

Essential Questions & Answers Regarding: **Contemporary Zakāt**

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Essential Questions & Answers Regarding Contemporary Zakāt

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فَمَنْ كَانَ يَرْجُو لِقَاءَ رَبِّهِ فَلْيَعْمَلْ عَمَلًا صَالِحًا وَلَا يُشْرِكْ بِعِبَادَةِ رَبِّهِ أَحَدًا

{Whoever hopes for the meeting with his Lord, let him work righteousness and associate none as a partner in the worship of his Lord} [18:110]

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INTRODUCTION

In the name of Allāh, the Most Merciful, the Bestower of mercy.

This is a compilation of important questions and answers pertaining to Zakāh. I have restricted it to the more contemporary issues revolving around money, gold, silver and merchandise. The Zakāh rulings regarding crops, cattle and similar issues are outside the scope of this compilation. In compiling these questions and answers, I have benefitted from the following resources:

1. Al-Fiqh al-Muyassar by ‘Abdullāh at-Tayyār & others.
2. Ash-Sharḥ al-Mumti’ by Ibn Uthaymīn.
3. Nawāzil az-Zakāh by al-Ghufayli.
4. Al-Mughni by Ibn Qudāmah.

I have also benefitted from the fatāwa of contemporary scholars, namely Ibn Bāz, Ibn ‘Uthaymīn and Sa’d al-Khathlān - may Allah have mercy upon the deceased and preserve the living amongst them. Where appropriate, I have referenced the answers, which may have been summarised from a particular fatwa or book.

In the 2nd edition, I have included further questions and answers relating to modern issues such as stocks, shares and dowry as well as making some changes to previous questions. Further questions, and changes will be made in the ensuing version(s) inshaAllah.

I must also thank my dear brother, Ustādh Abu Salmah Muhammad Aydeed for revising, checking and adding to the treatise with important points.

May peace and blessings be upon our beloved Prophet, his companions and followers.

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Corresponding to 3rd April, 2023.

1. WHAT IS ZAKĀH?

It is an obligatory right upon specific types of wealth, distributed to specific types of people, in a specified time.¹

2. WHY IS IT CALLED ZAKĀH?

The linguistic meaning of the word “Zakāh” in the Arabic language centres around two meanings:

- to purify.
- to grow, and attain Barakah (blessings).

Based on the above it is called Zakāh because it purifies a person’s soul and wealth.

‘It is not a tax nor a punishment which diminishes your wealth or causes you financial burden, on the contrary it is an opportunity to increase and grow your wealth in a way that people do not realise.’²

The Prophet ﷺ said, **‘one’s wealth has never been diminished by charity.’**³

Allāh said, **{Take from their wealth a charity by which you purify them and cause them increase...}** [09:103]

3. WHAT IS THE RULING OF ZAKĀH?

It is one of the 5 pillars of Islām and one of the major obligations of our religion.

¹ Ar-Rawḍ al-Murbi’ by al-Buhūti; Vol. 3 Page 163.

- *“It is an obligatory right...”* It is from the obligations of Islām, for the abandonment of which is a sin.
- *“upon specific types of wealth...”* It is not taken from every type of wealth, rather specific types of wealth. Broadly speaking they are: gold, silver and currency; merchandise and stock; cattle and certain crops.
- *“distributed to specific types of people...”* Zakāh cannot be given to every not-for-profit venture, rather Allah has specified to whom Zakah is given.
- *“...in a specified time.”* Its obligation is dependent on certain conditions, which when fulfilled it becomes due.

² Paraphrased from al-Mulakhaṣ al-Fiqhi by Ṣāliḥ al-Fawzān; Vol 1, Page 222.

³ Narrated by Abu Hurayrah; Collected by Muslim.

It is obligatory upon every person whose wealth fulfils the conditions.

Zakāh is an obligation ‘according to the Book of Allāh, the Sunnah of His Messenger ﷺ and the Ijmā’ (unanimous agreement) of the Ummah.’⁴

Allāh said, **{...establish Ṣalāh and give Zakāh and bow with those who bow [in worship and obedience]}** [02:43]

The Prophet ﷺ said, ‘Islām is built on five [pillars]: bearing witness that there is no deity worthy of worship except Allāh and that Muḥammad ﷺ is the messenger of Allāh, establishing Ṣalāh, paying zakāh, Ḥajj and fasting Ramaḍan.’⁵

4. WHAT IS THE RULING OF A PERSON WHO KNOWINGLY WITHHOLDS ZAKĀH?

Whoever refuses to give Zakāh and rejects its obligation, after the evidences have been established and any doubts have been removed, is judged to have committed Kufr (disbelief).

Whoever refuses to give Zakāh out of stinginess whilst accepting its obligation, has committed a major sin but not Kufr.⁶

5. WHAT IS THE PUNISHMENT FOR WITHHOLDING ZAKĀH?

If you accept its obligation but you refuse to give Zakāh due to laziness, stinginess or any other excuse, you are punished in the Hereafter as well as the worldly life.

As for the punishment of the Hereafter, Allāh said, **{And those who hoard gold and silver and do not spend it in the way of Allāh - give them the news of a painful punishment}** [09:34]

{Let not those who withhold what Allāh has given them of His bounty ever think that it is better for them. Rather, it is worse for them. Their necks will be encircled by what they withheld on the Day of Resurrection} [03:180]

⁴ Al-Mughni by Ibn Qudāmah; Vol 4 Page 5.

⁵ Narrated by Ibn ‘Umar; Collected by al-Bukhārī & Muslim.

⁶ Ash-Sharḥ al-Mumtī’ by Ibn Uthaymīn; Vol 6 Page 5.

As for the punishment in the worldly life, Zakāh is taken forcibly from as it is the right of the poor, and the Imām (Muslim leader) reserves the right to penalise the person who refused to pay Zakāh as necessary.⁷

6. WHEN WAS ZAKĀH LEGISLATED?

The general legislation of Zakāh was in Makkah, in the 12th year of Prophethood. However, its details and rulings were legislated in Madīnah, 2nd year after the Hijrah and the Prophet ﷺ would send people from Madīnah to the various lands to collect, administer and distribute Zakāh.⁸

7. WHAT ARE THE BENEFITS OF GIVING ZAKĀH?⁹

- a. By giving Zakāh, a person is fulfilling the Islamic obligation, abiding to the command of Allāh and showing complete submission to Him.
- b. It is an indicator of the truthfulness of a person's Imān.
- c. It refines a person's character and manners, as it is a sign of a person's generosity and banishes evil traits such as miserliness and stinginess.
- d. It brings comfort, tranquillity and a sense of self-fulfilment to the heart.
- e. It shows the completion and perfection of a person's Imān.¹⁰
- f. It is a cause for a person to enter into Jannah.
- g. It fosters community cohesion and harmony amongst the Muslims.

⁷ Al-Fiqh al-Muyassar, Kitāb az-Zakāh; p13. Also refer to ash-Sharḥ al-Mumti' by Ibn Uthaymīn; Vol 6. Page 200.

⁸ from al-Mulakhaṣ al-Fiqhi by Ṣāliḥ al-Fawzān; Vol 1, Page 222.

⁹ Summarised from ash-Sharḥ al-Mumti' by Ibn 'Uthaymīn; Vol 6. Pages 7-12.

¹⁰ This is due to the Ḥadīth of the Prophet ﷺ, 'none of you attains [a perfection] of Imān until he loves for his brother what he loves for his own self.' Narrated by Anas Ibn Mālik; Collected by Muslim.

- h. It extinguishes any hurt, anger or jealousy the poor may feel towards the rich.
- i. It can decrease crime as the poor will have their needs met through Zakāh.
- j. By giving Zakāh, a person is saved from the heat of the Day of Judgement.¹¹
- k. It purifies wealth and is a cause for blessings in it.¹²
- l. It saves a person from the anger of Allāh.¹³
- m. It wipes away sins.¹⁴
- n. It helps the poor and weak¹⁵ and develops a sense of societal responsibility.

8. WHEN DOES ZAKĀH BECOME OBLIGATORY UPON A PERSON?

The conditions for its obligation are:

1. The owner of the wealth must be free (i.e. not a slave).¹⁶

¹¹ This is due to the Ḥadīth of the Prophet ﷺ, 'a person will be under the shade of his charity on the Day of Resurrection.' Narrated by 'Uqbah Ibn 'Āmir; Collected by Aḥmad.

