Integrating Business Zakat Compliance into Malaysian Halal Certification Renewal: A Conceptual Analysis

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ABSTRACT

Business zakat and halal certification form part of Malaysia's Islamic economic governance but operate through separate administrative channels. This study develops a preliminary Halal–Zakat Compliance Integration Framework (HZCIF) for voluntary business zakat referral and verification within Malaysian Halal Certification (SPHM) renewal. A qualitative conceptual design, supported by documentary and qualitative content analysis, examines legislation, official certification procedures, MYeHALAL registration information, Sabah zakat guidance, JAWHAR collection statistics and relevant academic literature. The analysis identifies SPHM renewal as a potential administrative entry point while distinguishing zakat liability, payment, disclosure and authenticated verification. Existing registration fields do not establish liability or demonstrate legal and technical readiness for integration. Likewise, jurisdictional collection statistics describe collection patterns rather than compliance among halal-certified businesses. HZCIF proposes preliminary screening, voluntary referral, assessment by authorised zakat institutions and limited exchange of authenticated verification statuses. The framework accommodates verified payment, no-liability determinations, non-applicable cases and unresolved outcomes while preserving separate institutional responsibilities. Participation and verification outcomes would not automatically determine SPHM renewal. The study contributes a structured policy concept rather than a validated legal or operational model. Further development requires legal review, stakeholder validation and voluntary pilot testing to assess feasibility, fairness, administrative burden and data protection before wider implementation.

Keywords: business zakat, halal certification, documentary analysis, Islamic governance, Malaysia

INTRODUCTION

Zakat and halal certification are important components of Malaysia's Islamic economic governance, although they serve distinct purposes. Zakat supports wealth redistribution and social welfare, whereas halal certification provides assurance that products, services and related processes satisfy applicable halal requirements (Md Saad et al., 2024; JAKIM, 2020). Their relevance to business conduct creates an opportunity to examine administrative coordination while preserving their separate functions. This study advances the proposition that the renewal of Malaysian Halal Certification (Sijil Pengesahan Halal Malaysia, SPHM) could provide a point for phased business zakat referral and status verification. Under this proposal, zakat payment would not become a substantive halal requirement, and halal authorities would not assume responsibility for determining zakat liability (Sapingi et al., 2020; Saidon et al., 2024).

Recent research provides a basis for examining how administrative arrangements might support business zakat compliance. Md Saad et al. (2024) found that self-efficacy, incentives and knowledge were positively associated with compliance among the SME owners studied in Selangor. In the halal certification context,

Basaruddin et al. (2022) identified relationships between attitudes, social influence, awareness and behavioral intention, with intention positively associated with compliance behaviors. These findings suggest that information and organizational decision-making deserve attention in the design of compliance support. They do not, however, establish that linking zakat verification to halal renewal would improve compliance; that proposition requires separate investigation (Md Saad et al., 2024; Basaruddin et al., 2022)

A central requirement is to distinguish zakat liability, payment and disclosure. Liability concerns whether zakat is payable under the applicable assessment rules; payment concerns whether the amount due has been paid; and disclosure concerns whether zakat information is reported. Md Zaini et al. (2026), analyzing the 2023 annual reports of 15 Shariah-compliant companies, found limited disclosure of zakat information. This finding concerns reporting practices and should not be interpreted as a direct measure of non-payment. For the present framework, an absent disclosure would therefore provide insufficient grounds for classifying a business as non-compliant. Similarly, a business assessed as having no liability should not be expected to produce a payment receipt. These distinctions support a verification model based on authenticated assessment and payment information rather than annual-report disclosure alone.

The SPHM renewal process offers a possible administrative setting for this model. The Malaysian Halal Certification Procedure Manual (Domestic) 2020 sets out a renewal procedure through MYeHALAL, providing an established interaction between applicants and certification authorities (JAKIM, 2020). JAKIM's statement also identifies JAKIM and MAIN/JAIN as the competent halal-certification authorities and reiterates the voluntary nature of SPHM applications (JAKIM, 2024). The present study treats renewal as a potential opportunity for providing information, facilitating referral and receiving limited verification data. The existence of this administrative process does not itself establish legal authority or technical readiness for the proposed linkage.

