



منظمة الزكاة العالمية
International Zakat Organization

MY ZAKAT

A certified curriculum in Zakat jurisprudence
and financial accounting for companies and
individuals according to Islamic Law,
focusing on net profits

100 Questions & Answers

A scientific method Certified by
the Arbitration Committee of the
Council of Experts of the World
Zakat Organization



Ramadan 1443h - April 2022

The logo for the International Zakat Organization (IZÖLJ) features the acronym 'IZÖLJ' in a stylized font. The 'O' is replaced by a circular geometric pattern. Below the acronym, the name is written in Arabic 'منظمة الزكاة العالمية' and English 'International Zakat Organization'.

International Zakat Organization was established on December 2, 2019 as an international non-profit organization registered in England, with its head office located in the United Kingdom (London). It is a reference, normative and consultative organization that operates in the international sphere in accordance with Electronic working mechanisms.

The objectives of the organization are to advance the thought of Zakat, to renew its concepts and to disseminate its culture in the light of its contemporary applications. In addition to the institutional empowerment of Zakat, the improvement of its legislative reality and the upgrading of its contemporary practical applications in the world. For this reason, the organization does not engage in the work of collecting or disbursing zakat funds.

Mission:

Empowering Zakat in the world as a means of development and solidarity.

Vision:

A leading international institution in promoting and activating the civilized role of Zakat in the world.

Strategic objective:

To become an international organization which is specialized in the science of Zakat and contribute to developing its standards. It also aims to improve its applications and activate its civilizational roles in support of global economies.

General aims:

1. Promoting Zakat, renewing its concepts, and spreading its culture in light of its contemporary applications.
2. Institutional empowerment of Zakat, improving its legislative aspect and upgrading its contemporary practical applications.
3. Internationalizing the Zakat model and integrating its concepts with the institutions of the modern international economy.
4. Raising awareness of the positive effects of Zakat on the economic, social and cultural aspects.

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International Zakat Organization

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Secretary-General of the International Zakat Organization

All praise be to Allah, and peace and blessings be upon His honest Messenger Mohammed and his family and companions.

Zakat is a prominent ritual of Islam; it is the third of its great pillars. Zakat is often mentioned alongside Prayer in the Qur'an and in the Sunnah, so the order to pay Zakat.

Allah legislated Zakat for the attainment of noble objectives and because it serves the people's interests. Thus, if they fulfil Zakat as per the commands of their Creator; they will realise these objectives, or alternatively miss out on these objectives whenever they fail to fulfil Zakat.

Given the high status of Zakat in Islam, and because of the ambiguity surrounding some of its issues and calculations, the International Zakat Organization (IZO) has undertaken to provide the Muslim world with a comprehensive and concise educational curriculum. This curriculum aims to clarify Zakat's jurisprudence and its accounting principles for companies and individuals. In addition to clearing up the principles and perceptions of Zakat from current dimensions: jurisprudential, accounting, and legal, it also highlights the noble purposes and economic benefits of Zakat.

Given the importance of this publication in the field of Zakat education in the world, the organization (IZO) commissioned two Zakat experts to compose it: Dr. Riad Mansour Al-Khalifi (President of the International Zakat Organization) and Dr. Salahuddin Ahmed Amer (Chairman of the Zakat Council of Experts of the International Zakat Organization). They did their utmost in this regard, presenting the book in the format of 100 questions and answers on Zakat jurisprudence and its contemporary issues. We ask ALLAH Almighty to reward the authors and place it in the balance of their good deeds on the Day of Judgement.

This book is based on a new methodological approach and an innovative presentation of zakat issues using diagrams and tables where needed, in a number of simple and concise chapters. Through its main chapters, the book answers six major questions concerning Zakat jurisprudence: **Who imposed zakat? Why did he require it? And on whom was it commanded? What kind of property is concerned with this duty? How much should be taken out of it? How do we calculate it? To whom is it given?**

Under each of these main topics are secondary questions.

The organization also established a specialized committee of the Council of Zakat Experts to review and revise this book. We thank all those who contributed to this release by expressing an opinion or contributing to its preparation, arbitration, production, or publication.

Dr. Osama Fathi Ahmed

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Chapter One:

Who Imposed Zakat?

(Source of Zakat legislation)

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Chapter One:

Who Imposed Zakat?

(Source of Zakat legislation)

1 Define Zakat linguistically and technically?

Zakat in the Arabic language means growth, increase, and purification¹. It is so named because it increases money by moving and blessing it. It also betters the morals of the one who pays it and thus the morals of society. Furthermore, Zakat raises a person's standing before Allah², giving him Allah's satisfaction and forgiveness. Zakat cleanses the money and soul of believers too. It removes hatred from them and purifies the benefactor and society from stinginess and greed. This is what Allah Almighty confirmed in his saying:

﴿خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا﴾

(Take, [O Muhammad], from their wealth a charity by which you purify them and cause them increase, and invoke [Allah's blessings] upon them).³

In jurisprudence, Zakat means a defined right in Sharia that must be paid from particular funds, in a specific manner, given to prescribed beneficiaries⁴.

2 Who imposed Zakat? And when was it imposed?

Allah imposed Zakat and made it one of the five pillars of Islam. Zakat was imposed – according to the most correct view - in the second year of the Prophet's Hijrah, whereas before this Muslims were encouraged to give charity in general.

3 What is the evidence that Zakat is obligatory?

Zakat is obligatory according to the Qur'an, Sunnah, and consensus. Among the evidence that Zakat is obligatory in Islam is the following:

- **The first evidence:** Allah Almighty says in the Qur'an:

﴿فَإِنْ تَابُوا وَأَقَامُوا الصَّلَاةَ وَآتَوُا الزَّكَاةَ فَإِخْوَانُكُمْ فِي الدِّينِ وَنُفِصِلُ الْآيَاتِ لِقَوْمٍ يَعْلَمُونَ﴾

“But if they repent, establish prayer, and give zakāh, then they are your brothers in religion; and We detail the verses for a people who know”⁵.

1 Kitab al-Ayn, Al-Khalil ibn Ahmad al-Farahidi, 5/394.

2 Talabat al-Talbah fi al-Istilahat alfiqhiah, 16.

3 Surah At-Tawbah, 103.

4 Mughni al-Muhtaj, 2/62. Attashil fi Fiqh Alibadat, 236.

5 Surah At-Tawbah, 11.

- **The second evidence:** Ibn Umar narrated: The Messenger of Allah peace be upon him said: “Islam is built upon five pillars: Testifying that there is no Allah but Allah and that Muhammad is His servant and Messenger, establishing prayer, paying Zakat, performing hajj to the House (the Ka’bah), and fasting in Ramadan.”⁶
- **The third evidence:** Ibn Abbas reported: When the Messenger of Allah, peace and blessings be upon him, sent Mu’adh to Yemen, he said to him: “Verily, you are coming to a people among the people of the Book, so call them to testify there is no Allah but Allah and I am the Messenger of Allah. If they accept that, then teach them that Allah has obligated five prayers in each day and night. If they accept that, then teach them that Allah has obligated charity to be taken from the rich and given to the poor.”⁷
- **The fourth evidence:** Scholars have agreed that a Muslim must pay Zakat if its conditions are met⁸.

4 What is the ruling on Muslims who do not pay Zakat?

Failure of a Muslim to pay Zakat is either due to ingratitude and denial, stinginess and laziness, or inattention and forgetfulness. The rule of each case of those is as follows:

- **First: ingratitude and denial:** Whoever denies Zakat and disbelieves that it is a duty in Islam is not a Muslim; because he has denied one of the five pillars of Islam⁹ and one of its axiomatic provisions¹⁰.
- **Second: stinginess and laziness while acknowledging that Zakat is obligatory:** According to most scholars, the Muslim does not come out of Islam in this case¹¹. However, he has committed a great sin and deserved to be reproved in this world and punished in the afterlife, as Allah Almighty said:

﴿وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يُنْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ بِعَذَابٍ أَلِيمٍ يَوْمَ يُحْمَى عَلَيْهَا فِي نَارِ جَهَنَّمَ فَتُكْوَى بِهَا جِبَاهُهُمْ وَجُنُوبُهُمْ وظُهُورُهُمْ هَذَا مَا كَنْزْتُمْ لِأَنْفُسِكُمْ فَذُوقُوا مَا كُنْتُمْ تَكْنِزُونَ﴾

“And those who hoard gold and silver and spend it not in the way of Allāh - give them tidings of a painful punishment. The Day when it will be heated in the fire of Hell and seared therewith will be their foreheads, their flanks, and their backs, [it will be said], “This is what you hoarded for yourselves, so taste what you used to hoard.”¹²

And in the Hadith¹³, Abu Hurairah, may Allah be pleased with him, narrated that the Messenger of Allah Mohammad, may Allah’s prayers and peace be upon him, said: “Whoever

6 Narrated by Al-Bukhari 11/1, No. 8, and Muslim 1/45 No. 16.

7 Narrated by Al-Bukhari 2/104 No. 1395, and Muslim 1/50 No. 19

8 Badai al-Sanai fi Tarteeb al-Sharaii, Abu Bakr Al Kasani, 2/3. Al-Bayan fi Madh-hab al-Imam al-Shafi’I, 3/132 and others.

9 Nawadir wa-al- Ziyadat ‘ala ma fi al-Mudawwanat min Ghayriha min al-Ummahat, 14/536. Al-Bayan wa al Tahsil, 16/394. Matalib Ouli An-Nouha, 2/117, etc.

10 Each religion has undeniable pillars and beliefs. More than that, one is not included in this religion unless he believes in them. This is recognized in all religions and considered as a condition of religiosity.

11 Bidayat Al-mujtahid Wa Nihayat As-muqtasid, ibn Rushd, 2/10.

12 Surah At-Tawbah, 34-35.

13 Narrated by Al-Bukhari 10/26, No. 1403, and others.

is made wealthy by Allah and does not pay the Zakat of his wealth, then on the Day of Resurrection his wealth will be made like a bald-headed poisonous male snake with two black spots over the eyes. The snake will encircle his neck and bite his cheeks and say, ‘I am your wealth, I am your treasure.’” Then the Prophet recited the holy verses:

﴿وَلَا يَحْسَبَنَّ الَّذِينَ يَبْخُلُونَ بِمَا آتَاهُمُ اللَّهُ مِنْ فَضْلِهِ هُوَ خَيْرًا لَّهُمْ بَلْ هُوَ شَرٌّ لَّهُمْ سَيُطَوَّقُونَ مَا بَخَلُوا بِهِ يَوْمَ الْقِيَامَةِ وَلِلَّهِ مِيرَاثُ السَّمَاوَاتِ وَالْأَرْضِ وَاللَّهُ بِمَا تَعْمَلُونَ خَبِيرٌ﴾

“And let not those who [greedily] withhold what Allāh has given them of His bounty ever think that it is better for them. Rather, it is worse for them. Their necks will be encircled by what they withheld on the Day of Resurrection. And to Allāh belongs the heritage of the heavens and the earth. And Allāh, of what you do, is [fully] Aware.”¹⁴

- **Third: inattention and forgetfulness:** If a Muslim forgets to pay Zakat or neglects it - after it is imposed on him - he is commanded to pay it according to Shari’ah. He must calculate every year in which he did not pay Zakat, even if it reached many years. Because Zakat is a fixed right that he owes to others, it is not subject to a statute of limitations and is not forfeited by forgetfulness. Therefore, if a Muslim refuses to perform his duty due to forgetfulness and ignorance, he is not exempt from it¹⁵.

The same applies to someone who neglected to pay Zakat on his money or company in a Muslim or non-Muslim country¹⁶. Because Zakat is a fixed debt that a person owes, he is not exempt from paying it except by giving it to those who deserve it.

5

Should Zakat be paid as soon as it is due? Can Zakat Payment Be Delayed? What is the ruling on delaying it from its time?

If a Muslim is considered to be sufficiently wealthy - according to the four conditions - he must give Zakat to those entitled to it immediately. He cannot therefore delay the payment of the Zakat once it is due. Since it has become a right that is due be paid to its recipients, it is not allowed to delay Zakat from its due date. If he postpones paying it without a significant legitimate excuse, then he is sinning. The evidence for this is the words of Allah Almighty:

﴿وَأْتُوا الزَّكَاةَ﴾

“and give zakāh”¹⁷.

The imperative form here in this verse indicates that Zakat is obligatory immediately, in addition to the presumption that the need of the poor must be met, and this can only be done by hastening it¹⁸. As narrated ‘Uqba bin Al-Harith: I offered the ‘Asr prayer with the Prophet and after finishing the prayer with Taslim he got up quickly and went to some of his wives and then came out. He noticed

14 Surah Āl-‘Imrān, 180.

15 This is part of a jurisprudential rule: If a person leaves his duty due to forgetfulness or ignorance, he is not exempt from it. But if he does what is forbidden because of forgetfulness and ignorance, he is forgiven.

16 Al Majmua, Imam al-Nawawi, 5/337. Al-Mughni, Ibn Qudama al-Maqdissi, 2/512.

17 Surah Al-Baqarah, 43.

18 See: Tahsin Al Maakhid, Imam Al-Ghazali, for he mentioned four clues, 1/560.

the signs of astonishment on the faces of the people caused by his speed. He then said, “I remembered while I was in my prayer that a piece of gold was lying in my house and I disliked that it should remain with us throughout the night, and so I have ordered it to be distributed.”¹⁹ Accordingly, this is the opinion of Imam Malik and Ahmad—may Allah be pleased with them—and the view of most scholars²⁰. Thus, if a Muslim delays paying Zakat — after it is obligatory on him — until it is lost, perished, or stolen, then he is not discharged of this duty²¹. Rather, he must pay it to those who deserve it. Therefore, if he dies in this condition, he is not exempt from Zakat by his death. Rather, it must come out of his estate²², because it is a debt he owes. Moreover, in the hadith the Prophet Muhammad - may Allah’s peace and blessings be upon him- said: « The debt owed to Allah is more deserving of being paid off »²³.

However, payment of the Zakat may be delayed exceptionally if there is an interest in that. An example of this is delaying the payment of Zakat pending the return of a traveling relative who is about to return, or in order to pay it to those who are more deserving. In this regard, the delay is requested to be minimal and forgiven by custom. But if it is usually perceived as being excessive, it should not be allowed²⁴.

As for delaying the payment of Zakat due to necessity, it is permissible. Like someone who delays paying it because of being busy with its account or looking for those who deserve it, there is no blame on him in this case.

6 Is it permissible to estimate when paying the Zakat due for previous years?

Zakat is a known right, as Allah Almighty said:

﴿ فِي أَمْوَالِهِمْ حَقٌّ مَّعْلُومٌ ﴾

« And those within whose wealth is a known right »²⁵.

It is a known and specific obligation, whether in determining the sources of Zakat funds or stating the shares and the amount to be paid from them in each type of money. Hence, a Muslim must pay his Zakat based on knowledge in its calculation and certainty in its payment to those who deserve it.

Besides, the basic principle in Islam is that if Zakat is due on a Muslim’s money, it has become a debt that he owes, and he cannot be absolved except by giving it to those who deserve it.

19 Narrated by Imam Ahmad in Al-Musnad 32/166 No. 19425, and Al-Bukhari in His Sahih 2/67 No. 1221.

20 See: Al-Majmoo’ by an-Nawawi 5/335, Al-Mughni by Ibn Qudamah 2/510.

21 Al-Mughni by Ibn Qudamah 2/511.

22 See: Al-Majmoo’ al-Nawawi 5/336.

23 Narrated by Al-Bukhari 3/35 with No. 1953, and Muslim 2/804 No. 1148.

24 Al-Majmoo’ al-Nawawi 5/336.

25 Surah Al-Maarij, 24.

But if a Muslim is unable to calculate Zakat with accuracy, knowledge, and certainty for exceptional reasons, it is permissible for him, in this case, to estimate it, as an exception. For example, if he was unable to verify the data of the Zakat money that he had for a year or several years, and he was unable to know their numbers accurately. An example is if he is unable to verify the data of Zakat funds that he had for a year or several years, and he becomes incapable to know their numbers accurately. The root of this issue is to work according to the general concession learned from the words of Allah Almighty:

﴿فَاتَّقُوا اللَّهَ مَا اسْتَطَعْتُمْ﴾

« So fear Allāh as much as you are able»²⁶.

In addition to the saying of Allah Almighty in Surah Al-Baqarah:

﴿لَا يُكَلِّفُ اللَّهُ نَفْسًا إِلَّا وُسْعَهَا﴾

« Allāh does not charge a soul except [with that within] its capacity»²⁷.

And this is an application of the rule of facilitation, mitigation, and removal of embarrassment in Islam.

7 Is it permissible to pay Zakat to those entitled to it in monthly or periodic installments during the year?

The basic principle is that a Muslim must pay Zakat to those who are entitled to it immediately. It is not permissible then to divide it or delay giving it to those who deserve it except for a real interest or need, such as if the poor person is foolish with money, wasteful, or is a minor. In this case, it is permissible for the Zakat giver or his agent to pay Zakat in installments to the poor, as an exception, provided that the installments do not exceed the same year.

It is better in this case, to expedite the payment of Zakat for a coming year, then divide it monthly or periodically according to the interest of the poor. In this way, the Muslim would pay the Zakat on time and be keen to fulfill his duty.

8 Should the ruler take Zakat from the rich and give it to those who deserve it?

The basic principle is that Zakat is obligatory for every Muslim - whether he is a natural or a legal person - if its conditions are met. And that is in accordance with the general meaning of the Shariah texts that order the payment of Zakat, such as the Almighty saying:

﴿وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ﴾

« and establish prayer and give zakāh»²⁸.

And in the hadith the Prophet Muhammad - may Allah's peace and blessings be upon him- said: «If any owner of gold or silver does not pay what is due on him, when the Day of Resurrection would come, plates of fire would be beaten out for him; these would then be heated in the fire of Hell and his sides, his forehead and his back would be cauterized with them»²⁹. And this ruling applies whether or not the ruler asks him to pay Zakat.

