

# What Motivates the Gold Traders to Fulfill Zakat on Gold Compliance? Discovering the Internal and External Factors

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## Abstract

*Zakat is an obligatory charitable giving that holds immense significance in the lives of Muslims worldwide. While zakat is primarily associated with financial assets, such as money and agricultural produce, one specific aspect often overlooked is Zakat on gold. This study attempts to discover what factors shape the perception of gold traders towards fulfilling gold zakat compliance. In this study, primary data was collected from 18 gold traders at Lambaro Ingin Jaya Market, Aceh Besar, through in-depth interviews. The study discovered that the perception of gold traders at Lambaro Market, Ingin Jaya, Aceh Besar, regarding the fulfillment of zakat on gold is motivated by a combination of internal and external factors. The internal factors encompass elements such as attitude, level of faith, knowledge, awareness, self-satisfaction, and moral values driven by the desire to seek the pleasure of Allah SWT. Conversely, external factors consist of educational elements, social values inherent in zakat, and the level of trust placed in amil zakat institutions. Additionally, the perception towards zakat on gold compliance is influenced by inhibiting and supporting factors. Inhibiting factors encompass statutory policies, traditional attitudes, and the impact of the Covid-19 Pandemic. In the other hand, supporting factors involve the awareness of gold traders in fulfilling zakat obligations and their altruistic or socially sensitive inclinations.*

**Keywords:** Zakat on gold, zakat compliance, gold traders, perception

## INTRODUCTION

Zakat, an integral pillar of Islam, is a religious obligation that holds great significance in the lives of millions of Muslims around the world. Derived from the Arabic word "zaka," meaning "to purify," zakat is a form of charitable giving and social responsibility that aims to help those in need and promote socio-economic equality within the community (Makhsin et al., 2021). Zakat can be classified into several types, one of which is known as Zakat Fitrah. This particular type is obligatory for every Muslim during the month of Ramadan. Another type of zakat is based on an individual's wealth, determined by specific criteria like "nisab" (minimum threshold) (Nordin et al., 2019) and "haul" (the passage of a specific period) (Marpaung, 2020). The perspective of



zakat considers wealth to encompass various sources, including income from business, agricultural produce, gold and silver possessions, and other natural revenues (Abashah et al., 2018).

The concept of zakat on gold finds its roots in the teachings of Islam, which emphasize the importance of caring for the less fortunate and uplifting the disadvantaged members of society. Muslim view wealth and possessions as gifts from the divine (Khan, 2020), and the act of giving zakat is a means of expressing gratitude while fulfilling a fundamental religious duty (Ahmadi et al., 2023). Throughout history, gold has been regarded as a symbol of prosperity and a store of value. Its allure has transcended borders and cultures, making it one of the most sought-after precious metals in the world. Recognizing its significance, Islamic jurisprudence has delineated specific guidelines for calculating and distributing zakat on gold, ensuring that this form of charity reaches those who are most in need. Islamic regulations concerning gold encompass various aspects, including the obligatory requirement of zakah on both gold and silver. This obligation is explicitly mentioned in multiple verses of the Quran (Ali et al., 2018; A. Y. Q. Saad & Foori, 2020), including Surah al-Tawbah, verses 34:

“O believers! Indeed, many rabbis and monks consume people’s wealth wrongfully and hinder ‘others’ from the Way of Allah. Give good news of a painful torment to those who hoard gold and silver and do not spend it in Allah’s cause.”

The Muslim community's comprehension of zakat remains relatively low, as many communities and even some Muslims mistakenly believe that zakat solely pertains to zakat fitrah. Furthermore, a significant number of individuals are oblivious to the responsibility of paying zakat on gold jewelry and fulfilling this obligation. Addressing this issue collaboratively is imperative among Muslims (Omar et al., 2022). The issue of decreasing Zakat compliance has raised significant concerns among Muslim governments, societies, and scholars, leading to various discussions and analyses. However, the causes and suitable responses to this problem remain disputed. Low Zakat compliance poses multiple reasons for concern, such as substantial revenue losses during periods of fiscal deficits and an exacerbation of poverty within the nation (Abdul-Jabbar & Bin-Nashwan, 2022). In the context of compliance behavior, the moral reasoning level of individuals is regarded as a crucial aspect in comprehending and influencing their compliance behavior. Therefore, the moral reasoning of zakat payers can be a significant predictor of their adherence to zakat compliance. Existing literature has consistently demonstrated a positive relationship between moral reasoning and compliance behavior. Previous empirical studies have primarily focused on taxpayers' compliance decisions related to moral and ethical issues (Bin-Nashwan et al., 2021).