¹² This is due to the Ḥadīth of the Prophet ﷺ, 'wealth is never diminished by charity.' Narrated by Abu Hurayrah; Collected by Muslim.

¹³ This is due to the Ḥadīth of the Prophet ﷺ, 'charity extinguishes the wrath of the Lord', Narrated by Anas Ibn Mālik; Collected by at-Tirmidhī.

¹⁴ This is due to the Ḥadīth of the Prophet ﷺ, 'charity extinguishes sins like water extinguishes fire.' Narrated by Mu'ādh Ibn Jabal; Collected by at-Tirmidhī and an-Nasāī

¹⁵ This is due to the saying of Allah, **{...and those within whose wealth is a known right (i.e. Zakāh), For the petitioner and the deprived}** [70:24-25]

¹⁶ This condition was mentioned by the Fuqahā at a time when slavery existed. However, this condition does not apply in modern society.

2. Has complete ownership of the wealth which exceeds the Nişāb (minimum threshold).¹⁷
3. The wealth remains above the Nişāb for a whole year.¹⁸

It is only accepted from Muslims, and its primary conditions of validity are: having an intention (Niyyah), doing it for the sake of Allāh (Ikhlāṣ) and being upon Tawḥīd.

9. WHAT DATE DOES THE YEAR BEGIN AND END, TO KNOW WHETHER ONE'S WEALTH IS ABOVE THE NIŞĀB?

There is no fixed date for the beginning or ending of the year; as soon as a person's wealth exceeds the Nişāb, the year begins. From then on, a Hijri year to the date is when Zakāh is due¹⁹ - as long as the savings have not decreased below the Nişāb throughout the year.

For example, if a person possesses £5000 on the 1st of Ramaḍān, and in the following Ramaḍān, his savings increase to £7000, he pays Zakāh on the latter amount on the 1st of Ramaḍān.

10. MUST ZAKĀH BE GIVEN IN RAMAḌĀN?

The time for giving Zakāh is when a whole Hijri year passes on a person's wealth remaining above the Nişāb – it is given on that day, whenever it is throughout the year.

If a person wants to give Zakāh in Ramaḍān - due to the reward of charity being multiplied – he can do so by advancing his Zakāh to Ramaḍān. Conversely, a person should not delay giving Zakāh once it is due, unless there is a valid and necessary reason to do so.²⁰

11. CAN A PERSON DELAY GIVING ZAKĀH OR GIVE IT EARLIER THAN IT IS DUE?

¹⁷ Having “complete ownership” of ones wealth excludes state pensions which cannot be accessed, wealth owned by charities, wealth owned by mosques and loans which cannot be recovered.

¹⁸ This is due to the Ḥadīth of the Prophet ﷺ, ‘there is no Zakāh upon money until a year passes over it.’ Narrated by ‘Alī; Collected by Abu Dawūd & Aḥmad.

¹⁹ Ibid.

²⁰ Refer to the next question for a discussion on valid reasons to delay Zakāh.

The default ruling is that a person should give Zakāh as soon as a Hijri year has passed on a person's savings remaining above the Niṣāb. It should be distributed immediately so the poor can receive it. Once Zakāh is due, it is the right of the poor and no longer your wealth.

Allah said, **{..and those within whose wealth is a known right, to the beggar and the poor}** [70:24-25]

However, if a person has a valid reason²¹ which prevents the Zakāh being given immediately, 'he should donate it once the prevention is removed. For example, if a person is due to give Zakāh in Ramaḍān, but does not have the [physical] money available, and then Allāh facilitates for the person to possess the money in Shawwāl or Dhul Qa'dah, he gives Zakāh ... The point is, that whenever a person possesses the money to give Zakāh, he must hasten to do so. It also upon that person to make every effort to attain the money so as to fulfil the obligation and distribute his Zakāh.

Similarly, there is no problem with a person making an advance payment of Zakāh, if the Niṣāb is exceeded [even though a year has not passed]...²²

12. CAN A PERSON DELAY THE DISTRIBUTION OF ZAKĀH?

The default ruling is that a person is obligated to distribute the Zakāh immediately as long as he is able to do so and there is no harm feared.²³

This is due to the general principle outlined in the Qur'an, **{So race to [all that is] good}** [02:148]

And with regards to Zakāh specifically **{...and give its due [zakāh] on the day of its harvest}** [06:141]

²¹ A valid reason may be if a person has to give Zakāh on merchandise. if a woman needs to give Zakāh on gold jewellery, if a prisoner is not able to access his wealth or if a person has to give Zakāh on a loan, but does not have physical cash at the current time. So Zakāh is due as the conditions have been fulfilled, but the cash itself is withheld and the person does not have access to it.

²² Majmū' Fatāwa by Ibn Bāz. [Referenced from: <https://binbaz.org.sa/fatwas/14361/> /حکم-تاخير-الزكاة-وتعجيلها/]

²³ Zād al-Mustaqni' by al-Ḥajjāwi, bāb ikhrāj az-Zakāh.

However, it is permitted to delay its distribution if there is a particular need or benefit to the poor in delaying it, as long as a person has clearly separated the Zakāh from the savings.

‘An example of this, is the distribution of Zakāh in Ramadān, Zakāh is distributed in abundance and the poor, or many of them, are provided for. However, in winter days which do not coincide with Ramadān, the poor are even more in need and there is a lack of people giving Zakāh.

Therefore, in this situation it is permitted to delay [its distribution] because it contains a benefit for those who are deserving of it.

However, this is with the condition that a person separates the Zakāh from his savings.’²⁴

13. WHAT IS THE NIṢĀB (MINIMUM THRESHOLD) AFTER WHICH ZAKĀH MUST BE GIVEN?

Zakāh on gold, silver, merchandise and currency is given if a person’s wealth exceeds the Niṣāb and it remains above the Niṣāb for a whole Hijri year.

The Niṣāb is either:

- The value of 85g of pure gold.
- The value of 595g of silver.

If the value of one’s savings is above one of the two amounts, and the value remains above the Nisab for a whole year, Zakāh is due.

14. IS NIṢĀB MEASURED BY THE VALUE OF GOLD OR SILVER?

When the condition of Niṣāb was initially stipulated, both gold and silver were approximately equal in value. However, today there is a substantial difference in their value.

A person who possesses 595g of silver, is by no means considered as being wealthy, on the contrary he may be considered poor if that is all that is possessed. The Prophet ﷺ mentioned the spirit of Zakāh,

²⁴ Paraphrased from ash-Sharḥ al-Mumtī’ by Ibn ‘Uthaymīn; Vol 6 Page 189.

saying: ‘...inform them charity has been obligated upon them, it is to be taken from the wealthy and distributed to the poor.’²⁵

Based on the above Ḥadīth, a person possessing the Niṣāb by the value of silver may in fact be deserving of Zakāh. Therefore, 85g of gold being the Niṣāb in today’s market may be more appropriate – especially in the west. Allāh knows best.

Dr. Muḥammad al-Ashqar said, ‘Some of the jurists in this era have leaned towards valuing one’s merchandise and paper notes (cash) by a Niṣāb based on gold. There is a clear justification for this, which is that the buying power of gold has remained constant. The Niṣāb of gold – 20 Dinār – would approximately buy at the time of the Prophet ﷺ 20 sheep from Hijāz. The same for the Niṣāb of silver - 2000 dirham - it would also buy 20 sheep approximately.

However, in our time today, 2000 dirham of silver is not sufficient to buy more than one sheep, whereas 20 dinār of gold is sufficient to buy 20 sheep from Hijāz or a little less. Therefore, this shows that the buying power of gold has remained intact, and the wisdom behind using gold as the measure of Niṣāb is fulfilled completely as opposed to the Niṣāb of silver.’²⁶

That being said, the Fatwā of the vast majority of scholars, both classical and contemporary is that the Niṣāb should be whatever is more beneficial to the poor.

In this case, if the Niṣāb is the lower of the two (i.e. silver), more people will be eligible to give Zakāh and therefore more people will benefit. And Allāh knows best.’²⁷

15. IS ZAKĀH DUE IF SAVINGS DECREASE BELOW THE NIṢĀB THROUGHOUT THE YEAR AND THEN EXCEED IT TOWARDS THE END OF THE YEAR?

²⁵ Narrated by Ibn Abbās; Collected by al-Bukhārī and Muslim.

