Distribution of Zakat Funds Through Credit Micro Financing in the Development of Asnafpreneurs According to Islamic Law: A Review

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ABSTRACT

Zakat is one of the pillars of Islam that plays an important role in the Islamic economic system and the development of asnaf. Zakat is prescribed for all Muslims to be distributed to eight groups of asnaf who are entitled to receive zakat. The distribution of zakat funds through microcredit financing is an initiative undertaken by zakat institutions to give opportunities to asnaf to start a business by providing business capital loans. However, most scholars require ownership (*tamlik)* for each zakat distribution without the need for repayment. The objective of this study is to examine the concept of zakat fund distribution through micro- credit financing according to syar'a by focusing on its potential in reducing the poverty rate. The methodology of this study uses descriptive research by gathering data from books, journals and other significant information about the distribution of zakat through literature review. The micro financing of zakat fund credit not only coincides with the principles of Shariah but also has great potential towards positive changes in the Islamic economy, especially for the asnaf group. This study is expected to highlight the *hukm* more clearly in an effort to strengthen the management and implementation of this program.

Keywords: Zakat Fund, Distribution, Financing, Credit Micro

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