The obligation of zakat on gold applies to eligible Muslim individuals in Islam. However, there is a significant lack of literature studying the compliance

in paying zakat on gold. Recognizing this research gap, researchers have taken the initiative to investigate the factors influencing zakat compliance payment on gold. Therefore, the aim of this research is to discover what factors shape the perception of gold traders towards fulfilling gold zakat compliance at Lambaro Market, Ingin Jaya, Aceh Besar, Indonesia.

The paper is structured as follows. In Section 2, the literature review is presented, while section 3 covers the research methods. Section 4 presents the findings of our study. Finally, the paper concludes with discussions and conclusions in Section 5.

## LITERATURE REVIEW

### A. Zakat on Gold

Zakat on gold is an obligatory form of charity, just like Zakat al-mal, that all Muslims must pay. It applies to the total amount of gold owned by an individual if it surpasses a certain threshold (Nordin et al., 2019). Zakat on gold jewelry is categorized into two types: gold savings zakat and gold jewelry zakat. The rates for these two forms of zakat slightly differ. The zakat rate for gold savings is explicitly stated in the hadith of Rasulullah SAW, which is 20 dinars, equivalent to 85 grams of gold. However, the specific rate for gold jewelry was not mentioned in the hadith (Makhsin et al., 2021). A study by (Nordin et al., 2019) found that in Malaysia, the zakat management effectively implements the 'urf (customary practice) for gold jewelry in accordance with each state's regulations. However, some individuals remain confused about the varying usage of 'urf in different states, and there are also those who lack information about the obligatory 'urf of zakat for gold jewelry.

Several studies have been carried out regarding zakat on gold. The study of (Ali et al., 2018) indicates that the level of knowledge among Muslims in Terengganu regarding the Islamic rules and regulations related to zakah on gold is generally good. The majority of respondents provided correct answers to all relevant questions, demonstrating a strong understanding of the obligation of zakah on gold. However, there is still a small proportion of Muslims who have a poor grasp of this aspect of zakah, emphasizing the need to improve their understanding through education and awareness. Meanwhile, (Makhsin et al., 2021) discovered that the information available on zakat for gold jewelry is easily accessible through zakat institution websites. The introduction of the online zakat system has facilitated the calculation of zakat on gold jewelry, making it more convenient for Muslims who are increasingly recognizing the significance of fulfilling their zakat obligations. Another study by (Sukri, 2016) reveals a strong and positive correlation between the payment of zakat on gold and knowledge about zakat, followed by religious values, attitudes, and zakat laws. Further

analysis indicates that only knowledge about zakat, attitudes, and zakat laws significantly and positively influence the compliance in paying zakat on gold.

### **B. Zakat compliance**

The concept of zakat compliance pertains to the necessary action required to fulfill the instructions and commands of the Almighty. Kamil (2002) further elaborates on compliance as the act of paying zakat in accordance with the fatwa and regulations set by the zakat authorities, commonly known as Baitulmal. In this study, the conceptual definition of compliance refers to the act of obeying the orders, rules, or requests outlined in the zakat law (Sukri, 2016). Zakat compliance behavior is deeply connected to religious duty (R. A. J. Saad et al., 2020). In fact, a Muslim who does not pay Zakat is seen as disregarding their Islamic obligations. The adherence to Islamic obligations is closely associated with the factor of piety (Abashah et al., 2018)