²⁶ Abḥāth Fiqhiyyah fī Qaḍāyā az-Zakāh al-Mu’āṣarah, by Dr. Muḥammad al-Ashqar. Vol 1 Page 30 [Referenced from: <https://ar.islamway.net/fatwa/56703/>-تقدير-نصاب-زكاة-النقود-بالذهب]

²⁷ The above answer is true at the time of compiling this treatise, however we are in the process of clarifying the matter with various scholars, and the answer will be updated dependent upon the response.

One of the fundamental conditions of Zakāh being obligatory is that a person's savings exceed the Niṣāb for a whole year.

If throughout the year, savings dip below the Niṣāb, there is no Zakāh until the Niṣāb is met and a whole year passes on it remaining above it.²⁸

16. WHAT TYPES OF WEALTH IS ZAKĀH DUE UPON?

Zakāh is taken from gold, silver, currency, stock and merchandise and what is similar in type.²⁹

In general, Zakāh is not due on the value of assets, equipment and investments. It is taken from a person's savings after the cost of basic amenities has been deducted.

Note: Investments such as stocks and shares, and savings in pensions have separate rulings, and have been discussed independently in other questions.³⁰

17. HOW MUCH ZAKĀH IS GIVEN?

2.5% of a person's wealth is given after the costs of basic life amenities are deducted. So, it is due on savings, and can be calculated in one of two ways:

1. Total amount divided by 40.³¹
2. Total amount multiplied by 0.025.

18. HOW IS ZAKĀH ON MONEY CALCULATED?

- a. Specify a day in which you pay your Zakāh annually.

²⁸ Kishāf al-Qinā' by Al-Buhūti; Vol 2 Page 279.

²⁹ The scope of this compilation is limited to contemporary Zakāh issues, therefore Zakāh of crops and cattle has not been mentioned.

³⁰ Refer to Question 31 for the ruling of Zakāh due on stocks and shares.

³¹ An easier method would be to divide by 4, and then divide by 10.

- b. Calculate the amount of money which you have including money in all your bank accounts, any cash at home and any gold or silver.
- c. Total its value.
- d. If your income or wage is paid in large lump sums, deduct from your total wealth what you may require for your basic livings and amenities such as rent, bills, food etc... The remaining amount is your savings.
- e. In most cases, wages are paid weekly or monthly and costs are deducted weekly or monthly, therefore the end balance is usually one's savings, therefore the above step can be ignored.
- f. Speak to a trusted goldsmith or visit a reliable website³² to find out the Niṣāb (85g of gold or 595g of silver).
- g. If the total value of your wealth is more than the Niṣāb, and a whole year has passed on it remaining above the Niṣāb, donate 2.5%.

19. DOES AN ORPHAN HAVE TO PAY ZAKĀH?

The obligation of Zakāh is not linked to the condition of a person, rather it is contingent upon one's savings. If an orphan, young child or mentally disabled person has savings above the threshold of Zakāh, and it remains above the threshold for a year, their guardian must ensure the Zakāh is paid.³³

20. IS ZAKĀH OBLIGATORY UPON A PERSON WHO HAS DEBTS?

The general principle is: "debts do not prevent Zakāh."

If a person possesses money above the Zakāh threshold, and a year has passed on it, he must pay Zakāh from it even if he has other debts.

³² For example: <https://nzf.org.uk/nisab/>

³³ Al-Fiqh al-Muyassar, Kitāb az-Zakāh p17.

The ruling is the same if the amount of debts exceed the amount of money he possesses.³⁴

The evidence for this is that the Prophet ﷺ used to send people to collect Zakāh from those who possessed the threshold, and he never told them to question whether they have debts. If debts were a factor in preventing the collection of Zakāh, he would have ordered them to ask the people.³⁵

Additionally, Zakāh is an obligation upon what a person owns at the current time, not what is owed in the future.

If the loan is due immediately, it should be paid back and then Zakāh is taken from the remaining wealth. However, if the loan is due in the future, a person may choose to pay back the debt and then take Zakāh from the remaining wealth, or pay Zakāh on the full amount of one's wealth regardless of the loan amount.³⁶

21. IS ZAKĀH DUE ON MAHR (DOWRY) PROMISED OR RECEIVED BY A WOMAN?

The ruling on Mahr (dowry), in the form of money, already received by a woman is the same as her savings. She must pay its Zakāh if the various conditions are fulfilled, assuming it is above the Nisab or her total savings including her dowry. She can also separate her Mahr for its own Ḥawl (annual cycle), and pay its Zakāh once a year passes on it remaining above the Niṣāb.

As for dowry which has been promised but not received, its ruling is similar to loans.³⁷ If the husband is easily able to pay the dowry, but his wife has delayed taking it, she must pay its Zakāh for every year it remains with him. If the dowry was promised but her husband is not

³⁴ An example of this is if a person possesses £100,000 in their bank account, along with debts of £150,000. As long as a year has passed on what he possesses, Zakāh is taken from the £100,000.

³⁵ Majmū Fatāwa Ibn Bāz; Vol. 14 Page 51

³⁶ It has been narrated that Uthmān Ibn 'Affān used to say, 'This is the month of your Zakāh, so whoever has a loan, let him return it so he can give the Zakāh of his wealth.'

Narrated by as-Sāib Ibn Yazīd; Collected by Mālik in the Muwaṭa and graded authentic by Albāni in al-Irwā.

³⁷ Refer to question 32 for the ruling on Zakāh due on loans.

able to give it when asked due to financial hardship, or he refuses or delays giving it, there is no Zakāh upon it until she receives the dowry and a year passes on it.³⁸

There is no Zakāh on dowry which is not monetary, such as furniture, gifts, kitchen items, Hajj etc..

22. IS ZAKĀH DUE ON THE MONEY OF ORGANISATIONS SUCH AS MOSQUES, CHARITABLE INSTITUTIONS, PUBLIC UNIVERSITIES AND GOVERNMENT TREASURY?

There is no Zakāh on such organisations because the wealth is not owned specifically by a person(s), rather the wealth is the right of the Ummah as a whole including the poor. For example, the savings in a Masjid's account is not owned by individuals, rather the money is spent on what is beneficial for the community.³⁹

23. IS ZAKĀH DUE ON MONEY PLACED IN A TRUST FOR A CHILD OR A GROUP OF PEOPLE?

Yes, Zakāh is paid on such money assuming it is above the Niṣāb for a year. This is because the money is, in essence, owned by the person(s) named on the trust. The fact they are not able to spend or utilise it until a particular time does not negate their complete ownership of the wealth.⁴⁰

24. IS ZAKĀH DUE ON MONEY WHICH HAS BEEN SET ASIDE FOR A NEAR EVENT, SUCH AS A WEDDING OR PURCHASE.

As long as the money remains within a person's possession, and the time for Zakāh is due, its Zakāh must be paid along with the remainder of his savings. It being merely set aside for a wedding, house or car does not remove the obligation of Zakāh, especially when appreciating how often eminent plans are made and then postponed or cancelled.

³⁸ Al-Fiqh al-Muyassar, Kitāb az-Zakāh; p24.

³⁹ This is derived from the difference in ruling between wealth which is entrusted to specific person(s) and wealth which is entrusted to the Ummah or the Muslim community at large.

For more information, refer to: al-Fiqh al-Muyassar, Kitāb az-Zakāh p19.

⁴⁰ Ibid.

There is no Zakāh on it if some of it has been paid as a deposit, as it is no longer in the possession of a person.

25. IS ZAKĀH DUE ON MONEY HAS BEEN LOANED TO A MASJID AS QARD ḤASANAH⁴¹?

If the money is going to remain in the Masjid and is not going to return to the person who donated it, there is no Zakāh due on it.

However, if it is a loan which is given to the Masjid for a period of time, which will eventually be returned to the person, it takes the ruling of a loan:

1. If the Masjid are in a position to return the money, Zakāh is due on it for every year it remains in the Masjid.
2. If the Masjid are not in a position to return the money, or there is a delay from the Masjid, Zakāh will only be due when the money is returned and a year passes on it remaining above the Nişāb.

26. IS ZAKĀH DUE ON RENTAL PROPERTY?

There is no Zakāh on the value of the property, however the rental income is added to a person's wealth and then Zakāh is given, providing it is above the Nişāb for a whole year.