International work on administrative coordination provides a useful perspective. The Organization for Economic Co-operation and Development (OECD, 2020) identifies legal clarity, inter-agency cooperation, clearly defined responsibilities, public consultation and evaluation as important considerations in developing integrated service arrangements. These principles suggest that connecting administrative processes requires more than adding a digital field or sharing records. Applied to the proposed halal–zakat interface, they support an approach in which each institution retains its responsibilities and businesses receive clear guidance about the purpose and consequences of verification. Such international experience informs the design considerations; it does not demonstrate the feasibility of this proposal.

The proposal must also address the possibility that businesses could perceive verification as an additional financial or religious condition for certification. Additional documentation, delays or unclear consequences could generate resistance and affect confidence in the halal-certification process. These are potential implementation risks to be investigated, rather than outcomes established by this study. The proposed framework therefore priorities stakeholder consultation, proportionate information requirements, data protection and accessible correction and appeal procedures. It also distinguishes verified outcomes, such as payment confirmed or no liability assessed, from unresolved cases, including pending assessment or disputed status. An unresolved case would indicate a need for follow-up rather than establish non-compliance or automatically prevent SPHM renewal.

The studies discussed above address business zakat behaviors, corporate disclosure and halal-certification compliance, but do not specify how a referral and verification mechanism could operate within SPHM renewal while preserving separate institutional mandates. The research gap addressed here concerns the design of that mechanism: the allocation of responsibilities, the information required for verification and the safeguards governing its use. Accordingly, this study aims to develop a preliminary Halal-Zakat Compliance Integration Framework (HZCIF) for phased business zakat referral and status verification within the SPHM renewal process, while respecting separate institutional mandates and safeguarding applicants against automatic renewal penalties arising from zakat status. Through conceptual and documentary analysis, the framework specifies institutional actors, referral points, information flows, data-protection safeguards and review and appeal mechanisms. It remains a proposal for subsequent legal review, stakeholder validation and empirical testing, rather than a validated implementation model.

LITERATURE REVIEW

Business Zakat Assessment, Disclosure and Compliance

Business zakat assessment, payment and disclosure represent related but distinct dimensions of corporate religious accountability. Rosele (2025) explains that company zakat involves jurisprudential considerations concerning legal personality, the aggregation of property, wealth growth and maqasid al-Shariah. His analysis highlights the importance of examining the characteristics of an entity and the applicable assessment principles before determining its zakat position. For the proposed framework, business registration, ownership information and halal certification may inform an initial referral, but they cannot independently establish the amount payable or confirm that an obligation has been discharged. Distinguishing a potentially liable business from one whose position has been assessed is therefore fundamental to HZCIF.

Behavioural research further demonstrates that compliance cannot be explained by the existence of a religious obligation alone. Saad et al. (2020) identified associations between business zakat payment intention and knowledge, attitudes, peer influence and perceptions of zakat institutions. Their finding of a negative association between enforcement and intention cautions against assuming that additional pressure necessarily encourages compliance. Meanwhile, Md Saad et al. (2024) found that self-efficacy, incentives and knowledge were positively associated with compliance among the SME owners studied in Selangor. Although these studies examine different contexts and outcomes, they suggest that compliance initiatives should address businesses' understanding and capacity alongside institutional expectations. Neither study establishes that verification through halal renewal would improve business zakat compliance.

Corporate reporting research adds an important distinction between disclosure and actual compliance. Abdullah et al. (2023) analysed 180 annual reports covering 2014–2018 and reported that only 34% of the Muslim-owned companies disclosed corporate zakat. Similarly, Md Zaini et al. (2026), examining the 2023 annual reports of 15 Shariah-compliant companies, identified limited disclosure of zakat amounts, methods and related information. These findings highlight weaknesses in reporting, but do not provide a direct measure of non-payment. Differences in their samples and reporting periods also prevent the findings from being combined into a national compliance estimate.