26 Surah At-Taghābun, 16.

27 Surah Al-Baqarah, 286.

28 Surah Al-Muzzammil, 20.

29 Narrated by Muslim 2/680 No. 987

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The state's intervention in the administration of Zakat increases the efficiency of Zakat and achieves its benefits. If the Zakat is regulated in the state, and the guardian is tasked with collecting it, preserving it, and spending it in accordance with the Sharia, then that will be among the core of his legal responsibilities, and paying it to him, in this case, is a Sharia obligation. And that's according to Allah's word:

﴿خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا﴾

«Take, [O Muḥammad], from their wealth a charity by which you purify them and cause them increase»³⁰

, and in accordance with the words of the Messenger of Allah, may Allah bless him and grant him peace: “to be taken from the rich and given to the poor”³¹.

Also, the guardian has the right to punish whoever refuses to pay Zakat to deter him and protect the interests of the person entitled to Zakat in society.

30 Surah At-Tawbah, 103.

31 Narrated by Al-Bukhari 2/104 No. 1395, and Muslim 1/50 No. 19

Zakat and Tax

9 What is tax? What is the source of its obligation?

Tax «Dariba» in the Arabic language is taken from «Darb» meaning: «beating». It is a financial assignment based on custom and law, and it contains the meaning of affirmation and obligating people with the power of oppression and authority. A tax in Arabic language means a financial yield imposed on a person. Another meaning of ‘dariba’ is whatever you hit with your sword, dead or alive³². As for the meaning of tax in the contemporary sense, it is: an amount of money that the state or local public bodies compel an individual to pay permanently, not in exchange for using a specific service, but to enable the state to achieve public benefits³³.

The source and obligation of taxes is humanitarian law, which is the written custom among society members. A tax is a financial obligation that comes from the person himself. The types of taxes, their names, sources, amounts, and payments are generated from human minds, estimates, innovations, and desires according to what they see fit to achieve their interests.

10 On whom is Zakat due? On whom is tax due and to whom is it given ?

Islam imposed Zakat on the wealth of the rich, if its legal conditions are met. It is given to the poor and to those whom the Holy Qur’an states as being from its eight beneficiaries. Zakat is not taken from the poor but given to them.

Tax on the other hand, can be taken from all people, rich and poor (as in value added tax), and spent in ways and interests defined by law. One of its types is income tax. This is imposed on traders and companies with income, but it is spent on what is determined by law.

Hence, the superiority of Zakat appears in that it seeks to achieve the principle of social justice, as it is imposed only on the rich and under certain conditions. It is given to the poor, and its aim is to address the economic imbalances and class inequalities in society.

³² Kitab al-Ayn, 7/32.

³³ Principles of Public Finance (mabadi almalyt aleamat), Zainab Hussein Awadallah, University of Alexandria, p:118.

11 What is the difference between Zakat and tax?

There are many fundamental differences between Zakat and tax, the most prominent of which are in the following table:

N	The difference	Zakat	Tax
1	The name	Zakat : Indicates purity, growth, and purification. It purifies money, its owner, and society. It is a real gain.	Tax: denotes beating, subjugation, and compulsion. The tax is a loss for whoever pays it and a waste for whoever takes it.
2	The concept	Financial symbiotic worship that has a faith dimension and indicates complete worship of Allah.	A civil commitment that does not have the meaning of worship and faith.
3	Source of legislation	Its source is divine.	Its source is human and legal.
4	Persistence	A firm commitment that does not change over time.	It is a humanitarian law that is subject to change at any time.
5	The channels of spending	Allah Almighty has specified in the Holy Qur'an the channels for spending Zakat.	Tax spending channels are not specified, and it is the responsibility of governments to determine this.

12 Are taxes a substitute for Zakat?

Taxes are not a substitute for Zakat, nor do they fulfill its function in the economy and society. Zakat is financial worship and a divine commitment that aims to mobilize funds, promote businesses and finance specific societal needs. It is a system based on a closed circuit for funds movement between its sources and its spending channels. In the hadith: “to be taken from the rich and given to the poor”. As for the state, it is considered a reliable organizer of Zakat, and a capable administrator who works to improve the efficiency of this mechanism in society. Therefore, Zakat is a divine law disciplined in its sources, shares, amounts, and expenditures. It aims to achieve the interest of the rich, the poor, and society with transparency and clarity.

Tax, on the other hand, is a human obligation and a legal instrument originating from custom and society, it aims to finance the state budget and support its renewable needs according to what the legislator deems appropriate. Moreover, tax is inconsistent in its applications, sources, amounts, or expenditures, which makes its employment — in most cases — ambiguous, unknown, or transparent. As for the state's role in taxes, it imposes the tax to meet its needs and expends it in its interest, feeding on people's money for its benefit instead of meeting the needs of the needy.

Like so, it becomes explicit that Zakat remains a miraculous divine system that redistributes wealth and ensures its balance in society between the rich and the poor. Tax, on the other hand, is taken from both the rich and the poor and levied to finance the state.

In conclusion, a tax of human origin cannot replace the divine Zakat. They differ in source, funds to be taken from, amounts and expenditures , and even the intention in their performance and goals.

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Chapter Two:

Why was Zakat imposed?

(Zakat Purposes)

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Towards highlighting the civilized role
of Zakat in the world

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Chapter Two:

Why was Zakat imposed?

(Zakat Purposes)

13 What are the purposes (Maqasid) for which Islam legalized Zakat?

Maqasid (or Maqāṣid al-sharī'a) in Islam means the goals or objectives that Islam intends to achieve in reality through its rulings. The core objectives that Islam aims to preserve are five: preservation of religion, life, intellect, property, and dignity.

Islam legislated a system of financial provisions to ensure the movement of funds and stimulate production and business. Islam also forbids hoarding, freezing, and storing funds in a way that harms the economy and society. Moreover, The obligation of Zakat is one of the crucial financial rulings in Islam, and due to its importance, Allah has made it the center of the five pillars of Islam. In addition, Zakat represents a divine economic system that achieves social solidarity because it stimulates business, reinforce production, encourages investment, and supports producers. Zakat above all is a purification of soul, money, society, and the economy.

Below is a description of the most prominent and major purposes of Zakat in Islam.

The first purpose: Zakat is a civilized means of purifying souls and wealth in society:

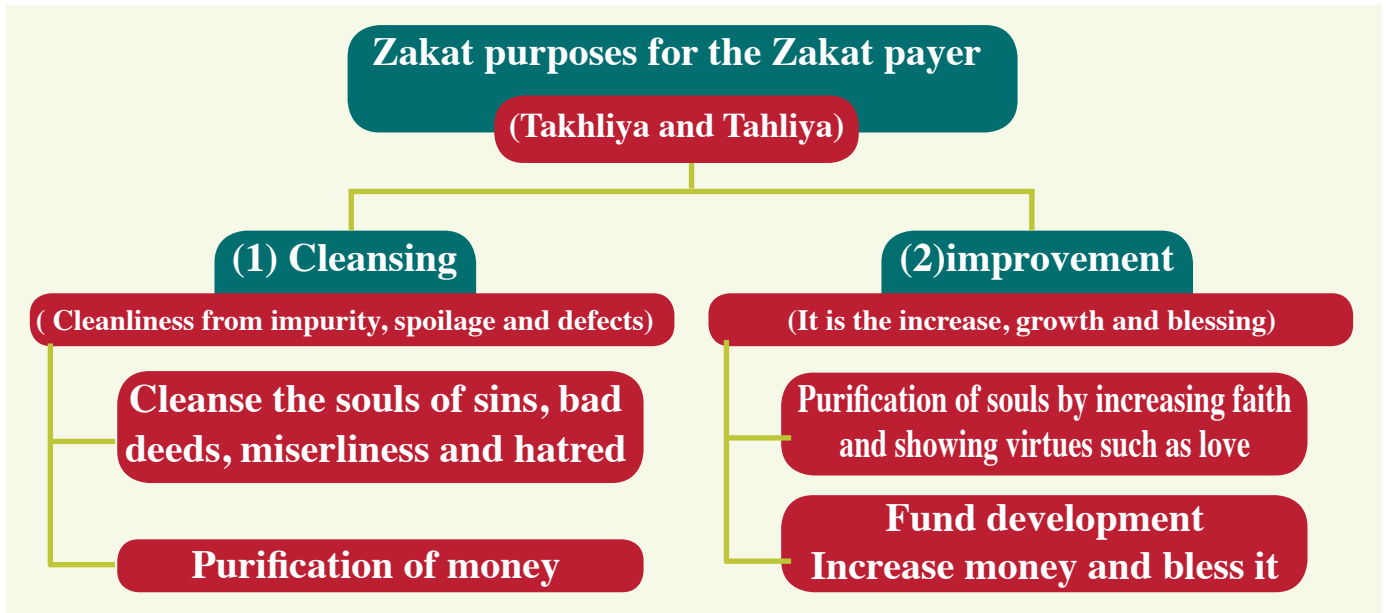
Islam regards Zakat as one of the greatest financial worships, and it is the third pillar of Islam. Also, Allah Almighty informs us that one of its important purposes is purification :

﴿ خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ ﴾

« Take, [O Muḥammad], from their wealth a charity by which you purify them and cause them increase and invoke [Allāh's blessings] upon them. Indeed, your invocations are reassurance for them. And Allāh is Hearing and Knowing ».

The meaning of the Almighty's saying: (you purify them): purify their souls and protect their money from faults and shortcomings. And This concerns the aspect of purification of the soul and demolition of the inappropriate behaviors (Takhliya). As for his saying: (Cause them to increase and invoke [Allāh's blessings] upon them), that is to develop their morals with virtues and increase their wealth, either materially by movement or morally with a blessing. And this relates to the aspect of building virtues and filling the soul with goodness (Tahliya).

Zakat is a gift that purifies the soul from miserliness and instills in it generosity and tolerance. It also purifies the heart from some diseases such as arrogance, envy, and selfishness.



The second purpose: Does Zakat decrease or increase the wealth of the rich?

It might seem that Zakat is a shortage and loss of money; it deducts a portion (a quarter of a tenth) of the rich’s wealth for the benefit of the poor and needy. Consequently, this leads to a shortage of his fund. But the Holy Qur’an and the Sunnah of the Prophet confirm to the Muslim that Zakat increases, preserves, and blesses money.

Paying Zakat to those who are entitled to it means creating a real economic movement of funds. It leads to stimulating the circulation of goods and services, which will benefit the Zakat payer in the long run.

Therefore, if Zakat reduces wealth in the near future, it increases money in the long run and at the macroeconomic level. This is expressed economically in terms such as « economic stability » as well as « economic growth ».

In the following, we summarize the evidence that Zakat increases and blesses money:

1- The Holy Quran: Allah Almighty said:

﴿وَمَا آتَيْتُمْ مِّن رَّبًّا لِّيَرْبُو فِي أَمْوَالِ النَّاسِ فَلَا يَرْبُو عِنْدَ اللَّهِ ۖ وَمَا آتَيْتُمْ مِّن زَكَاةٍ تُرِيدُونَ وَجْهَ اللَّهِ فَأُولَٰئِكَ هُمُ الْمُضْعِفُونَ﴾
 «And whatever you give for interest [i.e., advantage] to increase within the wealth of people will not increase with Allāh. But what you give in zakāh, desiring the face [i.e., approval] of Allāh - those are the multipliers». And in surah Al-Baqarah Allah Almighty said:

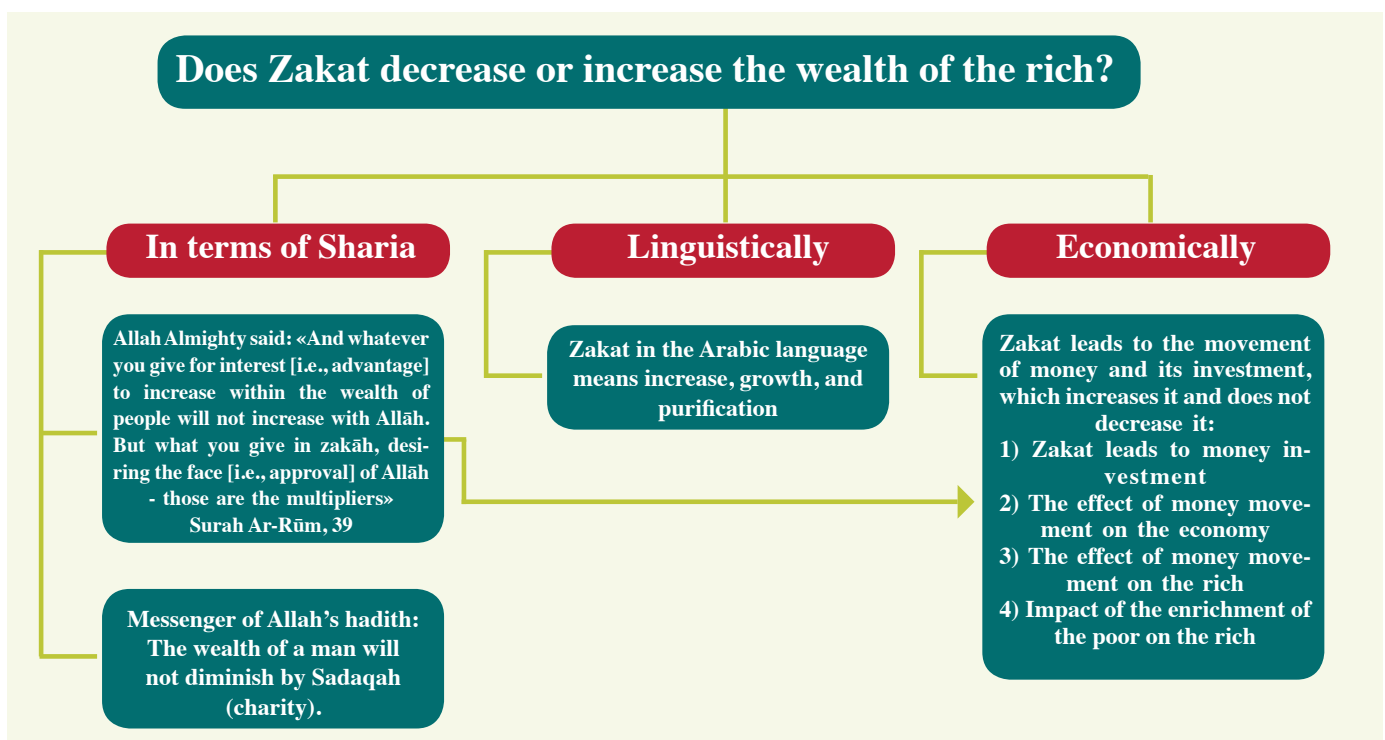
﴿مَنْ ذَا الَّذِي يُقْرِضُ اللَّهَ قَرْضًا حَسَنًا فَيُضَاعِفَهُ لَهُ أَضْعَافًا كَثِيرَةً﴾
 «Who is it that would loan Allāh a goodly loan so He may multiply it for him many times over?»

Also Almighty said:

﴿مَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ كَمَثَلِ حَبَّةٍ أَنْبَتَتْ سَبْعَ سَنَابِلَ فِي كُلِّ سُنبُلَةٍ مِّائَةٌ حَبَّةٌ وَاللَّهُ يُضَاعِفُ لِمَنْ يَشَاءُ وَاللَّهُ وَاسِعٌ عَلِيمٌ﴾

«The example of those who spend their wealth in the way of Allāh is like a seed [of grain] which grows seven spikes; in each spike is a hundred grains. And Allāh multiplies [His reward] for whom He wills. And Allāh is all-Encompassing and Knowing».

- 2- **The Prophet's Sunnah** : Abu Kabshah 'Amr bin Sa'd (May Allah be pleased with him) reported: Messenger of Allah (may Allah bless him and grant him peace) said : «I swear by Allah for three (qualities) which I am going to tell you about. Remember them well:
- (1) The wealth of a man will not diminish by Sadaqah (charity).
 - (2) Allah augments the honour of a man who endures an oppression patiently.
 - (3) He who opens a gate of begging, Allah opens a gate of poverty (or he said a word similar to it)».
- 3- **The Arabic language** : Zakat in the Arabic language means increase, growth, and purification . This increase can be material and apparent, represented in the rich keenness to improve the use of his money so that the Zakat does not consume it, so he invests and develops it. The increase in wealth may also be by blessing and saving it from what destroys it.
- 4- **The practical reality of the Zakat payers** : It has been realistically proven that Allah blesses the wealth of those who pay Zakat so that it grows and increases.



The third purpose: Zakat mobilizes money, stimulates business, supports the production and protects producers. It is a free and permanent source of financing:

The movement of money in the economy is like the movement of blood in the human body. If the blood is a fluid that moves smoothly between the organs, this reflects the body's health and the effective performance of its functions. However, if the blood is confined or its movement in the arteries stops, diseases and pests infect the body, leading to paralysis or death. Hence, Zakat legislation in Islam acts as a civilized means that reform the money movement in the economy. Besides, it stimulates investment, promotes business, supports production, and supports producers. Further, Zakat addresses two fundamental problems in any economy:

The first problem is locking up money and hoarding it in the hands of the rich.

The second problem is the inability of the poor to obtain the cash to acquire their needs.

The miracle of Zakat came for the sake of prevention and sustainable treatment of these two economic dilemmas, and this is explained in the following elements:

First: Zakat is a constant incentive to move funds and make good use of it by the rich.

Zakat urges the rich to move his money, not to freeze it and store it. It stimulates him to invest his money and employ it for the benefit of the economy. Thus, Zakat supports labor and production, stimulates rational consumption, increases workforce employment, and boosts the sufficiency and stability of income. In this way, the rich have two options:

- **The first:** hoarding his money and not operating it, so he loses its benefits, just as the economy and society lose its strength and movement. Here, Zakat from this money is compulsory for the needy interest, so the rich seemingly lose some of their money because they mismanaged it.
- **As for the second option:** It is the use of money in the areas of work and production. In this way, the rich gain maximizing their wealth and increasing their profit, just as society wins by hiring workers and fighting unemployment. Besides, Zakat may indeed transform the poor into those with sufficient workmanship and income. Then they turn into wealthy people who must pay Zakat on their wealth and savings. Consequently, rich people gain by investing their money, and society gains because of their rational behavior.