Several studies have been conducted concerning zakat compliance. The study of (Abdul-Jabbar & Bin-Nashwan, 2022) reveals that knowledge (Sadallah & Abdul-Jabbar, 2022), social pressure (Andam & Osman, 2019) and institutional credibility play a crucial role in influencing entrepreneurs' compliance with Zakat. Moreover, the interactions of social pressure and perceived credibility, moderated by enforcement, significantly impact Zakat payers' compliance. Meanwhile, (Abdullah & Sapiei, 2018) in their study found that religiosity plays a significant role in zakat compliance. Additionally, gender was also found to be significantly related to zakat compliance, with Muslim working females displaying lower compliance compared to males. However, formal Islamic educational background did not show any significant influence on zakat compliance. Another study by (Al et al., 2014) suggests that the intention plays a crucial role in predicting zakah compliance behavior. Meanwhile, (R. A. J. Saad et al., 2019) found a significant the impact of knowledge, self-efficacy, and frequency of interaction on Zakat compliance behavior.

Based on the findings of prior research, the researchers assert that this study is the first to examine the factors influencing muzaki's perceptions of zakat on gold compliance. This research has the potential to contribute significantly to the advancement of knowledge in zakat management, particularly in understanding compliance with zakat on gold within zakat institutions.

## **METHOD**

The research adopts a qualitative descriptive research design to explore the phenomenon (Lambert & Lambert, 2013) in the field. The study utilizes interviews, observations, and documentation studies to examine the factors influencing the perceptions of gold traders regarding zakat payment on gold.

As these variables cannot be quantified but require a descriptive approach to understand the research outcomes, a qualitative descriptive research method is employed (Kim et al., 2017). This research is conducted in Lambaro Market, Ingin Jaya, Aceh Besar, specifically located in Lambaro, Ingin Jaya District, Aceh Besar. The population for the study consists of 18 gold traders, encompassing all the traders in Lambaro Market. Data collection was carried out through in-depth interview techniques with 18 gold traders in the Lambaro market. In addition, researchers also make direct observations and review related documents such as reports and other literature. The data analysis is performed using the Miles & Huberman technique, which involves three processes: data reduction, data display, and conclusion/verification, to assess qualitative research data.

## RESULT AND DISCUSSION

The research findings reveal that there are several factors influencing the perception of gold traders in Lambaro Market, Ingin Jaya, Aceh Besar, regarding the payment of Zakat Gold. Zakat gold payments are mandatory when a Muslim possesses the nisab, which is the ownership threshold for paying zakat for one year. The nisab for Zakat gold is 85 grams of gold for one year. These factors affecting perceptions are categorized into external and internal factors. External factors refer to influences from outside oneself that impact gold traders' perceptions concerning gold zakat payment. On the other hand, internal factors pertain to aspects originating from within a person and, in this study, can influence gold traders' perceptions of gold zakat payment.

### A. Internal Factors

#### 1. Attitude

The attitude of each gold trader towards the payment of gold zakat differs. According to the interview findings with Mr. Murakki, the owner of Sinar Permata II shop, he expressed that.

*"After I learned that Muslims are required to pay zakat on gold when it reaches nisab, I, as a gold seller, do not deny that within 1 year I have reached nisab and I have to pay zakat according to the amount of my gold count."*

Then Mr. Amir as the owner of the Jihan Permata shop gave a similar statement:

*"I already know that when I reach the nisab for gold, I have to pay zakat so I always calculate myself whether I have reached the nisab or not, because even though I am a gold trader, the gold I sell does not count as mine. So if I have reached the nisab, then I will definitely pay the gold zakat."*

The interviews conducted with gold traders in Lambaro Ingin Jaya Market, Aceh Besar, indicate that they possess a positive attitude and are willing to adhere to Islamic requirements regarding the payment of zakat on gold when it reaches the nisab threshold.

## 2. Level of Faith (Iman)

The level of faith influences the perspectives and inclinations of gold traders when it comes to paying zakat. The faith level of gold traders plays a role in shaping their perceptions regarding zakat payment on gold. According to Mr. Zainal Arifin, the owner of Permata shop, during the interview, he expressed that:

*"Zakat on Gold is actually something that the gold trader himself should pay more attention to. Surely one day the gold traders will also reach the gold zakat nisab. Where zakat gold will also be useful to add to our charity and will certainly help zakat recipients in need. And I personally when I reach the gold nisab I am very eager and enthusiastic about paying the gold zakat."*

Then it was supported by a statement made by Mr. Ramadhan, the owner of the Berkat shop, which stated that:

*"I see that the existence of gold zakat will result in an equal distribution of income, like the purpose of the Prophet Muhammad SAW who Ingined an equal distribution of income where this gold zakat will be distributed to people in need and I always have the desire to pay gold zakat"*

Based on the findings from the interviews, it can be deduced that certain gold traders, whether well-informed about gold zakat or recently acquainted with it, express the intention to pay gold zakat when it reaches the nisab threshold.

