almost every aspect of how zakat is managed, making the process more transparent, efficient, and far-reaching. Fintech (financial technology) has been a major driver of this change. It has allowed zakat institutions to offer a variety of modern payment methods, from mobile apps to online banking, which are especially popular with younger, tech-savvy generations (Utami et al., 2020). This flexibility proved essential during the COVID-19 pandemic, which accelerated the demand for digital solutions when conventional methods were not possible (Ninglasari & Muhammad, 2021).

Blockchain offers a decentralized, tamper-proof record of transactions, reducing misuse risks and ensuring effective allocation of zakat funds (Omar & Khairi, 2021). This transparency strengthens accountability and builds donor confidence, while digital platforms expand access and increase participation (Ibrahim Ahmed & B. Zakaria, 2021; Ahmad et al., 2021; Karmanto et al., 2021). However, challenges remain: although many institutions use digital tools for collection, technology in distribution and reporting often lags (Che Mohd Salleh & Chowdhury, 2020). Addressing this requires investment in infrastructure and administrator training. Cultural traditions and public skepticism also affect adoption (Aziz & Anim, 2020), making education and digital outreach, particularly through social media, essential to engage younger, tech-savvy donors (Utami & Basrowi, 2021). By building trust and addressing cultural concerns, the full potential of digital zakat can be unlocked.

Pay Later as a Fintech Solution in Zakat Payment

Services like "Pay Later" have exploded in popularity, showing just how much people value financial convenience. Functioning like a digital credit card for online shopping, the service saw a huge jump in users on platforms like Shopee, growing from roughly 35% in 2019 to over 54% in 2020 (DS Research, 2020). The growing demand for convenience and accessibility is reshaping how Muslims fulfil their religious obligations, particularly zakat. Financial technology (Fintech) has transformed zakat collection by simplifying payments and expanding institutional reach, particularly in Muslim-majority countries such as Indonesia (Alfiani & Akbar, 2020; Nailah & Rusydiana, 2020). The effectiveness of zakat collection has been enhanced by partnerships between zakat bodies and technology firms, exemplified by the BAZNAS GoZakat app, which is vital for efficient operations in major urban centers like Jakarta (Nailah & Rusydiana, 2020). This trend was dramatically fast-tracked by the COVID-19 pandemic, with international applications like Saudi Arabia's ZAKATY enabling the continuous flow of donations throughout the crisis (Bin-Nashwan, 2022).

The Technology Acceptance Model (TAM), especially the components of perceived usefulness and ease of use, serves to explain the adequacy of digital zakat platforms. For millennials, who tend towards digital financial solutions, these variables are especially important (Ichwan, 2020; Al Athar & Al Arif, 2021). Organizations can take advantage of the demographic shift by offering innovative services and crafting focused promotional campaigns to engage the younger audience (Doktoralina et al., 2019). Trust goes beyond functionality and ease of use. Blockchain technology allows real-time tracking of funds, and thus tracking of potential fund mismanagement, which builds confidence and trust amongst donors (Omar & Khairi, 2021; Kharisma & Jayanto, 2021).

The intersection of zakat and Fintech fulfills not only the immediate purpose of enhancing fundraising efficiency and effectiveness, but also aids in the broader global agenda, specifically the Sustainable Development Goals (SDGs). Integrating technology into the zakat collection and distribution system helps alleviate poverty and empowers communities (Abdullah Sani et al., 2021; Ab Rahman et al., 2021). Therefore, the digital zakat platforms are of social and spiritual significance.

The Potential for Increased Zakat Collection via E-commerce

The potential for collecting zakat through e-commerce platforms is growing every year. By partnering with these popular sites, zakat institutions can connect with a much wider audience, especially millennials who are just beginning to earn enough to meet the *nisab* (the minimum threshold for zakat obligation). This requires a two-way street: institutions must be transparent and accountable to build public trust, while also continuing to educate this new generation of givers about their responsibilities (Kinanti et al., 2021). The logic is simple: if a platform is easy to use and the process is clear, more people will participate. Research confirms that the main drivers for adoption are how useful and effortless people expect the experience to be (Kasri & Yuniar, 2021). These platforms don't just process allowances; they also serve as an effective tool to improve zakat literacy, helping to expand the overall base of donors.