Second : Zakat stimulates funds towards investment and production:

Zakat motivates the wealthy Muslim to invest his money because it reduces his wealth every year by 2.5% if it remains static and does not move. Umar bin Al-Khattab, may Allah be pleased with him, said: «Do business with the orphan's money and do not leave it until it becomes consumed by charity.» . And Allah Almighty rebuked those who hoard money, so he said:

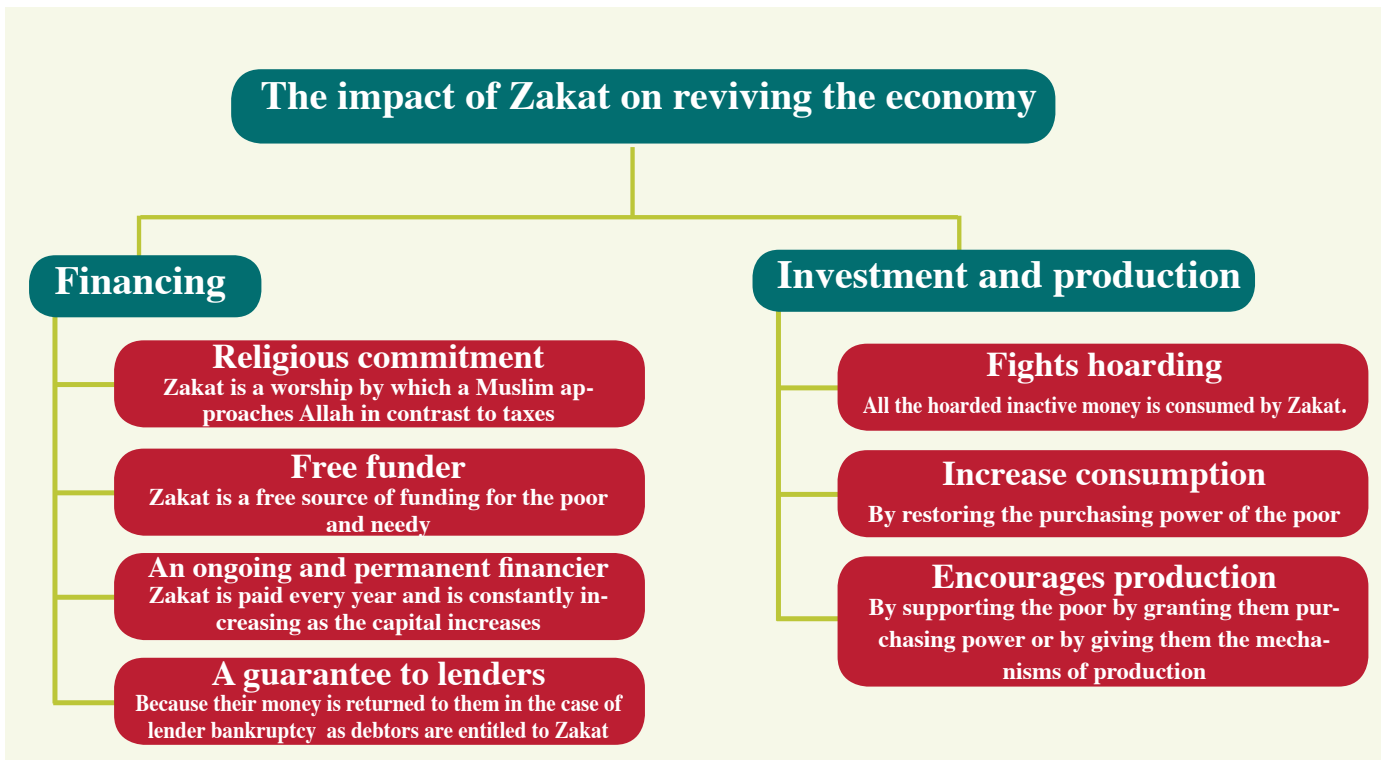
﴿وَالَّذِينَ يَكْتُمُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يُنْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ بِعَذَابٍ أَلِيمٍ﴾

« And those who hoard gold and silver and spend it not in the way of Allāh - give them tidings of a painful punishment» . Accordingly, the hoarder faces only two options, which are:

- **The first option:** the wealthy insist on hoarding money while paying Zakat at a rate of 2.5% every year to those who deserve it. His paying of Zakat is a remedy for the negative impact of stashing that money on society's economy, thus benefiting the community, not the hoarder.
- **The second option** is pumping the hoarded money into the economy, so investment flourishes, production increases, and the individual's income increases. On the other hand, this rich man's wealth will increase and not decrease even if he pays Zakat. Thus, Zakat provides liquidity for various projects, growing investments, and double production.

Wherever the Zakat system is implemented, the revival of funds and their investment takes place, and this is explained as follows:

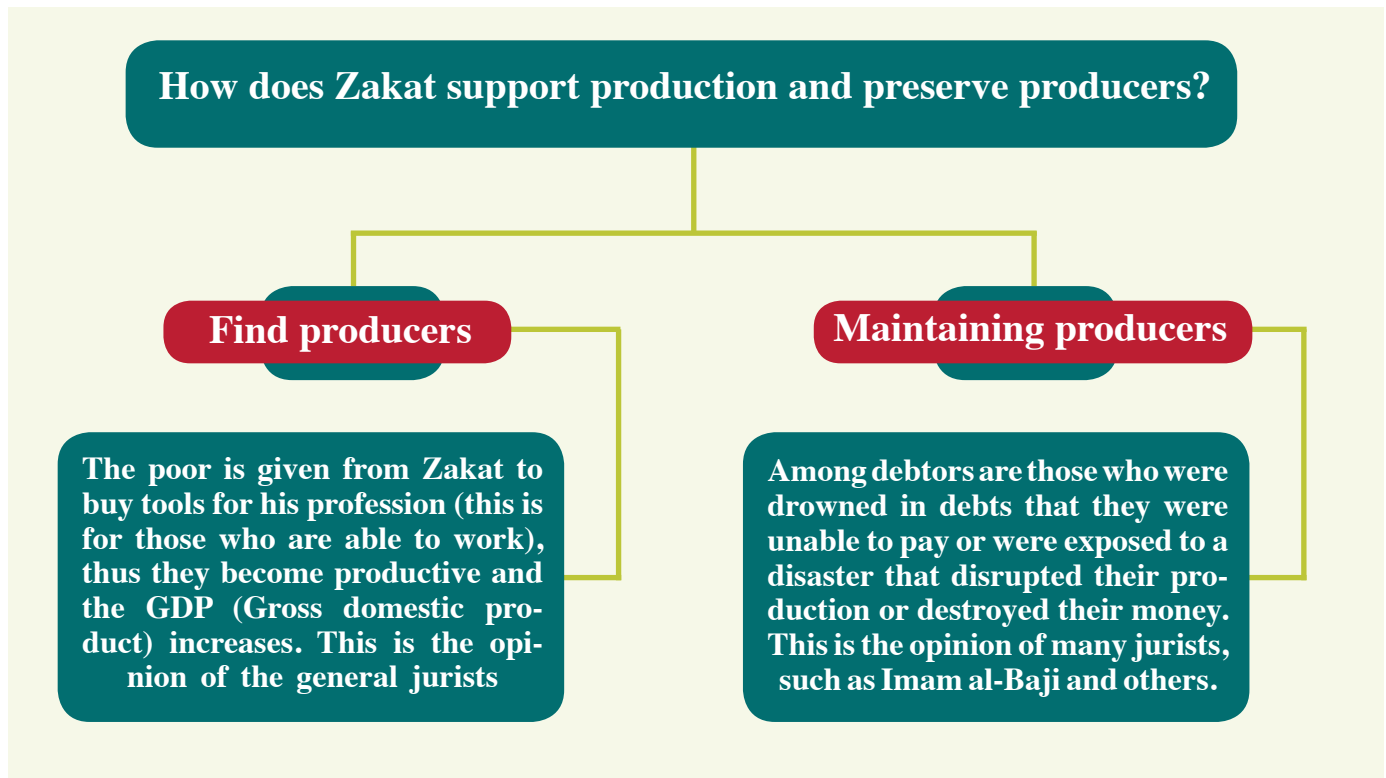
- 1- If you put it in the hands of a poor person who is incapable of work, or a minor orphan, this will stimulate the market and increase consumption. Because you gave this class of society the purchasing power that they lost, and through them, you will contribute to reviving the market with that money and then increasing production and investment.
- 2- And suppose with the Zakat money, you buy industrial machinery for a skilled poor person, in that case, you will make him productive and increase the supply of goods, competitiveness, and local products. It will transform the poor into productive workers beneficial to their economy and society.
- 3- Furthermore, Zakat constitutes a stabilizing factor for investors and producers who know that debtors' entitlement to Zakat will guarantee their investments if they are drowned in debts or exposed to a financial crisis or bankruptcy.



Third : Zakat supports the production and sustains the producers:

Production is an essential factor in improving the economy, and producers are its backbone. Zakat supports the production and sustains the producers at the same time. This is explained as follows:

- 1- Zakat supports production by providing the poor who cannot work with money (purchasing power) as they go to markets to fulfill their needs. Consequently, producers are required to raise production as a result of increased demand.
- 2- As for the poor who can work, Zakat represents a free financier for them. With Zakat money, they can buy production machinery and manufacturing equipment. Thus the number of producers within the economy increases, which leads to higher domestic product. Accordingly, market competitiveness increases, and prices are lowered on the one hand. On the other hand, surplus production can be exported in exchange for foreign currency to strengthen the local economy.
- 3- Zakat preserves the producers because one of the recipients is the debtor “Garim”. Among debtors are those who lost their money due to heavenly pandemics, incurred financial fines for the public good, or had debts that they were unable to pay, and their production was disrupted. They are given Zakat to meet those needs and pay off debts that made them not have the money to live.



Fourth: Zakat is free financing for the needy

Zakat is a permanent, continuous, and accessible funding source for the poor and needy in society. It does not cease because it is worship by which Muslims approach their Lord and Creator. They are keen to pay it in the best way since they fear Allah's punishment in this world and his torment in the hereafter. Thus, the poor find a free source of finance that helps them establish their economic life and stabilize their income by productive work or rational consumption.

The fourth purpose: Zakat is a holistic and symbiotic social system that combats poverty:

Islam did not leave anything suitable for mankind without directing us to it and nothing to ruin his life without warning us about it. It is the law of the Lord of the Worlds, the Creator of this universe. Because He is the Almighty who created man, he knows what suits him. Allah says:

﴿أَلَا يَعْلَمُ مَنْ خَلَقَ وَهُوَ اللَّطِيفُ الْخَبِيرُ﴾

“Does He not know those whom He created, while He is the Subtle, the Aware?”.

The problem of poverty is a global problem with which Islam has dealt with it by a tremendous symbiotic system and significant legislation. On top of these legislations: the imposition of Zakat, the prohibition of usury and gambling, the urging of trade, the desirability of interest-free loans (alqard alhasan), the permissibility of speculative and participation contracts, and other legislation that revives the economy.

One of the Creator's wisdom, glory be to Him, is to make the payment of Zakat an act of worship in which a Muslim worships his Lord and draws nearer to him by paying it. In addition, since souls love money by nature, then Allah Almighty commanded to draw close to Him by paying Zakat so that the Muslim covets the reward. Zakat hence is a sacrifice and worship for the one who pays it and comfort and aid for the poor. Accordingly, Zakat legislation intends to achieve economic balance and social solidarity among the general population.

Zakat is unlike insurance and human solidarity systems that do not contain these devotional and faithful meanings and do not achieve what it accomplishes. Indeed, Zakat is even superior to all social security and solidarity systems in several respects, most notably:

- 1- Zakat is a permanent and compulsory system of solidarity. It has the meaning of worship. It is repeated every year, and a Muslim performs it in the hope of drawing closer to Allah Almighty. It is also one of the rights of the poor in the money of the rich. Allah said:

﴿وَالَّذِينَ فِي أَمْوَالِهِمْ حَقٌّ مَّعْلُومٌ لِّلسَّائِلِ وَالْمَحْرُومِ﴾

«And those within whose wealth is a known right for the petitioner and the deprived».

- 2- Zakat is a free Takaful system. It is not based on paid installments, or compensation in exchange for installments. The prophet Peace Be Upon Him said:«...to be taken from the rich and given to the poor».
- 3- Zakat is a symbiotic system that aims to reach the level of sufficiency, not subsistence. It aspires to cover the poor's needs, no matter how large, whether that is by providing permanent subsistence or by transforming the needy into producers. Zakat is not equivalent to the installments paid by the beneficiary, as is the case in other human systems.
- 4- Zakat is a comprehensive solidarity system for all the needs of the sponsored and their dependents. There is no insurance or guarantee that covers everything that Zakat includes. Among the most prominent insurance and solidarity guarantees for Muslims covered by Zakat are the following:
 - Covering disability because Zakat provides permanent sustenance for the disabled.
 - Ensure that all the poor's needs in terms of food, drinking, and clothing are covered.
 - A loan guarantee, whereby Zakat will pay off all the needy loans if he is unable to pay them.
 - The guarantee related to disasters that are calamities that may affect a Muslim.
 - The guarantee of asylum after homelessness, as Zakat guarantees permanent and complete livelihood for those in need.

- Guarantee of education, so Zakat guarantees the education of every needy Muslim who cannot spend on education.
- Marriage guarantee: Zakat can provide help for those who cannot afford the costs of marriage.
- Guarantee of protection: so Zakat guarantees the return of the invaders and spending on the Mujahideen to repel the aggressors, or the disbursement of money to endear non-Muslims to Islam.
- Psychological security: Zakat is paid to every Muslim if he is disabled or deficient and takes care of his family in case he dies.

We can sum up the greatness of Zakat as a system of solidarity and its superiority over all modern methods of guarantee in four words: Zakat is a symbiotic system characterized by being: comprehensive, permanent, free, enriching and sufficient.



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The Fifth Purpose: The Effects of Zakat in Combatting Poverty

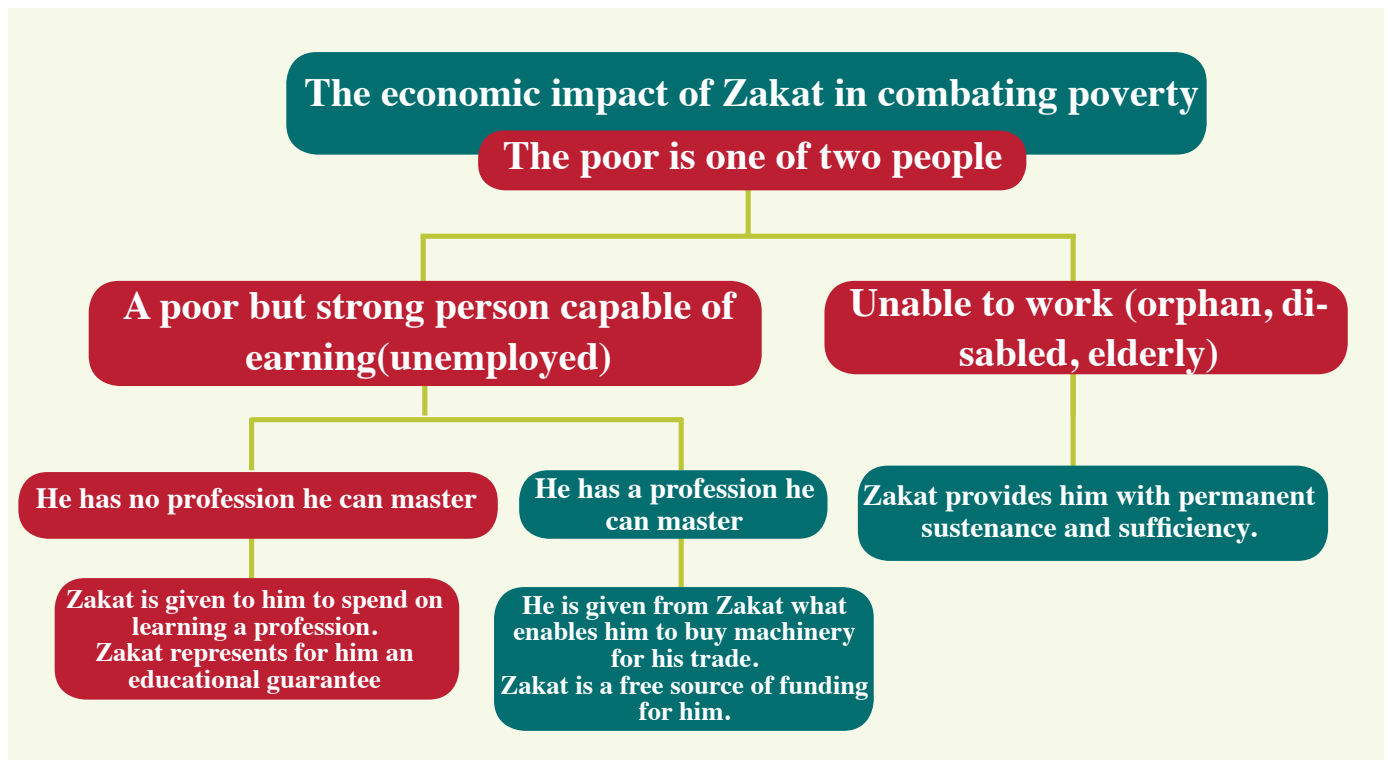
Zakat affects the reality of the economy by fighting poverty. A poor person is one of two types:

The first type: a strong poor person who can earn. And this person either has a job that he's good at, or he doesn't.

