

Fatawa Zakah 2007

Is Zakah Required Every Year?

Subject: Paying Zakah on same wealth every year?

From: Imran through Islam on line

Sent: Sunday, January 14, 2007 1:57 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,
About Zakat can you please clarify a point. If you pay Zakat on \$10000 your left with \$9850, will you have to pay zakat on that amount next year, or only pay zakat on new savings? Jazakum Allahu Khairan for your constant help

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Imran

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

Zakah is essentially on the wealth. If you pay Zakah on your wealth on say Ramadan 12, 1426 and your wealth was then

10,000 you are left with 9750 and if there were no additions, on Ramadan 12 1427 you were required to pay Zakah on 9750 the amount of Zakah will be 243.75 and you will be left with 9506.25. The same thing must be repeated every year. This will actually diminish the wealth to the amount of Nisab if there are no additions! The Prophet, pbuh, suggested that we must invest the property of orphan (because their property is managed by guardian who may neglect or not give sufficient attention) SO THAT [the repeated payment of] THE ZAKAH WILL NOT EAT IT UP [with time].

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Zakah year and Zakah on jewelry

From: Sharafe

Sent: Tuesday, June 27, 2006 7:06 AM

Question

Assalamu Alaikum

Could I please obtain a copy of the Will word document? Does my wife need to fill one out separately? And is this binding by Canadian Law?

As for Zakat Calculation, what about the view that one can choose a time in the year to pay Zakat (every year at that time) and whatever he/she has at that time is what Zakat is calculated upon? So someone wants to pay his Zakat every year during the 1st 10 days of Dhul-Hijjah...when that time comes, he calculates his Zakat then.

Also, for women's jewelry, it's an estimate as to how much is zakatable (based on how much other women have of the same income level) correct? How do we measure the value of the jewelry?

Do you teach courses in Islamic Finance? Did you ever consider opening an Institution that teaches and researches in Islamic Finance and Economics? jazzak Allah khayran, Sharafe

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Sharafe

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

1) Please receive a copy of the last will, yes each person needs a last will. You can also make a living trust together or separately but the last will has to be separate. please ask a legal advisor in your province, I don't give legal advices.

2) Zakah is due one lunar year (354 days) after you got Nisab (# us\$ 1000) first time and every lunar year then after. But yes, you can change your Zakah year by paying a proportional amount that corresponds to the proportion of the year you are shifting

3) For jewelry you take the market value on the day when Zakah is due and if this is difficult or involves a cost you make your best educated guess. two conditions should be satisfied together for jewelry to be exempt from Zakah: not more than her peers plus/minus a reasonable margin; and being used regularly for what ever they are to be used for, i.e., not used as simply a store of value or savings

4) I give a lot of training courses, continuous education to adult professionals and I taught in the past in Universities and have a lot of experience to enable me to give a lot of knowledge to keen and concerned seekers of knowledge in my area. I did not make an institute because I don't have the marketing skills or the time for marketing, do you have any suggestion?

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Paying Zakah for each past year and life insurance

From: Azdin through Islam on line

Sent: Wednesday, April 11, 2007 4:22 AM

Question

Subject: Paying Zakah for Each Year

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh, Jazakmu Allahu khaira for your help and support. Following with our case, reference number B97EQp, the building saving contract is coming to an end and my wife will get back an amount of money. She will get rid inshaAllah from the interest side as mentioned earlier. The question now is about the zakat. This account has been alive for five years, does she have to pay the zakat for each year? Or just for the final sum?... Almost same question on the insurance part, my wife wants to cancel it though she will loose the amount that it has been sent for two years. May Allah accept from her. Is she obliged to pay zakat for the amonth that was sent the last two years? If yes, how? Knowing that each months an X amount was payed. Knowing that all these money has been paid by her father. May Allah accept from You! Wassalam

Below is the previous question and the answer given to him under the reference number B97EQp

Question

Assalamu alaykum, May Allah accept your help. My wife is Muslim almost five years, around the time she entered Islam, her father (non-Muslim) created a Building Saving account for her in a Bank and during this period, he was the one sending a fixed amount to her account. The Building Savings is a government-subsidized product (donation) designed to support housing needs. So there is a State allowance plus a 2% interest from the bank itself. The Interest from the bank we believe it is haram and we will get rid of it inshaALLAH. The question is about the state allowance, what is its status in Islam? Today, alhamdulillah we are not in an urgent need to buy a house, we are planning to move to another country next year inshaALLAH, could we use this money for housing purposes then? An other issue with her father :-), from her birth he is having for her a life insurance so if anything happens to her, her parents will receive some amount of money. As I got to know, interest is associated with it, what do you recommend in this case? I believe that her father has been having good intentions when he created such contracts. However, my wife wants to be in the safe side. We are planning to go to Hajj inshaALLAH this year, please make dua for us! Thank you! Wassalam

Date 03/Dec/2006

Name of Counsellor Monzer Kahf

<http://www.islamonline.net/servlet/Satellite?cid=1119503614801&pagename=IslamOnline-English-Ask_Scholar%2FFatwaCounselorE%2FFatwaCounselorE>

Answer

Wa `alaykum As-Salamu wa Rahmatullahi wa Barakatuh.

In the Name of Allah, Most Gracious, Most Merciful.

All praise and thanks are due to Allah, and peace and blessings be upon His Messenger. Dear questioner, we would like to thank you for the great confidence you place in us, and we implore Allah Almighty to help us serve His cause and render our work for His Sake. In his response to your question, Dr. Monzer Kahf, a prominent economist and counselor states:

"Dear brother Azdin, first, may Allah accept your good intention and your coming Hajj, both of you.

1. Just as you said, the interest the bank gives on this saving account is Riba and it is Haram because it is her account and a Muslim must not earn any Riba. What you do with it, give it to a Muslim charity to be spent on the poor and needy, it is not Haram for them because of their need. (If the account is in her father's name and at any future point of time he gave her a gift, say the total money in such an account, we don't go into what details it consists of, and she can take the gift of her father without asking him about the source as long as it is legal according to the prevailing law in his land).
2. The government subsidy is HALAL, it is permissible because it is given according to law. Any government may give some one some amount of money, as long as it is not a bribe or not to tame an action that hurt others like retention that is done by American CIA, that giving is permissible and accepting it is also permissible in Shari'ah. That is you can use this government subsidy for any purpose, of course within the law.

The insurance policy: Most life insurance policies have interest element in them that make them not permissible for Muslims. In the case of your wife, it is not her policy, she is not the owner of the policy nor the beneficiary. It is her family's policy, and her parents are not required to follow the terms of our religion. Your wife has no sin at all in regard of the interest element in this life insurance and she does not benefit from it any way as the benefits will be received if she dies. This policy may have a clause, that is typical in many insurance policies that says: should the insured stay alive after a number of years, the face value of the policy will be paid to her. If the policy has such an article when your wife receives the amount of the policy she will then be required to give away to Muslim charity the accumulated interests in this amount (this is easily known and you get this info from the insurance policy, it may also be mentioned in the contract itself.). In other words, she can take the amount paid by her father plus the return on it if it was invested in permissible manners."

Allah Almighty knows best.

Jazakum Allahu Khairan for your constant help

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Azdin

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

1. Zakah is due on every rich Muslim, female or male, major or minor every year on all the wealth she/he owns including savings and debts on other persons. If the building saving account is in your wife's name, she is required to pay Zakah on its total balance, minus the amount of accumulated interest, effective from the day a lunar year (354 days) is completed on either the date when she became Muslim if the amount of this saving was then equal to Nisab (approximately US\$ 1000) or the date when she owned this amount for the first time. The rate is 2.5% and this is a yearly obligation, i.e., it must be repeated every year. Normally delaying Zakah payment, with no valid excuse, from its due date (the 354th day) is sinful but in this case there is no sin because she is not required to make payment for any year from other

resources and she can delay payment until she liquidates the Zakatable asset itself, in this case the Building Saving and pay the due Zakah on past years together. Obligated Zakah for all past years becomes due upon liquidation. Of course you can make an educated estimation for every past year and add may be add a few extra dollars to be on the safe side of the estimation.

2. As you rightly said, interest accumulated over all past year, SINCE SHE BECAME MUSLIM, must all be given to the poor and needy or to Muslim charitable organization in order to keep her own money pure and clean. This is why this amount is not subject to Zakah, it is not considered her money and it is wrong to return it to the bank that paid it because of its interest practice, you then give it away to the poor for whom it become Halal. The same thing applies to interest accruing to life insurance.
3. The government contribution into the building saving is Halal, it is a government grant by law, we deserve it by law because we are a part of the society and tax payers.
4. I don't know why does your wife want to liquidate the life insurance? I believe it is Halal for her, even according to the most rigid view (my personal view is that life insurance is permissible anyway as long as interest is not a major component of its contract. In your wife's case, she did not buy the insurance and she did not contract it and she does not pay for it! it was given to her as a gift from another person and if there is any prohibition she did not commit it! This means that if she decides to keep this contract and leave it until death where her children will benefit from it, it must be permissible, you don't ask about whatever interest involved in it because she did not contracted it. It is simply a death benefit that is deserved upon death. But if she liquidates this insurance policy, whatever interest accumulated since she became both Muslim and owner of the policy must be given to Muslim charity.

Wa Allahu A'lam
Wa Alhamdu li Allah Rabb al 'Alamin
Wassalam
Sincerely,
Dr. Monzer Kahf

Subject: Should Zakah be paid every year on the same asset?

From: Siraj through Islam on line

Sent: Monday, September 10, 2007 2:42 AM

Question

As-salamu Alaykum How are you dr. Monzer?

Suppose, I have a sum equivalent to the value of more than 85 grams of Gold and paid 2.5 as Zakat last year... Do I still need to pay zakat this year and the years to come if I still hold the said amount with me? If yes, please let me have the Qur'anic proof or evidence of Prophet's (PBUH) Hadeeth on this. May Allah's mercy be upon you all....

Siraj

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Siraj

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Zakah is a yearly obligation, repetitive like prayers and fasting. There is overwhelming evidence that the prophet, pbuh, used to send his Zakah officers every year to collect Zakah from all items of wealth of his time every year. Instructions given to them were to collect Zakah on all items they find with no exemption of those that were subjected the year before. Besides, there are several Ahadith on the Hawl, all of them point to the requirement of passage of one year, they mean repetition not once in life time. This is the meaning of passage of one year. Finally, This is the understanding of the text that is agreed upon by all Muslims, it is an 'Ijma', are we going to re-invent the wheel?

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Where does the rate of Zakah come from?

From: Naveed

Sent: Wednesday, August 01, 2007 9:54 AM

Question

As-salmu-ale-kum: Brother Monzer:

Where does 2.5% come from? It this mentioned in the Hadith or Quran? Thanks in advance for your help.

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Naveed

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

This number came in correct authentic Ahadith, several of them. The prophet, pbuh, sometimes mentioned ""one quarter of tenth"" and sometimes ""in each forty one"". This rate came also in writing dictated by the Prophet, pbuh, in his last few days to his Governor of Bahrain (the governor actually left to assume his post after the death of the Prophet, pbuh). You realize that idea of any thing the prophet, pbuh, says, does or approves is a revelation from God as the Qur'an tells us although the words are the prophet's.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam
Prof. Dr. Monzer Kahf

Subject: When should I give away Zakah?

From: Khurram through Islam on line
Sent: Thursday, July 26, 2007 8:36 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,
When should I give away Zakat? I have just recently completed 12 months as an employee in a Company. How much minimum amount should I have in my savings so that Zakat is obligatory on me? And on what items is Zakat due? And what is the best time and method to give away Zakat? Please reply me in detail regarding my above queries. Jazak-Allah Khair.

My Answer:

Bismillah al Rahman al Rahim
Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in
Dear Br. Khurram
Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Zakah is an obligation on every Muslim. It is required on assets and agricultural harvest. Zakah on assets is due upon the passage of a full lunar year, the first of such years begins on the day you have accumulated assets to the equivalent of Nisab (a criteria of Zakatability that is approximately equal to US\$ 1000). Hence, you are required to calculate all your assets including: cash on hand, bank accounts, investment accounts with banks and brokers, if you are in business your business net worth, and all debts you own on other persons (there are assets that are exempt, mainly: residence house, furniture and other appliances, etc., personal books, cloth and the like, personal means of transportation, debts on others that you don't expect to recover them and any amount you have that is devoted to pay a debt on you or living expenses until the next pay check). This Zakah is due at the rate of 2.5% every year upon the passage of a lunar year (= 354 days). It must be given away to the poor and needy and you may give it through Muslim charitable organizations in your area that you trust. Zakah on agriculture is due upon the harvest if it is equal to 2 Wasq (a measure that was at the time of the Prophet, pbuh, that is equal to 653 KG).

In your case, you need to go back in your memory to determine when did you have the equivalent of US\$ 1000 for the first time and after 354 days of that day you add together what is mentioned above. If the total is equal to US\$ 1000 or more you have to give 2.5% of that total as your due Zakah. It does not matter if the last patch of saving was added a few days before the passage of the lunar year.

Wa Allahu A'alam
Wa Alhamdu Lillahi Rab al Alamin
Wassalam

Estimation of Zakah Proceeds

Subject: Estimation of Zakah proceeds

From: Zeinoul

Sent: Thursday, September 06, 2007 8:04

Question

Slm. Your views on below questions:

I was asked

- 1) Do we have to pay zakaat on unused plots/land where no income is being earned from them? If so, does one have to pay 2.5% on the original purchase value or on current estimated value?

Zakah is only paid on unused plots/land in the case when such land is definitely for the purpose of re-sale. In such a case, the land is classified as an asset acquired for re-sale and possible profit. If the land is used as a trading asset than 2,5 % is due on the present value/current estimated value.

If the land was initially acquired for re-sale but was subsequently used for other reasons with an intention to later possibly sell it than no Zakaah will be due.

If the land was acquired with no intention to immediately or later re-sell it, and was subsequently used for various reasons, or left unattended, but you later intend to definitely sell it (due to which it is then considered as an asset for sale), then it would be included in the Zakaah calculations.

Suppose you own a car which you regularly use, but intend to sell it due to some fault or to acquire another car, then Zakaah will not be due since although it is for sale, it is still used as a utility asset by the owner. Similarly, if you living on the land, or have a shop on it or a warehouse etc and is used in some sense or the other, then even though you intend to sell it, it will not be Zakatable. Zakaah will only be due if, after adding the proceeds of its sale, to all your other assets, the total Zakatable amount (after deduction of all liabilities) is beyond the Nisaab (The value at which Zakah is due).

- 2) On properties that have rental returns, again do we have to pay Zakaat on the value of the property or on the rental return? If only on rented returns, then do we then pay zakaat on the net return (profit) after expenses and corporate tax or on the gross returns?

Zakaah is due on rental returns and not on the property value.

Deduct from rental returns, all maintenance expenses, taxes, other associated costs (e.g. legal, accounting etc and even any costs incurred to extend the buildings of the existing property). The net return will then be added to your other Zakaatable assets. (Liabilities will then be deducted from the Zakaatable assets).