## 3. Knowledge

The gold traders' perceptions of gold zakat payments are significantly impacted by their level of knowledge. If a gold trader is unaware of gold zakat, they will not be able to fulfill this obligation, even if they have reached the nisab threshold (Sadallah & Abdul-Jabbar, 2022). As mentioned by Mr. Hendra, the owner of the Cendana shop:

*"To be honest, I just found out about the existence of gold zakat and the obligation to pay gold zakat when it reaches the nisab because before that I often heard only zakat fitrah and I did not understand related to gold zakat which is included in zakat Mal."*

Prior knowledge of gold zakat is essential before delving into discussions about gold payments. It significantly shapes the perception of gold traders regarding zakat on gold. As stated during the interview with Mrs. Fariyanti, the owner of the Nur Permata shop:

*"I personally already know about the payment of zakat where zakat is divided into zakat fitrah and zakat mal. Where this gold Zakat is included in the zakat mal and must be paid if it reaches the nisab."*

While most gold traders are knowledgeable about gold zakat and its provisions, there are still some who have recently learned about it. Gold zakat is paid when the gold ownership reaches the nisab, which is 85 grams for one year. The payment is facilitated through a consent qabul for gold zakat. Based on the interview findings, it can be inferred that certain gold traders are unaware of the gold zakat payment and its provisions,

resulting in them not paying zakat when they reach the nisab threshold. However, many gold traders understand the process of agreeing upon and managing gold zakat. Their knowledge about the eight mustahik (recipients) is limited, making it challenging to distribute gold zakat independently among them at Lambaro Market.

#### 4. Level of Awareness

The level of awareness significantly impacts gold traders' perceptions of gold zakat payment. When gold traders possess a high level of awareness regarding gold zakat and its advantages, they willingly and conscientiously fulfill their gold zakat obligations. As stated by Mr. Rahmad Rizki, the owner of H. Hasyim:

*"Whether someone pays zakat or not actually depends on their level of awareness, I realize that by paying zakat gold there are a lot of benefits both for other people and for myself personally."*

And this statement is supported by Mr. Saifuddin's statement as the owner of the Jasa Ibunda store, he stated that:

*"I am aware that with the existence of gold zakat with information on gold zakat from this younger sibling, gold zakat will really help people in need and when we have sustenance and where our wealth has reached the nisab, we have to pay gold zakat."*

The findings from these interviews lead to the conclusion that the level of awareness among gold traders regarding paying zakat on gold is highly satisfactory. This awareness significantly influences the perceptions of gold traders in Lambaro Ingin Jaya market, Aceh Besar, when it comes to zakat payment on gold.

#### 5. Self-satisfaction

Typically, following the act of performing zakat worship or distributing zakat to recipients, a muzakki frequently experiences a feeling of contentment. As mentioned by Mr. Mahyuddin, the owner of the Tanjung Permata shop:

*"After doing every service, especially the zakat service, I always feel happy, I feel light in my heart and I feel satisfaction. This makes me Ingin to draw closer to God continuously so that I can continue to get peace of mind that nothing can buy."*

So it can be concluded that by doing zakat worship someone will feel calm and get self-satisfaction from this achievement.