If he has a profession that he is good at, he is paid from Zakat to buy himself the machines of his trade , regardless of these machines' cost. This is to become a producer within society and come out of the circle of poverty.

If he does not have a profession, he is given from Zakat what enables him to learn a craft to become a producer. Then he is delivered from Zakat the money by which he can buy the machinery of that craft.

The second category: the poor, who is weak or incapable of working. Such as orphans, the elderly, women, and people with disabilities. They are given from Zakat funds every year what suffices them to cover their needs throughout the year , including food, drink, clothing, housing, and education.



The sixth purpose: Two rights in money do not coincide: productive employment and paying Zakat:

In practice, the economic reform strategy for Zakat passes through two successive phases:

The first stage: Inviting the owner of the wealth to strive to invest his money in productive investments. This employment will cause growth and benefit for him, his wealth, and the overall economy. Thus, productive activities are the best profitable investment areas for the individual, his company, and the entire society. Productive activities mean all industries that produce and add new goods and services to the economy and directly affect the increase in a country's GDP (gross domestic product). This increase may be in the industrial, real estate, health (medical), educational or service sector (consultations and studies of all kinds), and so on.

As for the second stage, it is: the rich must pay the Zakat on his money. If the wealthy refuse to respond to the Shariah command to make the best use of his money throughout the year - as in the first stage - he must pay the Zakat of his money compulsorily if the conditions for Zakat to be obligatory are met. Thus, wise Shariah obliges the money owner to extract a tiny percentage equal to a quarter of a tenth (2.5%) from his wealth. Accordingly, we clearly understand and realize that Islam has imposed two rights in the wealth of the rich towards society, and not one right, as it might come to mind. If the rich perform one of them, the other right lapses. The two rights are society's right to productive employment of money and society's right to pay Zakat. The following is an explanation of what is meant by this:

The first right to money is Sharia and society's due to the rich to invest their money in various areas of productive work. It is a right that extends in terms of time to cover the days of the whole year. Islam directs the rich to invest their money in productive work and optimal investment, stimulating movement and activity in the entire economy. Money is invested in production, manufacturing, construction, and other beneficial productive activities. It is noted that this first right accompanies the wealthy man and his money throughout the financial year. It is a right that expands in its time throughout the year. If a year has passed since its owner has not invested the money, then the second right becomes an obligation.

The second right to money is Sharia and society's due to the rich to pay Zakat on his money that he invested in areas with less productive efficiency. It is a limited right conditional on the passing of a year on the money that has reached the threshold (Nisaab). If the conditions are met, Zakat is due immediately. The meaning of this right is: If the rich man abandons the performance of the first right (the productive employment of money), then he has done what is legally permissible for him by neglecting the first right that the Sharia permits, then he is not blamed. But suppose a year has passed, and he has money of less economic efficiency, such as abstract cash or commodity trade.

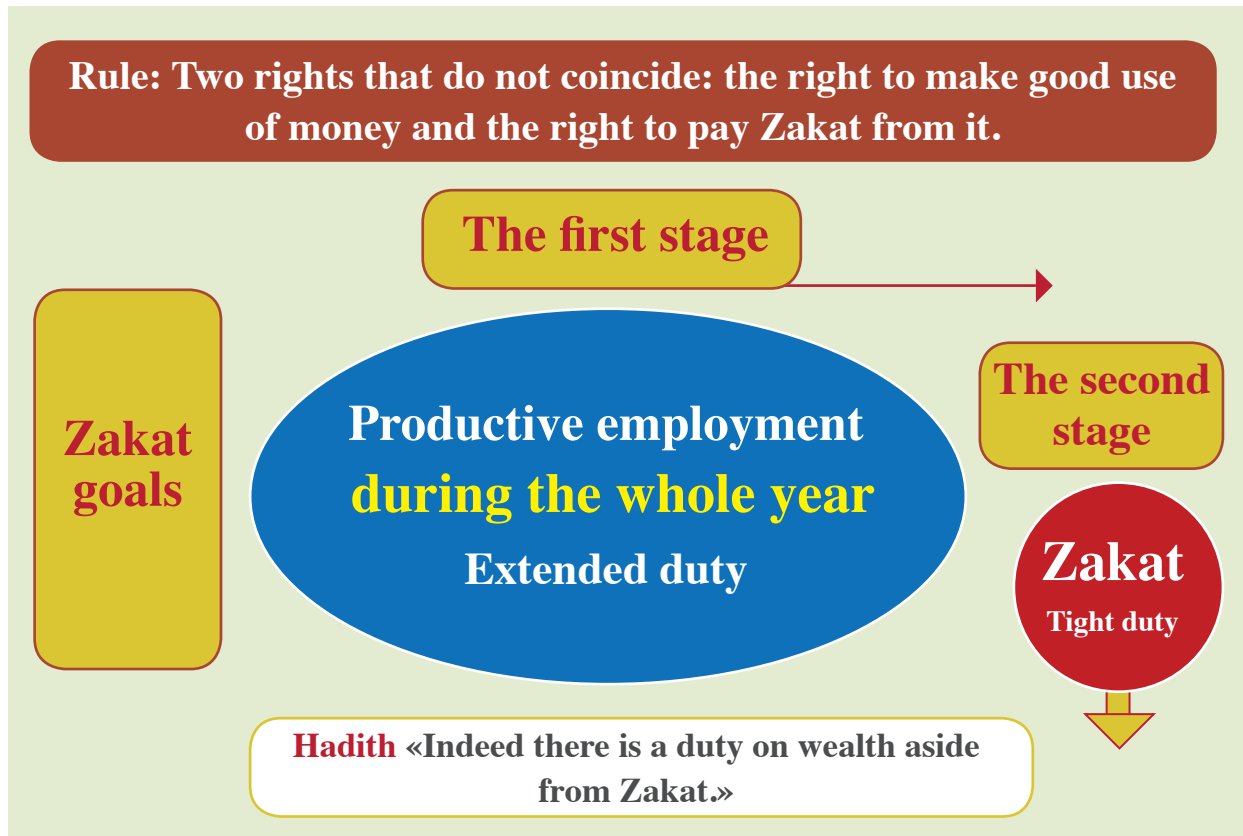
In that case, Shariah requires another new right to that money, which is to pay the amount of Zakat owed on his money to those who deserve it for free.

Therefore, you realize that it is not correct to believe that the purpose of Zakat is limited to collecting small amounts of money at the end of the year to be spent free of charge on the poor. This seems to encourage the poor to be lazy and deter them from work and diligence. This legal right to Zakat follows the first legal right: the proper use of money and the efficiency of its work throughout the year. Perhaps this meaning is what is meant by the saying of the Messenger of Allah, may Allah bless him and grant him peace: “Indeed there is a duty on wealth aside from Zakat.” The hadith alerts us that there is another right to money other than paying Zakat, which is the right to optimal employment of money in what is more beneficial, general, and permanent in its economic return, which is what we called (the right to productive employment of funds). The evidence for proving this first right is that the collection of Zakat is not obligatory on the money unless a year has passed since it reached the threshold (Nisaab). Thus, the wise Shariah continues to motivate the owner of the money and invite him throughout the year to improve the methods of investing his money, develop his investment strategies, and improve his marketing policies. This is so that the utility of money extends to the rich in their wealth, organization, economy, and society as a whole.

Based on the above, we pose the following intentional question: Which is better and more desirable to divine legislation? Is it better to invest the money in construction projects and productive work? Or pay Zakat a year after the money reaches the threshold? If the answer is the first course, then we have thus realized the intention of the wise law of legislating the obligation of Zakat with perfection befitting the greatness of the directions of the Most Merciful. However, those who are under the illusion that the Sharia came to purely obligate Zakat, they did not realize the depth of the Sharia and the majesty of its purposes in Zakat. The evidence for this is it should be said: Which is better according to Sharia, for the rich to give a quarter of a tenth to the poor once a year? Or is the beloved in the Sharia view is that the rich create for the poor a job opportunity and means of livelihood through which he earns honor and dignity? Thus, the poor become rich with their experiences and regular periodic income (monthly / weekly) because of work and production. Undoubtedly, hiring the poor for a steady job that brings him a stable income is better for him than if he is given a small amount of money only once a year while he is unemployed.

In sum: The previous elements clearly show the miracle of the Zakat legislation on the micro and macro level. The higher the Zakat indicator that should be paid out of money, the lower the quality and efficiency of investing that money during the past year. On the contrary, the lower the Zakat indicator that must be paid out of money, the higher the quality and efficiency of investing that

money during the past year. This inverse relationship between “the amount of Zakat payable” and “the efficiency of the economic employment of funds” reveals one of the essential financial roles for Zakat obligation in Islamic law.



14 What is the answer to the mystery of the millionaire who does not have to pay Zakat?

One of the most explicit forms of legislative innovation in Islam is that it favors the rich’s interest over the poor’s interest in Zakat. Zakat is not obligatory on the rich except with four strict conditions: the permissibility of money, full ownership, reaching the nisaab, and passing the year. Therefore, Zakat is not required of the rich person if these four conditions are not met in his money.

The mystery of the millionaire who should not pay Zakat comes as one of the bright proofs of the greatness of the legislation of Zakat in Islam. If the rich use their money in a way that benefits the economy and does not harm it, then the wise law exempts him from Zakat altogether, so his Zakat becomes zero. The secret is that if the wealthy invested their money in productive projects with high economic efficiency, this would mean reducing unemployment, increasing production, supporting trade, reducing inflation, and fighting poverty. Therefore, with his rational behavior, the millionaire achieved the ultimate goal for which Islam legalized Zakat.

Here are examples of the millionaire who does not have to pay Zakat:

- 1) A millionaire who owns many rental properties that generate a lot of income for him. He does not allow cash to stagnate. Instead, he employs the revenues and operates them in building more real estate assets. This person is a millionaire, and he is not obligated to pay Zakat because his money did not meet the four previous conditions.
- 2) A millionaire who lends his money to others (interest free loans: Al-qard Al-hasan) or practices deferred sales, so he does not have cash or trade offers over which a year has passed in his possession. This millionaire only has debts. Since the debt is a right and not money, no Zakat is required on him even though he is a millionaire.

Conclusion: Zakat is a legislative miracle that directs funds towards optimal employment. If the rich' wealth were free from accumulations of stagnant money or commercial offers, he would reach optimum employment status, thus achieving the image of a millionaire who does not pay Zakat.

15 How do we achieve the purposes of Zakat?

We achieve the purposes of Zakat and its wisdom by paying it according to the request of the Lord of the Worlds, and the command of the Prophet Muhammad, may Allah bless him and grant him peace. We achieve the purposes of Zakat by knowing its rulings, calculating it correctly, paying it on time, and giving it to the eight deserving people whom Allah Almighty has determined in the Qur'an. The purposes of Zakat are also achieved by harmonizing all of this with the developments of our time and changes in environments and times and by creating administrative and institutional arrangements that achieve its goals and objectives.

We can fulfill the purposes of Zakat by fulfilling the following basic requirements:

First: Learn the jurisprudence of Zakat and understand its purposes: And that is by learning the rulings of Zakat mentioned in the texts of the Noble Qur'an and the Sunnah so that we know the conditions, amounts, and shares of Zakat and other directives. And work to achieve the purposes of the legislator and his intention behind the imposition of Zakat. Knowing these details is the duty of every person who has money that reaches the "Nissab" of Zakat and fulfills the conditions of its obligation to respond to Allah's command to him.

Second: Learning Zakat Accounting: the accounting axis represents the first logical step for actually applying Zakat. A Muslim - an individual or a company - must calculate Zakat correctly and legitimately. This is according to the rule: That without which an obligation cannot be performed

is itself an obligation. Zakat accounting is defined as: (a set of principles and procedures that must be followed to determine Zakat's assets to know the calculation of the amount of Zakat due on it in accordance with the provisions of Islamic Sharia).

In our contemporary era, the calculation of Zakat has become studied as an independent science, and it has many equations and theories applied in the reality of companies and banks in the modern era. The Muslim should test these methods and distinguish between the correct ones that are compatible with the texts of the Qur'an and the Sunnah and Sharia evidence. Thus, the Muslim moves away from methods, equations, and methods that have no basis in the Sharia of Islam and which are usually based on tax equations or on capitalist theories that have nothing to do with the worship of Zakat.

Third: Establishing the Zakat Foundation: The institutional and regulatory framework for the obligation of Zakat is one of the essential requirements for its realization. Zakat must have an institution that sponsors it and is based on implementing its provisions and achieving its objectives in society, whether at the state level or the level of civil society associations and charitable institutions. And the state is initially charged with establishing the obligation of Zakat and organizing it institutionally, and setting up administrative plans and systems through which Zakat plays its role in society.

Zakat institutions must be governed and not left unattended. This is to achieve the guarantee of strict adherence to the principles of Zakat in Islamic law. Monitoring bodies also monitor the extent to which Zakat institutions adhere to Zakat's detailed provisions and promote their economic and social goals. This is to gain the confidence of those who pay Zakat and give credibility to the Islamic financial institution³⁴.

34 See: "The Institutional Governance of Zakat Funds", Researcher: Dr. Sona Omar Abadi, who was presented at the Zakat and Comprehensive Development Conference, Towards Activating the Civilized Role of the Zakat Requirement in the Realities of Contemporary Societies, which was established by the Zakat Fund in the Kingdom of Bahrain and the London Center and the Cambridge Center for Consulting, Research and Training 15-17 October 2019 AD, corresponding to 16-18 Safar 1441 AH, and it was published in the International Journal of Research «Bohout.»

IZÖLJ

منظمة الزكاة العالمية
International Zakat Organization

Chapter Three:

On whom was it imposed?

(Those charged with paying Zakat)

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Chapter Three:

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16 Who is required to pay Zakat?

Zakat becomes obligatory for a Muslim if its conditions are met. It is not required for a non-Muslim since Allah Almighty says:

﴿وَمَا مَنَعَهُمْ أَنْ تُقْبَلَ مِنْهُمْ نَفَقَاتُهُمْ إِلَّا أَنَّهُمْ كَفَرُوا بِاللَّهِ وَرَسُولِهِ﴾

“And what prevents their expenditures from being accepted from them but that they have disbelieved in Allāh and His Messenger”³⁵. Moreover, When the Messenger of Allah, may Allah’s prayers and peace be upon him, sent Muadh bin Jabal - may Allah be pleased with him - to Yemen, he told him: “You are going to people of a (Divine) Book. First of all, invite them to worship Allah (alone) and when they come to know Allah, inform them that Allah has enjoined on them, five prayers in every day and night; and if they start offering these prayers, inform them that Allah has enjoined on them, the Zakat. And it is to be taken from the rich amongst them and given to the poor amongst them”³⁶. The Messenger of Allah, may Allah’s prayers and peace be upon him, indicated in this Hadith to Muadh that Islam is a condition for Zakat’s obligation and that they are not required to pay it until after they enter Islam.

17 What is the reason for the obligation of Zakat in Islam?

Zakat is financial worship that has a reasonable meaning, in the sense that the minds can easily understand the wisdom and purposes of Zakat. The scholar “Mujtahid” can reveal the fruits of Zakat by studying its texts, terms, and provisions approved by Sharia. It is also possible to determine its legislative cause and its funds and know the amount to be paid and the eight persons who are entitled to it, as defined by the Holy Qur’an. These are all precise meanings that minds can understand what they are aiming for.

After following the legislative texts on Zakat, it has been concluded that the reason for imposing Zakat in Islam is (describing the owner of money as being wealthy). This means Zakat is not required of a Muslim unless he is characterized by the quality of wealth from Sharia’s point of view. Sharia has restricted this description to four clear conditions that apply to financial wealth at any time or place.

35 Surah At-Tawbah, 54.

36 It was included by Bukhari 2/19 No. 1458, and Muslim 1/50 No. 19. Hadith of Ibn Abbas, may Allah be pleased with him.

Prominent scholars have stated considering being wealthy as the reason for imposing Zakat over the centuries. Al-Qarafi said: “What is appropriate is what includes bringing interest or repelling harm. The first means achieving interest like “being wealthy” which is the reason for imposing Zakat; it includes the interest of the poor and the owner of the money. The second: - repelling harm - such as prohibiting alcohol”³⁷.

18 What is the evidence that being wealthy is the reason for imposing Zakat in Islam?

The evidence that being wealthy is the reason for imposing Zakat in Islam are numerous, the most prominent of which are:

The first evidence: Hadith: “it is to be taken from the rich amongst them and given to the poor.”

Ibn Abbas, may Allah be pleased with him, narrated that the Prophet, may Allah’s prayers and peace be upon him, sent Mu’aadh, may Allah be pleased with him, to Yemen, and said: “You are going to people of a (Divine) Book. First of all, invite them to worship Allah (alone) and when they come to know Allah, inform them that Allah has enjoined on them, five prayers in every day and night; and if they start offering these prayers, inform them that Allah has enjoined on them, the Zakat. And it is to be taken from the rich amongst them and given to the poor amongst them”³⁸. In the wording of Al-Bukhari: “It is taken from their rich and given to their poor.”³⁹ In this hadith, there is an indication that Zakat is imposed on a person when he becomes rich and his possessions reaching the level of wealth.

In the above hadith, the legislative provision is based on the appropriate description. This is one of the paths of reasoning for scholars of “Usul al-Fiqh.”⁴⁰ This means that when a legislator mentions a description together with the provision, it becomes a reason for the ruling. If the description were not a reason for the legislative provision, then mentioning it would have no benefit. And since the Sharia texts from the Qur’an and Sunnah are free from idle talk and the use of meaningless statements⁴¹, the Prophet’s saying:” it is to be taken from the rich amongst them” implies that Zakat is linked to the description of being rich. Moreover, the Prophet, may Allah’s prayers and peace be upon him, is in the place of educating his ambassador and messenger to Yemen and explaining to

37 Sharah Mukhtasir Alrawda (3/ 384). For more sayings of the jurists, See a research entitled: The Evidence of the Obligation of Zakat, by Dr. Salah al-Din Amer, presented at the Conference on Zakat and Comprehensive Development October 15, 2019 in the Kingdom of Bahrain, and published in the International Journal “Bohout”.