The reporting limitations identified by Abdullah et al. (2023) and Md Zaini et al. (2026) reinforce the need to distinguish liability, payment and disclosure when designing administrative verification. Liability concerns whether zakat is payable, payment concerns whether the assessed obligation has been settled, and disclosure concerns whether relevant information has been reported. An absent disclosure therefore does not establish either liability or non-payment. Conversely, a disclosed amount may not authenticate the relevant assessment period or confirm full settlement. For HZCIF, these distinctions support examining verification by the relevant zakat institution rather than relying exclusively on annual reports. Such verification would need to distinguish confirmed payment, assessed no liability and unresolved assessment or payment status.

Taken together, the reviewed studies explain important aspects of assessment, behaviour and reporting, but provide limited guidance on translating them into a verification process shared by separate institutions. In particular, they do not specify the information required by halal authorities, the authentication responsibilities of zakat institutions or the handling of unresolved cases within SPHM renewal. The present study addresses this operational question by developing a preliminary referral and verification framework that recognises different zakat circumstances without imposing a universal payment requirement.

Halal Certification and Interagency Coordination

Halal-certification research provides a complementary perspective on business responses to institutional requirements. Basarud-din et al. (2022) found that attitudes, social influence and awareness were associated with behavioural intention, which was positively associated with compliance among Muslim entrepreneurs. Their findings indicate the relevance of how businesses understand and evaluate certification requirements. However, evidence about halal-certification behaviour cannot be assumed to predict responses to an additional

zakat interface. Whether businesses would regard that interface as useful support, unnecessary duplication or religious pressure remains a question for subsequent stakeholder investigation (Saad et al., 2020).

JAKIM (2020), through the Malaysian Halal Certification Procedure Manual (Domestic), sets out a renewal procedure through MYeHALAL that provides an existing administrative point for potential information provision and referral. In its subsequent official statement, JAKIM (2024) identifies JAKIM and MAIN/JAIN as competent halal-certification authorities and reiterates the voluntary nature of SPHM applications. These arrangements establish the administrative context for considering HZCIF, but do not themselves authorise zakat payment to become an additional certification condition. Within the proposed framework, halal authorities would facilitate referral or receive limited verification information, while substantive zakat assessment would remain with the relevant zakat institution (Aziz & Mohd Isa, 2025). The Inland Revenue Board of Malaysia (2025) provides a limited domestic comparison through its Company Return Form Guidebook, which includes business zakat as a claim item and directs companies to subsection 44(11A) of the Income Tax Act 1967 for eligibility. This illustrates the recognition of zakat within another administrative process. Nevertheless, tax treatment and halal certification serve different purposes, and the existence of a zakat-related tax provision does not establish authority for a halal-renewal requirement. Its relevance to HZCIF is therefore confined to illustrating administrative recognition across systems.

International policy literature helps identify the conditions under which such coordination may be useful. The Organisation for Economic Co-operation and Development (OECD, 2020) emphasises legal compatibility, institutional role clarity, inter-agency cooperation, public consultation and evaluation in developing integrated service arrangements. It also highlights the burden created when businesses repeatedly provide similar information to different agencies. Applied to HZCIF, these principles support examining whether an authenticated status response could reduce repeated submissions while preserving institutional responsibilities. Digital connectivity alone would be insufficient: the purpose of information exchange, permitted access and responsibility for correcting errors would also require clear definition.

Considered alongside the behavioural findings of Basaruddin et al. (2022), the administrative principles outlined by OECD (2020) suggest that stakeholder acceptance and procedural clarity should be central to framework development. HZCIF would therefore need to explain that referral and verification do not alter the substantive meaning of halal certification. Its procedures should limit information exchange to what is necessary, provide routes for correcting inaccurate records and preserve opportunities for review or appeal (Samargandi et al., 2018). Under the proposed model, pending or disputed zakat status would trigger follow-up rather than automatic denial or suspension of SPHM renewal. These safeguards remain design proposals requiring legal review and stakeholder validation.

