

# FATAWA ZAKAH 2016

From: Shakeel

Sent: Thursday, January 14, 2016

**Question: Zakah is due but I am short of cash**

ASA,

My Zakah is due, but my funds are invested in a mutual fund and if I sell now, it'll be at a loss.

Can I borrow money from my son to pay my Zakah?

Jazaka Allah Khair

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. SHAKEEL

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Yes, as long as you believe you are able to pay it back, in fact it is better to do that because delaying its payment with ability to pay through this means is not permissible.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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From: Rifai

Sent: Saturday, January 30, 2016

**Question: Zakah on real estate properties**

Dear Dr Kahf,

Assalamu Alaykum

I have following question. I have 3 properties

\* I built a house some time ago, which is in my name, legally I own it and my mom is living in it? I don't pay Zakat

\* I bought another land; legally I am not the owner, which is in my wife name? I don't Pay Zakat

\* I have a 3rd property which I use for buying and selling? I pay Zakat for the money involved in this business.

\* I have been paying Zakat only for my 3rd item; however I am told recently I should be paying for the item 1, 2 as well. Could you please shed some light on it?

Jazaka Allah, Baraka Allah feeq,

Rifai

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Rifai

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

You are perfectly right in paying Zakah on the amount of net worth at the end of each accounting cycle of 354 days. This is always at the rate of 2.5% and repeated every year on the net amount on net worth in the business and any property meant for profit.

The house in which your mother lives (I am sure you do not charge her any rent!) is considered similar to a house you live in it with your family. Mother is the dearest person in the family. This house is not subject to Zakah as long as a member of the family lives in it with no rent payment, I.e., it is not for gaining rent.

The land that is in wife's name may be subject to Zakah or not depending on the objective. If it is for building own house to live in, it is not subject to Zakah. But if it is for sale sometime in the future when its price increases, it is then subject to Zakah on yearly basis as in property No. 3.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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From: Rahman

Sent: Sunday, February 21, 2016

**Question: Zakah on women jewelry**

Assalamu Alaykum

my question: Is zakat due on women's jewelry?

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Abdur Rahman

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Yes, certainly by the words of the Prophet, pbuh. He told a lady to pay Zakah on two bracelets in the hands of her minor daughter. Of course Zakah is due of women gold and silver jewelries if they reach Nisab and 354 days (lunar year) pass. The rate is 2.5% and this is repeated every 354 days.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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From: Azhar

Sent: Tuesday, March 08, 2016

**Question: Use of Zakat by an NGO**

Dear Sir

Assalam-o-Alaykum

I am Azhar Nadeem contacting you on behalf of Human Development Foundation (HDF), a not for profit organization working to bring about a lasting change in the lives of poorest of poor people at selected geographic locations of Pakistan.

For the past 17 years, HDF has been fighting extreme poverty through a unique holistic model of development focused on lasting change. The cornerstone of HDF's efforts is our commitment to working directly with communities through our social mobilization program. In this, HDF facilitates the formation of democratic community organizations which empower individuals to have a say in the decisions that affect them. The HDF Holistic Model? includes programs in 5 key areas. Social Mobilization, Education & Literacy, Primary Health Care, Economic Development, and Sustainable Environment.

We are currently planning to run Zakat campaigns to finance three of our core programs i.e. Education, Health, and Poverty Alleviation. But before we launch a campaign, we want to educate ourselves regarding delicacies of matters related to Zakat collection and disbursement. One important thing to note is that overall look and feel of the communities we work with is poor.

#### Education Program

Question No. 1: Is it permissible to finance our education program through Zakat including payment of teachers? salaries and other overhead expenditures.

My answer is NO except if the whole school/program addresses the definitely poor only in such a way that the service of education is categorically handed to them as a group.

Question No.2: Is it mandatory to particularly identify students coming from Zakat eligible families or Zakat financing can be used as blanket cover to finance the whole education program?

This relates to the previous question, it can be a blanket only if exclusively all students come from Zakah eligible families. Otherwise, have tuition for the school and give these families Zakah and they may at own discretion register their children in this school.

Question No. 3: What precautions to ensure the validity of Zakat (payer)?

These vary depending on the community. In each community there are people who are ok, normal, they meet ends even with some difficulties, and families below that level in such a community are likely to deserve Zakah. In the context of poor rural or urban areas in Pakistan (based on my old observations of the past centuries) those who do not have adequate food and clothing and shelter and ability to send their children to public school for any reason and at least one cup of tea with milk a day deserve Zakah, also the homeless, etc. but a person who work as a servant or driver of a middle class family may not qualify?

Question No. 4: Can we use Zakat fund to establish assets like building, computer lab, science labs, libraries, etc.?

NO. you can use Zakah fund to give away teaching materials to the poor

#### Health program:

Question No. 1: Is it permissible to finance our Health Program through Zakat?

Apply the same rule above: medicine can be part of it, a clinic that only see the poor exclusively can be financed by Zakah, payment for medical surgeries and procedure given to the poor can also be from Zakah. But not general community health services in generally poor areas because these generalities may include non-deserving families/persons.

Question No.2: Is it mandatory to particularly distinguish patients coming from Zakat eligible families or Zakat financing can be used as blanket cover to finance the whole health program?

My answer is exactly as above in education.

Question No.3: Is it permissible to finance services like free provision of medicine and

diagnostic tests from Zakat funds?

**YES to poor persons/families.**

Question No. 4: What precautions to ensure the validity of Zakat (payer)?

**For Zakah payee as I mentioned above.**

**For Zakah payer, anyone who has approximately the equivalent of US\$ 1500 and has such an amount after 354 days, whether in cash, bank accounts, jewelries, investments, retirement saving accounts, business net worth, etc. you take total of all these not each item alone.**

Question No. 5: Can we use Zakat fund to establish assets like hospital building, purchase medical equipment, establish laboratories, purchase ambulances, etc. to serve poor communities?

**NO.**

Economic Development:

Question No. 1: Is it permissible to use Zakat funds for poverty alleviation?