- 3) In a trading concern, does one have to pay Zakaat only on the net profit of the company or additionally do we have to pay 2.5% on the stock holding value? Zakah is to be paid on (Stock holding value) less (liabilities of the business) + (net profits after taxation)

- 4) What about personal salaries/income? Do we pay on gross/net salaries or only on savings we have made (after deducting all personal expenses) in the year?
You neither pay Zakaah on the net salary nor on the gross salary. Whatever is left at the end of the year from such income, is added to your other Zakatable assets (Liabilities will then be deducted from the Zakaatable assets).
- 5) In respect of jewellery, is Zakaat only payable for gold we are holding or also on stones such as diamonds?
In terms of Hanafi fiqh, Zakaah is due only on the gold, unless of course if the jewellery is not used at all and is kept for sale. In such a case, Zakaah is due on the total value of the gold and diamonds. However, it is better to give on the diamond value as well even if the jewellery is for personal use.
- 6) How are loans balanced in terms of our Zakaat accounts? If part of our income is used to repay a loan, is this amount is still subject to Zakaat or not?
Any amounts you use from the various and diverse types of income you have (salaries included) in order to pay loans, will not be subject to Zakaah if such amounts have been used to payoff debt on a regular basis in relation to the times and periods in which the income was earned.
However, if you, for example earned one million. You had then placed aside 200 thousand to pay a debt, but have not physically or otherwise (e.g. electronic banking) transferred the 200 thousand to your creditors, in such a case the 200 thousand will be added to your list of Zakatable assets (from which all other liabilities will be deducted).

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa alSalatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Zeinul

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Sorry Brother I do not agree with all your answers, and I invite you to think about it without being simply influenced by "someone says so"

1. Aland that you acquire to build a residence for yourself or family is not subject to Zakah, being a residence in process. On the other hand, all other lands are either part of business net worth or for sale or an item of wealth that is not for personal or family use, They are therefore all subject to Zakah. Such lands that are not for personal use are not like a personal car that you decide to sell. It remains personal until you sell it and then it depends on what do you do with the money? It is then a matter of money, no more a personal car. A business car, that is a part of business net worth is subject to Zakah because it is an item of wealth that is not for personal use (this exactly like the camel herds of the Arabs at the time of the Prophet, pbuh). The rate here is 2.5% every year repeatedly.
2. Zakah is on the asset itself. It is an item of wealth. There is no evidence whatsoever to talk about rentals because it is just money treated as a part of the money item one may have. You are wealthy by the asset itself. That is what is wealth and what distinguishes poor from wealthy. The rate here is 2.5% every year repeatedly. (your answer misses the rate and what rate can you apply and by what analogy and there are no bases of any analogy!).

3. In business concerns, Zakah is on the net worth nothing else, as adjusted for items that are either fake (like establishing expenses being amortized on several years) or undue deductions (like provision for employees' end of service compensations). The rate here is 2.5% every year repeatedly.
4. The Salary question is inaccurate but essentially correct: whatever is been saved out of salaries and professional income by the end of the year is already included in cash and other Zakatable items, you may deduct out of such items only those liabilities that are to be actually paid out of them (e.g., you don't deduct liability for mortgage!).
5. Women gold and silver jewelries are exempt if two conditions are together satisfied: they are within what peers have and they are in actual normal use. Men gold jewelries are subject to Zakah because they are forbidden. By analogy other jewelries and gems, for men and women, are subject to Zakah is they are only a store of value, not in actual normal use or exceed what peers have. The rate here is 2.5% every year repeatedly.
6. The rules for personal loans is: any amount due on you is deductible from existing Zakatable assets if it is going to be paid out of these existing assets, otherwise it is not deductible. Business liabilities are taken care of when we say Zakah is on business net worth only.

Br. zeinoul, I want to convert you to my view, I invite you to read my paper on Zakah of investmental fixed assets (although in Arabic). and read my answers to objections aired by some scholars.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Zeinoul

Sent: Thursday, September 06, 2007 11:30 PM

Question

Salaam and Shukran. Br Monzer

My concern is primarily regarding the issue of capital / productive assets. I liked your last line that you want to convert me to your view! InShaAllah.. Who knows?

I am attaching my booklet and I think would make for some interesting debate. Would you like to read it? Also I would like to read your Arabic version. Perhaps you can send me a PDF version. In view of the importance of this subject, I suggest that you render it into English. This is indeed revolutionary. Wslm

Zeinoul

My Answer

Dear Br. Zeinoul,

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

I will read your paper as soon as I find a slot of time InShaAllah. But I really urge you to think outside the box without being other than a main streamer!

It is really difficult for me to translate it because of time limitation. If you can read it in Arabic it is on my website but I may mention that you will also find it on the web of the Journal of King AbdulAziz University, Jeddah and there in another issue you will find comments of Muhammad Zuhaili and The late Shaikh Mustafa Zarka on it and my reply to their comments. I really believe the issue is very important and this is the reason why Zakah is not effective in our societies, even when it is applied in full (classical) as in Sudan or almost in full (also classical) as in Saudi Arabia. Changes of circumstances and effect of time are not considered in the classical application. Another reason that discourage me from translating is that all, almost, English speaking generally agree with me and many take it for granted when they talk about Zakah as covering all wealth items in a society. Look for instance at their estimation of Zakah proceed in several papers and at their talk on Zakah being of sizable collection. It can't be of any sizable collection under classical assumptions. Add to it that the Qaradawi Zakah on rent can't be substantiated, impractical in implementation and no body agrees with him on it! Do you have any volunteer who can make the translation with the comments and reply and I then would like to review it and add a few pages on why this did not attract the attention of our Ulama in the past: main reason was the stagnant economy they lived within and the continuation of agriculture being the main source of income and wealth for at least a thousand year, followed by inability of Fuqaha of the late four centuries to think out of the box.

Best Regards,
Wassalam
Monzer Kahf

Additional Answer

Dear Br. Zeinoul

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

I took a quick look at your book. It is good, There are many writings and development in Arabic that are all not considered, especially decisions and Fatawa of the International Shari'ah Board on Zakah and studies related to its 10 or 12 annual meetings by now. Additionally, all these arguments of yours, and me and all writers about importance of Zakah in our religion is suspended on the relative magnitude of its proceeds, if it is not substantial you can't do any thing with it anyway, no empowerment, no poverty alleviation and no nothing as long as what you collect is meager! Hence, you implicitly imply that it must be an amount that deserves attention and that deserves to be considered a tool of redistribution and enrichment! In a changing world where the weight of assets shifted, a restrictive definition of Zakatability may bring even zero Zakah in some cases (take a very restrictive definition that Zakah is only on the items mentioned in the Hadith, only 8 items and an economy like Bahrain or Dubai, Zakah would literally be ZERO) (by the way this restrictive definition is adopted TODAY by a good number of Shi'ah and Sunnah traditional scholars! O am not joking at all). Additionally any nonrestrictive definition MUST BE CONSISTENT IN TREATING THE EQUAL EQUALLY or else it would be unjust!

Best Regards,
Wassalam

Monzer Kahf

From: Zeinoul

Sent: Saturday, September 08, 2007 1:13 PM

Question

Slm and Shukran Br Monzer

Unfortunately very few English resources at the time I wrote. I use whatever I could and of course the Qaradawi translation done by you was a great help...probably the only substantial writing. Also what I found is that a lot of the writings are based on Muslim majorities and agricultural economies. However, keenly awaiting the translations from Br Hoosen. I can see your point. Are there any studies on how much Zakah is collected in Gulf Countries? Wslm

My Answer

Dear Br. ZEINOUL

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

In one of my papers that is in the cd of Zakah workshop there is some info about 5 of collected Zakah to GDP it ranges between 0.3 and 0.3%. It includes Saudi Arabia and some others too. Other Gulf countries have no formal collection and what is been distributed is not estimated to my knowledge, it is very meager anyway. There is an estimation for Bahrain that I need to dig deep to find its whereabouts.

Best Regards,

Wassalam

Monzer Kahf

Nisab of Zakah

Subject: Nisab and other matters of Zakah

From: Mason

Sent: Tuesday, March 20, 2007 1:15 PM

Question

salam,

how much is the nisab that should last for one year? The 2.5% is it from the nisab amount or only from the rest above the nisab? Or from the whole money ?

If the nisab is 1000\$ which means ca. 800€, and I had 800€ that last for the whole year, 2.5% of the 800€ or 2.5% from the 300€ I have over the 800€? or 2.5% of the 1100 that I have now? what if I have more than 1600€ (2x nisabs), do I calculate only on the first 800€ ? wassalam!

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in
Dear Br. Mason
Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

I hope every thing is fine with you down there. I have a course in Dusseldorf at the end of May, how far is it from you? I also have a nephew near Dusseldorf in Duisburg?

Here are the answers to your questions:

- 1) The Nisab is a test or criteria of Zakatability, it is not a minimum deductible or exempt. Hence, once you have 800 Euros your Zakah year begins and after 354 days you are required to pay Zakah on all that you own unless it is less than 800.
- 2) The Nisab is of course in gold (20 Dinar) or silver (200 Dirham). These were equal at the time of the prophet, pbuh but they were not at all times after him. Therefore we have to estimate what is reasonable, keeping in mind that the religion does not change every second with the changes in the International Gold market. The Nisab is meant to be stable. And until we have a collective Ijtihad to determine its amount with a formula that applies to all cases, in all countries and all currencies, we have to count of the price of Gold (or silver but it is very cheap that makes the Nisab redundant). My estimation, three years ago was US\$ 1000 (25 years ago I estimated it at 400) and I don't feel that there is a substantial change in prices that warrants changing this figure until now. Some people may argue that we should adjust it with the rise in the prices of Gold over the last two years but I feel this rise does not reflect a rise in prices of goods and services and therefore does not require a change in the estimation of Nisab. But if someone wanted to make it 1400, I wouldn't quarrel with him!
- 3) All additions during the lunar year are added and subject to Zakah although no full year may have passed on them. This has been the practice of the Prophet, pbuh, and the unanimous agreement of all Fuqaha. The idea is how much you have now, when Zakah is due for payment. This is how much you are rich now and Zakah is on your wealth, not on the past wealth of a year ago!
- 4) of course any amount that is allocated to pay debts or for living expenses is not included. The example: suppose you have 2000 Euros and on March 1 you got your monthly salary, 1500, your Zakah date is March 3. Theoretically on this date you have 3500. But you know that you have rent to pay on say March 12 and living expenses until next month pay, the total is 1300, then the amount that is subject to Zakah is only 2200. (this also answers your question of double the Nisab!)

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Nisab of Zakah in Germany

From: Michael

Sent: Sunday, April 15, 2007 6:10 AM

Question

Dear Brother, as salamu alaikum,

The following case I was asked myself:

German student receives state alimentionation (family below certain income levels), but on credit with interest. There is an amount of about 3000 Euro in savings. The outstanding debt is substantially higher than this amount but not yet due.

1. Can the debt be deducted if not due? Is such a debt deductible at all?
2. What are the opinions about Nisab in the West? Still 85 grams about in Gold? Then maybe 1600 Euro would be zakatable - But 3000 Euro in Germany is close to poverty.

In my understanding the maximum due Zakat would be 2.5 % on about 1600 Euro. The ongoing debt every month is not zakatable in my view, as it is not earned income and even if it would be it is at the poverty line in Germany.

Any overview about arguments is welcome but not urgent. Best regards,
Michael

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Michael

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

Your question is a little vague. What is the 1600? Any way here is a generic answer.

1. The Nisab will remain only the value of 85 grams because this is the 20 dinar unless a government authority decides to accept an income equivalent equation (which is anyway very difficult because with the world becoming a small village you need to take a world measure with not much localization as what is called "poor" in certain areas actually enjoys much more than a "rich" in some other areas. However, we do not fluctuate the Nisab with price changes in NY exchange, we take it a stable for a few years. I argue that the Nisab is still about US\$ 1000, you may take it as Euro 1000 but I don't think it is any higher in spite of the rise of gold price over the past two years.
2. Zakah is not on income but on savings plus previous wealth.
3. The amount of Nisab is only a standard of measurement not a minimum exempt. Hence whoever has a Nisab or more is subject to Zakah at 2.5% per lunar year (i.e., every 354 days from the day Nisab is obtained for the first time) **ON THE TOTAL AMOUNT OF ASSETS ON THAT DAY**. You do not deduct the Nisab from this total.
4. Liabilities, whether due or not, on Zakah payers are deductible from Zakatable assets if she/he is going to pay them from the present assets (in contrast to future earnings) while debts on other persons are included to the extent debtors are able to pay them back when due.

If this is not sufficient please give the numerical example in details.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam
Sincerely,
Dr. Monzer Kahf

My Answer
Bismi Allah al Rahman al Rahim
Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad
wa 'Ala 'Alihi wa Ashabihi Ajma'in
Dear Br. Michael
Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

Please see my answers below your points:
Wa Allahu A'lam
Wa Alhamdu li Allah Rabb al 'Alamin
Wassalam
Sincerely,
Dr. Monzer Kahf

From: Michael
Sent: Sunday, April 15, 2007 7:56 AM

Question

Wa alaikum as salam,

1600 would be the 85 grams at current value in Euro.

1. In any case 3000 Euro is above the Nisab level following the 85 gram Gold definition
2. At the moment I cannot check the book you translated, but Zakah Calculation, M. Rahman, The Islamic Foundation, UK: Earned Income should be subject to Zakah according to this booklet: p.37/38, citing page 328 Fiqh Zakah, Qaradawi - reason given is similarity to agricultural output; p. 38 mentions that you yourself consider earned income as Zakatable.

If he said so, this is a misunderstanding from him of both Qaradawi and me. We both say income is subject to Zakah but you deduct from it expenses, this means only savings are subject not total income and we both emphasize that money needed for expenses is not subject to Zakah!

3. Thanks for clarification, so a wealth of 3000 Euro is Zakatable every lunar year if not debt could be deducted.
4. The student's loan is subject to be paid back, once income is generated with a regular work. The question is, whether they would be deductible still or not. If they are deductible, then negative wealth does not result into Zakah.

Students loans are going to be paid from future income not from present assets, they are not deductible from present asset when you calculate Zakah. In other words,

present assets are Zakatable and the owner is rich although she/he is under future debts, like house mortgages.

5. If negative wealth is stated, does the person herself qualifies for Zakah, even though the debt is not due?

If a person is under debts that will be paid out of existing assets and the debts exhaust her/his assets, she/he qualifies to take Zakah to help paying debts "'al Gharimin'". Of course there are priorities that depend on other circumstances and urgency of other needs and nature of debt and who whom it is due, for instance debts to government may not have priority over poor in other countries unless if there is jail sentences for them!

Similarly, a person may qualify for Zakah if her/his income is below his/her needs for expenses including education expenses.

Best regards,
Michael

From: Michael
Sent: Sunday, April 15, 2007 9:07 AM

Question

Subject: Re: Student request regarding Zakat in Germany
as salamu alaikum,

1. Page 44 net earning versus gross earning is specifying this point. I would have appreciated to read this in the same chapter to avoid the misunderstanding.
2. Finally it can be said: the whole savings are zakatable with 2.5 % as the debt has to be paid from future income. Nisab is exceeded and gets not deducted. Allah yubarik fik,
Michael

My Answer

Dear Br. Michael

Assalamu Alaikum wa Rahmatullahi wa Barakatuh

I don't know this Rahman who is he and what authority he has and what is his calculation of Zakah. Please refer to my "Zakah Calculation for Muslims in North America" that is on my website, the first publication of it was in 1977 and since then it has the same view on this issue! Same for Qaradawi and my translation of his book.

Best Regards,
Wassalam,
Monzer Kahf

Subject: Adding items together in Nisab

From: Sara
Sent: Monday, October 22, 2007 7:03 AM

Question

Assalamoalaikum,

If i have some gold whose value does not reach the nisab level plus some money which when added to the monetary value of gold together they still do not reach the nisab level, is zakah due on me.