27. IS ZAKĀH DUE ON PERSONAL ASSETS?

There is no Zakāh on assets whether those assets are for personal use or an investment - unless those assets are traded as a business or are put on the market in preparation to be traded, they are counted as merchandise and therefore Zakāh is applicable.

An example of this is a person who owns 4 houses for personal use, there is no Zakāh. Similarly, If the homes were acquired as a general investment for the property to increase in value over time, there is also no Zakāh.

⁴¹ Qard Ḥasanah: A term used to refer to a long-term loan, especially for Masājid and similar institutions.

However, if a person trades in real estate, and is currently advertising the 4 houses for sale, Zakāh is applicable on them as they count as being merchandise or stock.

To summarise, assets can take four forms:

1. A person owns assets such as houses for personal use, with no desire to sell them, no Zakāh is due. Similarly, if a business owner has machinery, vehicles or other assets in storage and he has no intention of trading them, there is also no Zakāh due on them.⁴²
2. A person owns assets such as houses for long term investment, there is no zakat on them until they are sold. Once sold, the money will be added to savings, and Zakāh will be due when the time for Zakāh arrives.
3. A person trades in those assets, such as real estate and advertises the houses for sale, Zakāh is due on their value when they are advertised for sale. If they are sold, Zakāh will also be due, even if the profits were acquired just before the Zakāh year elapses.
4. The assets have been acquired to lease out such as houses which are rented out. There is no Zakāh on their value but there is Zakāh due on the income derived from the lease.

28. IS ZAKĀH DUE ON PERSONAL PROPERTY WHICH IS ADVERTISED FOR SALE?

If an asset is bought for personal use with no intention of trading, there is no Zakāh.

It is important to distinguish between the intention of selling and the intention of trading. A person may decide to sell an asset without prior intention because there is no further use for it or its value has risen and a profit will be attained.

In this scenario, there is no Zakāh on the asset. Rather, Zakāh will be due on the proceeds of the sale when added to the rest of the savings. Similarly, if an item is bought with the intention that in the future, if the prices increases a person may sell it, there is no Zakāh on it.

⁴² Majmū Fatāwa by Ibn Bāz; Vol. 14 Page 185.

Majmū Fatāwa Ibn Uthaymīn; Vol. 18 Page 207.

However, if the intention when purchasing the property was to advertise and trade the asset i.e. the reason it was bought in the first place was to immediately re-sell it in order to make a profit, Zakāh is due on the asset as it is considered to be merchandise. As soon as it advertised for sale, and a year passes by with it remaining above the Niṣāb, Zakāh is due.

‘An example of this is if a person purchases a car to trade as a business, it is considered to be merchandise [and therefore Zakāh is due] – as long as its value is above the Niṣāb and he intended trade when he originally purchased it.

However, if he purchased the car with the intention of using it, and later on thought about selling it, there is no Zakāh upon it. This is because when he purchased the car, he did not intend trade, so a person must intend trade at the time of possessing it.’⁴³

29. IS ZAKĀH DUE ON CRYPTOCURRENCY?

Since cryptocurrency is a type of currency, and is used as a store of value, it enters under the ruling of gold, silver and currency. Zakāh is therefore due on it. If it remains above the Niṣāb for a cycle of 12 months, 2.5% of its value must be given as Zakāh. It can be paid in traditional currency.

30. IS ZAKĀH DUE ON WEALTH EARNED THROUGH ḤARĀM?

If a person’s wealth has been accrued through stealing, deception and fraud, Zakāh is not due on it rather the wealth should be returned to its owner(s) from whom it was taken unlawfully.

If the wealth was earned through a business dealing in Ḥarām, Zakāh is not accepted from that wealth, as **“Allah is pure and He only accepts what is pure.”**⁴⁴

⁴³ Ash-Sharḥ al-Mumtī’ by Ibn ‘Uthaymīn; Vol. 6 Page 140 – 143.

⁴⁴ Narrated by Abu Hurayrah; Collected by Muslim.

However despite the wealth not being accepted as charity, a person must still give it with the intention of getting rid of Ḥarām money, as opposed to it being an act of worship.⁴⁵

31. IS ZAKĀH DUE ON SHARES AND STOCKS?

“Shares” in a company refers to a percentage ownership of that company, owned by the “shareholders”. Their shares represent ownership of assets, profits and cash reserves of that company, relative to their number of shares. The value of their shares may increase or decrease over time, due to various factors including the company’s earnings, external factors, investor attitudes etc...

Zakāh may be due on some of these assets, cash reserves and profits, and a person must calculate their share of the assets and cash reserves, in order to determine how much Zakāh needs to be paid.

Trading in shares falls into two categories:

1. Day trading: These are shares which are bought and sold on a daily or short-term basis, like commodities. When calculating Zakāh, such shares are treated as commodities: so Zakāh must be paid on the current market value of the shares, or one’s portfolio of shares, 2.5% of its value is given.
2. Long-term investing: Shares of a company are purchased with the intention of investing in the company and the value of the shares increasing over time. In essence, the shareholder is a part-owner of the business, according to the value of his shares.

In Muslim countries such as Saudi Arabia, the government obliges public limited companies to pay Zakāh on their assets and reserves where due. In this case, the shareholders do not need to pay Zakāh on their shares.

As for shareholders in companies which do not pay their Zakāh, a person must analyse the annual financial statements and balance sheets, calculate which assets and cash reserves Zakāh is due on, and then give 2.5% of their ownership according to their shares.

⁴⁵ Al-Fiqh al-Muyassar, Kitāb az-Zakāh, Page 20.

Due to the difficulties of calculating this, the National Zakāh Foundation have developed a formula, by which a person calculates the value of 25% of his shares, and then gives 2.5% on this amount.⁴⁶

In addition to the above, some companies will pay dividends to their shareholders, according to their percentage of ownership. A dividend is a portion of the profit which is distributed to the shareholders instead of it being reinvested into the company(s). Dividends are typically paid annually or quarterly, and a small number of companies pay dividends on a monthly basis. Zakāh is also due on such dividends. Since the dividends are usually paid into a person's bank account, their Zakāh will be paid when a person pays Zakāh on their overall savings at the end of their Zakāh year.

The above rulings applies to public limited companies, and can also apply to shares in private businesses.

32. IS ZAKĀH DUE ON A LOAN?

If a person has money loaned to another person, the applicability of Zakāh is dependent upon the debtor:

- a. The debtor is able to pay the loan easily at any time: Zakāh is applicable on this loan i.e. the person adds the amount of the loan to his savings, and if it is above the Niṣāb, Zakāh is applicable every year. In essence, this is similar to a person whose money is deposited in a bank account and can access it any time.⁴⁷
- b. The debtor is not able to pay back the loan, delays paying it back or denies the loan: There is no Zakāh upon the loan until it is paid back and a whole year passes by it remaining above the Niṣāb.⁴⁸

⁴⁶ "This proxy was established by reviewing the balance sheets of the FTSE 100 companies. 66 out of 100 had net Zakatable assets below 25%. The other 34 were non-compliant companies. Hence, the majority of the companies have net Zakatable assets below 25%."

Taken from: <https://nzf.org.uk/knowledge/zakat-on-shares/>

⁴⁷ The view of the Ḥanafi and Ḥanbali jurists is that Zakāh is obligated in this situation, however a person is not obligated to distribute the Zakāh until the loan is paid back and he possesses it. In this case, a person should make a note of the amount of Zakāh on the loan every year, and once the loan is returned, pay the full amount for the previous years.

⁴⁸ Al-Fiqh al-Muyassar, Kitāb az-Zakāh, Page 23.

33. IS ZAKĀH DUE ON MONEY IF IT IS INACCESSIBLE DUE IT BEING USED AS A BOND OR SECURITY?

The money of a business may be held by a company or a government institution, as a security for a service similar to how an item is mortgaged for money. In this case, Zakāh is applicable on money which is held as a security or a bond, even if a number of years pass by – assuming it is above the Niṣāb.

The general principle is: Wealth tied up as security is similar to a loan, it does not prevent Zakāh in of itself.