Across the literature reviewed, the unresolved issue concerns how business zakat assessment and verification could be connected to SPHM renewal through a clearly defined administrative process. Existing studies explain individual components but do not sufficiently specify their combined operation, particularly institutional responsibilities, minimum information requirements and the handling of unresolved cases (Abdul Kadir et al., 2020; Md Zaini et al., 2026). This study therefore develops a preliminary HZCIF that brings these elements together through phased referral and status verification. Its contribution lies in specifying an arrangement for subsequent validation, without assuming that its legality, acceptability or effectiveness has already been established.

METHODOLOGY

This study employed a qualitative conceptual design supported by documentary and qualitative content analysis to develop a preliminary Halal Zakat Compliance Integration Framework (HZCIF). Documents were purposively selected based on their relevance to business zakat liability, Malaysian halal-certification procedures and inter-agency administrative coordination. The sources comprised primary legislation, official JAKIM procedures and statements, MYeHALAL registration information, Sabah business zakat guidance, JAWHAR statistics, and relevant academic and international policy literature. Academic literature published between 2020 and 2026 was prioritised, while legislation and foundational official documents were retained

irrespective of publication year because of their continuing legal or administrative relevance. The documentary scope covered materials available up to 9 September 2026.

Guided by Morgan (2022) and the principles of the READ approach developed by Dalglish et al. (2020), qualitative content analysis was conducted across five analytical categories: institutional authority, business zakat liability, referral opportunities, verification evidence and implementation safeguards. Relevant legal provisions, administrative statements and conceptual insights were extracted, compared and synthesised to formulate the proposed institutional responsibilities, zakat-status categories, information flows and procedures for handling unresolved cases within the HZCIF. Primary legal and official sources were given greater interpretive weight when identifying existing institutional authority and procedures, whereas academic and international policy literature was used primarily to inform conceptual development.

Throughout the analysis, existing legal and administrative provisions were distinguished from the design features proposed under the HZCIF. The existence of an SPHM renewal procedure, registration field or administrative practice was not treated as evidence that legal authorisation, inter-agency approval, data-sharing arrangements or technical readiness for integration already existed. Accordingly, the HZCIF represents a conceptually derived proposal rather than an account of current institutional practice.

JAWHAR statistics for Sabah, Selangor and the Federal Territories were used to provide an illustrative comparison of reported zakat collection totals and the proportions attributable to business zakat in 2023. These jurisdictions were selected to contrast the study's focal jurisdiction, Sabah, with two major zakat-administration settings for which comparable official figures were available. The comparison was contextual rather than representative. Differences in business populations, institutional arrangements, assessment practices and reporting classifications, together with the unavailable Selangor payer count, restricted direct comparability. The figures were therefore not interpreted as measures of business zakat compliance, estimates of the zakat gap or evidence of the effectiveness of the proposed integration.

The resulting HZCIF represents preliminary conceptual development rather than a validated legal or operational model. No expert interviews, Delphi exercise or stakeholder validation were conducted. Consequently, the framework does not establish that the proposed integration is legally authorised, institutionally accepted or technically feasible. These matters require subsequent legal review and empirical validation involving halal authorities, state zakat institutions, business representatives and relevant system administrators.

RESULTS AND DISCUSSION

Administrative Opportunities for Conditional Referral

The documentary analysis identifies an existing administrative entry point for business zakat referral. Jabatan Kemajuan Islam Malaysia (JAKIM, n.d.) records company registration information and ownership categories through its MYeHALAL registration interface. JAKIM (2020) also provides a formal SPHM renewal procedure, creating a recurring interaction between businesses and halal-certification authorities. These features suggest an opportunity to offer relevant zakat information and voluntary referral within an established administrative process. They do not, however, establish an existing mandate or technical capability for integrated zakat verification (JAKIM, 2020).

Ownership information would serve only as a preliminary screening indicator. It cannot independently establish the Muslim-owned share, applicable assessment period, satisfaction of zakat conditions or responsible jurisdiction. Registered addresses and operational locations may also differ. Consequently, potentially relevant applicants would require referral to the appropriate zakat institution, which would retain responsibility for substantive assessment. Wouters et al. (2023) identify engagement, motivation and joint action as important dimensions of collaboration in integrated digital public services. Applied to HZCIF, this suggests that institutional responsibilities, referral procedures and arrangements for resolving mismatches should be agreed before developing automated connections. The contribution of the proposed interface is therefore an opportunity for coordinated service delivery; its operational feasibility remains to be tested.