Also the nisab level defined for gold is 85gms of gold to the best of my knowledge. Now the monetary value of this gold varies depending upon the country, the time etc. So if I have e.g. 32 grams of gold and its value is huge e.g. 40000 rupees so do I still pay zakah on it even though this doesn't reach the nisab level. Regards,
Sara

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Sara,

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

For your first question the answer is that you are not subject to Zakah as long as all you own is an amount of golden jewelry plus an amount of money, the total of them both does not make it for the Nisab.

For the second question, I believe that you are not required to give Zakah on the value of gold that you own as long as it is (alone or with the amount of money and silver you may have) less than the Nisab. You are not required to take its value and make calculation of transfers back and forth between gold and cash. However, if your property is in cash, any currency or combination of currencies, I believe that our religion does not require us to follow the currency exchanges and violently changing prices of gold in them. I still argue that when it comes to cash and assets other than gold and silver (I exclude them because they are named in the Ahadith with defined quantitative Nisab) the amount of Nisab is still reasonably the same as I estimated it three years ago even with the gold price now is three times than it was then. I think the Nisab is still reasonably about US\$ 1000.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Zakah Calculation

Subject: how do I calculate my Zakah on property?

From: Kamal through Islam on line

Sent: Thursday, October 04, 2007 3:54 AM

Question

Salams dear Dr.

I would like to know how and at what rate do I calculate my zakat if I am a jewelry seller (Gold) and i want to calculate my zakat will it be on value of the stock i have presently or on the profit I realize on its sales over one year. Secondly i have many Landed properties which i earn rent on them will my zakat be on the rent icollected or the values of the properties

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. kamal,

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

In principle Zakah is on the net worth of your business plus the non-exempt personal items such as jewelry (that fail either of two conditions: being in normal use or beings within the amount range of the peers), cash, saving accounts and the like.

Net worth is to be estimated at market value on the day of the Hawl (passage of one lunar year, i.e., 354 days, the first such year begins once the total of Zakatable items you own is equal to Nisab) and Zakah is at the rate of 2.5% of the market value and repeated every lunar year then after. Net worth means assets, at market value, minus liabilities. (with some adjustments related to some provisions, prepaid bills, advances from customers, etc.).

Other investment properties, including commercial and residential lands, buildings, stocks and other investments are also subject to Zakah at their market value on the day of Hawl at the same rate and repeatedly every lunar year.

You can adjust for a lunar/solar year through the rate. so if you use a solar year in your accounting you may use with it a higher rate instead of 2.5% you should use $(2.5\% + 2.5\% \times 11/354 = 2.5778\%)$. If you own agricultural land that is given to a farmer on crop sharing, you pay Zakah on your share of gross value of the crop at the rate of 10% if the land is watered by rivers, power pumps, or rainfall or 5% if it is watered water pulled out of wells by animals. If a farming land is rented to farmers for cash, you apply the same rates of 5 or 10% on the rent you get from the farmer.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Do you Deduct Home Mortgage from Total of Zakatable Items?

From: Uroosa

Sent: Thursday, October 11, 2007 12:33 PM

Question

I hope your Ramadan is going well...Eid Mubarak!

I've had the following question from a lot of people this year...Do I subtract the entire amount of the mortgage on my personal residence from the amount I owe zakat on? If so, then most people who own houses will end up not paying zakat-ul-maal. This is somewhat confusing, can you please clarify? Thank you,
Uroosa

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Uroosa,

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

It seems that you must know the answer as you mentioned that such a deduction from Zakatable assets would make most people not pay any Zakah.

You are perfectly correct. The rule is: you deduct from existing Zakatable assets only these DEBTS THAT ARE GOING TO BE PHYSICALLY PAID OUT OF EXISTING ZAKATABLE ASSETS. Other debts, namely those that are to be paid from future income or from other sources such as a promised loan from a friend or sale of existing residence or personal car, etc. must not be deducted from existing Zakatable assets when calculating Zakah on personal items.

For Zakah on business items, I go for the view that all the net worth is subject to Zakah. This means that we include all business assets, fixed and mobile, and we deduct all debts, short and long because net worth, at market value, defines what one owns, i.e., how much rich one is and that is the meaning of Zakatability.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Uroosa

Sent: Tuesday, October 16, 2007 7:58 AM

Question

In the short form that we pass out each year during Ramadan line 10 says to deduct all personal loans including mortgage. I looked into the source of this deduction, and Ahmed says that it was taken directly from the full version which was written by you. However I was not able to find a similar deduction in the full booklet. Regardless, ISNA has been mailing out the same calculation for at least several years during Ramadan, so whether the mistake was because we used the wrong authority (someone other than you) or that someone decided to change the short form, I don't know. I do not see the same issue in the long version of the Zakat Calculations, so I don't think there is a mistake on your part.

In any case, both forms are somewhat confusing...We should look into making a version that is easy to use for the non-scholar. Thank you once again,

Uroosa

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin

wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Sr. Uroosa

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

It must be a mis-quotation of mine. Someone confused business loans with personal home mortgage and personal loan. What is quoted applies only to business because Zakah there is on net worth. Here we have personal exemptions that have different treatment. Please do the job right next time!

Is that mistake in the form I made? or is it done by someone there without consulting?

The answer is: in the case of home mortgage, most likely there is no deduction at all. take these two examples to clarify:

Example 1: one has 10,000 cash and nothing else, his/her Zakah is due on Ramadan 28 = Oct. 10, 07. has received the every-two-weeks salary on Sept 28 (1900) out of which paid 1000 the mortgage due on Oct 2 (next payment is on Nov 2), next pay check of 1900 is due on Oct 12: Zakah is due on all the amount of 10,000, i.e., 250 Dollars.

Example 2: exactly same conditions but mortgage payment is on Oct. 11 and the next is on Nov 11. Zakah is due on 9000 is 225 Dollars.

In both examples please notice that all mortgage payments for the Nov thru next Sept are going to come out of future pay checks not from the existing 10,000.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Zakah Calculation

From: Zulfiqar through Islam on line

Sent: Sunday, September 23, 2007 2:59 AM

Question

Salams Dear Dr. Mozer,

I

- 1- Before three years, I used to calculate my zakat account based on what was the cash in hand upon completion of one full year (which used to calculate every Ramadan).
- 2- Since there are different opinions related to zakat calculation, and in order to have a better transparency in my financials, I thought to follow based on the following aspects:
Since the last two years, I calculated my zakat based on what I have in hand after my basic expenses.

Like, my income is SR 8000 per month, deducting SR 3000 as expenses. Then the net cash in hand SR 5000 x 12 = SR 60,000.

Note: the money actually not in hand always, however I calculated in that way.

Also, I added my incentive which is almost SR 10,000. So, the total net is SR 70,000 per year.

I paid zakat @ 2.5% SR 1750 (its value equivalent in Indian Rupees).

Please note that part of the above money I have invested in 2 - 3 small scale projects which contribute a nominal profit from one and no profit from the other two.

I will pay zakat @2.5% from the nominal profit I get from the profitable project mentioned above.

II

- 1- I sold ornaments of my wife (ornaments worth SR 16,000) and spent that money for something including some of the investments I made. And I have been doing so. I have promised my wife that I will pay to her a nominal money every month as a profit share to her in view of the fact that I spent her money.

Also, I have promised her that when I reach into a good situation, I will buy a land or anything that worth the money I took from the sale of ornaments.

Now my question is:

- 1- Since I have liability for SR 16,000 related to the value of ornaments sold, Can I offset it from my net income mentioned above SR 70,000 and calculate zakat accordingly.
- 2- Similarly I have rent income, for which I am paying zakat. But there is cushion money (security deposit) from the tenants and I used that money in my investments or I spent it fully, no money is in hand from that money. Since I have liability for those security money, can I offset it from my net income and calculate my zakat accordingly provided that the security money is subject to return back to the tenant whenever they vacate the shop room.

Appreciating your valuable reply. Jazakallah khair

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Zulfiqar

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

I am not going to comment on what you did but I will suggest to you what you should do (and should have done): on the day of your Zakah in Ramadan, make the following equation: balance of cash on hand and in banks + investments (at market value on the day of Zakah) + any saving plans, accounts and the like + rental property (if it is purchased for renting it but if you are renting your house back home until you go back from Saudi Arabia you do not include its value; this is at market value on the day of Zakah) + any

other properties that are not for personal or family use + any debts you have on others - all debts on you including the 16000 of your wife. You then multiply the same by 2.5% and that is your Zakah.

Your wife is required to pay Zakah on her jewelries + the debts she has on others including the 16000 that is on you + any other properties she has that is not for personal or family use. This way you have included all the Zakah on your salaries because any amount of salaries that is not spent is already included in any of these items that are mentioned, also the earned rent is included. The rental property is subject to Zakah in my opinion and I know there is a classical famous view that it is not subject but I believe that view cannot be substantiated with sufficient evidence in our modern contemporary wealth structures and economic life.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: ZAKAT DEDUCTION

From: Khurram through Islam on line

Sent: Sunday, September 16, 2007 5:13 AM

Question

Subject: FW: ZAKAT DEDUCTION

Salam dearest Dr. Monzer,

Can you tell me please the exact percentage of zakat on jewelry and can we pay zakat step by step during the whole year or we must pay total zakat during Ramazan. Thanks, Khurram,

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Khurram

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Zakah becomes due on jewelry and other Zakatable items upon the passage of 354 days (one lunar year) on the day when you acquired Nisab (Approximately US\$ 1000) for the first time and each 354 days then after. This means that each person will have his/her own Zakah year depending on when she/he acquired Nisab for the first time. Of course this day (mark it as the fiscal year of Zakah) can be adjusted to Ramadan or any other day by calculating and paying for the proportion of the lunar year of the adjustment. This means that Ramadan is not an obligatory time for the payment of Zakah although if one makes necessary adjustment giving Zakah and other charities in Ramadan will have higher rewards from Allah InShaAllah.

The rate of Zakah is 2.5% on jewelry, cash, investments and similar items. This is of course due every lunar year.

Finally while it is sinful to delay the payment of due Zakah beyond its due date, it is permissible to pay it in advance. Hence, paying during the year, gradually, with the intention that it is Zakah that will be due by the end of the year is permissible and very often may be advisable as the needs of the poor are usually spread over time.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Zakah calculation

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Hoosen

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Please find my answers on your letter below each point:

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: M. Hoosen

Sent: Monday, July 02, 2007 3:57 AM

Question

As-Salaamu Alaikum

I had organised an 8 person workshop this weekend, and we had read through all the papers from the Bangladesh conference on Zakah, Awqaf and Micro-finance as well as your papers on Zakah (from your web-site).

Alhumdulillah, it not only expanded our minds and knoweledge base, but in many cases it endorsed our opinions, views and modus operandi.

Also, we endorse and accept that a lot more work and education needs to go into promoting concepts of Social-Justice and we accepted the responsibility ... alhumdulillah, your paper on this theme was indeed valuable!

Furthermore, and as I indicated in an earlier correspondance, we need some clarity and explanation as to how/why some items in your Zakah Calculation For Muslims in North America (Revised Edition (Electronic) January 2001) was arrived at. We have listed several points that require clarity and we first ask for your patience and understanding as we attempt to put across what for the learned might come accross as obvious and silly questions ... please forgive our ignorance ...

A) Does intention play a role in determining the Zakaatability of an item, i.e. if I purchase something for personal use or benefit, will it automatically exclude it from our Zakah balance sheet.

i) If YES how does one define personal use / benefit

My answer is: YES AND NO. It is YES because there is no doubt that items appropriated for personal use are exempt from Zakah. This is evidence in the Hadith that exempts for a Muslim "his slave and his horse." Besides there is not a single Saying that imposes Zakah of houses in which owners live (that was the normal practice during the time of the Prophet, pbuh and there is not a single Saying about renting residential houses, renting came later about at least a hundred year after the death of the Prophet, pbuh, i.e., during Imam Malik's time!)

No, when the government applies it for law through appointing collectors and Administrators because the government can set objective criteria that may not consider intention as it is difficult to, in all cases, uncover the intention of an owner. Hence, the Zakah administration can set such criteria and apply them regardless of intention. We have an example in the opinion of Shaikh Qaradawi on Zakah on women jewelry that is in fact a reconciliation of different views: If jewelry is greater than the peers' (a criteria that does not consider intention!) and if it is not intended for normal or regular use (intention).

B) On page 12 you list NET SALARY and PROFIT as potentially Zakaatable items and it is determined after deducting a living allowance ... how would one go about determining a living allowance?

Living allowance can be set by the government (on objective criteria, even if some persons actually spends more) and may differ from one city to another even within the same country. But when Zakah is applied voluntarily by individuals and organizations, we look more at the actual. In the Booklet, I argue that role of organizations and experts in this regards is to suggest to users certain numbers from time to time and also educate them at that so they can apply the actual expenses as long as they are not extravagant. This boils down to looking at actual savings at the end of the year and sometimes add to them whatever the person feels that was an extravagant spending.

C) Ownership and accessibility are closely associated, for example if something you own is held as security (e.g. collateral) by another you do not pay Zakah on it.

1-In South Africa, we have something called a Retirement Annuity Fund, which are monthly deposits a working person makes into a regulated fund, which funds condition stipulate how and when your deposits can be accessed ... for example, the rules of the fund stipulate that one has access to the funds under on of three onditions/circumstances:

- i) On reaching maturity age (typically 55)
- ii) On disability (if before age 55)
- iii) on death (if before age 55)

RAF's are Tax-savings schemes ... and are voluntary usually taken out by professionals and businesspersons, and generally not by employees of companies or state employees
2-SIMILARLY, we have a State Pension Fund (for people in Civil Service). These people have moneys "forcibly" saved on their behalf (i.e. monies are deducted at source before they receive their net salary). Generally and typically persons do NOT have access to these funds while employed.

3-Then there are - so to speak - private pension funds which we call a Provident Fund ... these are also regulated by an act of law, etc. etc. Generally and typically, a salaried person is required by some companies (as a condition on employment) to have a Provident Fund ... both the employee and employer contribute towards the fund ... the money is generally not accessible to the employee while he is employed and when it is, it is usually under very strict conditions and sometimes penalties, etc. Usually these funds are not voluntary - although they can be!

Considering that only (3) above would SOMETIMES be accessible, which of these three are Zakaatable ...

ALSO is there a time consideration when one talks of accessibility ... i.e. If I have a bank account I can access my account immediately or atleast within 48 hours and thereby become liquid ... however with respect to the Provident Fund the time frame to access the funds could be 3 months or more! Does it matter how soon I become liquid?

This is a long issue and very confused, and also confusing. We need to understand the idea of Mal al Damar first that determines the accessibility that is meant in Zakah. Mal al Damar is money or a property hidden by its owner and he lost the direction to finding it,

The same concept applies also money that is Maghsab, technically it is still owned by its true owner but the owner has no accessibility.

A security for a loan or debt (Rahn) is definitely Not Damar and it is subject to Zakah although the owner has no accessibility. We need to apply these criteria to these types of funds and we have to realize that their conditions differ from one country to another and from one fund to another:

Social security, or an obligatory pension contribution in a private company, that you cannot use and you have no choice to increase or reduce, although you receive at the end of each period a report of "ownership" in one sense or another of the contributions.....is not subject to Zakah.