‘However, Zakah is given from the security (i.e. the money) with the permission of the creditor (or the company holding the money as a security).’⁴⁹

If the creditor does not give permission, a person can pay the Zakāh from other funds or wait for the security to be released and then give Zakāh for the number of years missed.⁵⁰

34. IS ZAKĀH GIVEN ON GOLD AND SILVER WHICH HAS BEEN BOUGHT AS AN INVESTMENT?

Yes, Zakāh is due on a store of pure gold or silver which a person buys for investment. It is counted as wealth.⁵¹

35. IS ZAKĀH GIVEN ON GOLD AND SILVER THAT IS WORN AS PERSONAL JEWELLERY?

⁴⁹ Majmū’ Fatāwa by Ibn ‘Uthaymīn; Vol 18 Page 34

⁵⁰ An example of this is a Hajj Tour company which has £20,000 held for a number of years by the relevant authorities. This wealth is held as a security, and the company does not have access unless the company is closed down and the security is returned.

If the relevant authorities agree, 2.5% is given every year i.e. £500.

Otherwise, once the money is returned after 3 years, £1,462.82 is given as Zakāh.

⁵¹ The obligation of Zakāh on gold and silver is due to the Ḥadīth of the Prophet ﷺ, ‘A person who possesses gold and silver and does not give Zakāh for it, on the Day of Judgement, slabs of fire will be made for him. These slabs will be heated in the fire of Jahannam and his sides, forehead and back will be branded with them...’

Narrated by Abu Hurayrah; Collected by al-Bukhārī and Muslim.

This is a difference of view amongst the Fuqahā, between those who obligate Zakāh on gold and silver for personal jewellery⁵², and those who do not.⁵³

The Fatwā of our contemporary scholars such as Ibn Bāz⁵⁴ and Ibn ‘Uthaymīn⁵⁵ is: that Zakāh on gold and silver jewellery is obligated if it reaches the Niṣāb and a year passes on it remaining above the threshold.

The difference is based on whether gold and silver jewellery is considered to be wealth like normal gold and silver, or does it resemble personal items such as clothing which is worn. Based on this, does the generality of the evidences obligating Zakāh on gold and silver apply to personal jewellery or not.

The above ruling pertains to gold jewellery worn by women. As for men wearing gold, it is Ḥarām for them to wear such jewellery and therefore they must pay Zakāh,

In reality, both arguments are strong, and perhaps it is safer to give Zakāh on gold and silver jewellery. Allāh knows best.

As for gold and silver jewellery bought for trade, it comes under the category of merchandise and therefore Zakāh is applicable.

36. IS THERE ZAKĀH ON PRECIOUS STONES SUCH AS DIAMONDS, EMERALDS AS WELL AS PEARLS?

‘Precious stones such as diamonds – as opposed to gold and silver – do not require Zakāh to be paid on them, unless they are used for trade (i.e. merchandise).’⁵⁶

37. IS ZAKĀH DUE ON MERCHANDISE OR STOCK?

⁵² This is the view of Ḥanafī Madhhab, and before them a number of companions such as ‘Umar Ibn al-Khatāb, Ibn ‘Abbās and Ibn Mas‘ūd.

⁵³ This is the view of the Māliki, Shāfi‘ī and Ḥanbali madhhab, and before them a number of companions such as Ibn ‘Umar, Jābir and Anas Ibn Mālik.

⁵⁴ Majmū Fatāwa Ibn Bāz; Vol 14 Page 99.

⁵⁵ Sharḥ al-Mumtī’ by Ibn ‘Uthaymīn; Vol 6 Page 276.

⁵⁶ Majmū’ Fatāwa, by Ibn Bāz; Vol 14 Page 124

If a retail business has merchandise which is purchased and then sold for a profit, Zakāh is obligatory on the merchandise as it is considered to be one's wealth, in fact the wealth of the majority of traders is tied to their merchandise as opposed to money.

Allāh said, **{O you who believe, spend [in charity] from the good things which you have legally earned...}** [02: 267]

Imām al-Bukhārī mentioned this Āyah under the chapter: "The charity of earning and trade."⁵⁷

38. IS ZAKĀH DUE ON MERCHANDISE WHICH IS CONSIDERED AS "DEAD STOCK" OR "END OF SEASON STOCK"?

Zakāh is applicable on stock which is displayed for sale – retail or wholesale; digital or otherwise.

If a business owner has invested in stock, which he is not currently displaying or advertising for sale, or it is dead stock such that has no retail value and is being stored away without the intention to sell at the current time, there is no Zakāh on it.

If at a later time, he then intends to sell it and displays or advertises it for sale, it is once again counted as merchandise and Zakāh is due on it.

39. IS THE VALUE OF A PERSON'S MERCHANDISE CALCULATED ACCORDING TO ITS BUYING PRICE OR RETAIL SELLING PRICE?

The value of merchandise is according to what is observed by the poor i.e. the selling price as opposed to the buying price. This is more beneficial to the poor, as they will receive more Zakāh.

In addition to this, it is more just and fair, as some businesses buy stock extremely cheap and sell it at a mark-up price which is much greater – which is the actual income they receive.

'The Islamically legislated manner of calculating its value is by totalling the value of the merchandise upon the passing of a whole year

⁵⁷ Referenced from al-Fiqh al-Muyassar, Kitāb az-Zakāh, Page 73.

according to the price of when Zakāh is obligated (i.e. at the passing of a whole year), regardless of the buying price⁵⁸

However, if there are fees, commissions and charges associated with the item, they can be deducted from the selling price when calculating Zakāh.

Scenario: A trader buys phones for £20 and sells them on Ebay for £100. Once a phone is sold, he only receives £80 in his account due to the deduction of Ebay fees, delivery charges and other commissions. The deductions will be made before the amount enters his bank account. He pays Zakāh (2.5%) on £80.

40. IS THE VALUE OF A PERSON'S MERCHANDISE ACCORDING TO THE WHOLESALE PRICE OR ITEM PRICE?

'If the [nature of the] business is one which trades wholesale, it is the wholesale price of the merchandise which is taken into consideration. And if it is retail, it is the retail price [of each item] which is taken into consideration.⁵⁹

If the nature of the business is a mixture of retail and wholesale, the business owner should estimate the items being sold at a wholesale price and the items being sold at a retail price and after totalling the value, pay 2.5% Zakāh assuming it is above the Niṣāb.

41. IF ZAKĀH IS DUE ON MERCHANDISE, HOWEVER THE BUSINESS OWNER IS ASSET RICH AND CASH POOR, HOW CAN IT BE GIVEN?

Zakāh on merchandise is 2.5% of the total value of all merchandise. According to the majority of the jurists, it must be given in money - assuming it is above the Niṣāb for a year and the merchandise itself should not be given.⁶⁰

It is given as money as this is better for the poor, as well as preventing business owners from harming the poor by giving the worse items from their merchandise. However, there may be cases in which a business

⁵⁸ Fatāwa al-Lajnah ad-Dāimah; Vol 9 Page 319.

⁵⁹ Majmū' Fatāwa Ibn 'Uthaymīn Vol 18 Page 233

⁶⁰ Al-Mughni by Ibn Qudāmah; Vol 4 Page 250.

owner has merchandise but does not have money due to constant investment.

In this situation, the business owner can take the following steps:

- Calculate how much the Zakāh is, and pay it in money as soon as sales are conducted in the coming days.
- If the merchandise is beneficial to the poor, and money is not available, give 2.5% of the merchandise directly to the poor. The poor should not be cheated by giving the worse items of merchandise.⁶¹
- If the merchandise is not beneficial to the poor, Put the Zakāh items to the side, sell them for the correct price, and distribute that money as Zakāh.

42. IS ZAKĀH DUE UPON MONEY HELD IN A BUSINESS ACCOUNT?

A business is owned by its directors or owners, similarly the money in a business account is the property of the business owners and must be treated as normal wealth when giving Zakāh.

Zakāh is therefore applicable upon a business account. It is the responsibility of each shareholder to pay their Zakāh if all conditions are met or for one shareholder to pay it from the business account with their permission.

43. IS ZAKĀH ACCEPTED FROM MONEY WHICH HAS BEEN EARNED THROUGH ḤARĀM MEANS?

If all the money is from Ḥarām sources, has been stolen or taken without right, Zakāh is neither obligated, accepted nor rewarded.

This is because Allāh said, **{Indeed, Allāh only accepts from the righteous}** [05:27]

Rather, the obligation upon the person is:

⁶¹ This is based on the view of some of the scholars including Ibn Taymiyyah, who described the most fair and just opinion to be the permissibility of giving Zakāh in the form of merchandise in certain scenarios such as a need or greater benefit. Refer to: Majmū' al-Fatāwa by Ibn Taymiyyah; Vol 25 Page 79.