To get this right, it helps to look at what works elsewhere. High-income Muslim nations often serve as a benchmark, using their financial and technological resources to build strong, transparent, and compliant zakat systems (Muhammad, 2019). We can even draw lessons from other contexts. For example, a study on digital finance in rural China showed that as people became more comfortable with e-commerce, their participation in digital financial markets grew (Su et al., 2021). The fusion of modern fintech and zakat introduces new allowance structures, some of which look a lot like debt. The most prominent example is the "Buy Now, Pay Later" (BNPL) model. While it offers undeniable convenience, it functions as a credit-like arrangement. This brings up an essential question: Is it possible for a religious duty that demands urgency, assurance, and a lack of interest (*riba*) to be satisfied through a delayed cash instrument? Zakat isn't a business exchange; it’s an act of devotion regulated by precise rules of Islamic law (*fiqh*). This dilemma intensifies when taking into account zakat al-fitr, which has a strict deadline before the Eid prayer. This pressure compels us to consider if the ease of contemporary financial technology can genuinely align with the fundamental values and goals of Islamic law (maqāṣid al-sharīʿah). This is the main ethical and religious dilemma that needs to be addressed as zakat undergoes its digital transformation.

Digital Platforms for Social Programs and Zakat Distribution

Recently, the role of fintech has grown far beyond merely managing repayments. This scenario arose as digital platforms have become essential players in philanthropy and social welfare, yet this expansion brings a new set of challenges, especially when it intersects with sacred duties like Zakat Fitrah. This particular form of zakat has strict rules and deadlines, complicating the use of credit-based options such as Pay Later. Employing debt-like instruments to fulfil religious obligations necessitates careful examination under Islamic law, as it may blur the lines between commercial transactions and acts of worship. However, this wider application has also generated significant positive outcomes. The practical examples of *Gopay* and *Shopee* go beyond merely collecting zakat; they are proactively engaged in its distribution via social initiatives. As Sisdianto et al. (2021) have noted, these companies are launching initiatives to support *mustahik* (zakat recipients) with things like scholarships and healthcare. This shows they've evolved from being simple tech facilitators into genuine partners in social welfare.

Islamic Law and the Use of Pay Later in Zakat Fitrah Payments

At its core, Pay Later is a credit system, which means you're taking on debt. Zakat al-Fitr, on the other hand, is an obligation for every Muslim who is financially capable, a point emphasized in Islamic jurisprudence and hadithIslamic jurisprudence affirms that zakat al-fitr is obligatory upon every Muslim who is deemed "capable," as emphasized by Wahbah al-Zuhaili and the hadith narrated by Ibn ʿUmar. This implies that financial capability serves as the primary condition for this obligation. A person who utilizes *Pay Later* cannot automatically be considered "incapable"; rather, such a person is voluntarily choosing to incur debt in order to defer deposit. Consequently, this practice incorporates commercial dynamics (business-to-business) into what is fundamentally a ritual obligation. The use of *Pay Later* for zakat al-fitr may be classified as a loan contract (*qardh*), which in principle, is permissible in Islam, provided that it remains consistent with the guidelines issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). However, its permissibility is highly conditional. If *Pay Later* is employed in cases of necessity (*ḍarūra*) and remains aligned with the principles of sharia, then its ruling is deemed permissible (*mubāḥ*). Conversely, if this system is misused to encourage consumerist lifestyles or sinful practices, its application becomes prohibited (*ḥarām*) (Abdullah bin Muhammad Ath-Thayar, 2009).

DISCUSSION

The Intersection of Fintech and Zakat: A New Paradigm

This study investigates the growing popularity of *Pay Later* services and their implications for zakat allowance practices. Unlike previous studies that tend to focus on institutional management and the adoption of online platforms to attract *muzakki*, this research specifically examines the interaction between modern fintech practices, particularly *Pay Later*, and religious obligations. One of the key findings of this study is that *Pay Later* users cannot automatically be categorized as "unable" to pay zakat. The very definition of "capability" itself requires re-evaluation in the context of this new cash system, where users may defer payment for strategic reasons, such as securing promotions or bonuses. Therefore, the use of *Pay Later* does not necessarily serve as an indicator of financial hardship or a person's inability to fulfil the obligation of *Zakat Fitrah*.