Variation in Reported Business Zakat Collections

JAWHAR provides descriptive context through its jurisdiction-level collection statistics. Table 1 compares Sabah, Selangor and the Federal Territories for 2023. Business zakat represented 2.71% of reported zakat on wealth collections in Sabah, compared with 16.31% in Selangor and 16.23% in the Federal Territories.

Table 1

Selected Official Business Zakat Statistics for 2023

Jurisdiction	Zakat on wealth (RM)	Business zakat (RM)	Reported business zakat payer count	Business zakat as % of zakat wealth
Sabah	84,063,943.74	2,279,189.58	1,269	2.71
Selangor	1,081,820,000.00	176,400,000.00	Not available	16.31
Federal Territories	1,021,234,144.38	165,758,438.17	5,084	16.23

Source: Compiled from JAWHAR's statistics for Sabah, Selangor and the Federal Territories. Percentages were calculated by dividing business zakat collections by zakat on wealth collections and multiplying by 100.

These jurisdictions were selected to place Sabah, the study's focal setting, alongside two jurisdictions with substantially larger reported collections. The comparison is illustrative rather than nationally representative. A common reference year improves temporal consistency but does not standardize business populations, ownership structures, assessment practices or reporting classifications. The percentages describe collection composition, not compliance. Their denominator is total zakat on wealth collections rather than assessed business zakat liability. Sabah's smaller share could therefore reflect differences in business zakat receipts, other zakat categories or both. Moreover, the statistics do not identify SPHM holders, eligible businesses or unpaid assessments. They cannot establish a compliance gap among halal-certified firms or demonstrate that HZCIF would increase payment.

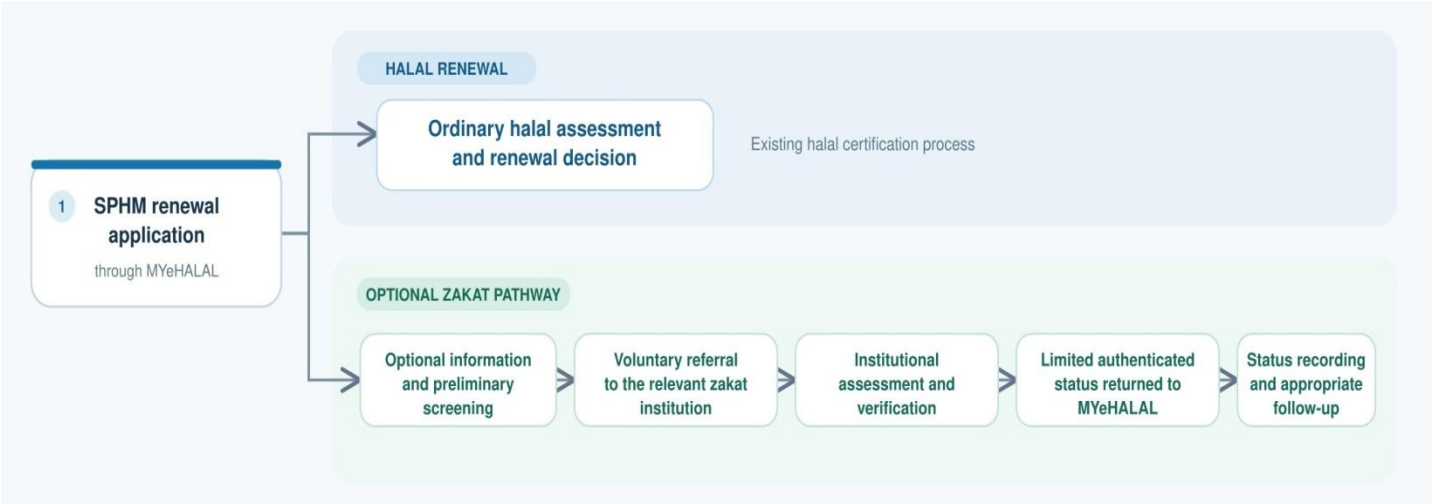
Sabah is proposed for initial pilot scoping because it provides a defined institutional setting for examining the framework, supported by accessible zakat guidance and collection data. Its selection is not justified by the collection ratio alone. Actual participation would depend on institutional willingness, access to suitable businesses and satisfactory legal and technical review.