38 Narrated by Al-Bukhari 2/104 No. 1395, and Muslim 1/50 No. 19.

39 Narrated by Al-Bukhari 9/118 No. 7371. Al-Daraqutni 56/3, No. 2059.

40 See Almahsul, Al-Rirazi 2/110, see Al-Forouq, Al-Qarafi 3/142, Nihayat alsawl sharah munhaj alwusul, 151, and See Ghayat alwusul fi sharah lb al-usul 1/129, and Hashiat aleitar ealaa sharah aljalal lilmahaliy ealaa jame aljawamie 2/317 Nafayis al-usul fi sharah almahsul 3/1303, and see Taqrib alwusul ililaa eilm al-usul 187, see Nihayat alwusul ililaa dirayat al-usul 2/510, see Altahsil min almahsul 1/198, and see Kashf al-asrar sharah usul albazduayi, Al-Bazdawi 2/372 and others.

41 Al-ihtikam fi usul al-ahkam lilamidi, Al-Amidi 3/256.

him the causes of legislation and rulings. Accordingly, the Messenger of Allah explained to Muadh so that he can become able to measure and build on those reasons. Thus, Muadh can solve the new incidents and calamities that he may face.

19

Is the reason for the imposition of Zakat “being wealthy” an accurate reason? What are its controls?

One of the obligatory conditions in Usul Al-Fiqh for the validity of the reason for the rulings (Al-illah) is that it should be accurate and regular. However, the linguistic and idiomatic meaning of “being wealthy” is not accurate; A wealthy person in one country may be considered needy in another. Therefore, the noble Sharia intervened and precisely controlled the meaning of (being wealthy) and did not leave its definition and assessment to the jurists’ jurisprudence or the people’s norms. Instead, the wise Sharia set and determined the exact meaning of (being wealthy) and set four clear conditions for it. Imam Al-Ghazali, may Allah Almighty have mercy on him, said:” We said: The wealth in Zakat is regulated from the point of view of the Sharia according to the possession of the threshold (Nisab)for one year. It is not related to the status of the person on whom Zakat is due.”⁴²The four conditions controlling the reason (Al-illah) for paying Zakat - which is “being wealthy”- are as follows:

First: the legitimacy of money:

The first condition for realizing wealth in money is that it be permissible both in itself and in the way of acquiring it. This is one of the Sharia virtues and the perfection of its nobility, as it does not make forbidden money a consideration. Richness thus is not achieved in a person even if he owns large sums of money unless it is permissible. Forbidden money remains owed to its original owners. Based on that: Zakat is not required on it because the unlawful property is not considered money in the eyes of Sharia, even if it is in his possession. Accordingly, for Zakat to be due on the money, it should not be forbidden like wine and pork. Nor should it be from unlawful earnings, such as money earned from gambling, usury, etc. This is because Zakat is an act of worship in which Allah does not accept anything but good. Here are examples of money that are not permissible and therefore not included in Zakat:

- 1- Funds derived from the usury of all kinds.
- 2- Money earned from selling alcohol and drugs.
- 3- Money acquired from theft and robbery.

⁴² Tahsin Almakhidh, 1/615.

4- Funds gained from renting out shops to sellers of forbidden goods.

5- Money obtained from renting real estate to usurious banks or companies operating in the forbidden or factories that manufacture illegal things.

Second: Full Ownership:

What is meant by full ownership: the property is not complete unless two conditions are met:

- **The first one:** to legitimately own the money (nominal ownership); this means that a person has acquired the money through one of the legitimate means of ownership, such as sale, inheritance, donation, or other ownership means. With this condition, what came to a person's property in an illegal way, such as usurpation and theft, or if it was not owned by the person, such as a deposit or a mortgage, is excluded.
- **The second condition:** the ability to dispose of money in real terms, by sale, donation, or other types of financial behavior; also, the person who owns the funds should not be dependent on the will of someone else or dependent on his approval and permission. Thus, the lost money, the oppressed, the stolen, the usurped, and the debt and every money whose owner could not dispose of it completely come out with this condition.

If the owner combines the two conditions in his money; that he properly owns it and takes possession of it⁴³, then his ownership is complete.

Scholars express it as what met the acquisition and disposition, and the evidence for that is the words of Allah Almighty:

﴿خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ﴾

“Take, [O Muḥammad], from their wealth a charity by which you purify them and cause them increase, and invoke [Allāh’s blessings] upon them. Indeed, your invocations are reassurance for them. And Allāh is Hearing and Knowing.”⁴⁴ The Almighty’s saying in this verse: “Their wealth” implies complete and absolute ownership. Moreover, the jurists have unanimously agreed that Zakat is only obligatory with complete ownership⁴⁵.

Besides, logically, Zakat is due only to the full property. Zakat should not be paid from money that the owner does not fully possess and can dispose of and benefit from. Otherwise, it would be a kind of hardship⁴⁶.

43 Al-Jawhara Al-Naira Ala Mukhtasar Al-Qaddouri, 1/139. Fath al-Qadeer by Ibn al-Hamam, 6/248.

44 Surah At-Tawbah, 103.

45 See: Al-iifsaḥ, Ibn Habirat, 1/196.

46 The reasons for poor ownership can be attributed to four things: The first: weakness of ownership due to participation: as in possession of spoils before dividing, inheritance before the acquisition, and companies. The second: the weakness of ownership due to instability: as in the rent before the end of the period and the will before its receipt. The third: the weakness of ownership due to non-property: as in a servant's money and lost property before it was introduced. Fourth: Weak ownership due to the inability to dispose of the property: as in the money of the prisoner, the interdicted, and the debt. Adapted from Al-Waseet, Al-Ghazali, 2/437. And see Rulings on Zakat and its Contemporary Issues by Dr. Salih Al-Muslim, p: 44 and beyond.

Examples of funds that their owners do not fully own, and therefore no Zakat is required on them, include the following:

- 1- **Lost money:** which its owner lost. Because the money is no longer in his hand.
- 2- **Stolen money:** which is in the thief's hands, so Zakat is not due for what was stolen from him. Because the money is not in his possession, nor the thief, since the money does not belong to him.
- 3- **Denied money:** which has been denounced by others, so no Zakat is due to the money's original owner because it is no longer in his hands.
- 4- **Usurped money:** money that was taken from its owner unjustly and aggressively. No Zakat is due on the money owner, nor on the one who took it.
- 5- **Debt:** The debt that you loaned to someone else, you do not have to pay Zakat on it. Because it is no longer in your possession, and as for the debtor who has the money, he must pay Zakat on it if he meets the conditions for Zakat.

Zakat is not due on these types of money because of the lack of complete ownership: either because of incomplete ownership, such as stolen and usurped money, or because of the inability to dispose of it, such as debt and lost money.

What is meant is that the Islamic Shariaa has restricted the attribute of wealth to the condition of complete ownership. Namely: possession of money and the ability to dispose of it. Ownership must be complete to arrive at the description of wealth with complete freedom of action; he is not considered rich, someone who has completed his money quorum for a full year but cannot dispose of his it or develop it. The description of wealth is not achieved without realizing the full ownership of money.

Third: possession of the Nisab

The Nisab is the amount specified by Sharia law that if the money reaches it, then Zakat is due on it. As a condition: it is necessary to reach the legal quorum in the money for Zakat to be due. Thus, unless the money reaches the threshold (Nisab), then Zakat is not required because the condition is not required.

Sharia does not require Zakat on both small and large sums of money. Because justice refuses to equate someone who has much money with someone who has nothing but what meets his needs. Zakat is imposed on the first, but not on the second, based on the amount of money he owns.

This quantitative condition is what the jurists have termed: “to reach the Nisab.” And since the funds are varied and numerous, it was from Sharia’s justice that it set a quorum for each type of money commensurate with its type, without excess or negligence. Accordingly, the wise law set a Nisab for cash, a Nisab for animals, and a Nisab for crops and fruits⁴⁷.

The jurists have agreed⁴⁸ that the “Nisab” is a condition required in the obligation of Zakat. They quoted as evidence what was narrated on the Prophet’s authority, may Allah’s prayers and peace be upon him, from the hadiths, the details of which will come in mentioning the types of money on which Zakat is due. For example, the hadith of Abu Sa’id al-Khudri - may Allah be pleased with him - that the Prophet - may Allah’s prayers and peace be upon him - said: “No Sadaqa (Zakat) is due on less than five wasqs of (dates or grains), on less than five camel-heads, and on less than five uqiyas (of silver).”⁴⁹

What is meant is that one of the conditions to impose Zakat on money is that it reaches the threshold that the Sharia explicitly defines. It has determined the Nisab of all kinds of money with which wealth is achieved every time and place and defined it accurately and unambiguously. The legal quorum is determined for each type of money and differs from others according to its gender. The quorum for camels is different from the quorum for sheep and cows. Also, Sharia sets the Nisab for crops and fruits and gold and silver, all of which is based on a precise balance in which wealth is achieved for the owner of each race of those types of funds.

Fourth: Lapse of a year on the property (Al-hawl)

This condition means the passage of a full lunar year (approximately 354 days) on the money whose quorum has been completed. One of Sharia’s perfections is setting a time limit for money for imposing Zakat on it. No Zakat is required on the money once it reaches the nisaab directly. Accordingly, Zakat is not required in Islam unless one full year has passed on the money. The wisdom behind that is that Zakat is not intended to be taken from the capital but rather from its output and profits. In this way, the rich would not be harmed by cutting their capital.

Since investments need a sufficient period of time to achieve profit and output, Sharia permits this period of time and defines it as a complete Hijri year. Thus, money can move in the market and generate production and profits.

47 Details of the Nisab of funds will come in the appropriate place of this book

48 See Al-iijmae, Ibn Al-Mundhir, p: 44.

49 Narrated by Al-Bukhari 2/524 No. 1378, and Muslim 3/66 No. 2310.

As for whoever did not invest his money in the commercial market and accumulated it for a whole year without operating it, Zakat would be taken from him even if it was from his capital. Because hoarding money harms the economy, and Zakat deals with this damage by giving part of it to the needy.

The jurists also agreed⁵⁰ on stipulating the year's passage for the Zakat to be due. They quoted as evidence for that the hadith of Aisha may Allah be pleased with her. She said: "I heard the Messenger of Allah say: 'There is no Zakat on wealth until Hawl (one year) has passed.'"⁵¹

What is meant is: one of the conditions of Zakat being obligatory is that the money should be in the full possession of its owner for a full year.

This guideline means that the money owner should be rich for a period of time, which Sharia determines as the complete Hijri year. Wealth cannot be achieved unless the money that reaches the quorum is in its owner's hands, and he has absolute disposal of it for a whole year. Richness is not achieved for one who possesses a nisab for a day, a month, or two months. Rather, Sharia has specified a sufficient period of time in which a person becomes rich, and it is one year. So no Zakat is required on the money except according to Sharia's criteria: the quantitative (the nisab) and the temporal (the year), and this is a very accurate and wise control.

The Prophet, may Allah bless him and grant him peace when he explained the reason for imposing Zakat, he was teaching Muadh bin Jabal, may Allah be pleased with him, when he sent him as ambassador and teacher to Yemen. This circumstance required clarifying the causes of the legislation so that Muadh can build on its implications.

Finally, It was decided here that the reason for the obligation of Zakat is: "being wealthy." This reason was set in Sharia with four conditions: the legitimacy of money, full Ownership, possession of the Nisab, the lapse of a year on the property (Alhawl). Consequently, Zakat is not required except for one who becomes wealthy according to the four conditions mentioned.

50 Al-iifsaḥ, 1/196.

51 Narrated by Ibn Majah 1/571 with No. 1792, and it is a weak hadith. Because its chain of transmission included Haritha Bin Abi Al-Rijal, and Haritha is weak. However, this hadith is supported by the narrations of the prophet Companions, such as Abu Bakr as in "Muwatta al-Imam Malik" and "Sunan al-Bayhaqi" (4/95) and authenticated. Uthman as in "Muwatta Malik" and al-Bayhaqi also (4/95) and authenticated, and it was reported on the authority of Ali, as in "Musannaf Ibn Abi Shaybah," and other companions. And the hadith of Aisha is a witness from the hadith of Ali according to Abu Dawoud (1573), on which Ibn Hajar said (in "Al-Talkhees" 2/156): "Ali's hadith is not wrong with its chain of narrators, and the reports support it, so it is valid for the argument." Al-Albani said that it is authentic.

20 Is it obligatory to pay Zakat on the wealth of the minor and the insane?

Zakat is obligatory on the money of the minor and the insane. Because the obligation of Zakat is linked to the source of the money, it does not matter who is the owner of these funds. This is in line with the jurisprudential rule stating that Zakat's obligation relates to money, Whoever was its owner⁵². To understand this rule, we explain below its meaning, evidence, and examples:

First: the meaning of the rule:

Zakat is a financial obligation related to the money that is subject to Zakat. Consequently, the owner's personality does not matter. The money owner may be a man or woman, young or old, orphan or not, sane or insane, and has a natural personality such as individuals, or legal persons such as companies and organizations. If this is the case, then Zakat is due on the money if it fulfills the four conditions mentioned above, without considering its owner's personality and nature.

Second: Evidence for the rule:

1- The words of Allah Almighty:

﴿خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ﴾

“Take, [O Muhammad], from their wealth a charity by which you purify them and cause them increase, and invoke [Allāh's blessings] upon them.”⁵³ In this verse, Allah Almighty linked money to its owner, who owned it completely, and did not differentiate between an adult and a minor.

2- Amr bin Shu'aib narrated on the authority of his father who reported on the authority of his grandfather, on the authority of Abdullah bin 'Amro(RAA) that the Messenger of Allah said: “One who becomes the guardian of an orphan, who owns property, must trade on his behalf and not leave it (saved and unused) until it is all eaten up by Zakat (which is paid yearly).”⁵⁴

Third: Practical Examples:

- 1 - Zakat is due on the wealth of a minor boy.
- 2- Zakat is obligatory on the money of the insane.
- 3- Zakat is due on company funds, which is a legal person and not a natural person.

The ruling on the obligation to pay Zakat is directed at the guardian or agent responsible for disposing of the aforementioned funds, such as the guardian of the young, the orphan, and the insane.

52 See: Certified Zakat Accountant Certificate: Dr. Riyadh Mansour Al-Khulaifi, Dr. Salah al-Din Ahmad Amer and others, p 92.

53 Surah At-Tawbah, 103.

54 Narrated by al-Tirmidhi in his Sunan 3/32 No. 641, and he said it is weak. Al-Shafei confirmed the meaning of this hadith with the general meaning of the authentic hadith regarding the obligation of Zakat, and what was narrated from the Companions, may Allah be pleased with them, in that. See Al-Badr Al-Munir 5/465.

21 What is the meaning of a legal (corporate) personality? What are its examples in reality?

A legal or corporate personality is defined as: (a legal entity distinct from its members, which is given a special capacity by custom). This includes every group of individuals or pooled funds recognized by law and has a legal personality distinct from its constituent members⁵⁵.

In our time, companies, banks, profitable and non-profit organizations such as charitable institutions and endowments all carry independent personalities by virtue of custom and law⁵⁶. Dealing with it on this basis has become a well-established and stable reality in various commercial, legal, judicial, and other fields. The company has an independent civil name, an independent civil number, and has an independent nationality. It has a known and specific domicile and physical location, and it has an independent financial responsibility. It has a capacity of its own, which is considered by custom and law. The company also has rights that are defined, approved, and protected by law, and it has duties and responsibilities towards others that must be fulfilled. The contemporary legal custom appropriately addresses the company as an independent legal person and does not address the partners' persons with the company's rights. This is because the partners' liabilities and their persons are completely different from the company's liability and legal and financial personality.

22 Is Zakat imposed on a legal person? What is the evidence for that?

A legal person, as an independent civil person, is responsible for the obligation to pay Zakat. Evidence for this is the saying of Allah Almighty:

﴿ خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ ﴾

“Take, [O Muhammad], from their wealth a charity by which you purify them and cause them increase, and invoke Allāh’s blessings upon them.”⁵⁷ And from the Hadith, the Messenger of Allah, peace be upon him said: “Allah has obligated charity to be taken from the rich and given to the poor.”⁵⁸ Legislative texts generally indicate that companies are obligated to pay Zakat like individuals because they represent a financial mass and material wealth covered by Zakat legislation.

This is well known in the texts of Islamic law. The legal discourse of the Qur’an and Sunnah may be directed towards natural individuals or legal persons alike. The legitimate text can address groups as one bloc as in the verse:

﴿ وَإِنَّ هَذِهِ أُمَّتُكُمْ أُمَّةً وَاحِدَةً وَأَنَا رَبُّكُمْ فَاتَّقُونِ ﴾

“Your nation is but one nation, and I am your Lord, therefore fear Me.”⁵⁹ And the verse:

﴿ وَلَتَكُنْ مِنْكُمْ أُمَّةٌ يَدْعُونَ إِلَى الْخَيْرِ وَيَأْمُرُونَ بِالْمَعْرُوفِ وَيَنْهَوْنَ عَنِ الْمُنْكَرِ وَأُولَئِكَ هُمُ الْمُفْلِحُونَ وَلَا تَكُونُوا كَالَّذِينَ تَفَرَّقُوا وَاخْتَلَفُوا مِنْ بَعْدِ مَا جَاءَهُمُ الْبَيِّنَاتُ وَأُولَئِكَ لَهُمْ عَذَابٌ عَظِيمٌ ﴾

55 Dictionary of Contemporary Arabic Language (Moejam Allughat Alearabiat Almueasirat), 2/1567.

56 See, for example: the provisions of the Kuwaiti Civil Law No. 67 of 1980, Article 18, 19, 20 and 21.

57 Surah At-Tawbah, 103.

58 Narrated by Al-Bukhari 2/104 No. 1395, and Muslim 1/50 No. 19.

59 Sourah Al Muminoon,52.

“Let there be one nation of you that shall call to righteousness, ordering honor, and forbidding dishonor. Those are the prosperous. Do not follow the example of those who became divided and differed with one another after clear proofs had come to them. For those, there is a great punishment.”⁶⁰

This multiplicity of the legal discourse related to the Zakat payer with different considerations as individuals or groups clearly indicates that it is not limited to him as a natural individual. Rather, the legal discourse is directed to him in every case, whether he is an individual, group, entity, institution, state, or otherwise.