**Need to be more specific, it depends on the program and observation of the Tamlik principle.**

Question No. 2: Is it permissible to finance the provision of technical and vocational skills training to Zakat eligible persons?

**Yes, as long as it is specific to the poor and especially if you add to it giving them tools and raw materials of the craft they are taught.**

Question No. 3: Is it permissible to finance the provision of economic assets like toolkits, livestock, and sewing machines to Zakat Eligible people for their economic rehabilitation?

**Yes, and this might be the best but you should have consciousness of justice between poor persons/families in each area, e.g., you should not give one of them a cow if you cannot similar cows to similar families in same area.**

Question No. 4: Is it permissible to establish a microfinance fund to provide working capital loans to Zakat eligible entrepreneurs from Zakat funds?

**Yes provided on short term basis, that is by the end of the year you spend all the Zakah collected that year. Always better call for cash Waqf donation for building microfinance equity.**

**Thanks**

Kind Regards

Azhar

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Azhar

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Kindly notice that I am a strong believer in the principle of Tamlik when it comes to distribution of Zakah to the poor and needy. They must own what is given to them and have the choice to used, on their own discretion, for whatever they are advised to by educators/organizations. Then please see below your questions for my specific answers.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Azhar

Dear Dr. Monzer Kahf

Assalam-o-Alaykum

I have one more question. Can Zakat be spent on non-Muslims since our beneficiaries also include non-Muslims who are even poorer than Muslims?

Jazaka Allah

Azhar

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Azhar

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

The principle is: Zakah should only be spent on Muslims who qualify under one of the categories mentioned in the Qur'an (notice that some of them apply only on governments such as workers in Zakah departments, slave liberating and to some extent heart reconciling). The exception is when you (as a decision maker in an Islamic charity in charge of distributing Zakah on Wakalah basis from the payer) are faced with an emergency case on a non-Muslim in a dire immediate need for help (as in situations of natural catastrophes or wars) then you save his life and basics of survival. When you look at large the needs of Muslim poor and deprived are much more tremendous than can be taken by the collected Zakah.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Wael

**Sent:** Thursday, April 07, 2016

**Subject: when is Zakah due and on what does it apply to?**

As-Salamu Alaykum

Dear Dr. Monzer, please help replying the below question on Zakah:

Salams

**Wael**

----- Forwarded message -----

**From:** Sabeeh

Salam Sheikh. I wanted to know when the right time to pay Zakah is, and what the 2.5% should be calculated on; I.e. only Nisab amount, or of all my current assets, or only assets I've had for one year? If it's 2.5% of assets I've had for one year, then which date should I calculate the 1 year period from? Jazaka Allah Khair,

**Sabeeh**

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Wael

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Please inform the questioner of the following bullets:

1. Nisab is about 85 gram of gold or 455 grams of silver. I think consider an amount of \$1500 is reasonable because we do not change our religion to follow the speculative prices of Now York speculators every day.
2. Nisab is a criterion of Zakatability; it is not a minimum exempt. This means the total amount of Zakatable items is what is subject to Zakah.
3. Zakah on other than agricultural products and livestock is at the rate of 2.5% every lunar year, i.e., 354 days. It is repeated every year.
4. The first year begins on the day you acquired \$1500 for the first time.
5. Zakatable items include: bank accounts, shares, any investments, any saving plans including saving for education, retirement and others (e.g., providence funds, business net worth, investment properties).
6. Exempt items: residence, means of transportation, clothing and house furniture and other personal things, men golden jewelry.
7. Women jewelry is included according to Hanafi. According to most other may be exempt if they are actually used and within the limits of her peers.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Mansoor

**Sent:** Thursday, April 21, 2016

**Subject:** Fixed deposit account and its Zakah

Dear Dr. Kahf,

Please see the following links which provide the details of al-Rayan (UK) Bank's savings account:

<http://www.alrayanbank.co.uk/savings/fixed-term-deposits/36-month-fixed-term-deposit/>

<http://www.alrayanbank.co.uk/savings/compare-al-ryan-bank-accounts/a-guide-to-expected-profit/>

The account is fixed term which means that no money can be put in or taken out during the term period. Also, the money in the account is invested by al-Rayan during this term period in order to generate profit which is then shared with the customer.

My question is, is such a fixed account permissible? Also, if the money in this account is being invested in order to generate a profit, would the customer be expected to pay zakat on this money during its investment period in the account? Thank you,

Mansoor

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Mansoor

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Fixation of the term of Mudarabah-based deposits is permissible rather it is an important condition that should exist as a matter of principle according to the Fiqh rules of Mudarabah. If this account shares the actual realized profit generated from Halal transactions, it is definitely permissible.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Mansoor

Dear Dr. Kahf,

Thank you very much for your response to my question. Could you please explain how the issue of zakat should be dealt with during the period of investment?

Is zakat due during the 36 month period that my money is being invested considering that I do not have access to it? Is the responsibility for zakat upon me or the *Mudarib*?

Thank you

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Mansour

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Zakah is annual obligation on the owner. Its year is lunar, i.e., 354 days. Any owner who have at least the amount of Nisab (# US\$ 1500) is required to pay his/her own Zakah every 354 days on the total amount that is owned.

A property you choose to tie into an investment for a period of time is still yours (in fact the Mudarib is considered purely an agent in this regard) you own this deposit and you bear its losses and deserves its profit. Even funds you tie as a deposit with the power or phone companies as a deposit for receiving the service is still owned by you and subject to Zakah. There are cases of funds that are owned but not subject to Zakah, e.g., a lost property. This is not in your hand even if it were that you hid it somewhere and then forgot that for years. this property is not subject to Zakah although it is theoretically still yours. But if you find it the majority of scholars argue that because it was yours during all that period you have to pay Zakah on all previous years and also there are scholars who argue that you pay only one time for when you find it and from then forward you resume the annual payment every 354 days.