Funds that you have limited access such as choice of investment in which funds or which stocks, or under certain conditions such as when you buy a house, you can borrow from it, or accessibility with penalty such as paying past taxes and a fine, etc... These funds are definitely subject to Zakah and on the whole amount (no deduction of potential penalty or taxes) because these limitations do not violate the basic characteristics of ownership rights and government have the rights to impose such restrictions. Of course contributions of employers that are not vested (e.g., you can't take until after six month of employment) are not subject to Zakah until they become owned by the employee.

In other words, I will need more details about the right of and restrictions on accessibility to determine the zakatability of each of these funds.

D) Potential duplication in the payment of Zakah in salary, professional earnings and business profit ...

i) Page 18 (item 2-7) - I assume that these are both for personal as well as business bank accounts ...

ii) Page 19 (line 18 and/or 19) - I will assume that to determine Business Net Worth, one would read the business balance sheet and that this would include the bank accounts

In the case of business profit ... this means that the bank balance (or the money in the bank account) is taken into account twice ... once at line 2-7 and once at line 18/19

It is not meant to duplicate payment of Zakah on same item, it is either a mistake on my part or one for individual and one for business, most individual proprietors have a business bank account and a personal one.

SIMILARLY ... A professional would read his practice balance sheet to determine his business NET WORTH and would by necessity consider his bank balance when determining this ... he would also potentially duplicate the money in the bank account if he were to insert the figure in (line 2-7) and (line 18/19) ...

Same as above

ALSO, when one determines Yearly Net Income (line 51) is he not in effect working out a personal balance sheet ... i.e. income less expenses.

ASSUMING hypothetically that a person does not have any expenses whatsoever (he lives with his parents who buy him everything he needs) and such a person saves ALL his income (after taxes) in a bank account, and assume that the ONLY items on your schedule that affect him are line 2 and line 51 then certainly there is a duplication on Zakaatable assets.

As above, duplication is not meant here also.

E) Line 15 - 17 & 30: I have been taught that Gold and Silver are calculated on the value of the weight of the item ... it appears from your calculation sheet (line 15 - 17 & 30) that you only consider the value of the item (which potentially is higher than the weighted item) BUT this is also a subjective value left to the discretion of individual jewelers. For example my wife has a 22ct gold necklace which she bought for R2000 ... TODAY the value of the necklace at Shop A = R2500 and Shop B = R2250. However, the value of the weight of gold is R2300.

It is ok just take it as reasonable approximation

F) Line 21 and Line 22 - You have allowed for deduction of the full value of the monies owing, even longterm liabilities No I did not, otherwise it is a mistake that need correction. The rule is: any liability that is normally payable out of the present asset on which we are calculating Zakah.

Line 49: What liabilities am I allowed to deduct: My understanding is that one would prefer to have people deduct only:

- i) Liabilities that are due and payable (on Zakah Valuation Date) - One view of the Hanafi Madhab (revised)
 - ii) Liabilities against Zakaatable Assest - According to Maliki Madhab
- by allowing deduction of ALL liabilities (even for personal expenses) could potentially make a person non-payer as his personal liabilities exceed his Zakah assets.

Yes, you are right

AND why in the case of Mortgage on Personal Residence (page 15 - item 10) is the criteria of deduction limited to one year.

I suppose there is a need for revising some of the things in that booklet

G) Line 27 & 31: Individuals are going to have difficulty in determining and establishing what are Extravagant Excess in Personal Residence ... for example is a 72inch Television extravagant or is a 52inch television of higher quality and costs more, extravagant!

How practical is it to determine a minimum or normative amount? Only a government can make a determination. Otherwise, yes of course it is individual personal judgment that varies from one person to another, there is objective non-personal definition of extravagance in Shari'ah or in any other moral system. Of course it is obvious when you deal with large magnitudes (a house/residence of 365 rooms is extravagant and a person with family may have an independent entertainment room while for me personally I find it extravagant although I have a family too.

H) Line 39: How do we limit or identify the type of animals to be included in this list, for example should we levy Zakah on all pets or only on exotic / almost extinct animals that are kept as pets ...

The idea is: any item that is considered by the owner as a wealth item (i.e., attitude of "I'm keeping it for the time of need," I can then liquidate it when needed, I am a collector of precious items, etc.)

I) Line 42 & 45: Are these assets not already considered when I did my calculation on Business Net Worth (line 18) and potentially a duplication.

These are at the personal level and the others at the business level. If duplicating the previous items you leave them blank here as duplication is not intended.

- J1) Page 15 - How do we determine annual Net Income:
i) Is it take home pay (i.e. Gross salary less deductions)
ii) Is it take home pay less living and other expenses?
J2) I remember reading about it, but could not find how the value \$7,500.00 was derived
... (page 15 - item 9)

You should consider take-home income because deduction of family expenses are deducted in the next line. The source of \$7500 is the data on the average cost of living in the US at that year.

I thank you for all these comments, would embark on updating it and revising it to suit South Africa? If you do I offer to review it.
Hoosen

Subject: Zakah Calculation

From: Aadila

Sent: Tuesday, May 22, 2007 10:01 AM

Question

Dear Dr Monzer, Assalaamu'alaykum Wrt Wbt.

Please help by giving a simple explanation on how one should calculate zakat of a islamic bank where there are both muslims and non-muslims shareholders. The 2 volumes of books which you had translated may take a long while for me to digest and would appreciate you help by zooming in the method to calculate the zakat.

Q1) Do I calculate zakat on net profit after payment of corporate tax to inland revenue?

That is the corporate tax would be the tax on chargeable income after tax computation base on local IRAS requirement of allowable and non-allowable?

Q2) If answer to Q1 is yes, to calculate zakat after provision for income tax, then do I take the net income after deducting the provision to compute as follows:

Only applicable to muslim shareholders:

Net income after provision for income tax e.g \$X

Total shareholders - 5 non-muslims and 5 muslims = 10 shareholders

Therefore, only the muslim shareholders are subject to zakat payment - $\$X * 5/10 * 2.5775\%$ (base on gregorian calendar month) = \$Y

So each muslims shareholders would have to pay \$Y divide by 5?

Q3) Besides the net profit that is zakatable, assets less fixed assets should also be subject to payment of zakat? Can you explain on this as I cannot understand the AAOIFI method of net investment or net assets method. Can you use simple layman language to explain?

Q4) However, if all the above are wrong, please guide me. like what to less out or add in and the period on balance brought forward amount and current revenue etc. what about the share capital which the shareholders injected as paid up capital and its reserve in the owners' equity account - are they subject to zakat and taking into consideration of 50% of shareholders are non-,muslims.

Thanks and best regards, Jazakallaahu
Aadila

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Aadila

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

- 1) Zakah is not on income but rather on balance sheet items. This means that you don't look at all at the profit and loss account.
- 2) In a bank, balance sheet items that are subject to Zakah, according to majority including Qaradawi, (I argue for the net worth) are: receivables + cash + investment assets acquired to be sold.
- 3) Deductible items include: all confirmed obligations that are going to be paid in the coming year including current accounts deposits, investment deposits, the part of loans that is payable during the coming year, provision for taxes,
- 4) For detailed, item by item, approach please check the Zakah House of Kuwait, I know they have a publication for companies and banks, most likely they have it on line or at least order it from them.
- 5) You are correct on the proportion of Muslims/non-Muslims and on the Gregorian rate.
- 6) Of course you can arrive at the same figure if you take total equity minus fixed assets and similar items that are not intended for sale (e.g., supplies of work materials like paper, pens, etc.)

AAOIFI method does not go outside this. Please ask again for any details.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Zakah on Agricultural Products

Subject: Zakah on Plants

From: Usman through Islam on line

Sent: Monday, April 23, 2007 8:44 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,

In the Philippines the main source of income is agriculture. May I know how zakah from plants like rice, corn or coconut are calculated? Jazakum Allah khairan

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Usman

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

It is so simple! you take the total sold harvest, cumulative throughout a full lunar year, do not include what is actually consumed by the family, guests and the like during the year; If this total is equal to 5 Wasq (this is approximately 654 KG) you must distribute 10% of it to the poor and needy as the due Zakah of this product. Most Scholars argue that you count each item (such as wheat, rice, coconut, etc.) alone but really there is no strong evidence to support this separation. You must add all products together. If you irrigate your farming by using powered machine you apply the rate of 5% instead of 10% but you must not deduct the cost of powered watering from the value of the sold products.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Zakah on Income

Subject: Zakah on Pension and Rent Income

From: Hicham through Islam on line

Sent: Wednesday, February 21, 2007 4:31 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,

I am a retired civil servant. I have a pension of 900 USD and a rent income of 500 USD. However, I have a loan to honor and these revenues do not suffice me. Therefore, I could not save money. my question is: Do I have to pay Zakat? JazakomoLLAHO Khayran.

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Hicham,

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

Zakah in on the part that is saved of your income. If your income from all sources is barely sufficient to maintain you and your family and to pay the due part of the debts that are on you, and therefore you do not save any part of it there is then NO ZAKAH required on you. When you have income and you save out of it the amount of Nisab that saved part is subject to Zakah provided other conditions (of Nisab and Hawl) are fulfilled.

Wa Allahu A'lam
Wa Alhamdu li Allah Rabb al 'Alamin
Wassalam
Sincerely,
Dr. Monzer Kahf

Subject: Zakah on Earnings

From: Salman through Islam on line
Sent: Thursday, March 01, 2007 3:22 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,
My question is about zakat.do one have to give zakat on what he earns or what he save?I
earn weekly, so should i give zakat on what i earn? Jazakum Allahu Khairan

My Answer

Bismi Allah al Rahman al Rahim
Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad
wa 'Ala 'Alihi wa Ashabihi Ajma'in
Dear Br. Salman
Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

Zakah is on the part you save. If your income is more than your expenses plus what you pay for debts that you may have and any other obligations such as helping parents. If you use up all your income there is no Zakah on savings. Additionally Zakah is on wealth items such as previously accumulated savings, bank accounts, investments and other properties you may own, keeping in mind the personal exemptions such as residence, means of transportation, furniture, etc. Remember also that Zakah is a yearly worship/duty that means it is repeated every lunar year (= 354 days) on the same assets plus any additions acquired during the year. Of course Zakah applies one lunar year once one acquires the amount that is equal Nisab (# US\$ 1000).

Wa Allahu A'lam
Wa Alhamdu li Allah Rabb al 'Alamin
Wassalam
Sincerely,
Dr. Monzer Kahf

Subject: Zakah on child benefit and Savings

From: A brother through Islam on line
Sent: Thursday, October 04, 2007 3:41 AM

Question

Dearest Dr. As-salamu alaykum

We receive child benefit and we have savings for the kids and we do spend also and we want know do we have to pay zakat on this money

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br.

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Yes, on your savings if you have a Nisab and after one year of having it for the first time. The source of money is immaterial in regard to Zakah (of course as long as it is Halal. Haram money must be returned to its true owner). What matters is being rich as defined in regards to Zakah. This definition is having the amount of Nisab (approximately the equivalent of US\$ 1000) in excess to your normal expenses and whatever money you need for a future due payment (out of the existing savings) for a debt or expenses. Zakah is due one lunar year (i.e., 354 days) later and every lunar year then after on the balance that you have on the 354th day provided it is equal to Nisab or more. You should also remember that Zakah is also due on other properties such as jewelry, investments, retirement accounts, etc.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Zakah on increments to savings

From: Sara

Sent: Saturday, September 29, 2007 11:36 PM

Question

Assalamoalikum,

Thank you brother for your answer. I just want to confirm like for example if i have 30,000 rs after adding everything at the beginning of the year and this is nisab value let suppose then after 354 days i have 100,000 rs then i pay zakaat on 30,000 that i had at the beginning of the year? Also i want to know that is it mandatory to give zakaat to the poor and needy people in your area only or can i give it to hospitals etc which provide for the medical facilities of poor people. If i give it to the hospitals will my zakaat be valid.

Thank you and may Allah bless you for your help.

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Sara

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

1) In the example you gave you must pay Zakah on the 100,000 definitely because the Hawl condition is not on the increment but on the original Nisab: You had a Nisab on Say Ramadan 10, 1427 and on Ramadan 10, 1428 you find that you have 100,000. Zakah is due on the mount you have now, the 100,000 although the increments during the year, the 70,000 in this example did not have a full year passed on each on them. This is the

Zakah on income or salary as you clearly see it.

2) If you don't give your Zakah directly to a deserving person/family, you must be sure (as it is your responsibility) that who ever you give it through (as a fact your agent in this case) is going give it exactly the right way. Very often hospital management don't make exact distribution to deserving patients!

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Zakah on gold and jewelry and on Salaries

From: Sara

Sent: Friday, September 28, 2007 6:23 PM

Question

Assalamoalaikum,

I was wondering if you can help me with my zakaah calculations:

- (1) I have 32 gms of gold saved up which amounts to 41,600 in Pakistani rupees.
- (2) I also have 46000 rupees of cash saved up from last year.
- (3) I also have a jewellery set which is not completely gold but has little amount of gold in it, I don't think that that value of gold is significant in any terms.
- (4) I have read that zakah is not due unless you have 85 gms of gold saved up or 595 gms of silver. If I add the monetary value of the gold that I have plus the cash saved up from last year it equals 87600 in Pakistani rupees and if I add the estimated value of the gold in the set the total would be no more than 95000 in Pakistani rupees which is again less than the amount of 85 gms of gold that is the Nisab level of everything totaled.
- (5) I want to know if I should pay zakah on this if I am not mistaken about the 85 gms of gold thing. And if I should, it would be 2.5% of the total (i.e. gold + cash) or should I pay separately (i.e. 2.5% zakah on gold and separate 2.5% zakah on the cash).
- (6) And one last thing I found this question /answer on a website can you please clarify it and give fatwa based on it all.

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Sara

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

1. You should add together all items of gold, silver, jewelry that is made of precious metal (like platinum or palladium, not false jewelry that is plated with gold or silver), cash, debt on others, investment in stocks and others securities, checking and savings bank accounts accounts, retirement accounts, business net worth and any other items that are intended for sale, etc minus debts on you that are payable out of these mentioned items. If the total is equal to or more than Nisab, you are then subject to Zakah and your Zakah is at 2.5% of the total balance on the day of completing the Hawl (354 days after having Nisab for the first time).
2. Zakah on Salaries is calculated on the saved part of it only. This means once you make the calculation as mentioned in number 1 above such savings are automatically included because they are used in the form of additions in one or more of the mentioned items, then you do not need to pay any other amount as Zakah. I don't agree with the rationale that is mentioned in the response of the question that you quoted from some other website at all. there is a tremendous difference between land produce and human services, and salaries cannot be, by all means, considered similar to agricultural output. The fact that you get salary periodically does not make it subject to 10% rate. Salaries are basically used for living expenses and if a part of them is saved then it is simply cash (or it may be saved in any other form of wealth but in all cases it is subject to Zakah as mentioned above), it is no more salary!

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Paying Zakah on Money Given by Non-Muslim Grand-mother

From: Nadia through Islam on line

Sent: Monday, September 24, 2007 12:57 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,

I have been given a large sum of money by my late non-Muslim grandmother to use for university and graduate school. The money is held in a trust. I do not have control over the money until I turn 30 years old. The current trustees who do control and manage the money are not Muslim. I do have access to the money for school- or medical-related expenses. I am currently a student and do use some of the money to pay for some expenses each semester. Do I need to pay zakat on this money? Jazakum Allahu Khairan for your constant help.

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Nadia

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

The way I know these kinds of trust makes me assert that you are not yet an owner of this money. It is a gift to you suspended on a future date.