The shift in methods of zakat management from manual and face-to-face methods to digital methods is a direct result of the integration of fintech in zakat management. Modern zakat institutions now work with cutting-edge digital tools that use automation and combine artificial intelligence and blockchain technology. Institutional tasks have become more efficient and transparent as a direct result of this technological advancement. For the first time, management systems are blzakal to real-time tracking of zakat resources throughout the entire management process. This tracking innovation solves the accountability and transparency issues that have haunted zakat management all these years. Still, the use of fintech and zakat management has considerable risk that is hard to mitigate. For instance, the use of Pay Later systems in zakat deposit frameworks raises issues about the financial sufficiency and the religious principle of immediacy. In religious and legal contexts, zakat should not be simplified to a system incorporating deferring deposit payments and all the debts that come with.

Redefining Financial Capability in the Digital Age

The increase in the use of Pay Later systems necessitates the reevaluation of financial capability vis-a-vis zakat obligations. A significant portion of the target market for Pay Later systems delay payments for promotional gains, rather than for necessity. This illustrates the need for a comprehensive understanding of the true meaning of 'capacity' in Islamic finance. Beyond access, quantitative capacity, and wealth, the dimensions of financial capability should also include operational financial and digital literacy, ethical decision-making, and critical analytical skills for shariah compliance within complex processes of modern finance. While digital financial systems enhance access to economic resources, they also contribute to the self-and socially destructive behaviors of debt accumulation, compulsive spending, and loss of self-regulation. Islamic finance recognizes genuine ability to include sufficiency of the soul, or an inner spirituality, aligned with the moderation (wasatiyyah), fairness (‘adl), and prevention of harm (dar’ al-mafasid).

As such, financial capability can usefully be redefined as hikmah, the wisdom to integrate the technological potentials with the Islamic moral order. This demands educational frameworks and ethical standards alongside the partnerships of fintech, regulators, scholars and educators. By focusing digital innovations to the goals of the shariah with the inclusion of social welfare, justice, and the mitigation of harm, it is possible to fuse financial inclusion with the economic empowerment of the spirit. This kind of redefinition would rationally demand institutions and policies to be designed in such a way that regulators and zakat institutions would be in a position to advocate and enable fintech to allow and facilitate ethical self-governance towards the institutional goals of economic justice accessibility, leaving consumer protection in the domain of fintech. Hence, soi-disant strategic digital governance and social awareness in the use of educational tools would assure the public that digital financial services would be in the spirit of the Islamic moral order. More empirical research is also needed to investigate the Muslim digital communities, namely the behavioral phenomena of the adoption of certain technologies given their a mix of convenience, risk, and shariah compatibility.

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Attracting Muzaki through Digital Payment Innovations

Incorporating Pay Later functionality for zakat payments on Gojek and Shopee represents a remarkable innovation for connecting muzakki to the digital ecosystem. These platforms can capture a new segment of tech-savvy donors, albeit ensuring safety and adherence to DSN MUI guidelines. The introduction of digital payments within zakat services, particularly on the muzakki's side, has enhanced seamlessness, interaction, and relationship-building. As multiple studies indicate, the preference of younger generations for digital zakat services stems from convenience, emphasizing the need for zakat platforms to be designed around user experience and functionality like real-time updates on fund movements.

However, success isn't built on simplicity alone. Trust is built on conviction, ethical responsibility, and transparency, all of which are necessary to provide acceptance. Tech-savvy and loyal users will mainly target platforms offering shariah compliance, robust security, and clear reporting. Innovation, under the maqasid al-shariah principles of justice, welfare, and harm avoidance, will help to align innovations with the primary objectives of zakat. Lack of digital literacy in the elderly and rural populations and persistent concerns regarding the shariah compliance of fintech and security add more complex barriers to inclusive adoption. Pragmatic education, simple design, and partnership with trusted fintech will be critical to solving these integration challenges. Zakat institutions that provide these will increase muzakki trust and participation in the digital zakat ecosystem.