This deposit is subject to Zakah and it is your property and your responsibility to pay its Zakah not the Mudarib.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Majd

**Sent:** Friday, May 06, 2016

**Subject:** إسقاط الديون واعتبارها من الزكاة

جواب احمد الكردي

بداية الرسالة المحولة:

**من:** Ahmad Hajzy

**التاريخ:** ٦ مايو، ٢٠١٦

عامة الفقهاء على عدم صحة إسقاط الديون عن المدين بنية الزكاة، والبديل أن تدفع الزكاة للمدين الفقير من غير شرط أن يوفي به الدين، ثم يطالب بالدين، فإن وفاه مما أخذه من الزكاة منه جاز، وإلا فلم يخسر المزكي شيئاً.

**من:** Majd

**تاريخ الإرسال:** الخميس 5 مايو،

**الموضوع:** إسقاط الديون واعتبارها من الزكاة

سؤال:

هل يجوز إسقاط الديون غير المرجوة بنية الزكاة ؟ وهل يقتى بقول أئمة اهل العلم المجيزين لذلك كالحسن البصري و عطاء رضي الله عنهما ؟

**My answer:**

أوافق تماماً على الرأي المذكور وأضيف أن في ذلك انتفاع المزكي من زكاته انتفاعاً مالياً وهو يناقض عطاء الزكاة لثواب الله وحده. أما بند الغارمين فيمكن منه سداد ديون من يعجز عن سداد دينه ولا يكون ذلك بفعل المزكي أو بقراره بل بقرار صندوق أو جمعية الزكاة.

Prof. Dr. Monzer Kahf

**From:** Majd

**Sent:** Sunday, May 08, 2016

**Subject:** في زكاة البيوت المعدة للتأجير

شيخي الكريم

السلام عليكم ورحمة الله وبركاته

عمارة اكتمل البناء فيها واصبحت سلعة معدة للبيع ، وبالفعل بدانا بيع بعض الشقق. ثم لم نوفق في بيع باقي الشقق الى الان تبعا لوضع السوق حالياً.

متى تجب فيها الزكاة ؟

هل تجب بعد سنة كاملة من انتهاء البناء ؟ بحيث نزكي كامل قيمة العمارة ، بعد انقضاء حول على تمام بنائها.

ام تدخل مباشرة ضمن اموالنا التي نزكيها كل عام في بداية رمضان ؟

ام نزكي الاموال التي حصلنا عليها من الشقق التي تم بيعها فقط ، بحيث ندخلها ضمن اموالنا التي نزكيها مع بداية رمضان ؟

افتنا جزاك الله خيراً ﷻ

**My answer**

هذه عمارة قصد منها الإتجار فهي عروض تجارة منذ بدأ العمل ببنائها، بل ومنذ التخطيط لها. ثمن العمارة مقدراً بسعر السوق وإلا لم يمكن فيالكلفة خاضع للزكاة منذ البدء، أي أن هذا التاجر (شركة أم فرداً) تجب عليه الزكاة في جميع أمواله المخصصة لأعمال تجارته -ولو تنوعت- فإن كانت سنته في أول رمضان في كل سنة بذلك التاريخ يضيف جميع أموال تجارته بما في ذلك من نقود وعروض ومبان قيد البناء أو مكتملة أو في مراحلها الأولى قبل البناء وينزل من ذلك ما على تجارته من ديون أي أنه يحسب فقط ما صاف بملكه وتكون الزكاة المتوجبة هي 2.5% من هذا الصافي. وبذلك يكون ثمن ما باعه دخل في بند النقود و ثمن ما لم يبعه دخل في بند أموال التجارة. أي يزكيها مع أموال تجارته الأخرى وبسنتها (كما يقول في أملا رمضان). والله أعلم

Prof. Dr. Monzer Kahf

**From:** Majd

**Sent:** Friday, June 03, 2016

## Subject: الوكالة في الزكاة

سائل يسأل:

خالي رجل كبير نصف متعلم يصر على ان تكون زكاته لجهة يحددها هو وقد تكون غير موجودة في قريتنا ، وهو لا يقر بوجود احتياجات في الاصناف الثمانية لانه بعيد ، هل لموكله ان يتصرف في جهة أكثر احتياجا واستحقاقا؟

**My answer:**

الأخ المكرم مجد  
السلام عليكم ورحمة الله و بركاته  
تقصد لوكيله،

ما دام من في قريته من الفقراء هم ممن يستحق الزكاة فليس له التصرف بالذهاب بزكاة هذا الرجل لمن هو أبعد. أما إذا لم يوجد في قريته من هو مستحق للزكاة برأي الوكيل فلوكيل أن يعطيها لمستحق في مكان آخر. إذ الوكيل أمين في أن يحقق المقصود من وكالته وليس له التصرف برأيه إلا إذا انعدم المقصود. والله تعالى أعلم.  
مع أسمى التقدير وأعز التحية  
أ. د. منذر قحف

**From:** Wael

**Sent:** Tuesday, June 07, 2016

**Subject:** Zakah Calculation

Assalamu Alaykum wa Rahmatu Allah wa Barakatuh, Ramadan Mubarak!

Dear Dr. Monzer,

may you kindly help in replying the below question:

Salams

----- Forwarded message -----

**From:** Gias

Dear Brother Assalamu Alaykum,

If I understand correctly, I have to pay Zakat on my saving if the amount is unutilized for a year.

I have an account where I am contributing on monthly basis. Today's balance of that account is \$17,000.00 and but June 15, 2015 balance was \$12,005.00

In that case, I am considering the \$12,005.00 is being unutilized for more than a year. So I have to pay Zakat on \$12,005.00. Please confirm that my action is correct.

**In this I am afraid you are incorrect:**

First, non-utilization is not at all criteria of condition. Rather the clear criteria are: 1) having an amount of at least Nisab at the beginning of the year, so you start counting days, in your example June 15, 2015, and 2) having a Nisab at least at the end of a lunar year, i.e., June 4, 2016. Even if the amount drops below Nisab during the year, it is still subject to Zakah as long as the amount at the end is Nisab or more.