- Sincere Tawbah (repentance).
- To return the wealth back to the rightful owner from whom it was taken, or the heirs if the person is not available.
- To donate the Ḥarām wealth but not with the intention of charity, rather with the intention of removing Ḥarām wealth from one's possession.⁶²

It can be donated to the poor, given in humanitarian causes or spent on avenues of common use such as roads and hospitals.

44. IS ZAKĀH TAKEN FROM WEALTH THAT CONTAINS A MIXTURE OF ḤALĀL AND ḤARĀM?

If a person's wealth is a mixture of the above, the person should try to remove from his possession what is Ḥarām as per above, and then give Zakāh from what remains. If a person does not know the Ḥarām amount exactly, it should be estimated to the best of a person's ability.

Finally, if a person cannot remove the wealth which is Ḥarām, Zakāh should be given on the full amount, and Allāh accepts what is Ḥalāl.

The Prophet ﷺ said, **'verily Allāh is good and pure, and only accept what is good and pure.'**

45. IF A PERSON DID NOT GIVE ZAKĀH FOR A FEW YEARS, WHAT MUST BE DONE?

If a person knowingly withheld from paying Zakāh, 'such a person is sinning in delaying Zakāh, because the obligation is for a person to pay Zakāh as soon as it is due and not delay it. Obligations must normally be fulfilled immediately without delay. Therefore, this person must repent to Allah due to the sin, and then hasten to pay the Zakāh that is owed for the previous years...'⁶³

If a person does not know exactly how much should be paid for the previous years, he should estimate to the best of his ability.

⁶² Ibid. p 20.

⁶³ Majmū Fatāwa Ibn 'Uthaymīn; Vol 18 Page 295.

If a person did not pay Zakāh due to ignorance about Zakāh, there is no sin upon the person however the obligation of paying previous Zakāh still remains as this is the right of the poor, like a loan which must be repaid.

46. TO WHOM IS ZAKĀH GIVEN?

Eight groups of people have been specified in the Qur'an⁶⁴ as deserving recipients of Zakāh. They are:

1. Faqīr: The absolute poor who has no wealth nor earnings sufficient for daily needs, or less than half of what he and his dependants require.⁶⁵

It is also said that the “absolute poor” refers to somebody who does not possess the Niṣāb (minimum threshold of Zakāh) even if he is earning.⁶⁶

2. Miskīn: The needy who is slightly better than the Faqīr. A person who is able to earn or possesses more than half of his needs, however the earnings do not fulfil his need completely.⁶⁷
3. Those employed by the Muslim state to collect and distribute Zakāh, even if they are not poor. They are paid for their services in collecting and distributing, and not according to their needs – unlike the other categories.
4. Those whose hearts will be softened towards Islam, such as a new Muslim who will become firm upon Islām due to the

⁶⁴ The eight groups of people are mentioned in the saying of Allah, **{Zakāh expenditures are only for the poor and for the needy and for those employed for it and for bringing hearts together [for Islām] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveller - an obligation [imposed] by Allah. And Allah is Knowing and Wise}** [09:60]

⁶⁵ Al-Mughni by Ibn Qudāmah; Vol 6 Page 470.

⁶⁶ The last definition of Faqīr is according to the Ḥanafi Madhhab. Refer to: Ḥāshiyat Ibn 'Ābidīn Vol 3 Page 333.

⁶⁷ Al-Mughni by Ibn Qudāmah; Vol 6 Page 471.

generosity of the Muslims, or a non-Muslim who is close to entering Islām.⁶⁸

5. To emancipate slaves i.e. those who have pledged to buy their emancipation, Zakāh is given to them to facilitate this.
6. Those in debt who are not wealthy enough to pay off their debts, as long as the debt does not involve Ḥarām such as mortgages etc...
7. Fī sabīlillah i.e. to facilitate Jihād or the Mujāhidūn.
8. The traveller who has been cut off from provisions or his family.

47. HOW MUCH ZAKĀH MONEY CAN BE GIVEN TO THE POOR?

The poor can be given enough to cover the basic costs of living for them and their dependants for a year.

‘The poor are given what suffices them for a whole year because the obligation of giving Zakāh renews every year.

In addition to this, if it is said that a poor person is given enough money such that he becomes self-sufficient and is removed from being termed “poor”, this would also be a valid point.⁶⁹

48. CAN ZAKĀH BE GIVEN TO ONE’S PARENTS WHO ARE NEEDY?

It cannot be given to one’s parents, as it is one’s responsibility to provide for them from one’s own wealth before Zakāh is taken out.⁷⁰

⁶⁸ Al-Imām an-Nawawi entitled a chapter in Ṣaḥīḥ Muslim as, “Giving [Zakāh] to those whose hearts will be softened towards Islām and to make firm those who are upon Imān”.

In this chapter, Imām Muslim narrates the Ḥadīth of Rāfi’ Ibn Khadīj, that the Prophet ﷺ gave one hundred camels to Abu Sufyān ibn Ḥarb, Ṣafwān Ibn Umayyah, ‘Uyaynah Ibn Ḥisn, al-Aqra’ Ibn Haabis, and ‘Abbās Ibn Mirdās [a little less].

⁶⁹ Sharḥ al-Mumtī’ by Ibn ‘Uthaymīn; Vol 6 Page 221.

⁷⁰ Ibn Taymiyyah makes an exception to this, and that is that Zakāh cannot be given to one’s parents from the angle of them being poor or needy, however it can be given

49. CAN ZAKĀH BE GIVEN TO ONE'S BROTHERS AND SISTERS?

Yes, it can be given to one's brothers, sisters, uncles, aunties and other relatives⁷¹ who are not financially dependent upon the person, as it is not obligated to spend on them outside of Zakāh.

50. WHO ELSE CAN ZAKĀH NOT BE GIVEN TO?

In addition to the above, Zakāh is not given to the following:

- Bani Hāshim i.e. the descendants of the Prophet ﷺ from the progeny of 'Ali, 'Aqīl, Ja'far, al-'Abbās and al-'Hārith.⁷²
- Non-Muslims.⁷³
- A rich wealthy person.⁷⁴
- A person's paternal and maternal forefathers (ie parents, grandparents and upwards) as well as a person's progeny (i.e. children, grandchildren and downwards).
- One's wife(s). This is because their needs are shared, and it is the husband's responsibility to provide for his wife from his own wealth before Zakāh. ⁷⁵

51. CAN A WOMAN GIVE HER ZAKĀH TO HER HUSBAND WHO IS POOR?

to them from the angle of emancipating them from slavery, being in debt or Mujāhidūn. And Allāh knows best. Refer to Majmū Fatāwa Ibn Taymiyyah, Vol 25 Page 90 [Referenced from al-Fiqh al-Muyassar, Kitāb az-Zakāh, p146].

⁷¹ al-Fiqh al-Muyassar, Kitāb az-Zakāh, p146.

⁷² This is due to the Ḥadīth of the Prophet ﷺ, 'Charity is not befitting for the family of Muḥammad...' Narrated by Ibn Rabī'ah Ibn al-Hārith; Collected by Muslim.

⁷³ Unless it is a non-Muslim who enters into the classification of the one whose heart will be softened towards Islām, otherwise Zakāh cannot be given to non-Muslims in general nor non-Muslim charities.

⁷⁴ Unless it is a traveller cut off from his provisions, wealth and family, a person whose heart will be softened towards Islām, a person entrusted by the Muslim state to administer Zakāh or a Mujāhid.

⁷⁵ Summarised from al-Muyassar al-Fiqhi, Kitāb az-Zakāh; Page 141-146.

This is permitted, as the wife is not obliged to spend on her husband from her wealth – contrary to the husband who is obliged to spend on his wife. The evidence for its permissibility is that the Prophet ﷺ allowed Zainab, the wife of ‘Abdullah Ibn Mas’ūd to give her Zakāh to him and orphans under their care.⁷⁶

52. CAN A PERSON PAY THE DEBTS OF HIS WIFE, CHILDREN OR PARENTS FROM HIS ZAKĀH?

The base ruling is that it is not permitted to give Zakāh to one’s dependants such as wife, children or parents. This is because a person is obliged to spend on them and take care of their needs such as food, clothing, accommodation, and basic amenities - according to one’s ability.