For now, whatever you withdraw from this money becomes yours upon withdrawal and you said you can only withdraw to pay for necessary expenses like tuitions and medical bills. When the money is turned to you after the age of 30 you become an owner then only and you will have to include that money in the calculation of your Zakah. As for now your Zakah covers other funds and properties if you have any that is equal to Nisab (approximately US\$ 1000) or more and a period of a lunar year has passed. As for the source of the money (a gift from a non-Muslim relative), it really does not matter as long as it comes to your ownership in a legitimate manner. On the other hand, any money that may come to a person through a non-legitimate manner, is not considered a property of that recipient person and if its owner is not known or if it is wrong to return it to its owner (like interest earned from conventional banks) must be discharged of by giving it to Muslim charities.

Meanwhile, if you can influence the trustee to invest the money (that is in trust to your benefit) invested in Shari'ah compliant investment instead of earning interest you should do that.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Zakah on Retirement Funds and Accounts

Subject: Zakah on Retirement Fund

From: May through Islam on line

Sent: Thursday, March 22, 2007 3:53 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,
Dear Scholars I have two accounts that I will collect on upon my retirement. One is my hospital's plan that both I and the hospital pay into which is invested and gives me dividends, legal interest, not haram. And the other is a ROTH IRA, a retirement fund that I invest in annually. My question is when I pay Zakat should I pay on the total amount of the both accounts or just on the earned money from the accounts, i.e. the halal interest during the year. additionally can my husband on her own open an Individual Retirement Account, i.e. a ROTH IRA? jazakum Allah khairan

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear May

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

1. First I am not aware that is is a ""legal interest"" or ""Halal Interest."" I know very well that all interest is HARAM except when you borrow from your IRA,Roth, 401K or the like and the law requires you to pay back the loan with interest. This is in fact not interest but additions to your account although the law calls it interest. But any thing that you earn from other persons on a loan (an amount you give to be returned to you at a later date whereby its principal is guaranteed to you) is interest and this is the same as RIBA that is mentioned in the Qur'an and this is what is Haram.
2. If one earn a Haram money, one must give it all to Muslim charity in order to keep one's own property pure and clean. This giving is not considered Sadaqah nor Zakah. and of course when it is all not yours and due for giving away there must be no Zakah on it.
3. Assuming that all return are Halal, Zakah is due on all the balance that you have in all these accounts (principal plus revenues) every lunar year at the rate of 2.5%. the first lunar year begins when you first acquired Nisab (# US\$ 1000). The same is repeated ever lunar year (i.e., every 354 days thereafter). You may deduct the not-vested-yet amount that is contributed by the employer (the amount that if you quit on the day Zakah is due the employer will take it back). All other funds in these accounts are yours and you normally invest them at your choice. they are all subject to Zakah.
4. Zakah id due for payment on the day you pass the lunar year. but essentially Zakah is payable from the same Zakatable asset and it can be paid from other resources too. This means you either pay the Zakah from other resources or calculate it every year and delay the payment until you start withdrawing. of course in this case the amount that will then be due for payment may make a high percentage of what you withdraw. But what I meant to say that is not sinful to delay payment in this case otherwise delaying payment from the due date with no valid reason is sinful.
5. Finally, your husband can make a separate account for himself in any of such manners. The reality is according to Shari'ah the properties of the husband and wife are completely separate from each other and one has no authority nor any claim on the property of the other (except that the wife can take from her husband's properties what is needed for household expenses if he does not spend on his family). The only property that is recognized in Shari'ah as owned by them together is a property that they choose to put it in both names and then unless there is evidence to the share owned by either of them such property is considered owned half/half (this becomes important in case of death of one of them).

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Zakah on Pension and Rent Income

From: Hicham through Islam on line

Sent: Wednesday, February 21, 2007 4:31 AM

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,
I am a retired civil servant. I have a pension of 900 USD and a rent income of 500 USD.
However, I have a loan to honor and these revenues do not suffice me. Therefore, I could not save money. my question is: Do I have to pay Zakat? JazakomoLLAHO Khayran.

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Hicham,

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

Zakah is on the part that is saved of your income. If your income from all sources is barely sufficient to maintain you and your family and to pay the due part of the debts that are on you, and therefore you do not save any part of it there is then NO ZAKAH required on you. When you have income and you save out of it the amount of Nisab that saved part is subject to Zakah provided other conditions (of Nisab and Hawl) are fulfilled.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Are Islamic banks charging higher rates?

From: Barakat

Sent: Wednesday, November 07, 2007 9:33 AM

Question

Alsalm Alekom wa rahmato Allah Wa Barakatoh

Dear Dr Kahf:

I am a moslem living in London and want to buy a house. I understand that there is a fatwa by Dr Karadawi to allow non Islamic mortgage if the house is to be used for living in to for trading. but I have been told that sheikh Karadawi restricted this only to the absolute emergency where there is no islamic mortgage.

There are four banks offering islamic mortgage in London, but they are more expensive than non islamic mortgage. Also I contacted them and what they told me was that they actually borrow money from the Bank of England to buy the house in their name and rent it out to the client and that the rent is based on a profit margin above ther Bank of England base rate or above LIBOR (London InterBank Offered Rate). So in reality they are a middle man between the client and a normal non islamic bank. the take a non islamic loan and charge the client for the interest rate plus an additional profit for themselves.

As I see the situation now, the islamic banks are more expensive than normal banks. and they actually purchase the money from the market i.e. non islamic loans and charge an extra fee. Plese advise, what should I do. Thank you

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Barakat

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

1. I like you to kindly notice that Islamic banks in UK and otherwise are not simply middle men . CATEGORICALLY, THEIR SOURCES OF FUNDS ARE NOT ON INTEREST AND THEY DO NOT FIVE FINANCING ON INTEREST. whatever you were told is either plain incorrect or misunderstanding or sometime out of ignorance of bank employees and others. Islamic banks get funds from shareholders, Mudarabah-based depositors and also from reassignment of properties they own that is bound to lease contracts for housing and other fixed assets and real estates. This re-assignment of properties leased to persons like you is permissible in Shari'ah because it amounts to sale of what the bank owns.
2. It is possible that an Islamic bank may have a higher rate than other conventional banks for its financing. But usually Islamic banks are within the range of other banks in their rates and charges because they live in the same market and every person does exactly.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Barakat

Sent: Saturday, November 10, 2007 3:03 PM

Question

Dear Dr Monzer alsalamo aleikom wa rahmatu Allah wa barakatuh

Thank you very much for having the time to reply to my query but i wanted to inquire thoroughly about my personal situation. what i understood from some scholars is that fatwa Alsheikh AlKaradawy doesn't apply to Muslims who live in England as there are about four islamic bodies that do islamic home mortgage. the point is after checking with them i found out that they are charging higher rates than other conventional mortgage suppliers. to give you average figures so you can understand the situation, having a mortgage with HSBC amanah will make me pay 547000 sterling pound for the house purchased at 282500 with me keeping some cash in the bank for my personal use. However, if i paid that cash that i am intending to keep, as an offset type of conventional mortgage i will be paying the total price of the house of less than 370,000 pounds with a difference of about 170000 plus, from the islamic mortgage. as well as reducing the payment term. me and my wife donot want to go for something that has a shobhaa in sharia. we are afraid of haram and Ribba as we cannot afford a war from

Allah and the prophet. we need a fatwa Is it halal to take normal mortgage if the islamic ones are of a huge difference than the normal ones or is it not, as long as islamic ones exist even if they are much more expensive Barak Allah feek wa Jazak Allah Khair

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Barakat

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

You need to compare apple with apple (with SHBC you keep some money in the bank and with the other you use this money.....). It seems you are not doing it. And with four Islamic banks I am sure there cannot be such a difference. Another point, you also know that the market of house financing does not have a universal rate all over UK, rates differ from one provider to another. When you get a quotation from someone and go for more search, you will always find some other who can beat this quotation. that is not really comparing. It becomes Haram to take conventional if the Islamic contract is within the range of the variation in the market and this range may differ for one eighth or one fourth maximum. such a variation does not create 170,000 for a house price of 282,500. Please reassess your search, rates, compare equal conditions in every thing and you will never find such differences as you thought. But if the difference is as you mentioned, I consider the Islamic as non-existing and apply the Fatwa because the Fatwa does not intend to charge Muslims higher rates. Please do your homework right and I am confident you will find one of the Islamic offers as competitive as conventional banks.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Zakah on Shares, Stock, Options and Bonds

Subject: Zakah on company stock options

From: Habib

Sent: Friday, March 23, 2007 1:37 PM

Question

Dear Dr. Monzer Kahf, Assalamu Alaikum,

Please allow me to seek your help to know Zakat status of socks granted by companies as part of their compensation programs. They are of two types:

1- Stock options. These options got no voting power and do not earn dividends. In my situation I am granted stock options and are not part of my contractual agreement with my company. These are granted at the sole discretion of the company and are meant to incentivise employees to stay in the company for the long hauls. I do not own the

principal of these stock and would benefit only from the appreciation of the stock over a fixed period of time. These stocks are granted every year.

I would like to give you a specific example:

- I am granted 1000 stock options, the value of the stock is \$40, a total of \$40,000
- I am allowed to sell 250 stocks after 1 year, 500 stocks after 2 years, 750 over 3 years and starting year 4, all 1000 stocks are vestable.
- These stocks will expire after 10 years if not sold.
- If for instance, the stock appreciate to \$42 after 1 year, my own benefit would be \$2000 but can only sell 25% of the stocks and thus my benefit would be \$500.

If the stock appreciates to \$50 after 4 years, my benefit would be \$10,000

- My question is whether I have to pay Zakat every year on the outstanding benefit value or only when I sell the stocks at any time during its 10 years life span and what would it be.

2- Another type of stock I am granted is called restricted stock, this one has also got no voting power and does not earn dividends. In the above example, the 1000 stock plus whatever appreciation will be mine, however, I am not allowed to sell any of these stocks in the first 3 years. By year 3 these stocks change to common stocks and I can then sell them at any time; if after 3 years the stock value becomes \$45, the total value of \$45,000 would be mine and then they start having voting power and would earn dividends. What is zakat status of this stock before the end of year 3.

Jazakumallahou Kahiran for your help, Wassalamu Alaikum

Habib

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Habib

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

- 1) You did not explain what is the 40 in your example and I assume this (although may be the market price at a certain time) is the price of exercise. That is the price you can buy at when these options become vested. This is why you earn only the difference. I am afraid these options cannot be traded from Shari'ah point of view. This means that you may not sell these options although they are permissible to be given to you by the employer and it is permissible for you to accept and own them. When they, or any part, become vested, you can exercise your right to buy or assign this right to another person for consideration (this amounts to selling them for the price differential). These stock options are not subject to Zakah at all. It is only when they turn into reality (stocks) the stocks become Zakatable. That is only when you buy the stocks for the price of 40 and then you may sell and gain the difference or keep and become a share holder. In either case, the kept share or the net money you gain becomes a part of your Zakatable assets and should be included with your other Zakatable assets in the calculation of Zakah and subjected to the same already established Zakah year.
- 2) The second kind of option is new to me and I thank you for explaining it. Let us examine this option. . Is it anything more than a promise that if you stay with us for

three years we'll give you stocks that may be then worth of so and so? It seems to me from your explanation that this option is only a promise. If it is a promise it is not subject to Zakah and only when you actually earn these stocks that you add them to your other Zakatable items as mentioned above.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Does Investment in Company's Shares Attract Annual Zakah?

From: Amino through Islam on line

Sent: Tuesday, October 09, 2007 5:48 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh, I have two questions. First I want to know whether investment in companys' shares attracts annual Zakkat. Two we are compel by law in Nigeria that every worker has to contribute to his retirement benefit on monthly basis and this amount is invested in the Banks on interest. Before we retire it will takes us almost 20years to come. How can we purified this money after retirement? Jazakum Allahu Khairan for your constant help

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. amino

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

1. Shares are subject to Zakah at market price on the day when your Zakah is due, the day when a Haw (one lunar year) passes on the Zakatable items that you own. the rate is 2.5% and this is repeated every year.
2. Investment in retirement funds are also subject to Zakah. But what you pay as a social security tax is not subject to Zakah although that gives you the benefit of a pension late at retirement. The difference is: Money is your retirement fund account is yours and you are rich by it although the government puts certain restrictions of your accessibility, while in a social security system you do not get your money back but you are paid according to the law a pension or family members are paid death benefits.
3. If you are not given any choice to invest funds in your retirement account other than just placing it on interest in a bank, you may do that but all interest (you do not deduct anything to compensate for inflation or taxes you pay to government) must be given away to Muslim charity or directly to poor and needy when you withdraw money from the account, this is why you need to keep record of this interest that accumulates on this account.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin
Wassalam
Prof. Dr. Monzer Kahf

Subject: Zakah on Shares

From: Ahmed through Islam on line
Sent: Wednesday, October 10, 2007 4:29 AM

Question

Salams dear Dr. Eid Mubarak!

Is there a Zaka due on global traded shares, and how is it calculated.

Ahmed

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Ahmed

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Shares in our time are, as you described them, globally traded. This makes them tradable items and are subject to Zakah at their market price on the day of your Hawl (when one lunar year passes on your Zakatable assets) at the rate of 2.5%.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Zakah on promoter holding

From: Tariq
Sent: Sunday, September 16, 2007 10:58 PM

Question

Dear Brother Monzer Asalamualikum:

My question is regarding Zakah. In case of person who holds promoter stake in a publically listed company ,what is the ruling of Zakah. Eg a person who is promoter of company holds 40% stake in that company. The market capitalization of the company is say USD 500 million. That means the value of the promoters stake is USD 200 million. He does not trade in these shares and neither intends to sell this stake. He is getting yearly dividend on this holding . Is zakah payable only on the dividend income in his case?

Wasalam

Tariq

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Tariq

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Is this holding represented is shares that the owner can sell at any time in the market, at market price? if it is so then it is like any other shares, they are subject to Zakah at market price on the day of Hawl (passage of lunar year) at the rate of 2.5% repeated every year. Whatever dividends acquired during the year is a part of the cash flow and at the end of the Hawl, the cash balance is added to other Zakatable items, including the promoter holdings, and then Zakah is calculated. BUT if the promoter's holding is not represented by any shares that can be disposed of presently or in the future. Rather they are only a right to a part of the distributed dividends (as in your example of 40% if the promoter's holding means only a right to 40% of distributed dividends) then there are no shares owned and whatever cash received is a part of the cash flow, Zakah of the balances one owns at the end of the Hawl.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Zakah on Investments

From: Jareer through Islam on line

Sent: Monday, August 27, 2007 2:34 AM

Question

Dear Dr. Monzer, As-salamu alaykum

What is the Zakat Ruling on Investments, like Funds, Shares, Unit Trusts Invested for their Dividends not for Trading.