Second, the calculation should be on the amount you have at the end of the lunar year as long as it is above Nisab. Considering the passage of a year is on the original amount not on the additions. This is not disputed as it is based on the instructions the Prophet, pbuh, gave to the Zakah collectors at his time. The base of Zakah is in your example is \$ 17000.00

Secondly, I am paying every month around \$69.00 to two poor kids in Bangladesh [one through ICNA Relief fund and other one through PLAN Canada]. Can I consider this \$69.00 as my Zakat?

Here you come correct. If you are sure that these kids deserve Zakah, (most likely they are especially if they are orphans) they can receive your Zakah. Please notice that Zakah is Ibadah, worship like prayers. It requires intention when you pay it. If you did not have the intention to

pay Zakah when you paid these amounts those payments may not be considered as part of your due Zakah. At least you can make the intention now so that any future payment can be considered as partial discharge of the due Zakah. It is permissible to pay Zakah during the year on installments before the end of the year which is the normal due date.

I will appreciate your kind answer on above two issues.

Regards, Gias

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. WAEL

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Pease see my answers below the questions:

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** rila

**Sent:** Thursday, June 09, 2016

**Subject:** Zakah on rental property, business, jewelry, etc.

Dear Dr. Monzer Kahf, Assalamu Alaykum

I would like your short answers on these following matters

1. My daughter has a house given on rent and she has got an advance or key money equal to one year rent as deposit against damages in addition to getting the the rent monthly.

This is an investment property. My opinion is that any investment property, regardless of its kind is by definition beyond the need of the owner, therefore all the net worth (according to accounting meaning in general) is subject to Zakah, I.e., the market price of the house itself and any related cash or other assets on the day when Zakah is due.

a. Is she liable to pay Zakat on the advance amount after one year, less any repairs if effected during the tenancy?

This is, as describe, a security deposit, it is owned by the lessee not the owner of the house. The lessee is required to include it in his Zakatable items not the owner as it is in his hand as Amanah.

b. Is she liable to pay Zakat on the rental income from the property?

This issue is very often misunderstood. When we say Zakah is on the net worth of the day when Zakah is due, net worth includes any cash left over; otherwise any received rent that is already spent on repairs, family, etc. does not exist of the due date. Definitely you do not include amounts of cash that are gone!

2. In a business what is taken for Zakah Calculation?

a. Value of the Business stock?

b. Annual profit less expenses?

It is net worth on the due date. There are minor adjustments from the accounting concept. For instance, you do not take into account any provisions of end of service of employees and items like it that are in fact not due on the owner but may become due in the future.

3. Gold ornaments subjected to Zakat?

a. Total Current value of Gold in position less allowable ..... grams per person?

This is incorrect there is no less... the amount of about 85 grams of gold (the Nisab) is a criterion of being subject to Zakah not a minimum deductible, if you have 85 grams of gold, you have to pay Zakat on all that you have.

b. Can same rule above be applied if someone has 2 dependent daughters and deduct what is due for 2 daughters and pay for the rest as Zakat? If a mother is allowed 10 grams can she set aside 20 grams for the two daughters and pay zakat on the balance?

Again here, Zakah is on the owner whether adult or minor. If the mother owns the golden ornaments and they exceed the Nisab the total is subject to Zakah. If the minor (or adult but still dependent) daughter is the owner and what she owns reaches Nisab or more, she (not the mother or father) is required to pay the due amount of Zakah although it is permissible for the bread winner to pay on her behalf whether the bread winner charges the amount paid to the minor or not.

4. If someone has lend money to someone as loan without expecting any return, is that amount be liable for Zakat by lender?

In normal cases YES provided the debtor is able to pay back and not denying his indebtedness. But if someone say devoted a large sum to be given as loans to others (of course loans are without any increments) continuously, this sum is not subject to Zakah except once when he decides to retrieve it. Also when the loan is kind of problematic (default, inability to pay, denial, etc.) it is then subject to Zakah once it is retrieved.

5. If I have someone's cash is in my custody for safety, who is liable for Zakat?

The owner of the cash not the depositor, i.e., not you.

6. If I am receiving a return on my investment **monthly** am I liable for Zakat on the on the total annual return, even if I have already expensed that amount monthly. I know I am liable for the invested amount.

Here is the concept of net worth. It means only possessions on the due date, what is expended is gone.

7. Is it ok to do the following during fasting time?

a. Putting eye drops or eye ointments

b. Injections such as Insulin, antibiotics etc.

c. Pricking finger for blood samples

d. Taking blood thru syringes for blood tests

e. Nasal sprays **provided one spit out whatever comes to the throat of it.**

f. Ear drops.

h. Medical inhalers. **Controversial because it has substance (usually liquids) entering in the body through the throat. I say if it is necessary for any sickness, e.g., asthma, it is permissible as it in fact does not go the stomach.**

**All other are permissible**

8. I have some vision problem in reading Holy Quran and therefore I substitute listening to recitals in the internet? Will I get the same reward or less?

Yes InShaAllah, because you are doing what you can.

Thanking you for your kind reply,

Yours sincerely brother

Rila

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Sr. Rila

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

You asked too many questions and some of them need a lot of explanation.

Anyway, please see below the questions for very briefs answers.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Rizwan

**Sent:** Monday, June 06, 2016

**Subject: Spending Zakat money on Da'wah**

Respected Scholar,

Assalam Alaykum WRB, Ramadan Kareem.

Hope you are doing well.

As you have promptly answered my couple of questions before, this gives me confidence that you will guide me on the below as well In Sha Allah.

My question is regarding Donating Zakat money to a local Jamaat that will utilize this money in propagation of Islam among Muslim and non-Muslim brothers. Money will be spent on conducting various programs on different subjects like speeches on different significant Islamic Occasions, Da'wah Topics, sometimes activities like blood donation & medical camps etc. on media, publicity & other logistical requirement.

In order to become a member of this Jamaat, a member is required to contribute 2% of his monthly income. My question is: can this amount be counted towards my annual Zakat amount payable. Please guide me in this regard. Jazaka Allah Khair.