Based on the previous evidence: Zakat is obligatory for companies - like individuals - if their money achieved the description of wealth according to its four conditions: the legitimacy of money, complete ownership, possession of the Nisab, and the lapse of a year on the property (Alhawl). Thus, Zakat is due on the company as it is for the individual since it is a legal person with rights and duties as stipulated in the laws. It is not envisaged that Zakat will be left to the partners. Because the partners are ignorant of the amount of their money and their profits during the operation. They are also ignorant of the company’s activities that determine the amount of Zakat to be paid, such as one-tenth, for example, in crops, or one-fourth of a tenth in trade.

The evidence for requiring Zakat for companies is the same evidence for requiring Zakat on Muslim wealth. The difference is that these funds are gathered in one place, and a contract is signed between the company owners. In the hadith of Thumamah bin Abdullah bin Anas, that Anas told him: Abu Bakr wrote to me what was made compulsory by Allah’s Messenger, may Allah bless him and grant him peace, and that was (regarding the payments of Zakat): Neither the property of different people may be taken together, nor the joint property may be split for fear of (paying more or receiving less) Zakat⁶¹. The company’s money is combined throughout the year, so Zakat is due to it as a legally and financially independent person. Transferring the obligation of Zakat to partners is an explicit violation of the mentioned hadith. Because that would disperse the collected Zakat funds throughout the year, thus fragmenting the quorum and reducing the amount of obligatory Zakat, and harming the interests of those who are entitled to it from the eight categories.

Imam Al-Bukhari narrated the aforementioned hadith in the Book of Zakat in his Sahih, then he repeated it in the Book of Company. This indicates that his ruling concerns Zakat and is also applied in the field of company. Ibn Battal explained that it is learned from the hadith that if the two partners mix their capital, the profit is between them. Whoever spends more of the company’s money than what his partner spends will be returned to him when dividing the amount spent⁶².

The point is that the mixing and meeting between companies’ funds will make them independent and separate entities from the partners who created them. So this mixture and combination of funds directly affect the obligation of Zakat on them. This is what Al-Ghazali called: considering two money as one money for one owner. This one legal owner is not the natural owner, and this is the meaning of the legal personality⁶³.

60 Surah I-’Imran, 104-105.

61 Narrated by Al-Bukhari 9/23 with the number 6955.

62 Fath Al-Bari 5/155.

63 Legal personality and its provisions in the contemporary state, and its effect on fulfilling the condition of complete ownership - a jurispru-

23

Is Zakat imposed on the independent personality of the company? Or is it obligatory on the partners?

Zakat is obligatory on the company's independent legal personality, and it is not obligatory on the partners themselves. The reason is that the company's personality is legally mandated to pay Zakat like a natural person, and that is because of the general evidence that Zakat is obligatory. In addition to that, the Sharia discourse is also directed at companies with legal prohibitions, such as prohibiting usury. And since the company owns its money in a real complete way that is recognized by custom, approved, and protected by law; therefore, Zakat is obligatory on it.

Zakat is not obligatory on the partners because their ownership of the company's money is incomplete and restricted. The peremptory evidence for restricting and decreasing partners' ownership is the principle of the mixture of funds in companies that prevents the partner's ability to directly and completely dispose of its funds. Rather, if the partner disposes of some of the company's money without seeking permission from the rest of the partners and obtaining their approval, then he is infringing on the money of others, which exposes him to punishment and a claim for compensation in both Islamic Sharia and contemporary law.

24

Is Zakat obligatory on non-profit organizations such as endowments, charitable associations, solidarity associations and the like?

What is meant by non-profit organizations: every organization that operates with an independent legal personality and has independent financial responsibility. The partners in the non-profit do not aim to make a personal profit for themselves. Rather, if profit is achieved for the non-profit organization, it is directed to achieving the organization's goals, implementing its projects, and achieving its mission for which it was founded. Moreover, it is not permissible to transfer this profit so that the partners will own it because the purpose of the license is to be a company in which funds are mixed. It is a company in which the partners do not aim to make a profit for themselves.

Examples of non-profit organizations are Endowments of all kinds, as they are independent legal personalities in the view of Sharia, custom, and law. As well as charitable associations and institutions, whether governmental or civil, including voluntary organizations and civil society institutions.

dential study compared to the law –(alshakhsiat alaietibariat wa'ahkamuha fi aldawlat almueasirat , wa'athariha fi tuhaqiq shart almalik alttami dirasatan faqhianat mqrant bialqanun), by Sheikh Al-Qaradaghi.

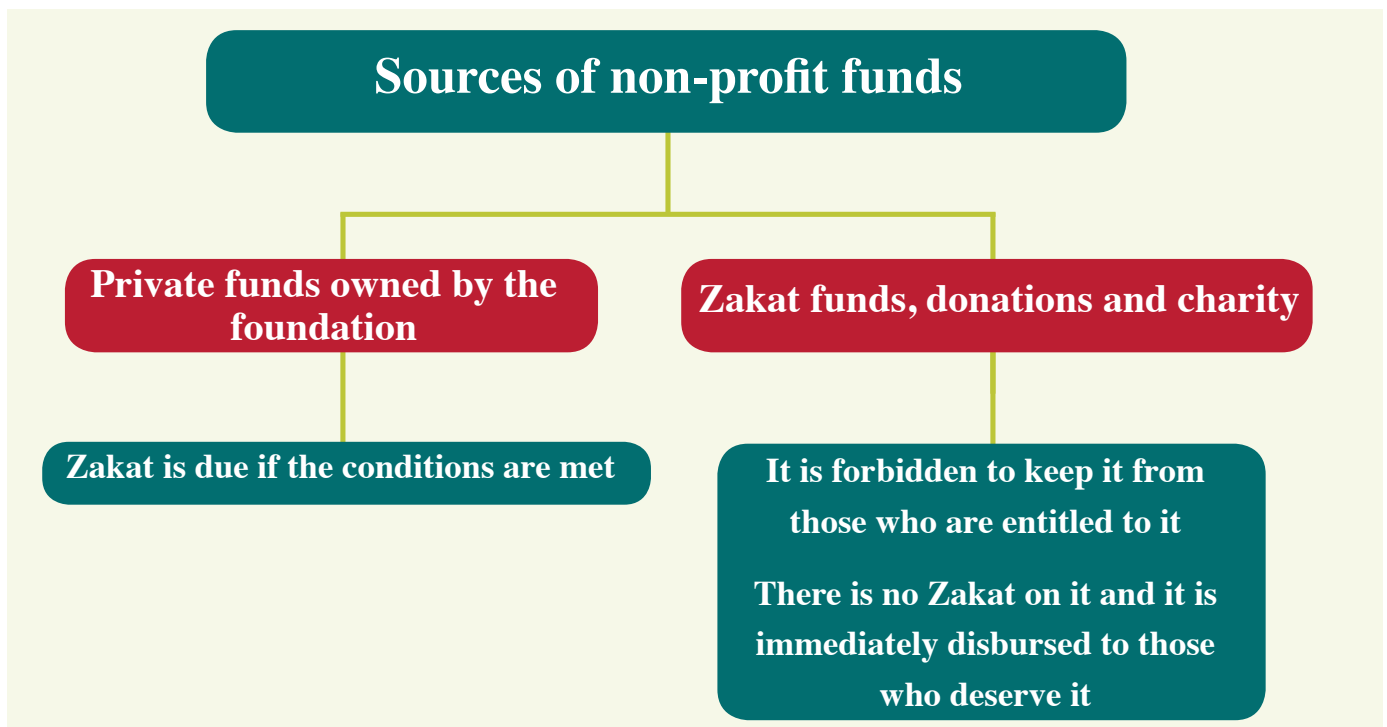
Zakat is required on non-profit organizations' funds if the description of wealth is fulfilled under its four conditions: the legitimacy of money, complete ownership, possession of the Nisab, and the lapse of a year on the property (Alhawl). For every charitable association, advocacy institution, relief organization, volunteer body, or endowment entity that includes one endowment or a group of financial endowments, Zakat is due on its money if the description of wealth is realized. Zakat is required - for example - in cash at any of the aforementioned non-profit organizations if the description of wealth is fulfilled because it is included under the general texts requiring the payment of Zakat in the Qur'an and the Sunnah. But if these conditions - all or some of them - are not met, then Zakat is not due on that non-profit organization.

For more detail, according to the practical reality, sources of funds for non-profit organizations are divided into two parts:

Section One: Sources of funds owned and disposed of by the organization based on full ownership: Usually, a non-profit organization has its own sources of funds, so that the organization fully owns it and disposes of it based on its authority and powers conferred upon it by law and custom. This money is permissible for the organization to lock up, hoard it and dispose of it as it wishes. It may invest it in its favor in deposits, portfolios, funds, commercial companies, financial speculation, and other similar investments. The funds that are owned by the organization's personality, in particular, are obligated by Zakat if the description of wealth meets its four conditions, that its funds are permissible and fully owned and have reached the nisaab, and if one year has passed since then, Zakat is due on it.

Section Two: Sources of funds owned by the organization as a trust that must be communicated to the beneficiaries: The basic principle is that this restricted money that the charitable organization receives is not permissible according to Sharia and law to use it other than the restriction specified for it, which is that it must be delivered to those who deserve it without infringement, negligence, or a custom-forgiven delay. Examples include Zakat funds and restricted alms that a non-profit organization must give immediately to their owners. There is no Zakat on these funds because the organization's duty is to fulfill those rights for their owners without inaction or delay. Otherwise, the disposal here is considered a breach of trust. This is because the organization here does not have the powers to use the money or keep it for itself based on complete ownership, so its duty is to pay the money to its owners and not its duty to pay its Zakat.

What is meant is that these various endowments, charitable and solidarity organizations of all kinds are based on spending their money on deserving parties. It is not permissible to hoard or delay Zakat funds for those who deserve it, even under the pretext of investing it. If it is hoarded, then it betrays trust, and it comes under the same ruling as usurper or trespasser of someone else's money without a significant legal right⁶⁴.



⁶⁴ Zakat is not due on stolen money. Because it must be returned to its owner

25 Is Zakat required on bank deposits (bank accounts)? And to whom is it obligatory?

Deposits in banks differ according to their nature and the type of contract on which they are based. These include current accounts (demand deposits) and investment accounts (term deposits), whether by a speculative contract or an agency contract. Zakat is obligatory on the funds of bank accounts (deposits) of all kinds, in general terms. However, the person legally charged with paying Zakat on investment deposits varies according to their nature and according to who has the authority to dispose of them completely.

The rule: Zakat on bank deposits - of all kinds - revolves around the description of wealth. Zakat on the deposit is only obligatory for one who has full ownership of the money and has the power and authority to use it. As for someone who owns an incomplete property and cannot actually use it, he does not have to pay Zakat on it due to the absence of the condition of full ownership. Consequently, Zakat is not required of him because the description of wealth is not fulfilled.

Bank deposits are divided into two main types:

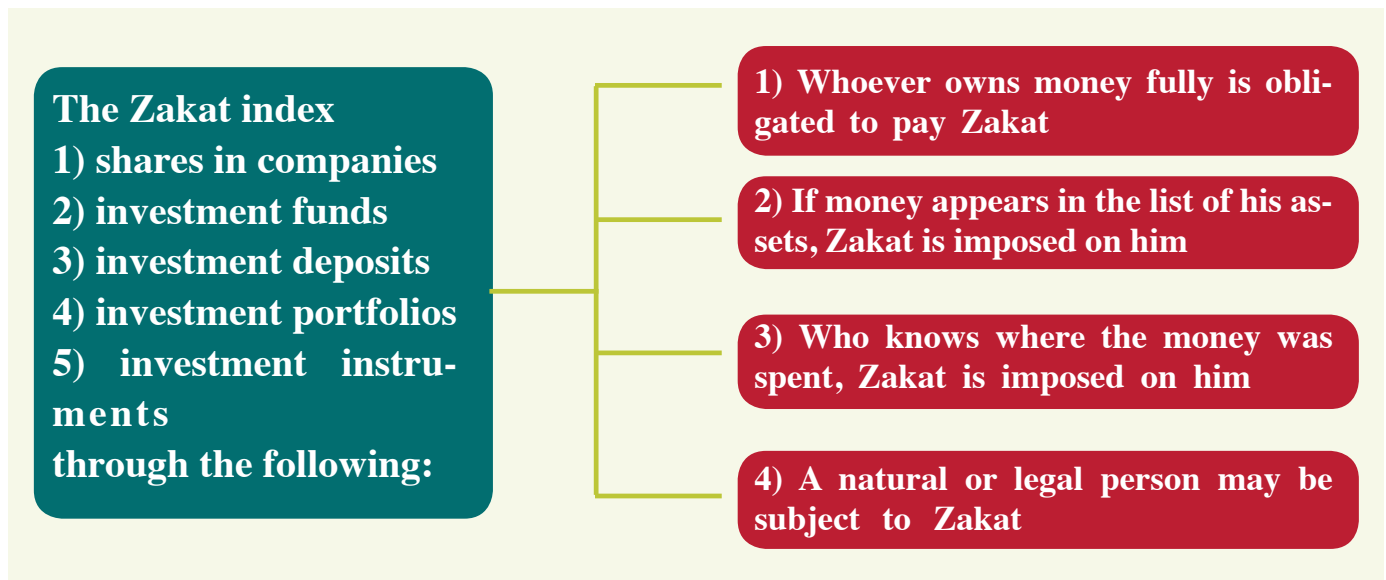
First: Current accounts (on demand): This type is completely owned by the account holder (the depositor himself), and therefore it is called (on demand). The Zakat on current account funds is due on its depositor because his ownership over his money is complete. And he has complete freedom and ability to act by withdrawing or transferring it at any time he pleases, without the need to obtain permission from the bank or anyone else.

Second: Investment Accounts (Time Deposits): Funds in this type of deposit are under the bank's authority and subject to its individual actions and decisions without the customer's slightest interference. According to what it deems best on its part, the bank employs it in various forms of employment and investment. Therefore, Zakat is due on the investment deposit from the bank itself because it is the owner of the dispositions of the deposit funds.

Zakat on the deposit is not obligatory on the account holder (the customer), whether it is an individual or a company. Because it is the bank that has the exclusive disposition of the deposit amount as a matter of complete ownership during the investment period, it places a legal seizure on the deposit's money. This legal seizure prevents full ownership of the client who owns the account. Then the bank invests it several times a year. And because the bank alone knows where the money was invested and how it was invested accurately, and has it remained throughout the year in the form of Zakat funds on which Zakat is due, or in the form of non-Zakat funds? Also, the bank alone knows whether the deposit won or lost? And what is the exact amount of Zakat on it?

On the other hand, the investment account owner - an individual or a company - only has abstract investment rights. It does not have the power to dispose of the deposit funds during their agreed term completely. If the client wants to withdraw it, he submits a request to the bank asking permission to release his legally confined money. The bank may approve immediately or delay it by days or more. The evidence for the account holder's lack of ownership is that his disposal of the depository funds is legally suspended on the bank's permission, approval, or refusal and postponement. Also, the depositor is completely ignorant of where his deposit money was invested. Thus, how can the depositor (client) calculate Zakat for an investment deposit, completely ignorant of where its money was invested during the past year? And what if the assets in which his money was invested were Zakat or non-Zakat assets? It has been proven that the ownership of the investment account holder is incomplete, restricted, and Zakat is only required in money that its owner fully owns with the consensus of scholars.

In conclusion: Zakat on bank accounts - both current and investment types - revolves around the description of the wealth and specifically with the condition of full ownership. According to the details shown above, whoever possesses the ability to dispose of the depository funds completely is the one in charge of their Zakat.



26 Is Zakat required on stocks? Is there a difference between speculative and investment stocks?

Shares are considered among the rights traded on the stock exchange. Zakat on share depends on its nature. Accordingly, shares are divided into two parts:

First: Short-term speculative shares: These are equal rights units in common ownership in a company. Shares are bought as a commercial commodity from its financial market with the intent to resell and profit from them and take advantage of the price differences between buying and selling in the short term, that is, during a period of time less than a year. They are short-term speculative stocks.

Most of the contemporary jurists agreed that Zakat on speculative shares is due on the one who owns the stock. Because the speculative shares in his possession are considered commodities that he buys, intending to resell them at the earliest opportunity to make a profit. Therefore, the owner of these shares must pay their Zakat like trade offers. So the owner of the shares determines the amount of the market value (declared on the stock exchange) of what he owns on the day the Zakat is due on it and pays a quarter of one-tenth of his total speculative shares.

Second: Long-term investment shares: These are equal rights units in common ownership in a company, bought by their owners to invest in the company's operation. The purpose of the shareholder is to obtain the company's profits from the results of its business at the end of the fiscal year. In fact, these stocks are long-term investment behavior, as evidenced by the fact that they are holding them for long periods. He owns it not for trading in the short term, but he buys it and saves it with him as a document that gives him common public rights like all the company partners. Therefore, it is considered a long-term investment tool, and it is not speculative for short-term trading. Is Zakat obligatory on the holder of this investment share?

The ownership of the investor who owns the investment stock is indeed considered incomplete. In fact, he is a partner in the company who aims to profit at the end of the fiscal year. He is one of the partners, and the partners have abstract rights over the company's assets. The partners' ownership is not complete since their power to dispose of the company's funds is restricted and prohibited. If the partner disposed of some of the company's funds without the rest of the partners' consent, he would have infringed on the property of a civil person who is financially and legally independent from him. Rather, his unilateral disposal of the company's funds is considered an infringement that requires punishment and compensation. This indicates conclusively that the ownership of the investment shareholder is deficient.