Verification Requirements and the Proposed HZCIF

Abdullah et al. (2023) and Md Zaini et al. (2026) identify limitations in corporate zakat disclosure. Their findings concern information reported by companies; absent disclosure does not establish non-payment. Conversely, a reported payment does not necessarily demonstrate that every relevant obligation has been assessed and settled. This distinction supports separating public disclosure, payment evidence and institutionally authenticated verification (Abdullah et al., 2023; Md Zaini et al., 2026). Bahagian Zakat dan Fitrah identifies ownership and assessment conditions relevant to business zakat in Sabah, including nisab and haul, and explains the treatment of Muslim ownership in mixed-ownership businesses. Within HZCIF, mixed ownership is therefore an assessment characteristic rather than a final status. The responsible institution would apply the rules of its jurisdiction before issuing an outcome.

The proposed HZCIF connects optional screening, voluntary referral, institutional assessment and limited status verification. Applicants would continue through ordinary halal assessment independently of the optional zakat pathway. Where an applicant participates, the relevant zakat institution would authenticate the status for a specified entity and period. MYeHALAL would record the verification response without undertaking zakat assessment.

Figure 1 Proposed Halal–Zakat Compliance Integration Framework



Source: The optional zakat pathway does not automatically determine SPHM renewal. Substantive zakat assessment remains with the relevant authorized institution. Developed by the author through documentary and conceptual analysis.

Table 2 distinguishes verified outcomes from incomplete or disputed cases. These are proposed categories for future institutional agreement, rather than existing standardized MYeHALAL classifications.

Table 2 Proposed HZCIF Verification Statuses

Status	Meaning and supporting evidence	Verification follow-up
Payment verified	The institution confirms settlement of the specified assessed obligation for the relevant period. An authenticated receipt or reference supports the outcome.	Record the verified period and reference.
No liability determined	An authorised assessment establishes that no zakat is payable for the specified period.	Record the determination and its applicable period.
Not applicable	The institution confirms that the entity falls outside the applicable obligation.	Record the limited reason code; no payment evidence is required.
Assessment pending	An assessment has been initiated but remains incomplete.	Provide a reference and expected follow-up date.
Verification unresolved	Identity, jurisdiction or record matching cannot yet be confirmed.	Refer for correction or manual review without inferring non-payment.
Payment outstanding	An assessed amount remains unpaid in whole or in part.	Direct the applicant to the zakat institution for clarification or settlement arrangements.
Status disputed	The applicant challenges the assessment or recorded outcome.	Record the dispute and direct it to the appropriate review or appeal channel.

The Organisation for Economic Co-operation and Development (OECD, 2020) highlights the burden of repeatedly supplying information to different agencies. HZCIF accordingly proposes a limited response containing the entity identifier, issuing institution, assessment period, status, authentication reference and verification date. Detailed financial statements and assessment worksheets would remain with the zakat institution. A receipt alone would establish payment evidence; confirmation of full settlement would require matching it to the relevant assessment (OECD, 2020).