Thanks & Regards,

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Rizwan

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

According to your description of the activities of this Jamaat I consider its work very important but it does not make it under the recipient categories of Zakah. Such activities should be financed from donations and pledges other than Zakah. The Zakah amounts must be spent strictly according to Verse 9:60 of the Qur'an and this organization does not fall under any of

them. The work of Da'wah is important and necessary but it should not be done at the expense of the right of the poor. Besides, the item of "Fi Sabil Allah" means fighting for the sake of God, whether physically by arms of defending Islam and Muslim as in organizations specialized in following up on any and all incidences of aggression/prejudice against Muslims or defaming Islam and attempting to correct them politically, legally and through public media (e.g., CAIR in America and legal defense organizations) Da'wah is general not specific in defense of Islam and Muslims.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Wael

**Sent:** Friday, June 10, 2016

**Subject:** Nisab of Zakah, does it change every day?

Assalamu Alaykum wa Rahmatu Allah wa Barakatuh

Dear Dr. Monzer, the brother whom you sent a reply to his question few days ago, sent the below question: Please, help reply him.

Jazakum Allah Khayran.

Salams

----- Forwarded message -----

**From:** Gias

As-Salamu Alaykum wa Rahmatu Allah wa Barakatuh brother.

Thank for clarification about Zakat

I think Nisab amount changes every year. What is the Nisab amount this year.

Regards, Gias

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Wael

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Please inform our dear brother of the following:

Nisab is set by our beloved Prophet, pbuh, in terms of what was available during his times. For agricultural products, it is 5 wasq (Wasq is a volume measure that is equal 60 Sa' which takes approximately 2.2 KG of wheat grain) which is equal approximately 643 KG of grain (notice transformation from volume to weight). Gold, silver and other Zakatable assets are estimated by gold and silver. (They had fixed relation at the time of the Prophet, pbuh (1 Dinar=40 Dirham). Now prices of gold and of silver have become subject to speculation in the regulated currency and commodity markets. Silver went down a lot relative to gold, and gold fluctuated over the last few years between a few hundreds and more than twenty six hundreds.

In the early 1980 I wrote an article which was published in the Journal of King Abdul Aziz University about relative prices at the time of the Prophet, pbuh, in Madinah and then concluded that normal man hour income was one dirham and also one dirham was sufficient

for one day food for a family of four. If you want to take the price of gold or that of silver, the quantity of Nisab (# 85 grams of gold or 582 grams of silver) will have different daily prices.

What I mean to say is that: I do not believe that Allah made our application of religion dependent on the actions of speculators in New York! I calculated the Nisab in the early 1980 and compared it to the amount of daily food or daily income of unskilled labor, My opinion is that Nisab in gold value is about US\$ 1500. I still believe that this number is still reasonable. Of course an Islamic government that applies Zakah, collection and distribution, by law has the right to set the Nisab under the guidance of the several Ahadith, it may change it every year, quarter, month or several years as studies find fit.

For now I still think the amount of US\$ 1500 seems reasonable.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Wael

**Sent:** Friday, June 10, 2016

**Subject: Can donations to Ramadan baskets for Syrian refugees be from Zakah?**

As-Salamu Alaykum wa Rahmatu Allah wa Barakatuh

What do you think of this question dear Dr. Monzer about giving Zakah to projects that help Syrian refugees in Canada.

As you know dear Dr. Monzer thousands of Syrian refugees have arrived Canada recently. Some of these refugees are sponsored by the government and others by Canadian people. The government and the people financially support them.

However, some of the Syrian refugees may still be in need as they cannot well manage to meet their needs by the government's or sponsors' financial support.

Salams

----- Forwarded message -----

**From:** Waqqas

Salaam Dr. Wael,

A quick question, if I may trouble you, my brother in-law is asking me the question below.

Would you be able to give an answer from a Fiqh perspective? Jazaka Allah Khair

Salaam,

Waqqas

----- Forwarded message -----

**From:** Ahmed

Assalamu Alaykum Waqqas,

Would donations for the <http://theclothingdrive.org> project where they create Ramadan baskets of food for the recent Syrian refugees considered as zakat? Thanks,

Ahmed

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Wael

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

There is no doubt that poverty and need is the criteria for deserving Zakah, add to this other situations such as being displaced from home/land, having suffered a period of distress and violence, etc.

But also in many of these Syrian refugees have similarity with other Muslim refugees from Iraq, Afghanistan, Chechnya and other countries.

Let us set the criteria: 1) they are poor, and 2) the channel is trust worthy. If these two conditions are fulfilled, then giving to person who needs more care because of their other circumstances is better than giving to only poor.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Majd

**Sent:** Wednesday, June 15, 2016

**Subject:** سؤال في حساب الزكاة عند انتقال المال من شكل لآخر

أنا أملك عقارا بغرض الاستثمار وتنمية الاموال وبعد فترة بعت هذا العقار واستلمت قيمته مال ومن ثم وضعت هذه الاموال مساهمة في مشروع تجاري فكيف يتم حساب الزكاة وهل يزكى المال من المساهمين أم يزكى جميعه من قبل صاحب الشراكة ؟  
وجزاكم الله خيرا

**My Answer:**

الأخ المكرم مجد  
السلام عليكم ورحمة الله وبركاته  
الزكاة فريضة شخصية كالصلاة، لها ارتباط بالمال وبالزمن.  
فلسنة المسائل مستمرة من العقار الاستثماري إلى الشركة وفي يوم زكاته عند تمام الحول يحسب الثمن السوقي لماله في الشركة ويدخله ضمن مجموع ما تجب في الزكاة وهي على المالين السابق والحالي بنسبة 2.5%.  
ولو اتفق الشركاء على أن تدفع الشركة الزكاة وكالة عنهم، فلا يدخل ما له من حصة في الشركة فيما تجب فيه الزكاة وعليه أن يخرج زكاة فرق الزمن بنسبته لو اختلف حول الشركة عن حوله هو. (وتحسب بنسبة الأيام إلى الحول، 354)  
مع أسامي التقدير وأعز التحية  
أ. د. منذر قحف

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**From:** Carrim

**Sent:** Thursday, June 16, 2016

**Subject:** Zakah on net or gross income?

Assalamu Alaykum Dr. Kahf,

I hope you remember me. I was Imam at ICSB when you visited as Khateeb. I hope Ramadan is keeping you and your family well.