Thanks

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Jareer

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

All these investments are subject to Zakah on the value of stocks, units, etc. as valued at the closing of the day that precedes the due date of your Zakah (Hawalan al Hawl). I am aware that there are opinions given otherwise but there seems to be no foundation for such opinions. These are assets that represent wealth and not devoted for personal and family use. They make a big and often the biggest difference between the rich who is able to pay and the poor who is deprived. Of course whatever dividend obtained during the

year must have already (during the year) either used for personal and family expenses and the like or added to Zakatable assets

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Zakah on Gold, Precious Metals, Jewelry and Gems

Subject: Zakah on gold

From: MOHAMMAD

Sent: Monday, May 14, 2007 6:57 AM

Question

Asalam-e-ilaykum Dear Brother,

I have a question regarding Zakah , I do have lot bills to pay which will take me 6-8 months time to finish pay off my bills ,besides that i have some assets like some gold from my marriage , do i have to pay zakah for that even though I have some big bills unpaid yet , if i do have so than how many percent of that . Thanks Shukran

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Mohammad,

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

If you are not using the gold to pay your bills, it is of course subject to Zakah. Here are the details:

1. Here you have an asset (that makes you rich in the definition of Zakah) that you are not using for any need of your or your family. Paying debts is of course a need, but you are not using this gold to pay the debts.
2. I suppose you are a male and this gold is yours. Female's golden jewelry is exempt if tow conditions are fulfilled together: 1) the value is not too high that substantially exceeds her peers' jewelries; and 2) they are actually used for their suitable occasions (to exclude jewelry stored for value only).
3. Zakah is due on gold of it reaches the amount of Nisab that is about 85 grams and after the passage of one full lunar year that begins on the day its reaches the Nisab.
4. Zakah is due at the end of the first year (i.e., on the 354 day after having it) and every lunar year then after.
5. The rate is 2.5% every year as long as what you have is not below the Nisab.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Zakah on Gold Containing Artificial Pearls

From: Afaaq through Islam on line

Sent: Tuesday, December 11, 2007 7:16 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh, As-salaam-u-Alikum, If gold is mixed and also contains impurities (artificial pearls etc.), then should Zakah be paid on the amount that accounts for gold or zakat will be paid on gold as well as impurities? When we go to a gold-maker, he also demands money for the artificial pearls but when we sell it he does not count pearl and give us the value of gold and mixed impurities dissolved in gold? Is it HARAM? Jazakallaah.

My Answer

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Afaaq

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

The Zakah part of your question is simple: if the quantity of gold in jewelry is of the amount of approximately 85 grams, the jewelry is then subject to Zakah according to the Hanafi School. I go as long with the Qaradawi reconciliation that if jewelry is used normally and its value is not beyond what peers have, it is then not subject to Zakah. If any of these two conditions is not satisfied the jewelry is then subject to Zakah. According to this opinion when Zakah is obligatory the amount that is subject to Zakah is the market value of the jewelry as it is on the day when Zakah is due.

The issue of fake pearls and whether their price is recognized in sale and buy is a market matter. If the jeweler buys it for the purpose of melting the gold and re-manufacturing it, it will of course not take into consideration the fake pearl, so if it can get away with this claim it will use it. If jewelries are rare and the fake pearls add value the seller can impose a higher market price on the jeweler! This is a market matter that is permissible in Shari'ah as long as there is no fraud or cheating involved.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Zakah on women jewelry

From: Afaaq through Islam on line

Sent: Thursday, November 29, 2007 7:56 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,
Q. Should zakah be paid on the jewelry that ladies wear commonly at home in routine or should it be paid on the jewelry that women wear sometimes on special occasions like wedding, party etc.? Jazakum Allahu Khairan for your constant help

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Afaaq

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Seeking a Fatwa is not a matter of entertainment, my dear young man. You are most likely still a student not married and you are asking about women jewelry!

According to Hanafi school, all gold and silver jewelry is subject to Zakah if it is Nisab and a lunar year passes. According to other schools, Jewelry that is used routinely and/or occasionally as you described are not subject to Zakah.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Zakah on gold and jewelry and on Salaries

From: Sara

Sent: Friday, September 28, 2007 6:23 PM

Question

Assalamoalaikum,

I was wondering if you can help me with my zakaah calculations:

- (1) I have 32 gms of gold saved up which amounts to 41,600 in Pakistani rupees.
- (2) I also have 46000 rupees of cash saved up from last year.
- (3) I also have a jewellery set which is not completely gold but has little amount of gold in it, I don't think that that value of gold is significant in any terms.
- (4) I have read that zakah is not due unless you have 85 gms of gold saved up or 595 gms of silver. If I add the monetary value of the gold that I have plus the cash saved up from last year it equals 87600 in Pakistani rupees and if I add the estimated value of the gold in the set the total would be no more than 95000 in Pakistani rupees which is again less than the amount of 85 gms of gold that is the Nisab level of everything totaled.
- (5) I want to know if I should pay zakah on this if I am not mistaken about the 85 gms of gold thing. And if I should, it would be 2.5% of the total (i.e. gold + cash) or should I pay separately (i.e. 2.5% zakah on gold and separate 2.5% zakah on the cash).
- (6) And one last thing I found this question /answer on a website can you please clarify it and give fatwa based on it all.

Question:

I have read on a website that the rate of zakat on salary is 10%, and not 2.5%. Would you please give references/logic for that?

Response:

The logic of 10% Zakat on salary is that it is like agricultural production.

We render/produce our services for which we get salaries every month. We are expected to pay Zakat immediately after we get the reward for our services as the farmer is expected to pay Zakat (Ushr) the same day when he harvests his crop.

2.5% Zakat is applicable on wealth every year. Our salary is not the additional wealth that we keep over and above our needs. It is what we earn and therefore, in my opinion, needs to be treated as an earning/producing unit.

Please answer clearly. May Allah reward you for your work.

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Sara

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

1. You should add together all items of gold, silver, jewelry that is made of precious metal (like platinum or palladium, not false jewelry that is plated with gold or silver), cash, debt on others, investment in stocks and others securities, checking and savings bank accounts, retirement accounts, business net worth and any other items that are intended for sale, etc minus debts on you that are payable out of these mentioned items. If the total is equal to or more than Nisab, you are then subject to Zakah and your Zakah is at 2.5% of the total balance on the day of completing the Hawl (354 days after having Nisab for the first time).
2. Zakah on Salaries is calculated on the saved part of it only. This means once you make the calculation as mentioned in number 1 above such savings are automatically included because they are used in the form of additions in one or more of the mentioned items, then you do not need to pay any other amount as Zakah.
3. I don't agree with the rationale that is mentioned in the response of the question that you quoted from some other website at all. There is a tremendous difference between land produce and human services, and salaries cannot be, by all means, considered similar to agricultural output. The fact that you get salary periodically does not make it subject to 10% rate. Salaries are basically used for living expenses and if a part of them is saved then it is simply cash (or it may be saved in any other form of wealth but in all cases it is subject to Zakah as mentioned above), it is no more salary!

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Giving Zakah to In-Laws, Zakah on Jewelry, etc.

From: Tariq
Sent: Saturday, September 15, 2007 1:51 AM

Question

Dear Brother Monzer Asalamualikum

I have a few questions regarding Zakah and I hope you will answer them:

1. Can son in law give zakah to his mother in law?
2. A lady who has no source of income has got some amount which is more than the Nisab. The amount is approximately USD 7000.00. She lives in a leased house where this amount has been kept as security deposit. So practically she can not use it. She gets some small monthly amount from her relatives for her daily needs. She is divorced and also has a daughter living with her. Can zakah be paid to this lady?
3. Some amount has been given to the landlord as security deposit in a rented house. This amount remains with the landlord till the tenancy. IS Zakah payable on this amount? If yes is it payable every year or only once?
4. What is the ruling of Zakah in case of jewelry?
5. In case of shares/ mutual funds, how is Zakah calculated? Is it payable on the total value on the day of calculating Zakah or is only the capital gains and the dividend amount used for Zakah calculation?

Tariq

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Tariq

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

1. ZAKAH TO IN-LAWS:

1. The principle is that there is no financial responsibility of any kind (and no inheritance) between in-laws. accordingly, if they are poor a person may give one's Zakah to one's in-laws. This is the position of Shari'ah that applies under the Shari'ah rule of separation and total independence of the property of husband from the property of wife.
2. **BUT FOR MUSLIMS LIVING UNDER COMMUNITY AND JOINT PROPERTY SYSTEMS** (most or all of us who live in the West) there is a discussion in regard to the effect of these system. Here we apply the assumption that whatever properties (including any Zakatable assets, such as a business, bank accounts, other saving schemes, investments, etc.) recorded in the names of the two spouses together is actually owned on the basis of half/half regardless of who earned them unless there is a clear evidence otherwise (on the basis that such recording amounts to giving gifts between the spouses).
3. Accordingly, if there is no evidence otherwise, the living expenses of the parents of say the wife may be her responsibility and she is rich by the fact that she owns half the community/joint Zakatable properties **SHE IS THEN REQUIRED TO SHOULDER THIS RESPONSIBILITY AND CONSEQUENTLY THE**

HUSBAND MAY NOT GIVE THE ZAKAH OF HIS HALF TO HER PARENTS BECAUSE THEY ARE RICH BY HER.

4. The same applies to minor siblings who may also be the responsibility of one's spouse.
5. Yet, even under the said assumption, Zakah of the husband (wife) may be given to adult siblings of his (her) wife (husband) because she (he) is not financially responsible for them.
2. In this example, the money she owns, though above Nisab, is pre-occupied by her basic needs (she needs to rent and this is a requirement for it), she still can be given Zakah for her sustenance/living expenses.
3. I know that there is an opinion that suggest having Zakah on such security money only one time when it is cashed/retrieved. But My opinion is that it is Zakatable every year but its Zakah, accumulated year after year, may be delayed without sin until it is cashed/retrieved. My argument is that the owner of this security money is rich (though has no temporary access to dispose of it and that is the basis of the answer to No. 2) not poor, she must pay Zakah but she is not required to effect the payment from other sources, as the principle is that the Zakah of every item is due from it, she may delay, unsinfully, payment of cumulative Zakah until liquidation.
4. What seems an excellent reconciliation between the different views and Ahadith is that of Shaikh Qaradawi:
 1. If tow conditions together are satisfied, women golden jewelry are exempt from Zakah, 1) the amount is not beyond what her peers have; and, 2) it is in actual use for what it is for, in contrast to being stored for time of need.
 2. Men gold jewelry is always included in the calculation of Zakah because gold is forbidden for men.
 3. In application to Qaradawi's view, all non gold jewelry, for men and women, are subject to Zakah if they fall in the level of extravagance that is prohibited. The definition of extravagance is by applying the peers condition as mentioned above. Of course if these jewelries are stored and not in use they also become subject to Zakah on the ground of being used as a pure item of wealth not a personal item. Thus we end up applying the same two conditions of women gold jewelry.
 5. Zakah is due on share and mutual funds on the total market value (closing price) on the date of your Hawl and every year. I am aware of the view that it is only on the gains, but this view can't be substantiated by any sound evidence or analogy. These are wealth, easy to liquidate even when you keep them for long term, didn't people in the past keep gold for long term and for old age, in fact there not a slight difference.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Zakah on Real Estates

Subject: Zakah on rented house

From: A Brother through Islam on line

Sent: Wednesday, October 03, 2007 4:37 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,
LAST YEAR WE PURCHASED A HOUSE (first home) on both myself and wife's name . In February the home loan and complete finalisation of the transfer took place.
LOAN AMOUNT FROM BANK - R600 000 CURRENT REPAYMENT R7100
CURRENT BALANCE - R324 000 INTEREST FREE LOAN FROM FAMILY-R180 000 THE PROPERTY IS CURRENTLY LET OUT WHAT WILL BE THE ZAKKAT RULING. Jazakum Allahu Khairan for your constant help

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br.

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

If you purchased this house, as you said, as a residence to you and your wife and you are renting it temporarily for certain reasons, the house is not subject to Zakah and what you get as a rent will obviously add up to what ever other income and money you have, from which all you pay your expenses and the house payment, etc. if the balance becomes equal to Nisab or more then this balance is subject to Zakah at 2.5% per lunar year and the from then onward the balance every year will be subject to Zakah as long as it is equal to Nisab or more. The first time Zakah is due is after passage of a lunar year (354 days) on the first time what you have is equal to Nisab or more.

If your house is purchased for renting, you add the net worth you own in it (i.e., deduct from its current value all loans on it on the day Zakah is due) to the amount that is subject to Zakah.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: ZAKAT on companies and investment properties and rental property

From: A Brother through Islam on line

Sent: Wednesday, September 26, 2007 4:00 AM

Question

As-salamu Alaykum Dear Dr. Monzer,

1. How do we account for the Inventory of a company for ZAKAT - IS THE INVENTORY (GOODS) AT COST OR MARKET VALUE

2. If i have a house for living and i have another house for rent and I spend the rent every 2 or 3 months- do i have to pay from that Rent - JAZAKUM ALLAH KHAIR

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br.

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Zakah is on the net worth of the company as shown in its balance sheet, including its inventory and other assets. You will need to make a special balance sheet (or adjust yours) for Zakah because of the following: 1) pricing is at market price that you expect to sell at on the day Zakah is due not cost or any historical value; 2) there are adjustments needed in some other items such as initial expenses that are amortized over several years should be reduced from assets, provisions for expected future obligations like end of service compensation in some countries.

All investment properties are subject to Zakah at the market value of the property. the rent is irrelevant as you said you spend it and any left over of it will appear as a part of your cash balances on the Zakah day. There is a classical opinion that excludes all real estates and machines and other fixed assets from Zakah, but I think that does not suit the contemporary life in which these are major item of wealth of the rich.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Zakah on land purchased for development then sale

From: Hoosen

Sent: Wednesday, September 26, 2007 6:59 AM

Question

As-Salaamu Alaikum

Someone buys land with the intention of developing it into apartments ... right now he does not have development rights but it won't be a problem ... he intends selling the apartments (with land) when developed ... does he pay Zakah and on what value ...

Was-Salaam

Hoosen

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Hoosen

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

This is a typical classical case. Zakah is of course obligatory on the land, unanimously (though this is not known by many Molwees!) because the land is purchased for sale, it is simply a trade merchandise! In spite of the development in between. This development is merely to add value and profit when sold!

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Hoosen

Sent: Thursday, September 27, 2007 1:59 AM

As-Salaamu Alaikum

Land purchased for development and reselling is similar to raw-material purchased for making some or other goods that will then be sold as a product of sorts ... therefore Zakah is payable on the current market value of the land purchased with the intention of reselling (albeit as part of a development project) ... the land is one of the 'raw material' or input factors for the final product ...

NOTE: for as long as the development is not complete (say two or three years) then zakah is payable on the value of the land every year ... assume the development is completed and the houses are not sold, then too Zakah is payable on the market value of the final product (i.e. land + building +) and NOT only on the land ...

PS! if you are NOT liquid currently (or even in the future until such time that you sell the completed project) you are allowed to delay the distribution of the Zakah until such time that you are liquid HOWEVER you will calculate the Zakah due every year until then (even over years) ... and you can then pay Zakah for all the preceding years ... THIS allowance is only for NON-LIQUID assets although you are encouraged to discharge the Zakah as quickly as possible ... IF you choose to delay the disbursement of Zakah until then it is strongly advisable that you record such amounts in some formal way, either in the company records or in your will so that people after you can fulfill your obligation, insha-Allah! Was-Salaam

PPS! I don't want to take advantage of the fact that you called us or advise on matters relating to Zakah, but I would greatly appreciate an opportunity to meet with you to discuss possible other ways that you may be of assistance to SANZAF, insha-Allah if possible please advise for a suitable date and time and I will come to see you, insha-Allah!

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Hoosen

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

You are perfectly correct. I may add that during the construction, it is treated like merchandise in process (on the production line). They are subject at market value on the

day of Zakah and in their status at that day, if there is no market value that can be estimated, then we take the cost.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Zakah on land purchased to build own house

From: Musa

Sent: Tuesday, September 25, 2007 5:04 PM

Question

Alsalamalaikum Dr. Monzer Kahf, How are you?