The result is that no Zakat is due on the holder of the investment share because his ownership is incomplete and because Zakat is only required in money that the owner fully owns. It is a condition that scholars have unanimously agreed upon in the past and present. However, Zakat is obligatory on the company because it is the real owner of the money throughout the year, and it appears in its assets.

In summary: Zakat on shares depends on their nature. If the speculative shares are short-term, meaning that a person buys them in order to sell them in the short term, then their Zakat is due according to their market value because they are like commercial offers. Nevertheless, if they are long-term investment shares, meaning that a person buys them to obtain profits from the company's activities at the end of the financial year, then Zakat is not due to the stock owner in this case. His ownership of the investment shares is identical to his ownership of the regular share in the company, so his ownership of the assets of the stock is deficient and not complete possession. The scholars unanimously agreed that Zakat is only due in complete possession. Zakat is required in this case on the company if the description of wealth is fulfilled in its money.

27 Is Zakat imposed on the state?

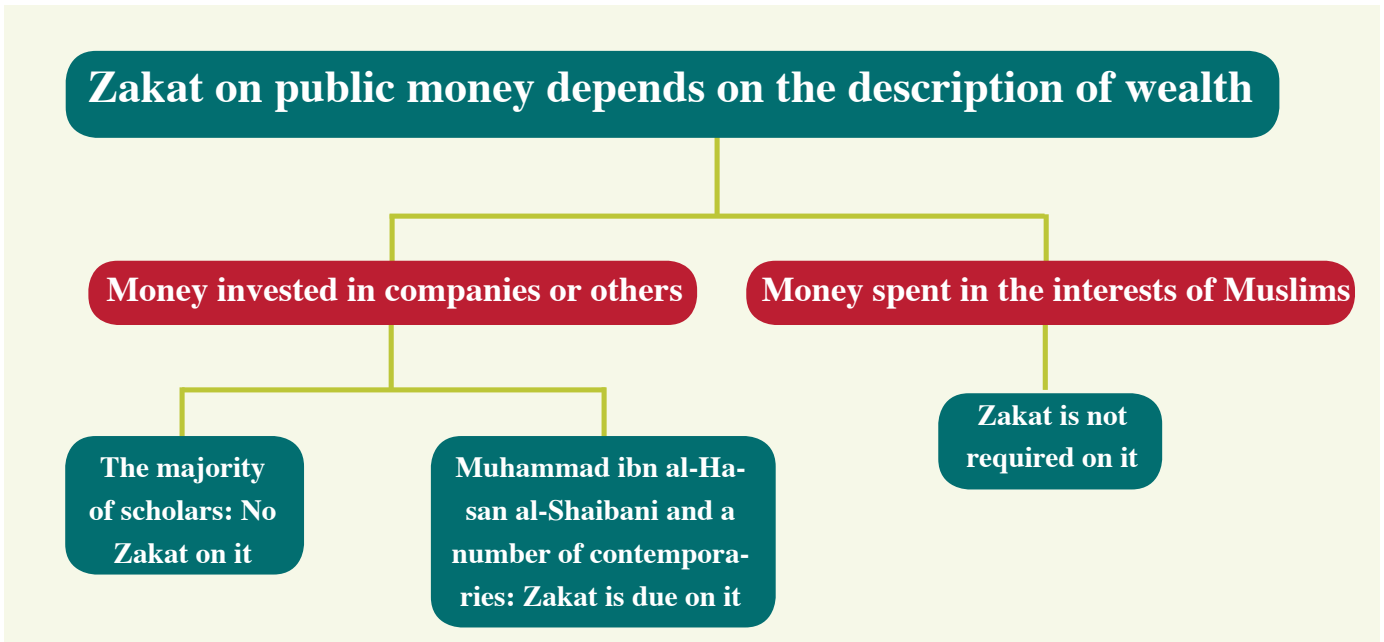
The modern state is an independent legal personality as stipulated in the constitutions of states. The state has a name, location, personality, and financial responsibility, whether it has rights or duties towards others. The state may be claimed from the court for compensation, and so on. This means that this independent legal personality is included in the general texts of Sharia mandating the payment of Zakat, just like other legal persons such as companies and profit and non-profit organizations.

The state's character differs in that the partners who own rights in it are the people, which is the source of the authorities. In its modern civil and legal framework, the state is competent to own and dispose of resources. The state is like a large company owned by the people, and it has its legal personality. The government is empowered to administer, act, and command in the field to achieve the partners' interests (the people).

The state funds are divided into two parts:

The first type: funds that are spent for Muslims' benefit: Such as the general budget that is spent on infrastructure, employee pensions, etc. These are money on which Zakat is not required. Because it is public money that is spent in the public interest, and because it is spent on time and no year has passed. Besides, the description of wealth - which is the reason for imposing Zakat in Islam- is not fulfilled.

The second type: funds acquired for trading and investment in financial entities intending to make a profit for the state: State funds accumulated and not spent for the interests of the people or invested in companies or investment funds are subject to Zakat. This is because the description of wealth has been achieved in it and because it is described as wealth in addition to the fulfillment of the four conditions for wealth in it, which are: the legitimacy of money, complete ownership, possession of the Nisab, and the lapse of a year on the property (Alhawl). This is because the generalities of the legal texts from the Holy Qur'an and the Sunnah of the Prophet make it necessary to take Zakat from the rich, regardless of the nature of his personality. And whoever claims otherwise, he must have evidence. Based on this, if the description of wealth characterizes the state's finances, then its money must be examined to verify whether or not Zakat is due on it, according to the requirements of the eight Zakat principles, namely (cash, trade, leasing, agriculture, camels, cows, sheep, and ore).



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Chapter Four:

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

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Chapter Four:

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

28 What are the funds on which Zakat is due? What is the evidence for that?

The money is divided according to its role into two main parts: currencies and goods (Muthmanat). The Zakat ruling for each differs according to the following division:

First: Currencies:

The price is the currency used or payment taken by mutual consent in return for a product or service.⁶⁵ These currencies are either: of gold, or silver, or of paper or electronic money in our time. Zakat is obligatory on the prices according to the Qur'an, Sunnah, and consensus.

Second: Valuables (Almuthmanat):

Valuables: everything that is not a price, and valuations are usually intended for their own benefits, such as the house, car, animal, crops, and the like, in contrast to the prices that are intended as a means of exchange and a measure of values in the economy.

Zakat is required on seven valuables' assets, which are:

- 1- Trade (trade offers).
- 2- Leasing.
- 3- Camels.
- 4- Cows.
- 5- Sheep.
- 6- crops and fruits.
- 7- Ore and minerals.

⁶⁵ Al-Qamoos Al-Fiqh, language and idiom, by Saadi Abu Jeeb, p.52.

In conclusion, Zakat is not obligatory for other than these eight types of money (which are the prices with the aforementioned valuables). Zakat is not required on it except based on the Shariah's mention of it, with the description of wealth in each of them being met with its four conditions. An exception is made for what is not stipulated in the Shari'a, such as debts, real estate, depreciation, and the like, which are not of the previous seven categories.

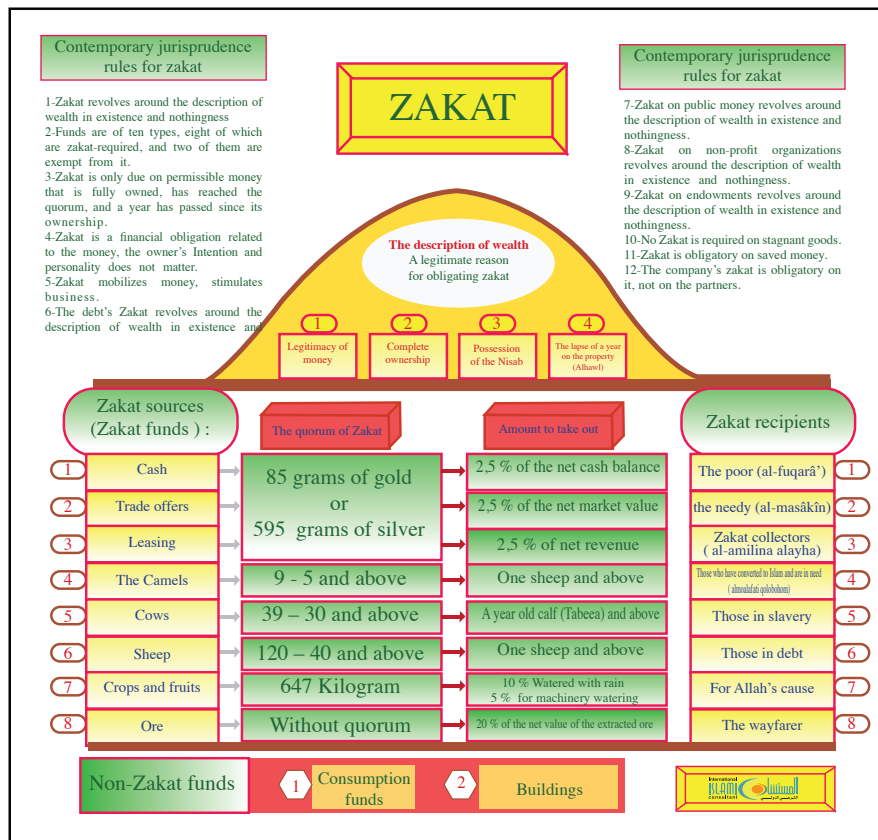
Third: Practical Examples of Zakat Funds:

The money on which Zakat is due in its two parts: The prices and valuables are many and varied, we briefly mention the following:

1. Metals of gold and silver, whether it is ore or alloys and the like. And whether they are saved as purchasing power or are offered for sale as trade offerings in the market. If the conditions are met, then Zakat is due on them.
2. Zakat is obligatory for what takes the place of gold and silver in the form of cash, banknotes, and coins, which people count as prices, whether they are bank balances as current accounts or moving in business if they fulfill their conditions. Zakat is due on the amount of the cash balance of all the coins owned on the day the Zakat is due.
3. Trade offers such as real estate, goods, and cars that entered the supply and demand market, so Zakat is due on its terms at its market value on the day that Zakat is due.
4. Assets prepared for leasing and exploits intended to sell their benefits without selling their assets. Zakat is due on the revenue collected (yield) only. There is no Zakat on the leased asset's value, bearing in mind that the revenues resulting from the lease are merged automatically as soon as it is received within the cash balance. Therefore its Zakat is calculated with it when the year has passed.
5. Zakat is due on crops and fruits if it reaches the nisaab at the time of harvest.
6. Zakat is required on livestock such as camels, cows, and sheep, if they reach the minimum threshold and one year has passed over them, and they graze on permissible pastures.
7. Zakat is obligatory on all trade goods if it reaches the nisaab and one year has passed over it.
8. Zakat is obligatory on what is extracted from the earth of minerals and treasures, and it is not required to reach the nisaab or the year-round.

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)



Fourth: Is Zakat obligatory on debts according to prices or valuations?

Debt in Islamic jurisprudence: (a right that is established in the dhimma). Debt is not money in itself, as objects and benefits, neither in Sharia nor in the terminology of jurisprudence. In the Noble Qur'an, Allah has called (debt) right in two places in the verse of debt, which is the longest verse in the Holy Qur'an⁶⁶. Likewise, the meaning of debt in Islamic jurisprudence is a legal effect proven in the dhimma. In other words, debts are rights and obligations proven in the liability and not in the same money. Thus (debt) becomes an expression of a purely legal case related to the receivables after their separation from their material location, whether this situation arose from the element (price) or the (appraiser) element in the financial transactions. Or the debt had arisen from the absolute other actions under which the rights in the liability are proven

66 It is the saying of Allah Almighty : “ O you who have believed, when you contract a debt for a specified term, write it down. And let a scribe write [it] between you in justice. Let no scribe refuse to write as Allāh has taught him. So let him write and let the one who has the obligation [i.e., the debtor] dictate. And let him fear Allāh, his Lord, and not leave anything out of it. But if the one who has the obligation is of limited understanding or weak or unable to dictate himself, then let his guardian dictate in justice. And bring to witness two witnesses from among your men. And if there are not two men [available], then a man and two women from those whom you accept as witnesses - so that if one of them [i.e., the women] errs, then the other can remind her. And let not the witnesses refuse when they are called upon. And do not be [too] weary to write it, whether it is small or large, for its [specified] term. That is more just in the sight of Allāh and stronger as evidence and more likely to prevent doubt between you, except when it is an immediate transaction which you conduct among yourselves. For [then] there is no blame upon you if you do not write it. And take witnesses when you conclude a contract. Let no scribe be harmed or any witness. For if you do so, indeed, it is [grave] disobedience in you. And fear Allāh. And Allāh teaches you. And Allāh is Knowing of all things.”

It was mentioned in the Fiqh Encyclopedia that debt is: (establishing a right in the dhimma)⁶⁷, where “the jurists use their terminology the word “Alaayn” in exchange for “Adayn,” considering that the debt is what is proven in the liability, without it being a specific one, whether it is cash or Other, as for the “Alaayn”, it is: the specific thing that is diagnosed as unpredictable.”⁶⁸

In the Journal of Judicial Rulings, the term (debt) was defined as: “What is established in the “Dhimma”, as an amount of dirhams owed by a man.” ⁶⁹Al-Kafawi said: “The debt is a money that occurs in the liability by selling or consuming or otherwise.”⁷⁰ Thus, it becomes clear that debts are rights and that they are something other than money. Debt is not of prices, and it is not of appraisals at all. Rather, debt is, in fact, an effect and consequence of the transactions that take place on the exchange of prices or appraisals.

According to Islamic law, Zakat is only obligatory on funds on which Sharia compels Zakat, such as cash and commercial goods. Thus, Zakat is not required on something that is not originally money like all other debts and obligations. Because they are abstract rights that do not accept growth according to Sharia, because if debt grows, it becomes usury, and it is forbidden according to Shariah. And because the debt is an imperfect property, not a complete and absolute disposition. The scholars are unanimously agreed that Zakat is only obligatory in complete possession. Moreover, Zakat is an act of worship not prescribed except with evidence, and there is no clear legal evidence that Zakat is obligatory on it.

29 What is the amount to be paid in Zakat?

The amount to be paid varies according to the type of money from which we want to pay Zakat. The Shari’ah has ordered this according to the level of ease or difficulty in accumulating each type of wealth. Therefore, the easier the wealth is to accumulate, the more the amount due and the reverse is also true. This can be seen as follows:

- 1- In ore and minerals, one-fifth is required.
- 2 - Concerning crops and fruits, one-tenth is required if irrigated with rainwater and half a tenth if they are irrigated at cost.
- 3 - Of gold, silver, and contemporary coins, a quarter of one-tenth must be taken out.
- 4 - From the trade offers, a quarter of one-tenth of the capital and profit must be taken out.
- 5- As for camels, cows, and sheep, the amount of Zakat to be paid from them is determined according to their number⁷¹.

⁶⁷ The Kuwaiti Fiqh Encyclopedia, vol. 21, p.102, and the definition was quoted from Ibn Najim.

⁶⁸ The previous source, C21, p. 103.

⁶⁹ Journal of Judicial Rulings, Article (158)

⁷⁰ Alkuliat lil kifawuy 144/1

⁷¹ See the table on this topic when talking about Zakat for camels, cows and sheep.

Chapter: The eight funds on which Zakat is due

The first type of money: Alathman (alnaqd)

30

What is the concept of currencies (Thaman)? Is Zakat obligatory on currencies (Alathman)? What is the evidence for that?

First: the concept of currencies (Alathman):

Currency (Thaman) is: everything that people call a currency (Thaman) and buy a commodity with it or evaluate what is damaged with it, in the past or the present, such as minted gold and silver, and coins of different names, shapes, values, amounts, countries, and places of savings.

Second: Ruling on Zakat on Currencies (Alathman) and evidence of its legitimacy:

Zakat is obligatory on currencies (Alathman), based on the evidence of Allah Almighty saying:

﴿وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يُنْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ بِعَذَابٍ أَلِيمٍ﴾

“And those who hoard gold and silver and spend it not in the way of Allāh - give them tidings of a painful punishment. The Day when it will be heated in the fire of Hell and seared therewith will be their foreheads, their flanks, and their backs, [it will be said], This is what you hoarded for yourselves, so taste what you used to hoard.”⁷² And in the noble hadith: “Any person who possesses gold or silver and does not pay what is due on it (i.e., the Zakat); on the Day of Resurrection, sheets of silver and gold would be heated for him in the fire of Hell and with them his flank, forehead and back will be branded.”⁷³

And if the verse was specifically mentioning gold and silver, yet it indicated the consideration of the value by the Almighty saying:

﴿وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يُنْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ بِعَذَابٍ أَلِيمٍ يَوْمَ يُحْمَىٰ عَلَيْهَا فِي نَارِ جَهَنَّمَ فَتُكْوَىٰ بِهَا جِبَاهُهُمْ وَجُنُوبُهُمْ وَظُهُورُهُمْ هَذَا مَا كَنْزْتُمْ لِأَنفُسِكُمْ فَذُوقُوا مَا كُنْتُمْ تَكْنِزُونَ﴾

“and spend it not in the way of Allāh - give them tidings of a painful punishment.”⁷⁴ Their spending is only by using what has a value and is a currency for things, so it indicates the consideration of everything that is considered value. And the jurists say that except for gold and silver, it is dealt with in the same way if it is fit to be a price for things (the reason for al-thamaniya).