I have a question regarding Zakah. When one has income property when does one pay Zakah- on the gross amount or after deducting expenses? I mean expenses like repairs, broker's fees, property rates and taxes, etc. I anticipate your reply.

Shukrun

Carrim

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Carrim

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

I believe an income property is like any other investment is subject to Zakah on the basis on net worth. Net worth means the amount of wealth the person really own. That is all assets minus all liability this is of course on the day when Zakah is due. It means we add together all assets at market value (investment properties including cash) and deduct all liabilities to reach the exact net worth. It also means that any income has already entered as an item of the cash and any expense, if paid has already gone and reduced cash accordingly and what is due to be paid is part of the liability.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From: Samy**

**Sent:** Saturday, June 25, 2016

**Subject: Zakah on RESP**

Dear Dr Monzer, Assalamu Alaykum wa Rahmatu Allah wa Barakatuh

I highly appreciate it if you can answer the below financial question that I received from a community member here in Canada.

Salam,

I just want to clarify the Registered Education Savings Plan (RESP) zakat question.

First of all, the RESP is a way to save for a child's post-secondary education. Whether one wants to save for her/his own children, grandchildren, a niece, nephew, or family friend.

RESP offers flexibility, tax-deferred investment growth and direct government assistance to help someone saves for a child's education.

Secondly, the Canada Education Savings Grant (CESG) **matches 20%** on the first \$2,500 contributed annually to a maximum of \$500 a year (\$7,200 overall) for a child under the age of 18, plus possible catch-up grants.

My question is how zakat on RESP works?

Jazakumu Allah Khayran

Samy

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Samy

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

The matter is much simpler. Think of it: these are funds saved for future possible use. There is no definite commitment (e.g., contract that requires you to pay a given amount at a given time). Add to it that the government gives certain facilities and enhancement for such savings (government also give enhancements to saving for retirement which has similar concept, i.e., funds saved for future potential use with no definite commitment as mentioned above).

These funds are part of the wealth of the owner, whoever it may be, and the saver of the child. This wealth is covered by the text of the Qur'an that requires Zakah to be on "the properties they own" [9:60].

Zakah is on what is owned in this account. It covers the savings one puts and any grants added provided the latter is vested (becomes owned completely with no recourse by the account owner). It is annual every year at the 2.5%. It can be calculated and paid from other sources so that funds in the plan become Zakah-free. Alternatively it can be calculated annually and payment of all past years be done upon liquidation in as much as being liquidated every month or period. (Suppose the total saving when the child become in the university reached 50,000 and the total of accumulated yearly unpaid Zakah since the start at the year 1 is 17,000, then when you withdraw any amount you give to Zakah recipients 34% of the liquidated amount). of course the first alternative is easier. We must remember that yearly due but unpaid Zakah remains a right of God (payable to the poor) until it is paid off; it never dies out with passage of time.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Habib

**Sent:** Wednesday, July 13, 2016

**Subject:** shares of poor, needy and worker of Zakah

Dear Dr. Monzer, Assalamu Alaykum

Can you please help me with the following questions?

1. I have entrusted a person with managing my Zakat back in my home country, this involves managing a bank account reserved for Zakat proceedings and its distribution based on my instructions, also involves advice from him on the verification of people eligibility for Zakat entitlement which may change with time, I mean someone who is deserving of Zakat may not be eligible in the future, also new needy one may be discovered. In this situation is the person managing this account for me eligible for Zakat for the work being done for me under the category of: *العاملين عليها*. Or does this apply only to the collectors of Zakat. If the answer is yes, how does one determines the compensation noting that this person is not eligible for Zakat to start with; can it be percentage based?

2. With reference to the category of *فقير* and *مسكين*, is it acceptable or reasonable to assume that each person who is not able to pay Zakat because his net worth does not reach the *نصاب* is eligible for Zakat.

Jazakumu Allah Khairan

Habib

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Habib

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

1. When the government does not collect and distribute Zakah, each one of us is required to calculate his/her due amount and give it to deserving persons. This is our personal responsibility according to the many verses in the Qur'an that mention making the Zakah reach its deserving persons إيتاء الزكاة. Accordingly whenever we appoint another person (individual or legal person such as a charity) this appointment means a Wakalah (Agency) to do our duty, not the duty of a government employee (collection and distribution of Zakah). Accordingly whenever the government does not undertake its job, the item of "worker on it العاملين عليها" becomes inapplicable and it is your responsibility to have it reach the poor and needy.
2. Poor and needy are generally people whose available resources do not satisfy their needs. Of course if a person owns Nisab he/she is excluded but that alone is not a sufficient criterion. There are many people who do not have Nisab but their income is reasonably sufficient for their expense, with or without cutting some edges. These kinds of people may be the majority of lower middle class, but they do not qualify as recipient of Zakah although they do not own Nisab.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** AboutIslam.net

**Sent:** Wednesday, August 10, 2016

**Subject:** Zakah When Buying a Flat

As-Salamu Alaykum. Usually I pay Zakah after Ramadan. This year in March I bought a flat, according to the agreement I paid 30%, and I have to pay the entire amount in September. So should I pay Zakah from that money which I still have to pay for the flat if I have had them in my hand for the whole Zakatable year?

**My Answer:**

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb 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 the flat you contracted (bought) for your residence it is not subject to Zakah and all funds that you are saving and putting together to pay the remaining 70% of its price is also not subject to Zakah because they are prepared to pay the debt that is now on you.