However, the person is not obliged to pay off their debts and fines. Based on this, Zakāh can be used to pay off their fines and debts. The condition here is that the debts should not be due to the negligence of one’s spending upon them i.e. they cannot take a loan off him in order to buy food and other necessities, and then he pays off his own debt from the Zakāh.⁷⁷

53. CAN ZAKĀH BE GIVEN TO A STUDENT OF KNOWLEDGE?

If a student of knowledge is preoccupied from working and earning due to seeking Islamic knowledge, and this leads to a level of poverty due to the lack of an income, Zakāh can be given to him. This is because

⁷⁶ Zaynab, the wife of 'Abdullah Ibn Mas'ūd said, "...so I went to the Prophet ﷺ and I saw there an Anṣārī woman who was standing at the door with a similar problem as mine. Bilāl passed by us and we asked him, 'ask the Prophet ﷺ whether it is permissible for me to donate [my Zakāh] on my husband and the orphans under my protection.' We requested Bilāl not to inform the Prophet ﷺ about us. Bilāl went inside and asked him regarding our problem.

The Prophet ﷺ asked, 'Who are those two?' Bilāl replied: 'it is Zaynab.' He further asked, 'Which Zaynab?' Bilāl replied, 'The wife of 'Adullah [Ibn Mas'ūd].'
The Prophet ﷺ said, 'Yes, and she will receive a double reward: one for helping her relatives, and the other for giving Zakāh.'

Narrated by 'Amr Ibn al-Hārith; Collected by al-Bukhārī.

⁷⁷ This is the summary of the Fatwa of Ibn Bāz and Ibn 'Uthaymīn.
Refer to: Majmū' Fatāwa Ibn Bāz; Vol 14. Page 310
Majmū' Fatāwa Ibn 'Uthaymīn; Vol 18 Page 416.

seeking knowledge is a communal obligation and the benefit of which extends to the rest of the Ummah, as opposed to a person who preoccupies himself with worship.⁷⁸

54. CAN ZAKĀH BE GIVEN TO A FĀSIQ (SINNER), ONE WHO DOES NOT PRAY OR A MUBTADI' (INNOVATOR)?

Zakāh is not given to any person who it is thought will most likely utilise it to sin or do evil, otherwise Zakāh is given to any person from the people of Islām deserving it.^{79 80}

Importantly, it is not permitted to be suspicious about Muslims, question them nor investigate their private affairs, rather a person is judged according to what is apparent, and we maintain a good thought about Muslims.

55. CAN A HEALTHY WORKING PERSON BE GIVEN ZAKĀH?

The scholars have clarified that Zakāh is not permitted for a healthy employed person, unless he is not able to find work or finds work however the wage is not sufficient for him and his dependants.

In this situation, he can be helped with Zakāh according to his need or enough to facilitate for him to find work. Perhaps the wisdom behind a healthy working person not being eligible to receive Zakāh is that he is requested by the Sharī'ah to work and provide for his own self as opposed to depending on others and waiting for their Zakāh and charity.⁸¹

⁷⁸ Paraphrased from al-Fiqh al-Muyassar, Kitāb az-Zakāh, p125.

⁷⁹ al-Fiqh al-Muyassar, Kitāb az-Zakāh, p149.

⁸⁰ Ibn Taymiyyah said, 'It is unbecoming for Zakāh to be given to a person who will not utilise it in the obedience of Allāh (i.e. in a Ḥalāl manner). This is because Allāh obligated it as a form of help upon His obedience to whoever requires it from the believers such as the poor or indebted or a person who helps the believers; so whoever does not pray Ṣalāh from the needy, is not given any of it until he repents and is diligent in establishing Ṣalāh in its correct time.'

Al-Ikhtiyārāt al-Fiqhiyyah; Page 185.

[Referenced from al-Fiqh al-Muyassar, Kitāb az-Zakāh, p149].

⁸¹ al-Fiqh al-Muyassar, Kitāb az-Zakāh, p150.

The Prophet ﷺ said, 'There is no share of Zakāh for a wealthy person nor a strong able person.'⁸²

56. CAN A LOAN BE DIRECTLY PAID OFF ON BEHALF OF THOSE IN DEBT, OR MUST THE MONEY BE GIVEN TO THE PERSON TO PAY OFF THE LOAN HIMSELF?

If the person in debt is trustworthy and diligent in paying off his debts, the Zakāh money is given to him directly so he can pay off his own debt and to avoid any embarrassment.

However, if the person cannot be trusted, or it is feared he will squander it, Zakāh is not given to him rather the debt is paid to the creditor directly.⁸³

57. CAN THE LOAN OF A DECEASED PERSON BE PAID OFF THROUGH ZAKĀH?

It is not permitted to pay off the debts of the deceased through Zakāh,⁸⁴ as this has not been narrated from the actions of the Prophet ﷺ, even though he would question whether a deceased person had paid off his loans and would often refuse to pray the Janāzah prayer if the person had not paid them off.

So, the intended meaning of **{...and those in debt}** [09:60] is the living, to remove the burden of debt from them.

58. CAN ZAKĀH TAKE THE PLACE OF A LOAN WHICH IS WAIVED?

If a person waives a loan owed to him, he cannot count that as part of his Zakāh. This is because Zakāh is proactively giving a share of your money to those deserving it and them receiving it,⁸⁵ Zakāh is not waiving the right to money.

⁸² Narrated by 'Ubaydullah Ibn 'Adiyy ibn al-Khiyār; Collected Abu Dawūd and an-Nasāī; Graded authentic by Albāni.

⁸³ Paraphrased from Sharḥ al-Mumtī' by Ibn 'Uthaymīn; Vol 6 Page 235.

⁸⁴ Al-Mughni by Ibn Qudāmah; Vol 4 Page 126.

⁸⁵ This is due to the saying of Allāh, **{Take from their wealth, charity...}** [09:103] Also, the saying of the Prophet ﷺ to Mu'ādh Ibn Jabal, '...and inform them that Allāh has

However, Zakāh can be given to a poor person who may be indebted to the person in order to help him with his basic needs⁸⁶ as long as this poor person receiving the zakat is not a dependent such as a wife etc.⁸⁷

59. SHOULD ZAKĀH BE GIVEN TO CHARITIES TO DISTRIBUTE?

It is permitted to give Zakāh to a trustworthy charity, or state representatives, who will distribute it on behalf of a person in the correct manner, however where possible it is better for a person to administer and distribute his own Zakāh and to do so locally.

It could be said that it is better to give it to a trustworthy charity or state representative to distribute if, if they are more experienced in knowing how and to whom it should be distributed. This is a summary of what many of the jurists and scholars amongst the Salaf mentioned.⁸⁸

60. CAN ZAKĀH BE GIVEN TO A CHARITY TO BUY FOOD PACKS?

obligated upon them charity which is taken from the rich and given to the poor.' Narrated by Ibn Abbās; Collected by al-Bukhārī and Muslim.

⁸⁶ Majmū' Fatāwa Ibn Bāz; Vol. 14 Page 281.

⁸⁷ Refer to question 48.

⁸⁸ 'It is better for a person to administer the distribution of his own Zakāh, so he is certain that it reaches those eligible of it...

Imām Aḥmad said, 'It is preferred to me for a person to distribute his own Zakāh, and it is permitted for him to give it to the ruler [i.e. the state for it to be distributed].'

Ḥassan, Makhūl, Sa'īd ibn Jubayr and Maymūn Ibn Mihrān all said, 'the owner of the Zakāh should place it in its [correct] place [of distribution].'

Aṭā said, 'give it [Zakāh] to them [state representatives] as long as they place it in the [appropriate] place.'

Ash-Sha'bi and Abu Ja'far said, 'If you see the state representatives in error, [do not give it to them and instead] distribute the Zakāh to those in need of it [yourself].'

Abul Khatāb said, 'Giving Zakāh to a just ruler [i.e. state representatives to distribute it] is better.' This is also the view of the students of [Imām] Shāfi'ī.

Al-Awzā'ī said, 'It is given to the ruler [i.e. state representatives] as he is more knowing of who deserves it.'

Summarised and paraphrased from al-Mughni by Ibn Qudāmah; Vol 4 Page 92

The obligation when distributing Zakāh is for money to be given to the poor as opposed to sponsoring food packs, water wells or other items which unfortunately many charities appeal for when collecting Zakāh.