#### 6. Moral Values in Seeking the Pleasure of Allah

Based on the statements of the gold traders mentioned above, they aim to seek the pleasure of Allah SWT by observing Islamic provisions through worship. Some gold traders have not yet reached the nisab threshold, while many others have. The level of awareness and perception of gold traders in Lambaro Ingin Jaya Market, Aceh Besar, regarding gold zakat payment is largely influenced by both external and internal factors. One of the statements of gold traders who have carried out gold zakat

services, namely Mr. Rahmad Rizki as the owner of H. Hasyim, he stated that:

*"Alhamdulillah, I have carried out the gold zakat service several times and in payment I handed over the management to the amil zakat institution."*

Then the results of the interview with Mr. Murakki as the owner of the Sinar Permata II store stated that:

*"I have never paid zakat on gold because I haven't reached nisab yet, but I have the desire to pay zakat when it reaches nisab later."*

The interviews indicate that the majority of gold traders in the Lambaro market, Ingin Jaya, Aceh Besar, have fulfilled their zakat obligations on gold.

## **B. External Factors**

### **1. Income**

An individual's income significantly influences their willingness to pay zakat, as higher income levels often lead to increased awareness of zakat payment. Additionally, paying and distributing zakat can serve as a solution to alleviate poverty, as stated by Mr. Zainal Abidin, the owner of the Rihoen Permata store:

*"I am very aware that the existence of zakat will be a solution for poverty. Distribution of zakat, especially from gold zakat, will be distributed to mustahik who will later help the mustahik's economy."*

Mr. Iskandar Ahmad as the owner of the Sinar Permata IV shop, also stated that:

*"If people know and have awareness by paying zakat obediently, more or less it will improve the standard of living of the recipients."*

The findings from the interviews suggest that gold traders in Lambaro Market, Ingin Jaya, Aceh Besar, acknowledge that paying zakat can help them overcome poverty.

### **2. Education**

The educational factor is an external factor in which education has an influence on the perception and also the awareness of gold traders in paying zakat. The results of an interview with Mr. Mahyuddin as the owner of the Tanjung Permata shop, he stated that:

*"Since long ago I was taught to tithe when I was studying at school and at the TPA. Because zakat is a barometer of one's piety. So by diligently paying zakat, it indicates that he is a pious person."*

Zakat embodies numerous social educational values, including piety, promoting brotherhood among fellow Muslims, and emphasizing justice. Regarding the values of social education which are the factors that influence gold traders' perceptions of gold payments, Ms. Fariyanti explained:

*"The application of social value education contained in zakat actually greatly influences whether a person will pay zakat or not in the future when it reaches the nisab. For example, there is the application of education on the value of*



*justice, if someone applies the value of justice in himself then he as a Muslim will be aware of the obligation to pay zakat."*

Mr. Ilham Syahputra as the owner of the Ilham shop also believes that: *"In formal education and in my environment, it is actually not clearly explained regarding the social values contained in zakat. But actually, zakat has very vital social values, for example establishing or increasing ukhuwah between Muslims. So that when we pay zakat, we are the same as maintaining ukhuwah Islamiyah."*

The interviews' outcomes lead to the conclusion that both gold traders and the community receive education on the values encompassed in zakat. Lambaro Market Gold Traders, Ingin Jaya, Aceh Besar, have been educated about these social values. However, the application of these values depends on the individual's choice. Nonetheless, the social value education significantly influences gold traders' perceptions of paying zakat on gold.

### **3. Factors of trust in Zakat Institutions**

Factors associated with the trust of gold traders in Amil Zakat institutions can aid muzakki in managing zakat payments and distributing them to zakat recipients. One of the challenges faced by the community in paying zakat is often related to their trust in amil zakat institutions. Many individuals do not have faith in or feel hesitant to pay zakat through amil zakat, opting instead to directly give it to the recipients. Amil Zakat institutions should be aware of the public's reservations regarding zakat payment. Many people struggle to place their trust in amil zakat, and this problem may stem from ignorance or a lack of confidence in these institutions. To address this, Amil Zakat should engage in community outreach to enhance public understanding of zakat payment, especially for gold zakat. As revealed by Hendra as the owner of the Cendana shop, he stated:

*"So far, no party from the Amil Zakat Institution has provided socialization related to zakat or gold zakat to the public, especially to the gold traders themselves. So it is also difficult for gold traders in the Lambaro market to know or understand the payment of zakat for gold when it reaches the nisab."*