But if the flat is for investment, its market value on the day of Zakah is subject to Zakah and you deduct from the market value the amount of debt that is still on it (the 70%), i.e., you take the net equity only and that is subject to Zakah. Of course any funds you have cash and accumulate

until September or any other date will also be subject to Zakah as cumulative cash Notice we did not do any double Zakah or any double deduction.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

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**From:** Wael

**Sent:** Tuesday, August 16, 2016

**Subject:**

As-Salamu Alaykum

Dearest Dr. Monzer,

Please help replying the below question:

**Dr. Wael**

----- Forwarded message -----

**From:** Kuriat

**Question:**

Salam Alaykum, I believed I have met all the 4 of the five pillars of Islam except the Zakat. I make around 50 grand a year and my acct is overdrawn all the time. Is there any way I can still make my Zakat? how can I calculate the amount of Zakat to pay? Jazaka Allahu Khayran.

Kuriat

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Dr. Wael

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Please inform this sister that the matter is much simpler than she may think.

Just add together: cash + all bank accounts + any shares, stocks, mutual fund, etc. + any retirement and education plan accounts + any other investment properties. Multiply the total by 2.5% every year. Notice the following:

1. Amount of income doesn't matter, what matters is the amount save out of it. this is included in one or more of the items mentioned.
2. The year is a lunar year, 354 days. First year begins on the day when the total above is equal US\$ 1500 for the first time and every 354 days then after.
3. Past due but not paid Zakah does not evaporate, it is still a must to be paid.
4. You always take the market value on the due day of Zakah for all non-cash items.
5. Properties in use by you and your household are exempt. These include residence house, cars, jewelry (provided in use and not exceptionally higher than what your peers usually have), household items and furniture and the like.
6. Mortgage on the residence or personal cars or the like is not deductible because it is against future income.

Please if you feel in need of any further clarification do not ever hesitate to ask.

Wa Allahu A'lam

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

**From:** Shakeel

**Sent:** Wednesday, October 12, 2016

**Subject:** question on Zakah

Assalamu Alaykum,

I have borrowed \$35,000 from my son. At the time of calculating our Zakah, neither one of us have these funds. I need to know the following:

Does anyone of us have to pay Zakah on that amount?

Should I deduct that amount from my Zakatable amount? Jazaka Allahu Khairan

Shakeel

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Shakeel

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Your question is very simple. Think of it this way:

1. For your son, the creditor: he owns \$35000 and certainly you are going to pay it sometime in the future (if you are bankrupt or in denial of indebtedness, the answer differs), he is 35000 dollar wealthy, so he is subject to Zakah at the rate of 2.5% every year.
2. For you: suppose you have now (on the Zakah due date) in the bank \$20000 or 200,000, ask yourself this question: Am I paying the debt of 35000 out of this money? Is yes, deduct it and pay Zakah on the remainder if it is Nisab or more. Of course for the 20000, you pay nothing and for the 200,000 you pay on 165,000. But if you are not paying it from this money (I.e., you pay it from future revenues as in the case of house mortgages) you pay Zakah then on the 20000 or the 200,000.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

**My Answer:**

الأخ المكرم مجد

السلام عليكم ورحمة الله وبركاته

يبدو لي أن ما كانت تدفعه كان بنية الزكاة وكان يجب عليها 7500 جنيه في السنة ولكنها كانت تدفع 4800. الآن بعد موتها ماذا يفعل؟

1. رحمها الله كانت تكسب الربا وتعيش عليه. فهذه الشهادات ربوية رغم أنف بعض الشيوخ الذين أباحوها. وقد أفتى مجمع الفقه الإسلامي الدولي بحرمتها. الآن يجب على الورثة أولاً الخروج من الربا بأسرع وقت ولهم راس المال وأي زيادة تعطى للفقراء والمساكين وهي لي ليست صدقة ولا زكاة.
2. الزكاة التي كانت تجب عليها يستحسن إخراجها خروجاً من الخلاف ولا تجب على الورثة فلهم عدم الإخراج. وإن أخرجوها فيجب الفرق وهو 2700 عن كل سنة.

3. من تاريخ موت المرحومة إن شاء الله تعالى تتضمن حصة كل وارت لأمواله وتجب الزكاة على كل منهم حسب سنة زكاته وحوله ونصابه.  
مع أسمى التقدير وأعز التحية  
أ.د. منذر قحف

**From:** مجد

**Sent:** Wednesday, November 23, 2016

**Subject:** توفيت وكانت تضع مالها بالربا و نفع زكاة

نرجو عاجلا فتواكم مشكورين على المسألة التالية: سيدة عملت شهادات ادخار نظام الثلاث سنوات وتجدد بمبلغ 300 ألف جنيه وكانت تصرف العائد كل شهر من اجل ان تصرف على نفسها وكانت تخرج كل شهر مبلغ 400 جنيه وقالت: أنا اخرج المبلغ هذا كل شهر من اجل الفلوس التي فى البنك.

ولما توفيت هذه السيدة أحد الأولاد قال الشهادة هذه لها 6 سنين، يجب علينا ان نخرج الزكاة عن الست سنين والباقي نقسمه لأن مبلغ ال 400 جنيه الذي كانت الحاجة تخرجهم كل شهر لسنا عارفين هل كانت تخرجهم على سبيل الصدقة أو الزكاة ونعمل بالأحوط ونخرج الزكاة عن المدة التي فاتت فهل كلامه صحيح أم لا ؟؟ وإذا كان صحيحا فما هو مقدار الزكاة؟؟

وفقكم المولى ورعاكم وعلى طريق الخير والحق وسدد خطاكم

**From:** Amjed

**Sent:** Sunday, November 27, 2016

**Subject:** Zakah on Rental Property that has an Islamic mortgage

Assalamu Alaykum Sh. Monzer Kahf,

Please inform me of Zakah due on rental property that has an Islamic mortgage. My payment is 1800 and I take 1400 in rent at a loss. Also I don't really know what the property value is other than Zillow.com but in my opinion, it is not sellable for the amount I purchased it 9 years ago without major repairs that I don't have the money for now Alhamdulillah.