Legal and Ethical Considerations in Zakat Payment via Pay Later

This part assesses the justification and compliance with the law and ethics concerning the use of credit systems, specifically Pay Later, within the zakat framework since it must be fulfilled according to the principles of DSN-MUI compliance. While Pay Later offers comfort and flexibility, the systems based on deferred payments and debts combine principles that Islamic law opposes. This includes timeliness zakat, riba prohibition, and the transfer of ownership (tamlik), all invoking the questions on the payments legality. Payments legality is also tied to ethics, the zenith of which relates to the responsibility of the zakat institution to preserve the reliquary essence of the duty. Payments being accepted, which are Sharia noncompliant, will erode public confidence and organizational reputation. Institutions are thus tasked with the incompatible objectives of zakat accessibility and reliquary preservation, which is possible only through oversight, transparency, and Good Amil Governance (GAG). Islamic financing and the Pay Later system will shift to Sharia compliant qard hasan and murabahah to facilitate quick fund transfer while respecting riba prohibition. The convergence of digitale technology with maqasid al-shariah of justice, welfare, and the avoidance of harm is the essence of zakat in the digitized era.

The Future of Fintech in Religious Obligations

Fintech's future in Islamic finance presents pathbreaking opportunities for Muslims worldwide. Advancement in technologies like AI, blockchain, and quantum computing improves transparency, efficiency, and access. AI-driven compliance solutions and blockchain-enabled zakat tracking illustrate how and where these technologies foster maqasid al-shariah in promoting justice and welfare. These advancements, however, do raise ethical and fiqh challenges: for instance, AI cannot replace scholarly ijtihad, and blockchain systems require painstakingly formulated contracts to avoid prohibited elements. The greatest challenge lies in ensuring that Islamic financial practices and their technologies do not compromise the spirituality of the practices. As mentioned, regulation is necessary to ensure Sharia compliance in fintech. The fostering of globalization calls for harmonized Sharia compliance standards, customer protection, and interoperability. Collaboration among technologists, regulators, and scholars is necessary to prevent riba, exploitation, or mere Islamic façade marketing. Those organizations that utilize advanced technology and combine it with ethical consideration, human empathy, and true faith and religious motivation will be the ones to facilitate Islamic finance in the expansion of social justice, deepening its faith basis, and narrowing its welfare focus. Pay Later services offer customers convenience, but applying these services to zakat requires careful control to make sure it's compliant with the Sharia. Zakat entities need to think about the extent of their digital transformation and collaborate with fintechs to ensure that their religious responsibilities are being maintained in the online world.

Conclusion

The combination of normative legal scholarship and digital ethnography in this study focuses on Pay Later services as a means to fulfill one's Zakat Fitrah liabilities. While strike Zakat Fitrah services does raise possible Sharia compliancy issues, the findings of this study do appreciate the services ease and reach. However, the ability to delay payments is contrary to the Zakat Fitrah principles of ta'jil. The possibility of additional payment is also a clear indicator of riba. Within the maqasid al-shariah, these potential Sharia issues may distort justice, delay possible benefits to the mustahik, and pose possible harm (mudarat) to the muzakki. In the theoretical scope, the study contributes by clarifying the demarcation between commercial financial instruments and religious obligations within the discourse of Sharia fintech. It underscores that while fintech innovations can support zakat management, alignment with Sharia principles must remain the primary priority to preserve the sanctity of worship. Practically, the research offers recommendations for zakat institutions (LAZ) and fintech providers. LAZ is encouraged to intensify public education, avoid collaborations involving *riba* or payment deferral, and prioritize systems that deliver immediate impact to beneficiaries. Fintech providers, in turn, are advised to develop zakat features that ensure real-time, interest-free transactions vetted by independent Sharia boards.

We acknowledge other important aspects, which do not exist in the research. Thus, future empirical studies could explore *muzaki* perceptions and behaviors in using Pay Later, while comparative research across Muslim-majority countries may reveal strategies for balancing innovation and Sharia compliance. Such investigations will enrich our understanding of how fintech is shaping the future of Islamic social finance.

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