May i get your opinion on another Zakah related question: if someone bought a piece of land for the purpose of building a family house, but house not built yet (even for several years), does he need to pay Zakah for the land (according to the price of the land)? i think he desn't need to pay Zakah for the land.. want to get confirmed, corrected from you.

JZK. May Allah (SWT) accept and reward your and your family's all fasting and prayers..

Ameen. Wasalam,

Musa

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Musa

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

This land, being purchased for the purpose of building a house for yourself, is not subject to Zakah on the ground that it is the first step in having a house that is itself not subject to Zakah as long as it is for residence, not for investment.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Giving Zakah to Friends and Relatives

Subject: Giving Zakah Money to Flat-mate

From: Naseema through Islam on line

Sent: Wednesday, March 07, 2007 12:07 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,

My flat-mate became Muslim 2 years ago. She is returning to her country Portugal very soon and needs to ship her things to Portugal. At the moment she is in difficult financial circumstances. She has no money to send her things, she currently has no income and even though she has some support from her family, who are not Muslim, it is not enough. At the moment she is asking people for help to ship her things, to help her pay her airfare and for some money to sustain her for at least 6 months, while she looks for a job. I have been given zakah money to give to whoever needs it. I would like to know if I can give her the money or not? Jazakallah khairan for your help
Naseema

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Sr. Naseema

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

According to your description and explanation, this woman seems to be deserving help from Zakah, and I think you may give her from the Zakah money entrusted to you for paying for her travel including shipping her books and other things, debts and living expenses until she finds a job.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Giving Zakah Money to Brother

From: Ahsan through Islam on line

Sent: Sunday, March 25, 2007 3:03 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,

My brother is not in need of zakat but he can not afford private university tuition fee for his sons education. Can I send zakat money to my brother for his son's university fee; and also can I not let them know that it is zakat money. Jazakum Allahu Khairan for your constant help

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. Ahsan

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

The answer to the second question is affirmative, yes. You don't need to inform the recipient of your Zakah that it is Zakah. But I have doubt about the first question> It seems to me that getting children in a private university in Pakistan must not have a priority over the millions who suffer mal nutrition and poverty in Pakistan and in other countries. It seems to me in the context I know about Pakistan that being in a private University is a luxury that is available to a very small number of people where as about one forth of Pakistanis live under poverty and a good percentage of them under severe poverty!

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Paying Zakah to Parents

From: Shabana through Islam on line

Sent: Thursday, October 18, 2007 2:37 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,

1) CAN ZAKAT BE PAID BY A DAUGHTER TO HER OWN PARENTS WHO ARE LIVING SEPARATELY AND HAVE LITTLE OR NO MEANS OF EARNING AND ARE OLD AND HIGHLY INDEBTED. THE PARENTS DO NOT SHARE ANY INCOME OR EXPENSE OF THE DAUGHTER. 2) IF A GIRL WHO IS SINGLE, EARNING ALONE, LIVING ALL ALONE, HAS PARENTS / SIS ESPONSIBILITIES, HAS TO BUY A HOUSE CAN SHE GO FOR A BANK LOAN, BANK INTEREST IS FORBIDDEN, BUT IN THIS CASE A PERSON WHO HAS NO SUPPORTER & IS IN NEED OF A ONE HOUSE TO LIVE, SO THEN TOO IT IS HARAAM? 3) CAN OLD COUPLE WHO HAS NO SOURCE OF INCOME, NO SON, NO SAVINGS, BUT IF SOMEBODY WISHES TO KEEP A FIXED AMOUNT IN THIER NAME SO CAN THEY LIVE ON THIS INTEREST AMT THAT THEY WILL GET ON THE FIXED DEPOSIT?? PLS ADVISE. THANKS. Jazakum Allahu Khairan for your constant help

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Shabana

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

I am going to answer one question and please resubmit the other questions each one alone. Zakah CANNOT BE GIVEN TO PARENTS UNDER ALL CIRCUMSTANCES. In your case you are responsible for the living expenses of your parents if you are the only child they have even if each one of them live alone, whether divorced or not and you are required to spend on them so that they live at the same living standard of yours or

better. If you have other siblings, females and males, you share this responsibility in proportion to your financial ability (financial ability is defined in both wealth and income not in income alone) but if one sibling does not shoulder her/his responsibility and there was no possibility of forcing her/him to do so, other children must take up what is needed of their parents expenses.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Spending Zakah and interest money on a sick handicapped brother

From: Rizwan

Sent: Saturday, June 23, 2007 6:31 AM

Question

Dear Brother in Islam, May Allah reward you in abundance for all the good work you are doing...ameen

From a long time I have one question which needs to be answered. I needed an answer from an authentic source. I searched for your email on net since I couldn't pose my question on Fatwa session of IOL. I am mailing you with lot of hope that my question will be answered.

Question : I am a web developer working in Kuwait. Alhamdulillah Allah has given me enough means to carry out my responsibilities and to make the ends meet. I have my family back in India and is comprising of my Mother, Elder Brother and a younger sister. We lost our father last year, he died of Lokemia.

I have the complete responsibility of my family on my shoulders now, as my elder brother is schizophrenic. We as a family alhamdulillah are trying to keep ourselves as much away from INTEREST [i.e. riba] as possible. We dutifully discard all that interest that gets accumulated in our savings bank accounts [which is inevitable since India lacks Islamic banks] and try to keep away from all that which involves interest. We usually give away the interest amounts to the poor or the needy within the family and sometimes outside family as well.

Out of introspection once I thought why not keep this amount in a separate account which can be used to take care of my Elder brother. During every visit the psychiatrist who is treating my brother reminds me to keep a certain amount aside every month so that it can be helpful when he is sick or for his future. Psychiatrist always reminds us that eventually my brother would become completely insane [god forbid] and may have to be sent to the rehabilitation center. He always reminds us to prepare for that day. He also mentions that once I get married and have a family I won't be able to look into this regard as much I am doing now.

So my question here is ...is this acceptable within the frame of Islam or will it be haram to use this amount or even a part of the Zakath amount. Please guide me in this regard.

With immense hopes of getting a reply Warm Regards

Rizwan

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Riswan,

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

If your brother has inherited any wealth from his late father (of which I suppose you would be the guardian), you may not assign any of your Zakah money to his care because he is rich.

If he does not have any wealth of his own you may assign your Zakah for his present of future care and maintenance and also you may assign the interest money for that purpose too.

But I have the following to say: Interest money is not pure and Zakah money is money that cleans your sins InShaAllah too.

I wouldn't like you to spend dirty money on your brother especially that there is an opinion that puts you responsible for his care because you may inherit from him should he die. I suggest that you should keep on with your good and rewardable deed of supporting him as much as you can and in the future if you need you can use your Zakah money and interest money to pay for his medical care and maintenance, try to delay this as much as you can, who knows may be Allah will give you plenty that you will never need to do that at all.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Giving Zakah to One's Handicapped Sisters

From: Bahia through Islam on line

Sent: Tuesday, June 12, 2007 5:37 AM

Question

First of all, thanks a lot for helping brothers and sisters to know more about their religion. My question concerns zakat. Can I give my zakat to my two handicapped sisters who are about 40 years of age and not married because of that handicap (for example, one of them is mute). They live in Morocco with my father, who is old and can no longer work for all the family. So it is my brother who has to provide for them all and his own wife. Can you please help me? Thanks very much and kazakoum allhou kheir. Wa salam.

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Bahia

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

If you are rich, of your own income or wealth not of your husband, you are required to spend on your needy father and his household (unmarried sisters of yours) and whence we establish that you are required to spend on them, you cannot use the Zakah for that because it then amounts to using your Zakah to discharge of your own responsibilities. By the way, your brother's wife is absolutely not required to spend on your father and sisters, not even to help her husband in such spending. You are the daughter and sister of them (i.e., you are their kin) who is **REQUIRED TO SPEND ON THEM IF YOU ARE ABLE** considering your wealth and income together.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Bahia through Islam on line

Sent: Monday, June 18, 2007 3:04 AM

Question

What about the brother? Is he required to spend on them (not his wife)? And is he (brother) or the daughter who is responsible for providing for her father and sisters? Please clarify! Jazakum Allahu Khairan for your constant help

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Bahia

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

The principles are as follows:

- 1) Father is financially responsible for his children until adulthood (marriage in some opinion), for the female children, who have no wealth/income of their own certainly until marriage.
- 2) Husbands are responsible for their wives regardless of their income/wealth. No service is required from wives. any financial contribution or service is voluntary unless specified as for pay or a loan.
- 3) No financial responsibility between in-laws. social mutual curtsey is required from every body.
- 4) Financially able children are required to spend on their parents, to the children's own standard of living, each in accordance with his/her financial ability. A boy is not more required than a girl. What matter is their respective financial ability (of course we do not consider that of their spouses). Children are also required to serve their parents if service is needed in addition to the general obedience in fairness (al Ma'ruf). Male and female children responsibility toward parents and toward the financial responsibility of the household of their fathers (that may include sisters and step mothers) is equal

and depends only on their respective financial ability (physical ability for service when personal service is needed) and in proportion to these abilities. There is no evidence in Shari'ah that boys are more responsible than girls in this regard.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Giving Zakah to In-Laws, Zakah on Jewelry, etc.

From: Tariq

Sent: Saturday, September 15, 2007 1:51 AM

Question

Dear Brother Monzer Asalamualikum

I have a few questions regarding Zakah and I hope you will answer them:

1. Can son in law give zakah to his mother in law?
2. A lady who has no source of income has got some amount which is more than the Nisab. The amount is approximately USD 7000.00. She lives in a leased house where this amount has been kept as security deposit. So practically she can not use it. She gets some small monthly amount from her relatives for her daily needs. She is divorced and also has a daughter living with her. Can zakah be paid to this lady?
3. Some amount has been given to the landlord as security deposit in a rented house. This amount remains with the landlord till the tenancy. IS Zakah payable on this amount? If yes is it payable every year or only once?
4. What is the ruling of Zakah in case of jewelry?
5. In case of shares/ mutual funds, how is Zakah calculated? Is it payable on the total value on the day of calculating Zakah or is only the capital gains and the dividend amount used for Zakah calculation?

Tariq

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,

wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Tariq

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

1. ZAKAH TO IN-LAWS:

- 1 The principle is that there is no financial responsibility of any kind (and no inheritance) between in-laws. accordingly, if they are poor a person may give one's Zakah to one's in-laws. This is the position of Shari'ah that applies under the Shari'ah rule of separation and total independence of the property of husband from the property of wife.
2. BUT FOR MUSLIMS LIVING UNDER COMMUNITY AND JOINT PROPERTY SYSTEMS (most or all of us who live in the West) there is a discussion in regard to the effect of these system. Here we apply the assumption

that whatever properties (including any Zakatable assets, such as a business, bank accounts, other saving schemes, investments, etc.) recorded in the names of the two spouses together is actually owned on the basis of half/half regardless of who earned them unless there is a clear evidence otherwise (on the basis that such recording amounts to giving gifts between the spouses).

3. Accordingly, if there is no evidence otherwise, the living expenses of the parents of say the wife may be her responsibility and she is rich by the fact that she owns half the community/joint Zakatable properties **SHE IS THEN REQUIRED TO SHOULDER THIS RESPONSIBILITY AND CONSEQUENTLY THE HUSBAND MAY NOT GIVE THE ZAKAH OF HIS HALF TO HER PARENTS BECAUSE THEY ARE RICH BY HER.**
4. The same applies to minor siblings who may also be the responsibility of one's spouse.
5. Yet, even under the said assumption, Zakah of the husband (wife) may be given to adult siblings of his (her) wife (husband) because she (he) is not financially responsible for them.
2. In this example, the money she owns, though above Nisab, is pre-occupied by her basic needs (she needs to rent and this is a requirement for it), she still can be given Zakah for her sustenance/living expenses.
3. I know that there is an opinion that suggest having Zakah on such security money only one time when it is cashed/retrieved. But My opinion is that it is Zakatable every year but its Zakah, accumulated year after year, may be delayed without sin until it is cashed/retrieved. My argument is that the owner of this security money is rich (though has no temporary access to dispose of it and that is the basis of the answer to No. 2) not poor, she must pay Zakah but she is not required to effect the payment from other sources, as the principle is that the Zakah of every item is due from it, she may delay, unsinfully, payment of cumulative Zakah until liquidation.
4. What seems an excellent reconciliation between the different views and Ahadith is that of Shaikh Qaradawi:
 1. If tow conditions together are satisfied, women golden jewelry are exempt from Zakah, 1) the amount is not beyond what her peers have; and, 2) it is in actual use for what it is for, in contrast to being stored for time of need.
 2. Men gold jewelry is always included in the calculation of Zakah because gold is forbidden for men.
 3. In application to Qaradawi's view, all non gold jewelry, for men and women, are subject to Zakah if they fall in the level of extravagance that is prohibited. The definition of extravagance is by applying the peers condition as mentioned above. Of course if these jewelries are stored and not in use they also become subject to Zakah on the ground of being used as a pure item of wealth not a personal item. Thus we end up applying the same two conditions of women gold jewelry.
 5. Zakah is due on share and mutual funds on the total market value (closing price) on the date of your Hawl and every year. I am aware of the view that it is only on the gains, but this view can't be substantiated by any sound evidence or analogy. These are wealth, easy to liquidate even when you keep them for long term,

didn't people in the past keep gold for long term and for old age, in fact there not a slight difference.

Wa Allahu A'alam
Wa Alhamdu Lillahi Rab al Alamin
Wassalam
Prof. Dr. Monzer Kahf

Paying one's Zakah to Persons under Debts

Subject: Giving Zakah for Indebted Family

From: A brother through Islam on line
Sent: Sunday, January 07, 2007 6:15 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh
I gave zakah to a family who represented themselves as very needy and not having any money and being in debt. They are in big debt but they still have money(much less than their debts) that they are living on since the husband cannot get a job. Is the Zakah valid or do I need to repay it?

My Answer

Bismi Allah al Rahman al Rahim
Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in
Dear Br.
Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

If the situation is as you described it to the best of your knowledge (good educated guess or estimation) It is InShaAllah valid and this family deserves Zakah.

Wa Allahu A'lam
Wa Alhamdu li Allah Rabb al 'Alamin
Wassalam
Sincerely,
Dr. Monzer Kahf

Using Zakah for Mosques, Islamic Centers, Islamic Schools and Da'wa

Subject: Using Zakah for Mosque Carpet

From: Khalid through Islam on line
Sent: Thursday, October 18, 2007 2:09 AM

Question

Salam
I want to ask if we can use zakat to repair mosque carpet wasalam /

khalid

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Khalid

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Using Zakah for building mosques is not permissible because building mosques is the responsibility of the community itself and the government in Muslim countries. Carpeting mosques is yet a luxury, is it not a luxury even if you live in the Northern and very cold part of Canada? Still carpeting mosques is a luxury. ZAKAH CANNOT BE USED FOR CARPETING MOSQUES ANYWHERE IN THE WORLD even in those areas where building a mosque means defending the religion of a threatened Muslim community.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Giving Zakah to mosques, Dawa and Islamic magazines

From: Musa

Sent: Sunday, August 26, 2007 7:29 PM

Question

Asalamalaikum Dr. Kahf,

May Allah (SWT) reward you for your informative sessions given in ICI, which benefit brothers and sisters here. I got some questions about Zakat (acceptors), may i get your opinion / answers for them:

1. Can we give Zakat to volunteers who use the money to pulish Islamic magzines / books? Those volunteers have worked years dedicated to edit Islamic periodicals and books, and they use Zakat only for this purpose, not for themselves. They have been accepting Zakat for sometime and that maybe their most important fanancial source.
2. Can we give Zakat for building mosque in poor area? I remember that you mentioned Zakat should not be used for building mosque, but how about if Muslims in that area have financial difficult to build the mosque by themselves?
3. Can we give Zakat to Dawa center / office for covering Dawa expenditures?
4. Can we give Zakat for general Dawa / spreading Islam knowledge purpose? For example, if a Islam knowledge billboard was established on highway, can Zakat be use for establishing this billboard?
5. If a poor has a responsible person (in Shari'), can Zakat be still given to the poor?