Jazaka Allah Khair,

Amjed

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Amjed

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

Zakah on this property is: reasonable estimation of its value on the day of your Zakah (your Hawl regardless of date obtained, and you do such reasonable evaluation each 354 days then after) - amount of the balance of the Islamic mortgage on that day, the outcome of this subtraction is to be multiplied by 0. 025 which is the rate of Zakah. Of course the result of subtraction may be negative then there is no Zakah on this property. Of course whatever monthly payment you make increases you equity in the property. In other words, only net equity that you in reality own, to the best of your estimation, is subject to Zakah.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Best Regards

Dr. Monzer Kahf

**From:** Douglas

**Sent:** Monday, December 05, 2016

**Subject: Money donated in a fundraiser, can it be considered as Zakah?**

Salam Alaykum brother Kahf my question is

If a certain amount is donated at a fundraiser can the money donated be considered as the Nisab of 2.5% which is due in zakat on wealth every lunar year for the profits made during the year?

Your assistance in the matter will highly be appreciated Jazaka Allahu Khayran

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Douglas

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

There are several important points in your question that deserve some details. Please note the following:

1. Zakah is on both wealth and income (profit).
2. Once a person have an amount of Nisab (which merely a test of Zakatability, it is about USD 1500) as a total of all the items that are subject to Zakah which are generally all cash, bank accounts, investment properties, investment accounts and shares and the like (i.e., items of wealth used by the owner or family are not subject to Zakah such as residence, transport means, cloth, furniture, books and their likes), then 354 days later this person is subject to Zakah on all such total value then (i.e., at prices/amounts on the day 354th) of Zakatable items at the rate of 2.5%. This is of course if the value then is equal to the Nisab or more.
3. The amount due of Zakah must be given to the poor and needy as soon as this possible, any unjustified delay is sinful.
4. This exercise is to be repeated every 354 days then after unless the said total is found to have declined below Nisab. In such a case this exercise starts again when acquiring Nisab anew.
5. Zakah may be paid during the year, i.e., before it becomes due date wise. This advance payment is calculated out of the amount due on the 354<sup>th</sup> day and the balance only becomes obligatory.
6. Payment of Zakah requires intention that it is a discharge of the pillar of Zakah. Payment without such an intention makes whatever is paid normal charity not Zakah. This intention needs not be known or informed to the recipient.
7. Zakah can be given only to recipient categories mentioned in the Qur'an, [9:60] giving to others makes the giving a voluntary charity not Zakah. When you give Zakah to a deserving person you must know that he/she is a deserving person and when giving to an organization you must know that it deserves to receive Zakah itself or you must have full trust that it is going to distribute it to deserving persons on your behalf.
8. I come now to your question: if you know that this organization deserves Zakah and have that intention when you gave it during the fund-raising, it can then be considered a payment of Zakah. Otherwise no. to make things easier for you here is my opinions of who deserves Zakah in America: CAIR and all its local chapters can receive Zakah, Muslim Legal defense

organization also deserves Zakah. Both on the basis of being in defense of Islam and human rights of Muslims as individuals. Islamic Relief International may receive Zakah provided you tell it when you give that it is Zakah because this organization has several other projects than are useful but not within the limits of Zakah. Also all Islamic schools, Islamic centers and mosques in the US and Canada DO NOT DESERVE ZAKAH. THAT IS MY VIEW.

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Best Regards

Dr. Monzer Kahf

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**From:** Shamim

**Sent:** Wednesday, December 28, 2016

**Subject:** Zakah calculations of shares and others

Assalam Alaykum Dr. Monzer,

I hope my email finds you well

I wanted to seek some clarification on a few matter in regards to Zakat calculations.

1) In an instance where I own some shares in a particular company. I own these shares for the intention of earning yearly dividend income;

A- How do I calculate the 'Zakatable' amount from the company's financial statements?

My opinion is: in application of the Verse 9:103 Zakah is on all wealth that is intended for growth (investment) and generated income. What are exempt are only properties intended for personal and family use. Accordingly these share are subject to Zakah every year at the market value on the day Zakah is due and at the rate of 2.5%, the point that they are for income generation or for long term wealth accumulation does not affect the fact that they are wealth not designated for personal use.

Whatever income obtained from them is added to the cash flow. Cash flow is not subject to Zakah, what is subject to Zakah is the amount (balances of cash on hand+ bank accounts) of cash you have on the day of Zakah (you can deduct from it any amount committed to debt or other payment if the debt or expense will come out of these balances themselves).

2) In the case that I own and run a business;

A- what is the correct treatment on this in terms of business profits?

B- what is the correct treatment for stock?

C- what is the correct treatment for 'dead' stock (damaged etc?)

Again here apply the same principle. Zakah is on the business net worth (total assets minus total liabilities on the day of Zakah) and please notice that Zakah is on the properties (Amwal as mentioned in Verse 103) one owns on the day of Zakah and Amwal includes assets and profit. Accordingly, profit is included in the net worth.

There may be a need to make a few adjustments from regular accounting procedures, for instance:

- Establishment expenses are all deductible (because they are actually gone) although accounting systems allow, for tax and other purposes, amortizing them on a few years.

- Provision for end of service allowance of employees should be added back to profit because although they are required by law, they are not due now as they only become due when an employee actually quits.
- Inventory (stock) should be evaluated at fair purchase market value (replacement value) on the day of Zakah, not at cost or lowest of them.

Doubtful debts and damaged inventory are treated exactly in accordance with accounting principles, I.e., by estimating fairly the amount of loss or damage and charge it to the profit and loss account.

Thank you for your help, Jazaka Allah Khair

Regards,

Shamim

**My Answer:**

Bismillah al Rahman al Rahim

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

Dear Br. Shamim

Assalamu Alaykum wa Rahmatu Allahi wa Barakatuh

I don't remember receiving any question from you recently and I am sorry for that as I usually answer question within 2-3 days only. Please see my answers below the questions:

Wa Allahu A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Best Regards

Dr. Monzer Kahf

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