Reaching out to the community, particularly gold traders, is essential to enhance public awareness about zakat payment. The low zakat compliance rate might be attributed to ignorance and misunderstandings. Although the law governing zakat management is already established in Law number 23 of 2011, many individuals remain unaware of its existence. Nonetheless, several gold traders comprehend the zakat management undertaken by amil zakat, including its connection to the collection and distribution of zakat. Mr. Jalaludi as the owner of the H.M. Juned stated that:

*"Management activities carried out by the amil zakat institution, both for collection and distribution, I think are very good and help the community so they don't have difficulty choosing mustahik who really need it"*

Amil zakat institutions collect zakat from muzakki who have reached the nisab and entrusted their zakat to these institutions. Subsequently, the zakat is distributed to mustahik, the recipients, following Islamic guidelines. However, due to widespread corruption cases in Indonesia, people find it challenging to trust others, especially when it comes to entrusting money for zakat. There is significant fear within the community regarding the insecure management of zakat. Therefore, amil zakat institutions must work towards building stronger trust within the community to encourage increased zakat payments through their institutions. However, some people who do not face difficulties in the process of paying zakat rely more on the amil zakat to manage the zakat. As stated by Mr. Rahmad Rizki as the owner of H. Hasyim, that:

*"Because of my busy life at the gold shop, I use the services of an amil zakat institution to manage or even calculate my zakat and distribute it to mustahik. And also if I distribute it myself, I'm afraid the target will be wrong"*

Based on the interviews conducted, the following conclusions can be drawn: the amil zakat institution lacks outreach efforts to the public, especially concerning gold zakat. Gold traders are uncertain about the existence of socialization by amil zakat institutions. The collection and distribution of zakat by these institutions have proven beneficial to the community, particularly gold shop traders, by facilitating the zakat payment process and providing good service. However, some gold traders in Lambaro Market, Ingin Jaya, Aceh Besar, are still hesitant to entrust zakat to amil zakat institutions due to concerns about corruption, leading to zakat not being delivered.

## **C. Obstacle Factor**

### **1. Regulatory Policies**

No articles impose coercion on muzakki, neither to pay zakat nor to exclusively pay zakat to government-established institutions, including both government-formed institutions and private amil zakat institutions authorized by the government. This paper finds that the lack of coercive policies for zakat payment is an obstacle. This is supported by research in Islamic economics, which often cites the lack of formal regulation as a hindrance to effective zakat collection (Sawmar & Mohammed, 2021). In countries where Islamic laws are not formally integrated into the financial system, voluntary compliance becomes the primary mode of zakat collection, which can lead to inconsistencies in fulfillment.

## **2. Lack of Trust (To Zakat Institutions)**

The lack of trust towards zakat organizers, particularly amil zakat institutions, is a historical legacy stemming from past mistakes made by their administrators. Moreover, the insufficient socialization efforts by amil zakat institutions contribute to the difficulty in building trust within the community.

A study by (Bin-Nashwan et al., 2021) highlights the critical role of trust in zakat compliance, emphasizing the importance of socio-economic factors such as religiosity, moral reasoning, peer influence, and system fairness in shaping trust and compliance decisions. The research, conducted in Yemen, used a sample of 274 entrepreneurs and found significant relationships between these factors and zakat compliance, moderated by trust in zakat institutions

Another important aspect of trust in zakat institutions is discussed in your paper. It mentions the historical perspective of zakat on gold, rooted in Islamic teachings, emphasizing caring for the less fortunate and considering wealth as a divine gift. This perspective underscores the religious and cultural significance of gold in Islamic jurisprudence, which mandates zakat on gold and silver, as explicitly mentioned in the Quran (Ahmadi et al., 2023).

## **3. Traditional Attitude ('Urf)**

In traditional rural communities, zakat is often managed by local religious leaders, known as amils, rather than being distributed directly to the eight asnaf (eligible recipients under Islamic law). This practice reflects the unique socio-cultural dynamics of rural areas, where local customs and leadership play a pivotal role in religious and social affairs. However, this approach also raises questions about the uniformity and effectiveness of zakat distribution, as well as the general public's understanding of zakat's importance and objectives. The varying levels of zakat awareness in these communities underline the need for context-specific education and engagement strategies to ensure effective zakat management and distribution.