May Allah (SWT) reward you. Ameen. Wasalam,

Musa

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad,
wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Musa

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Sorry for the delay, you put too many points together that made me feel I need a lot of time to study and answer them.

1. I don't think that Zakah may be given to the volunteers that you described. What is in publishing magazines, the best is general Da'wa and general Da'wa is not a part of the use of Zakah. If a magazine is specialized in directly taking actions on helping Muslims or others who are under unjustified political and other pressures caused by transgression against Islam as a religion and Muslims as a community, then they can be given Zakah for the publication under defending Muslims and Islam.
2. Building mosques in poor areas is the responsibility of Muslims around them who are able to help, Zakah cannot be given for this purpose. On the other hand, if such poor Muslims are threatened in their religiosity because of the lack of mosque as in the case when they are under pressures from missionaries of other religion and it is determined that a mosque is essential to defend their religion, Zakah can be used for it.
3. General da'wa activities must be financed by the able persons from donations and other charities, from Awqaf and similar sources but not from the right of the poor. Zakah is not for general Da'wa or Da'wa centers.
4. Billboards on highways cannot be charged to Zakah if their nature is general Da'wa. Billboards that aim specifically at defending a general Islamic issue when its misunderstanding by general public causes aggression against Muslims at large, Muslim community or Islam may be financed from Zakah.
5. A poor person who has a rich relative who is, Shari'ah wise, responsible for the poor's sustenance may be given from Zakah if the relative does not actually discharge of his responsibility, and we must follow, legally or at least socially and morally, the relative for refund of what is paid and its administrative cost provided Zakah fund does not pay extra money for this follow up on the rich relative.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Miscellaneous in Zakah distribution

Subject: Giving an Equivalent Amount of Zakah in Dollars

From: A person through Islam on line

Sent: Wednesday, May 09, 2007 1:32 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,

I have a question... If i vow to give let's say like Rs. 1000 in zakah , is it ok if i give the equivalent amount in dollars? Jakallah Khairun

My Answer

Bismi Allah al Rahman al Rahim

Al Hamdu li Allah Rabb al 'Alamin wa al Salatu wa al Salamu 'ala Sayyidina Muhammad wa 'Ala 'Alihi wa Ashabihi Ajma'in

Dear Br. / Sr.

Al Salamu Alaykum Wa Rahmatullahi Wa Barakatuh

Yes it is permissible. Why not, there is no reason to say it is not permissible unless it is bad for the recipients, the poor and needy. For instance, if your Zakah is due in Pakistan in rupees and you distribute instead in a village in Pakistan US Dollars, who is going to benefit from these Dollars, they may not even know what they are! But if you distribute them in a country that can use them, of course it is permissible.

Wa Allahu A'lam

Wa Alhamdu li Allah Rabb al 'Alamin

Wassalam

Sincerely,

Dr. Monzer Kahf

Subject: Using Zakah money for digging a drinking water well

From: Nafeezeh through Islam on line

Sent: Thursday, December 06, 2007 12:25 AM

Question

Salams dear Dr.

I would like to know if one can use his/her zakat money to build a water well, where there is a possibility that some non-muslims will also be using the water well. Shukran Sr. Nafeezah

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Nafeezeh

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

If it is for extremely poor and dry areas where water is a line of life I would say yes ZAKAH MONEY CAN BE USED FOR A DRINKING WATER WELL. IN SUCH AREAS although there is no Tamlik (making a specific person owner of the distribution) and non-Muslims will also use its water. The issue of non-Muslims is even easier because when it comes to basic needs that make a substantial effect in survival matters Zakah can be given to non-Muslims too.

Although whenever is possible I prefer that Zakah money be used within the principle of Tamlik when the target is poor and needy and the like and use Awqaf and other charities for water wells. Water wells are a property of the whole community and need continuous maintenance. WE MUST REMEMBER THAT THERE ARE OBLIGATIONS OTHER THAN ZAKAH ON CAPABLE MUSLIMS AND THESE OBLIGATIONS COVER ALL HUMANITY NOT ONLY MUSLIMS.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Should Zakah Be Given Only to Muslims?

From: Amina through Islam on line

Sent: Wednesday, October 24, 2007 2:04 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,
Is it compulsory for me to pay zakat though i am not working (housewife only). Once in a while i do deposit some cash in charity boxes in malls and other places. Also please tell me if we can give money to beggars on streets whether 'muslim' or 'non-muslim'. And should Zakat be given only to muslims? And if we help family members financially can in huge amount can we consider that as Zakat? Jazakum Allahu Khairan for your constant help

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Amina

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

1. If you own properties that are subject to Zakah in quantity that is equal or more to Nisab you are required to give Zakah on these properties even if you are not working and only a house wife. you have to find sources to pay the Zakah from, from what your husband give you or from other people or even if you have to sell parts of these Zakatable assets. Example, gold jewelry that is 85 grams or more according to the Hanafi school, properties for investment and making profit, etc.
2. What you put in charity boxes can't be considered out of the Zakah that is due on you unless you are sure that you put it in a Zakah box and you know the charity organization that collects these boxes and you trust they distribute it according to the Shari'ah regulation. These conditions are not usually fulfilled in such boxes even when the word Zakah is written on them. However what you give in these boxes is a general charity (Sadaqah) and it is InShaAllah rewarded from Allah.
3. It is permissible to give general charity to beggars and other persons in need regardless of their religion. Rather such a giving for needy persons is a Shari'ah obligation especially if you are the person who comes across such needs and

especially if the needs are real and drastic, it may even become an obligation on you when you save that person or family with your giving regardless of religion because saving human life and dignity is an obligation on Muslims.

4. On the other hand, Zakah should only be given to Muslims whom you know they deserve it or through Muslim charitable organization that you trust they know and fulfill necessary Shari'ah rules in distribution. This is more so in our time because there is tremendous need among Muslims all over the world.
5. Zakah can be given to some relative and cannot be given to others. Any person for whose living you are responsible cannot be given your Zakah and you are required to spend on that person from your own funds other than Zakah, because if you give from Zakah it amounts to giving it to yourself. But Zakah can be given to poor uncles and aunts, cousins, etc. Such giving of Zakah to relatives for whom you are not financially responsible is even more rewarding than giving it to strangers as the Prophet, pbuh, told us since it is a payment of Zakah and a kindness to a relative.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Tax refund received on paid Zakah

From: Khizer through Islam on line

Sent: Sunday, July 22, 2007 3:11 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,

I have a question regarding interest accrued from bank deposits. I have read in previous fatwas which mention that such interest should be given away. In my country, I can give away this money to a charity (could be a muslim charity too) and avail of certain benefits in income tax. 1>Can I avail of such benefits by giving away the interest money? 2>Also if I give zakaat, sadaqah etc to an Islamic charity and avail of similar income tax benefits, will that be allowed 3>while calculating zakat, should the interest money accrued on bank deposits be also included in the total sum? May Allah reward you for your patience Jazakum Allahu Khairan for your constant help

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Khizer

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Since you've read the relevant Fatawa and got their rationale, I am going to briefly mention the points directly:

1. Tax refund is a right to you that is not affected by its cause. If you get a tax refund because of interest, sadaqah and Zakah you give to Muslim charities that is well and

good, the refund is yours and you don't need to worry about its cause. Anyway that encourages you to give more charity, and please give it to Muslim charities because of their tremendous needs and the marvelous job they do. Any way whatever refund you get will be a part of your income for the period during which you get it and whatever you save out of it to come under the calculation of Zakah for next lunar year.

2. Interest you get is not considered yours from a Shari'ah point of view and you do not own it. That is why you give it to Muslim charities. This means that you don't include it in the calculation of zakatable assets because you are required to pay Zakah on properties you own.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Zakatul Fitr

Subject: Paying Zakah ul Fitr in the First of Ramadan

From: Sami through Islam on line

Sent: Wednesday, September 12, 2007 11:29 PM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,
Should a fasting Muslim from Canada pay Zakatul Fitr in the first day of Ramadan and how much it is this year? Jazakum Allahu Khairan for your constant help

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Sami

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Zakah of al Fitr is due in the last few days of Ramadan, not the first few days. It is intended to reach the needy just about the beginning of the day of Eid to introduce happiness to their hearts on the day of Eid. This is of course when it is paid directly on individual basis. In our time these days, there is a great advantage in giving Zakah of al Fitr through professional Islamic charitable organization who can assess the needs of poor persons and make sure that money or other materials like food or cloth reach them on time to celebrate the Eid. This means that **WHENEVER WE GIVE OUR ZAKAH OF AL FITR THROUGH ORGANIZATION (OR EVEN THROUGH GOVERNMENTS AS THE PRACTICE IN SOME MUSLIM COUNTRIES) WE SHOULD GIVE IT TO THE ORGANIZATION AHEAD OF THE LAST FEW DAYS OF RAMADAN.** The number of days before the end of Ramadan depends on the organization we select. Many Muslim charities ask for at least 15 days before the end of Ramadan so that they can

make it reach the needy on time for the Eid. and I think we should give our Zakah of Al Fitr to Muslim charities no later than Ramadan 15.

The amount of Zakah of al Fitr depends on the country you live in because the Prophet, pbuh, made it in terms of main food items that were most common in his society (wheat, barley, date, raisin and dried yogurt). And there is almost unanimous agreement among all schools of Fiqh that it should be in terms of the main food items common in the society you live in. The quantity of it is one (Sa') of wheat, rice, date for each person in the family, provided it is a common item of food in your society. For America, Europe, Northern Arab countries and Turkey the common item is wheat from which we make bread that is normally taken with all foods. For many areas in South and South East Asia, it is rice and for some countries it is corn.

The one Sa' is approximately equal to 2,25 Kilo grams or 5 pounds. For America this year the retail price of 5 lb of wheat is about US\$ 3.50-4.00. I should say that the Fitra per person is that much and if we take it on the high side allowing for price variations between different locations I should say that the Fitra in the USA is maximum US\$ 5.00 per person (that includes young and adult, male and female).

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Subject: Estimation of Zakatul Fitr in money

From: Muhammar through Islam on line

Sent: Monday, June 04, 2007 1:54 AM

Question

Dear Dr. Monzer, Assalamu Alaykum wa Rahmatullahi wa Barakatuh,
May Allah bless you, My name is Muhammar, came from Indonesia . I'm right now living for a temporary reason as a Student in Germany. I also active in a Indonesian Muslim's Community Organization. We, Indonesian Muslims, in such along time have a dilemma to do our duties as a Muslim in this country, especially Zakat. We were usually paying our Zakat in a conventional way in Indonesia . We usually counted the amount of Zakat from the measurement of rice (class A, the expensive rice) in cash, especially Zakat Fitrah (1 sa' = 2.520 kilograms of rice), Zakat of Income/ Salary (Nisab from Qiyas of Zakat of Agriculture/ Plants = 524 kilograms of rice, payed every month), Fidyah (0.675 kilograms of rice), and Kaffarah (40.5 kilograms of rice). It much base on Syekh Yusuf Al Qardhaway's Fatwas of Zakat. But we are right now in other country. The germans always consume a vary of common foods, some of beans, rice, wheat, potato, etc. But the muslim immigrants (almost from Turkey) always consume bread and rice. Especially by Indonesian Muslim, we consume almost rice in general. Our embassy does not have a branch, that manages a religious problem, because that is so personal. Well, we have such a secular government. The Islamic Center in Koln-Germany always announce every year the ammount of Zakat Fitrah in cash. The amount came from the assumption, the ability of consuming from a person in one day and one night. But sadly, there is no information about how much the Fidyah and Kaffarah is. They also said, that the Nisab from Zakat of

Income/ Salary came from Qiyas of Zakat of Gold (85 grams of Gold) and the zakat must be payed every year. Is it okay, that we don't follow that? Because it's very different from our custom way (see top).

Our organization have made some survey about the price of rice in every market in German . And we found that, the price from the expensive rice is seven time expensiver than the cheap ones. And this expensive one is very rare to consume. In a future we have plan to make the next survey, which rice, that indonesian muslim almost consume, and which one is the expensiver, that indonesian muslim almost consume. But the question is, is it possible that we have such a power to make this such decission? We don't have any 'ulamas/ mufti or scholars to ask Fatwa for, and we are just an ordinary student and residence in Germany, that don't have enough islamic thoughts. Is it possible, that we form such a Majlis Syura for Zakat with that conditions? Another question: Is it ok, that our organization also organize the bank interest (riba) and distribute this fund to Indonesia, especially for new infrastructure caused by earth quake and tsunami, and for medical research (such as: AIDS, Cancer, etc.) ? Cause in Germany, there is no Islamic/ Shariah Bank, and we don't have any clue how distribute this money in this Land. Would you please help us? To let us out from this very urgent dilemma? It would be kind, that we have the answer a soon as possible. Because we have to execute that very soon. Jazakumullah Khayran Katsiran, Wassalaamu'alaykum warahmatullaahi wabarakaatuh Muhammar

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rab al Alamin, wa al Salatu wa al Salamu ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

Dear Br. Muhammar

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

The amount of Zakatul Fitr is determined in the Hadith. It is one Sa' of any of the main six food items that were common at the time of the Prophet, pbuh, and their similar items such as rice. The principle is to made distribution in kind unless when it is more convenient to the poor.

You take the average kind (quality) of food item that is used by Muslims in the area, in your case wheat or rice. You don't need scientific surveys to pay the Zakah. It is always by approximation and understanding. This is very easy to reach even if there are small differences between us on such estimation. You can distribute it in Indonesia or in Germany if you find poor deserving Muslims.

The amount of Kaffarah is the food of sixty poor normally two meals a day. It was approximated by the Prophet, pbuh, as 15 Sa' (the Sa' is approximately 2.55 kilograms). The principle remains food of two meals.

This is around 420-600 Euro in Germany and must be calculated on the standard of Muslims in Germany. The Fidiyah is one day food that is 7-10 Euro in Germany today. Zakah on income cannot be taken by analogy to agriculture, Qaradawi does not do that, because you take your salary in money and the multiplicity of production in agriculture (one grain gives 700) does not exist in salaries. It is the closest to trade because in trade the trader spends his time to buy and sell and then Zakah is calculated at the end of the

year on what is left, never on the gross amount of merchandise he bought and sold. What is left means after spending all personal and family expenses, including payment for the residence whether it is installments or rents. The Zakah here is on the savings if they reach Nisab over the period of a lunar year, the Nisab is approximately Euro 1000.

Interest earned from banks may be spent back home in Indonesia on the poor and needy and sick persons and those who became poor because of Tsunami and other calamities.

Wa Allahu A'alam

Wa Alhamdu Lillahi Rab al Alamin

Wassalam

Prof. Dr. Monzer Kahf