The exception to this is if the poor specifically request certain items as opposed to money, because in their case money may be useless. But it is not for us to decide this, rather it must be at the behest of the poor.

‘The Zakāh of money has to be paid in money, and it is not permitted for other items to be distributed unless a poor person specifically requests saying, “if you receive money [from Zakāh], buy for me such and such an item...”’ in this situation it is permitted.⁸⁹

Another exception is if it is feared – with conviction – that the poor person will waste money, an example is if the poor person is mentally unstable, childish or immature.

‘It is permitted to given the Zakāh of money as items such as clothing, food etc... If a person sees a particular benefit in this whilst paying attention to the price. An example of this is if the poor person is mentally disabled or unstable, foolish or immature. It is therefore feared that he will waste money and the greater benefit is in giving him food or clothing so he can benefit from the items...’⁹⁰

61. IS IT BETTER TO DISTRIBUTE ZAKĀH LOCALLY OR INTERNATIONALLY?

The default ruling is that Zakāh is distributed locally from where it has been taken. This should be done whenever possible, unless there is a reason not to do so.

‘The people of knowledge consider it Mustahabb (recommended) for Zakāh to not be taken out of the locality. This is because the objective behind Zakāh is to assist the poor, and if we permit Zakāh to be taken out of the area, those people will remain poor and in need.’⁹¹

It has been narrated from ‘Umar Ibn ‘Abdul’Azīz, during his caliphate, when Zakāh was brought to him in Shām from Khurasān, he refused

⁸⁹ Majmū’ Fatāwa by Ibn ‘Uthaymīn; Vol 18 Page 303

⁹⁰ Majmū’ Fatāwa by Ibn Bāz; Vol 14 Page 253.

⁹¹ Al-Mughni by Ibn Qudāmah; Vol 4 Page 131

to accept it and ordered for it to be returned to be distributed in Khurasān from where it was collected.⁹²

The main evidence for this is the statement of the Prophet ﷺ to Mu'adh when he sent him to Yemen, '...and inform them that Allāh has obligated upon them charity, it is to be taken from their wealthy and distributed to their poor.'⁹³

However, if there is a particular need or advantage for Zakāh to be distributed outside the locality, it is permitted and accepted.⁹⁴ A need may include poor relatives, a lack of need in the locality etc.

62. ARE THERE POOR PEOPLE IN THE WEST TO WHOM ZAKĀH CAN BE GIVEN?

From experience, there are people who are both in dire need and eligible for Zakāh in our local areas. There may well be an absence of Muslims who come under the category of Fuqarā (absolute poor), however there certainly are Muslims who are Masākīn (needy), indebted, wayfarers and those whose heart can be brought close to Islām.

Common examples include:

- New Muslims.
- Sisters who have been divorced or widowed with no income and children to take care of.
- A mother of children, her husband is incapacitated in prison or hospital.
- New female Muslims with no support, and children from a previous marriage.
- People in debt.

⁹² Musannaf Ibn Abi Shaybah; Vol 3 Page 168

⁹³ Narrated by Ibn 'Abbās; Collected by al-Bukhārī and Muslim.

⁹⁴ There are several narrations in this meaning, attributed to Imām Aḥmad, Ḥasan al-Baṣari, an-Nakha'ī etc...

Additionally, when Mu'adh (radiAllāhu 'anhu) sent Zakāh from Yemen to Madīnah during the caliphate of 'Umar (radiAllāhu 'anhu), 'Umar rebuked him. Mu'adh replied, 'I have not sent you any [Zakāh] whilst there has been a person, I found who needed it'. For further details, refer to al-Mughni by Ibn Qudāmah; Vol 3 Page 131-133.

- People who have suddenly become jobless and there is a delay in receiving government support, or they are receiving benefits however they are not sufficient to cover their basic amenities.
- Refugees who cannot work legally nor receive sufficient government benefits due to their status being under review.
- Refugees who have no or little income.
- People affected financially by the COVID pandemic.

63. CAN ZAKĀH BE USED TO BUILD MOSQUES?

Allah, the Most High, has specified when Zakah is collected, from which types of wealth it is collected, how much is collected and to whom it is given. Those eligible to receive Zakāh have been discussed previously.⁹⁵

One of the avenues eligible to receive Zakāh is: **{fī sabīlillah}** i.e. in the way of Allāh. This refers to Jihād fī sabīlillah.

As for donating Zakāh to the building or maintenance of mosques – or other projects such as hospitals, roads, bridges, schools etc... they do not enter into this category.

'It is not permitted to build mosques using Zakāh according the majority of scholars, in fact there is Ijmā' (unanimous agreement) from the scholars.

It was only permitted by some contemporary scholars, there is no evidence for this. Rather the correct view is: Zakāh is only spent on the 8 avenues which does not include mosques, schools or other similar projects...'⁹⁶

The mosques should be built and maintained from the Muslim state's treasury and general charity of the Muslims.

⁹⁵ Refer to question 42.

⁹⁶ Fatāwa nūrun 'alā ad-darb, by Ibn Bāz.
[Referenced from: <https://binbaz.org.sa/fatwas/17180>/المساجد-تعمير-الزكاة-في-تعمير-المساجد]

64. IF A LARGE AMOUNT OF WEALTH IS RECEIVED IN ONE GO, SUCH AS INHERITANCE, GIFT OR CHARITY, HOW IS ZAKĀH GIVEN?

‘The majority of the jurists are of the view that whoever has wealth above the Niṣāb, and throughout the year his wealth - of the same type⁹⁷ - increases due to any reason, such as a transaction, charity, gift or inheritance etc... the additional amount of wealth is added to the original amount of wealth and Zakāh is given on the whole amount...

The same annual cycle for the original wealth is considered for the additional wealth because both types of wealth are of the same type.⁹⁸

65. IS IT ALLOWED FOR CHARITIES TO INVEST ZAKĀH MONEY FOR IT TO INCREASE?

‘As for investing Zakāh money in buying and selling estate or similar investing, I do not consider it to be permitted. This is because the obligation is to fulfil the immediate need of the poor who are deserving of Zakāh. As for the poor of the future, their affair is with Allāh.’⁹⁹

In addition to the above, no investment is risk free and therefore there is always a chance of the investment resulting in a loss of the money.

The practice of the Salaf, was to give their Zakāh on an annual basis as soon as a year passed on their savings. They would not invest the wealth for it to grow and then give Zakāh.

66. CAN MONEY BE INVESTED IN AN ASSET TO EVADE ZAKĀH?

It is permitted for a person to use or invest money before the Zakāh year passes, this may or may not result in less Zakāh being given.

⁹⁷ i.e. a person has money, and his monetary wealth increases, as opposed to a person who has money and is then gifted camels – in the second scenario, the additional wealth is a different type to the original wealth.

⁹⁸ Al-Fiqh al-Muyassar, Kitāb az-Zakāh, Page 69.

⁹⁹ Majmū’ al-Fatāwa by Ibn ‘Uthaymīn; Vol 18 Page 478.

However, it is a major sin for a person to purchase an asset such as land for the sole purpose of evading Zakāh, or having purchased land to trade, change their intention and consider it as a personal asset.

Such a person may claim that their intention is not to make a profit but they must realize that Allāh is aware of their most intimate thoughts and as such the scholars have made it compulsory on such a person to pay Zakāh on these assets as a form of punishment.¹⁰⁰

{And those who hoard gold and silver and spend it not in the way of Allāh - give them tidings of a painful punishment. The Day when it [their gold and silver] will be heated in the fire of Hell and seared therewith will be their foreheads, their flanks, and their backs, [it will be said], "This is what you hoarded for yourselves, so taste what you used to hoard."} [09:34-35]

And Allāh knows best.¹⁰¹

May peace and blessings be upon His prophet, his companions and followers until the Day of Resurrection.

¹⁰⁰ 'It is forbidden for a person upon whom Zakah is due, to change their intention to evade it; [if he does so] he is sinning. He must repent to Allah, the Most High, and remain true to his actual intention. If he does not repent, and his evasion becomes known, he is [punished] by the opposite of his intention being implemented, and Zakah being taken from him...' Paraphrased from Fatāwa Jāmi'ah fī Zakāt al-'Iqār by Bakr Abu Zaid.

¹⁰¹ If any mistakes or discrepancies are noted by the reader, or further questions which need to be answered, please do not hesitate to contact the author so modifications or additions can be made to further editions. admin@Madeenah.com