Legal and Administrative Implementation Pathways

JAKIM (2024) identifies JAKIM and MAIN/JAIN as competent halal-certification authorities under the Trade

Descriptions framework. The Federal Constitution places zakat within the State List, subject to the constitutional position of the Federal Territories, while Article 97(3) addresses the treatment of Islamic religious revenue. HZCIF must therefore preserve distinct certification and zakat responsibilities. A shared digital interface would not transfer assessment powers to halal officers (JAKIM, 2024; Federal Constitution). For Sabah, section 9 of the Zakat and Fitrah Enactment 1993 addresses assessment functions. Section 14 protects confidential material, with specified exceptions, including written authority under section 14(2)(c). Sections 82 and 83 concern forms and rules making. These provisions identify matters for implementation review; they do not independently establish authority for the proposed inter-agency interface. Section 45 provides an assessment appeal route, while section 49(1) means that an appeal does not itself suspend payment. The text consulted is marked "For reference only (September 2024)"; applicable amendments and subsidiary instruments would require confirmation before implementation. (Zakat and Fitrah Enactment 1993)

Table 3 distinguishes the mechanisms that should be examined for each proposed function. Whether legislation must change depends on the function and existing powers, rather than on integration as a single undifferentiated policy.

Table 3 Proposed Legal and Administrative Pathways for Review

Proposed function	Mechanism to examine	Outstanding question
Information and voluntary referral	Approved portal content, referral procedures and designated agency contacts.	Can the function operate within existing administrative mandates without transferring assessment information?
Issuance of verification records	Institution-approved status definitions, forms and authentication procedures.	Do existing powers cover the proposed record and its intended use?
Exchange of authenticated status	A documented legal basis, appropriate authorisation and an inter-agency data-sharing agreement.	Which information may each institution disclose, receive, retain and use?
Correction and dispute handling	Procedures separating record correction from substantive assessment review.	Which institution resolves each issue, and how are applicants informed of the applicable route?
Making zakat status a renewal condition	Separate examination of enabling legislation, certification instruments and procedural safeguards.	Would existing powers permit the condition, or would legislative amendment be necessary? This function is outside the present model.

An agreement between agencies would need to specify operational responsibilities but should not be treated as a substitute for statutory authority. Similarly, participant consent would not resolve every question about institutional powers or permitted uses. The initial proposal therefore confines implementation to information, voluntary referral and legally supported verification; it does not presume that a mandatory renewal condition is available or desirable.

Stakeholder Safeguards, Data Governance and Policy Implications

Business resistance may arise from additional work, uncertainty about financial confidentiality or concern that participation will influence certification decisions. These are anticipated implementation risks rather than findings from stakeholder interviews. Communication should explain the purpose of the optional pathway, the information exchanged, the responsible institutions and the consequences of declining participation. Halal auditors should receive corresponding guidance so that voluntary participation does not become an informal expectation.

Md Saad et al. (2024) report associations between business zakat compliance and factors including knowledge, self-efficacy and incentives among surveyed SME owners in Selangor. Their findings support examining whether accessible guidance and assistance can improve engagement. They do not establish that a halal-renewal checkpoint would produce the same effect. HZCIF should therefore test both its potential to reduce uncertainty and its potential to generate resistance.

Data governance is equally important. Mikiver and Tupay (2023) discuss tensions between the European "once-only" principle and purpose limitation: reducing repeated submissions does not remove the need to justify subsequent data use. Their analysis provides a comparative design lesson, rather than a statement of Malaysian law. For HZCIF, each data field should have a defined purpose, access restriction and retention period. Authentication, access logs, correction procedures and restrictions on secondary use should accompany any technical connection.

The proposed interface should also accommodate businesses with limited digital capacity. Assisted referral and manual verification could be evaluated before an application programming interface is developed. A technical failure, missing record or identity mismatch should trigger assistance rather than an adverse inference. Pilot monitoring should examine whether the additional process delays ordinary halal renewal, even where the two decisions are formally separate.

Conceptually, HZCIF contributes a model of administrative coordination that preserves separate institutional mandates. It distinguishes three matters often conflated in discussions of business zakat: whether liability arises, whether an assessed amount has been paid and whether the outcome can be authenticated. Its contribution is the specification of responsibilities and information flows through which those distinctions could be maintained.

The proposal also has a broad policy connection with Ekonomi MADANI. The Prime Minister's Office of Malaysia (2023) identifies Islamic social finance, including zakat and waqf, within the wider Islamic economic agenda. HZCIF could contribute to discussion of administrative coordination within that agenda, but policy alignment does not constitute legal authorization or government endorsement of the framework (Prime Minister's Office of Malaysia, 2023).