## **4. Income During the Covid-19 Outbreak**

During the last year, the Covid-19 pandemic significantly impacted gold traders, including those from the Lambaro Ingin Jaya market in Aceh Besar. The pandemic led to a rapid increase in gold prices, which, as reported by McKinsey, rose by 28 percent between January 1 and August 14, 2020. This increase made gold less affordable and reduced customer purchases, leading to a decrease in income for gold traders. Additionally, the pandemic caused disruptions, such as government-imposed restrictions and supply shortages, which hiked operational costs and reduced gold mine supply globally by as much as 7 percent (Motta, 2020). These factors collectively made it challenging for gold traders to reach the

nisab, the minimum amount of wealth necessary for zakat eligibility.

## **D. Supporting Factors**

### **1. Awareness**

Awareness among gold traders about the obligation to pay zakat on gold upon reaching the nisab significantly influences their compliance. Some research emphasize that raising awareness is crucial in helping both the public and the younger generation understand and appreciate the value of zakat. This awareness, which encompasses understanding the mechanism to purify wealth in accordance with Islamic legal principles, is fundamental to zakat consciousness. This level of consciousness, in turn, influences an individual's behavior regarding zakat obligation payment (Rahim et al., 2022).

Furthermore, a study by ( et al., 2021) explored the consciousness level among students related to the Awqaf and Zakat Center and their perceptions of zakat distribution to asnaf. Despite awareness of the Center's efforts, there was skepticism about its zakat distribution. This underscores the complexity of zakat administration and the need for clear and transparent communication to reinforce trust and compliance.

### **2. Altruism**

Altruism, or social sensitivity, plays a significant role in influencing the willingness of individuals to pay zakat, particularly in the context of gold zakat. This altruistic attitude, characterized by a caring approach towards others and the environment, is bolstered through empathy and compassion, especially when witnessing poverty.

While specific studies directly linking altruism and zakat compliance in the context of gold traders were not immediately accessible, the work of Irfan Syauqi Beik from Bogor Agricultural University offers insights into the broader implications of social and religious factors on zakat compliance. Beik's research, which focuses on various aspects of Islamic economics, including zakat, often emphasizes the importance of moral and social values in shaping economic behaviors within Islamic communities (Hilmiyah et al., 2018).

This suggests that altruism, as an intrinsic social value, likely enhances the willingness to fulfill religious and social obligations like zakat. The connection between empathy, social sensitivity, and religious compliance is a crucial area for further research, especially to understand how these factors specifically impact zakat compliance among gold traders.

## **CONCLUSION**

The study's findings indicate that various factors impact the perceptions of gold traders in Lambaro Market, Ingin Jaya, Aceh Besar, regarding gold zakat payment. These factors encompass both external and internal influences.

External factors consist of education, social values embedded in zakat, and trust in amil zakat institutions. Meanwhile, internal factors encompass attitude, faith level, knowledge level, awareness level, self-satisfaction, and moral values aiming to seek Allah SWT's pleasure. Meanwhile, Factors that influence the payment of gold zakat can be categorized as either inhibiting or supporting. Inhibiting factors comprise statutory policies, traditional attitudes, and the impact of the Covid-19 Pandemic. On the other hand, supporting factors encompass gold traders' awareness of zakat payment and their altruism or social sensitivity. This research has several managerial and practical implications. First, Amil zakat institutions need to focus on establishing greater trust within the community to boost zakat payments through their organizations. Second, zakat institution also need to socializing information about zakat payment and amil zakat management which serve as a means to build public trust. By increasing public trust in amil zakat institutions, awareness can be heightened, and perceptions can be positively changed, particularly among gold traders at Lambaro Market, Ingin Jaya, Aceh Besar, regarding the payment of zakat, especially gold zakat.

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#### **AUTHOR CONTRIBUTION STATEMENT**

The article with the title What Motivates the Gold Traders to Fulfill Zakat on Gold Compliance? Discovering the Internal and External Factors was written by 3 authors, namely RV who was in charge of writing the entire article, AA was in charge of analysis, and MDP helped with the analysis process while the process of the article to publication including revisions was carried out jointly.

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