Phased Implementation and Future Validation

Implementation should proceed through explicit evaluation stages. OECD (2020) emphasizes legal clarity, coordination, consultation and monitoring in integrated service arrangements. Table 4 translates these considerations into a proposed sequence for HZCIF, with expansion conditional on evidence rather than assumed as the outcome (OECD, 2020).

Table 4 Proposed Phased Development and Evaluation of HZCIF

Phase	Core activities	Evaluation focus
1. Legal scoping and stakeholder consultation	Review relevant powers, agree institutional roles and test the proposed workflow with stakeholders.	Legal barriers, unclear responsibilities and concerns about fairness or coercion.
2. Information and voluntary referral	Provide targeted guidance and optional referral without exchanging assessment records.	User understanding, referral uptake, accessibility and staff workload.
3.Voluntary verification pilot	Test authenticated status exchange with participating institutions and businesses following necessary approvals.	Matching accuracy, processing time, data protection, user cost and effects on ordinary renewal.
4. Evaluation and conditional expansion	Compare outcomes with baseline information and refine, expand, suspend or discontinue the model.	Whether benefits justify costs and whether institutional capacity and safeguards are adequate.

The study develops a preliminary framework rather than an empirically validated intervention. Documentary analysis cannot establish stakeholder acceptance, technical interoperability, legal sufficiency or an effect on zakat payment. The jurisdictional statistics are contextual, and the legal discussion identifies implementation questions without providing an exhaustive review of all relevant laws.

An initial validation exercise could involve approximately five to seven purposively selected participants representing halal authorities, zakat institutions, halal-certified businesses and legal or system expertise. Structured interviews could assess role clarity, feasibility, burden and safeguards using scenarios involving

mixed ownership, no liability, incomplete matching and disputed assessments. Responses should be documented in a revision matrix showing how concerns alter the framework. Such an exercise would provide preliminary feedback, not representative evidence or definitive validation.

A subsequent pilot should distinguish process outcomes from behavioral outcomes. Process measures could include referral completion, matching errors, verification time, complaints and participant costs. Behavioral measures could examine completed assessments and settlement of confirmed obligations. Any claim that HZCIF improves compliance would require an appropriate baseline and comparison design, accounting for participant self-selection and other changes affecting payment.

LIMITATIONS AND FUTURE RESEARCH

This study develops a preliminary conceptual framework without empirical or technical validation. It cannot establish whether HZCIF would improve business zakat compliance, achieve stakeholder acceptance or operate within existing legal powers. The JAWHAR statistics describe collection patterns rather than compliance among halal-certified businesses, and differences across jurisdictions limit comparability.

Future research should begin with legal review and structured interviews with five to seven stakeholders representing halal authorities, zakat institutions, businesses and relevant specialists. Feedback should refine institutional responsibilities, verification procedures and safeguards before a voluntary pilot is considered. Sabah could serve as an initial setting, subject to institutional participation and legal and technical readiness. Pilot evaluation should examine assessment uptake, verification accuracy, processing time, user costs and perceived fairness against a baseline and, where feasible, a comparison group. Expansion should depend on demonstrated benefits, with halal-renewal decisions remaining independent of participation.

CONCLUSION

This study developed the preliminary Halal–Zakat Compliance Integration Framework (HZCIF) to explore voluntary business zakat referral and verification within Malaysian halal-certification renewal. The documentary analysis identifies a potential administrative entry point through MYeHALAL, while distinguishing zakat liability, payment and authenticated verification. The framework accommodates different assessment outcomes rather than requiring every applicant to provide a payment receipt.

HZCIF proposes limited information exchange while preserving separate institutional responsibilities: halal authorities retain certification functions, and authorised zakat institutions determine zakat liability and verification outcomes. Its contribution is a structured policy proposal, not evidence of legal authorisation, operational feasibility or improved compliance. Development should proceed through legal review, stakeholder validation and a voluntary pilot, with expansion dependent on demonstrated benefits and adequate safeguards. Under the proposed model, participation and zakat verification outcomes would not automatically determine SPHM renewal.

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