72 Surah At-Tawbah, 34-35.

73 Narrated by Muslim 2/680 No. 987.

74 Surah At-Tawbah, 34.

31 What is the purpose of imposing Zakat on currencies (Alathman)?

Cash is purchasing power and a means of reciprocal value that Allah created a need for in the souls of people. Money is king in the economy, where money moves in the economy to revive production and trade and achieve prosperity for the rich and the poor. If the cash is kept in hoarding, then this leads to big economic corruption like inflation, etc. Zakat addresses this negative inflationary impact of hoarding, taking 2.5% of it and returning it free of charge to the deficit segment in the economy (the poor and needy).

Fearing the loss of the hoarded money due to Zakat, the owner of the money is forced to transfer, invest and develop it. This will positively impact the economy for the poor and the rich alike and restore cash to its basic nature before hoarding so that all sectors of society benefit from it.

Examples of currencies in our time are: gold and silver metals and their alloys and what is measured in money and paper currencies of various forms, types, and names, such as the riyal, dinar, dirham, pound, dollar, and the like.

32 What is the quorum (nisab) of gold and silver?

First: the quorum (nisab) of gold

The quorum (nisab) of gold is twenty dinars. Ibn' Umar and 'Aishah narrated: "that from every twenty Dinar or more. The Prophet used to take half a Dinar and from forty Dinar, one Dinar."⁷⁵ A dinar is equal in contemporary grams to (4.25) grams of pure gold. Then twenty dinars is equal in contemporary grams to (85) grams of pure gold.⁷⁶

Second: the quorum (nisab) for silver

The quorum (nisab) of silver is two hundred dirhams. On the authority of Abu Sa'id, may Allah be pleased with him, that the Prophet, may Allah's prayers and peace be upon him, said: "No Zakat is due on property mounting to less than five Uqiyas (of silver), and no Zakat is due on less than five camels, and there is no Zakat on less than five Wasqs."⁷⁷ An ounce is forty dirhams⁷⁸. Five ounces equals two hundred dirhams. The dirham is estimated in contemporary grams at (2.975) grams, and two hundred dirhams are equal in contemporary grams at (595) grams⁷⁹.

75 It was included by Ibn Majah 1/571 with No. 1791, and Al-Albani graded it as authentic in Sahih Ibn Majah.

76 See: The Jurisprudence of Zakat (Fiqh AlZakat) by Yusuf Al-Qaradawi 1/260.

77 Narrated by Al-Bukhari 107/2, No. 1405.

78 See: Al-Majmoo, <Al-Nawawi 6/5.

79 See: The Jurisprudence of Zakat (Fiqh AlZakat) by Yusuf Al-Qaradawi 1/260.

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

33 How much Zakat is due on gold and silver?

Anas narrated that when Abu Bakr; sent him to (collect the Zakat from) Bahrain, he wrote to him the following: “In the name of Allah, the Beneficent, the Merciful. These are the orders for compulsory charity (Zakat) which Allah’s Messenger had made obligatory for every Muslim, and which Allah had ordered His Apostle to observe.... Concerning silver, the Zakah paid is a quarter of a tenth for each 200 Dirhams (i.e. 2.5%)”⁸⁰.

Moreover, Ali narrated that the Messenger of Allah said: “When you possess two hundred Dirhams at the end of the year (if you still have all of them), five Dirhams are levied on them as Zakah. There is nothing upon you (to be paid) in gold, until it reaches (the value of) twenty Dinars. When you possess twenty Dinars, at the end of the year, then there is half a Dinar levied on it (as Zakah). Any additional amount will be calculated in the same manner. No Zakah is to be paid on monetary holdings, until they have been owned for one year.”⁸¹

If the gold or silver that the year has passed is equal to the quorum (nisab) or more, then a quarter of one-tenth must be paid out, as indicated by these texts.

34 What are the methods of calculating a quarter of a tenth in (cash) in the modern era?

We can find out the amount of money (one-fourth of one-tenth) using a calculator through four main calculation methods, as follows:

The first method: Multiply the amount from which we want to pay Zakat by (2.5%).

The second method: Divide the amount from which we want to pay Zakat by (40).

The third method: divide the amount from which we want to pay the Zakat by (4), then divide the result by (10).

The fourth method: divide the amount from which we want to pay Zakat by (10), then divide the result by (4).

Thus, when applying all the methods above to (1000) dinars, the result is equal to (25) dinars.

For example, if a person’s cash balance - natural or legal - in one year is (40,000) dinars, then the Zakat due on him is equivalent to $(40,000 \times 40 = 1000)$.

And another example: If we assume that the same person owned (80,000) dinars in another year, then the Zakat owed on him is equivalent to $(80,000 \div 40 = 2000)$.

⁸⁰ Narrated by Al-Bukhari 2/118, No. 1454.

⁸¹ Narrated by Abu Dawood 2/100, No. 1573, and authenticated by Al-Albani in Sahih Abi Dawood.

35 In determining the nisab of Zakat, do we consider the gold standard or the silver standard?

This is a delicate issue in the contemporary jurisprudence of Zakat. In summary: The obligation of Zakat is mentioned in the Noble Qur'an of gold and silver in general, then the Prophet's Sunnah came to define the nisab with gold and silver, as we mentioned in my hadiths of Ali and Anas, may Allah be pleased with them.

The question: What standard should be adopted as a measure in determining the nisab in Zakat on money and trade? Is it the gold standard, which is equivalent to 85 grams, or is it the silver standard, which is equal to 595 grams?

Answer: It is more correct for us that both standards (gold and silver) are considered in Sharia. The evidence for this is the verses and hadiths we mentioned above. However, the one who determines the application of one of them and its preference over the other in reality is the ruler who determines the best of them according to the public interest requirements. The jurisprudential rule indicates this (the actions of the ruler are dependent on interest). If the gold standard were more useful and fitter, then the ruler would choose it as a criterion for Zakat's quorum according to the state's wealth and the high purchasing power in it. But if the silver standard is more useful and more appropriate, then the ruler chooses it as the Zakat standard due to its low purchasing power. Thus it becomes clear that the wise law gave the rulers of affairs the freedom to choose between two disciplined scales. The ruler shall determine the best of the two criteria, with the advice of scholars and experts, according to the requirements of interest, justice, and wisdom.

36 Is Zakat required on women's jewelry?

Jewelry in the language: is the metal or precious stones which is worn for adornment⁸². Women are adorned with jewelry, meaning they are decorated with. The jurists' idiomatic meaning does not deviate from the linguistic meaning.

The fuqaha 'have agreed that Zakat is obligatory on jewelry retained for prohibited use, such as if a man uses gold jewelry to decorate himself with it. Because he used it for unauthorized use, so he must pay Zakat on it.

They also agreed that Zakat is obligatory on hoarded (unused) jewelry that is not intended for a prohibited, unpleasant, or permissible use because it is hoarded for growth⁸³.

82 Almisbah Almunir, Lisan Alearab, Alqamus, Alkuliya by Alkafawi 2 / 186.

83 See the Kuwaiti Encyclopedia of Jurisprudence 11/183, the term "hiliy".

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

Scholars disagreed about the jewelry used in a permissible manner, such as gold ornaments for women and silver rings for men. Most of the scholars are of the view that Zakat is not required for this jewelry. It was narrated from some of the Companions, Taabi'een, their followers, and the three imams, and it is a saying: Abdullah bin Omar, Jabir bin Abdullah, Anas bin Malik, Aisha, and Asma - may Allah be pleased with them -. It is also narrated on the authority of al-Qasim, al-Shaabi, Qatada, Muhammad ibn Ali, and Umrah. This is the saying of Malik, Al-Shafi'i, Ahmad, Abu Ubayd, Ishaq, and Abu Thor⁸⁴.

And they quoted as evidence from the reported narrations on the authority of Aisha, Ibn Omar, Asma, and Jaber, may Allah be pleased with them. It was narrated on the authority of Aisha, may Allah be pleased with her, that she was taking care of her brother's daughters orphans, and they had jewelry, and she did not pay Zakat on it⁸⁵. Aisha is Messenger's wife, and she is the most knowledgeable of the people of him. Likewise, Ibn Omar, his sister Hafsa was the wife of the Prophet, may Allah's prayers and peace be upon him, and the ruling on her jewelry is not hidden from him.

They also used analogies; they likened permissible jewelry to body clothing, furniture, and work animals - such as camels and cows - in that they are earmarked for permissible use, so Zakat is not required on them.

Many scholars have argued that Zakat is obligatory for jewelry, including Omar bin Al-Khattab, Abdullah bin Abbas, Abdullah bin Masoud, Abdullah bin Omar, and Abdullah bin Amr bin Al-Aas⁸⁶, and this is the saying of Imam Abu Hanifa and his companions⁸⁷. It is one of the sayings of Imam Al-Shafi'i⁸⁸, may Allah have mercy on him. It is the saying of Al-Hadawiya and Al-Sanani⁸⁹. They quoted Abdullah bin Amr's hadith as evidence that a woman came to the Prophet, may Allah's prayers and peace be upon him, with her daughter, and on the daughter's hand were two thick bangles of gold. He said: "Do you pay Zakah on these? She said: "No." He said: "Would it please you if Allah were to put two bangles of fire on you on the Day of Resurrection?" "So she took them off and gave them to the Messenger of Allah and said: "They are for Allah and His Messenger."⁹⁰

They also quoted the hadith of Aisha, may Allah be pleased with her, she said: "The Apostle of Allaah entered upon me and saw two silver rings in my hand. He asked What is this, Aishah? I said I have made two ornaments myself for you, Messenger of Allah. He asked Do you pay Zakat

84 Al-Majmoo' by Al-Nawawi 6/36, Al-Mughni by Ibn Qudamah 3/506, and Massail Imam Ahmad, edited by Zuhair Al-Shawish, p. 164; and Sunan Al-Tirmidhi, 3/285. Tuhfat Al-Ahwadhi, by Al-Mubarakfori, 3/285. Majmoo' Al-Fataawa, Ibn Taymiyyah, 25/16.

85 Muwatta' Malik 1/256 No. 656, and Al-Sunan Al-Baihaqi 56/2, No. 1203.

86 Al-Mughni, Ibn Qudamah, 2/605; see al-Targheeb and al-Tarheeb for al-Munthiri, 2 / 116-117.

87 Explanation of Fath al-Qadeer, Kamal al-Din ibn al-Hamam, 2/163, Bidayat al-Ijtihad, Ibn Rushd, 1/230.

88 Alom, Alshaafiee 2/35-36. Almajmoue, by Alnawawi 6/32. Almohadab, 1/158.

89 Subul al-Salam, by al-Sanani, 2/271.

90 The hadith of Abdullah bin Amr: "A woman came to the Prophet, may Allah's prayers and peace be upon him.." Narrated by Abu Dawud (2/212 - Verification by Izzat Ubayd Daas), and it was authenticated by Ibn Al-Qattan as in Nusb Alrraya (2/370 - i Al Majlis Al-ilmi in India) .

on them? I said No or I said Whatever Allah willed. He said this is sufficient for you (to take you) to the Hell fire”⁹¹.

It can be said that the most correct in the issue is the following: Zakat is due on a woman’s jewelry on the basis of whether or not the reason of value (Thamanya) is realized. If a woman uses her jewelry to save because of its value, then Zakat is due. But if a woman uses her jewelry for mere clothing, possession, and adornment, then it is a possession and consumption, and no Zakat is due on it at that time. Evidence for this is the absence of the reason of value and its replacement with the purpose of clothing, adornment, and consumption.

37 Is Zakat due on paper or electronic money? What is the evidence for it?

In the past, coins were minted or struck from the minerals of gold and silver (dirhams and dinars), so the values of things and their prices were estimated by them. Today, banknotes have replaced gold and silver (dirhams and dinars) and have taken their place in the valuation of things and their prices. Undoubtedly, contemporary paper currencies take the same rule as ancient gold and silver coins. This is the opinion of the masses of scholars in the modern era.

And if in our time paper money replaces old money (gold and silver), then it must take its rulings on the obligation of Zakat and the rulings on usury. The same applies to electronic money if it has the same characteristics as paper money and has become prices, and the reason for valuation is realized in it. As for the evidence for that, it is analogy “Alqiyas,” as the reason for valuation has been fulfilled in both of them, and this is what contemporary jurisprudence has settled on.

38 What is the quorum «Nisab» for money? What is the amount of Zakat that must be paid from the cash?

The nisab of paper money is taken from the nisab of gold and silver because cash is a form of prices that take the place of the two currencies (gold and silver) in every age. The nisab for gold is 85 grams, and the nisab for silver is 595 grams. Likewise, on the day that Zakat is due on him, whoever has cash, he looks at the nisab for gold, or the quorum for silver, according to what the ruler states in his country. If the amount of the nisab is achieved and the year has passed on the money that he fully owns, he must pay Zakat. Otherwise, it is not obligatory for him.

91 Hadith: “Aisha:“ Ali, the Messenger of Allah, may Allah bless him and grant him peace, entered. . . It was narrated by Abu Dawood (2/133 - Verification by Izzat Ubayd Da`as) and al-Hakim (1/389 - the Ottoman Department of Knowledge), authenticated by al-Hakim, and al-Dhahabi agreed with him.

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

For example, A person with 10,000 riyals wants to know whether it has reached the quorum? And how to pay Zakat from it?

First, he looks at the nisab standard adopted in his country according to what the ruler decides, then he finds out how much this nisab value - in his country - was gold or silver, and thus he easily knows that the amount of cash he has reached the nisab? or not? After that, he multiplies the value of the cash he has by the calculator by (2.5%), then presses the sign (=), thus knowing the amount of Zakat he owes in the cash he has. He can also divide the cash he has by the number (40), and the result is the amount of Zakat he owes.

This applies to paying Zakat according to the number of days in the Hijri year (345 days). But if what is considered in the calculation is the Gregorian year (365 days), then the monetary amount is multiplied by (2.577%), taking into account the number (11 days) that the calendar year exceeds the Hijri year.

39 Is Zakat obligatory on money saved for basic needs in the future?

Zakat must be paid from the money that a Muslim allocates and saves to meet his future needs - necessary or needy. So whoever saves money for his home, marriage, treatment, or education, or saves it for his family and children's future needs, he must accordingly pay Zakat on this saved money if the conditions of wealth are fulfilled in it. Because this money is considered hoarding in the Shari'a convention, and this ruling prevails over individuals, companies, and states' finances.

As for the evidence for that, it is the following:

1- The words of Allah Almighty:

﴿وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يَنْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ بِعَذَابٍ أَلِيمٍ يَوْمَ يُحْمَى عَلَيْهَا فِي نَارِ جَهَنَّمَ فَتُكْوَى بِهَا جِبَاهُهُمْ وَجُنُوبُهُمْ وَظُهُورُهُمْ هَذَا مَا كَنْزْتُمْ لِأَنْفُسِكُمْ فَذُوقُوا مَا كُنْتُمْ تَكْنِزُونَ﴾

“And those who hoard gold and silver and spend it not in the way of Allāh - give them tidings of a painful punishment.” The verse's significance is that it included threatening to torment everyone who hoards money and does not pay Zakat on it, as Allah has commanded. And the phrase (those who hoard) denote the general. Likewise, gold and silver were the assets of money in the Prophet's era, so the same ruling applies to all money that people took as a price for things. The same applies to every saved money whose owner does not pay his Zakat, so he is threatened with a painful torment.

2- The hadeeth: “Any person who possesses gold or silver and does not pay what is due on it (i.e., the Zakat); on the Day of Resurrection, sheets of silver and gold would be heated for him in the fire of Hell and with them his flank, forehead and back will be branded. As it is clear, this hadith indicated what the verse indicated before it.

Second Money: Trade (Trade Offers)

40 What is the definition of trade goods?

Trade offers in the jurists' terminology: It is everything that is prepared for sale and purchase for profit, and this includes many things such as real estate, lands, houses, farms, commodities, animals, and the like. Everything that a person offers to buy and sell for profit is considered a commercial offer. Thus, we know that a merchant who trades in commercial offers is not aiming for the commodity in itself but rather wants its value.

Trade goods mean every money offered by its owner in the market to generate profit from its sale. The trader may be a professional, and he is the one who buys the thing not with the intention of consumption but intending to generate profit from the resale in the short term, whether he is a wholesaler or a retailer. He may be non-professional as in someone who decides to sell something that he already has, to make a profit. The dealer is equal with the non-merchant in that both of them offer the thing to be sold in its market to make a profit from selling it. The guideline by which the trade good is known is that it is characterized by supply and demand, and if one or both of them are excluded, the description of the trade does not apply to it.

41 What is the evidence that Zakat is obligatory in trade goods?

Zakat is required on trade goods, and the evidence for that is what Abu Dawud and Al-Bayhaqi narrated on the authority of Somra Ibn Jundub, who said: The Prophet, peace, and blessings of Allah be upon him, used to order us to pay Zakat from what we prepare for sale⁹². Al-Daraqutni and al-Bayhaqi narrated on Abu Darr's authority that the Prophet, may Allah's prayers and peace be upon him, said: "Zakat is given from camels, Zakat is given from sheep, Zakat is given from cows, and Zakat is given from clothes"⁹³.

92 Previously graduated.

93 Narrated by Ahmad 35/441 No. 21557, and Shuaib Al Arna'ut said: Its chain of transmission is weak, and it was also narrated by Al-Daraqutni 2/448 No. 1932

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

42- What is the legal purpose of levying Zakat in trade?

As commercial goods are the site of the convergence of supply and demand (the area of price speculation), the natural result is that this commercial situation will stimulate prices towards a continuous rise. There is no treatment for this inflationary situation except in one of two ways: The first is (short term); It is the imposition of Zakat at the full market value, intending to redistribute the concentration of monetary energy by taking a percentage (2.5%) and transferring it to the deficit in the economy to re-balance the movement of monetary energy in it. The second one (long-term); is the increase in the amount of in-kind supply of goods and services - production or trade - within the economy.

43- When does money become a trading commodity?

Money becomes a trading good if the seller initially buys commodities to sell for profit, or he has them for the purpose of use, then he decides to sell them by putting them on the market.

44- What are the conditions for Zakat on trade funds?

Zakat on trade goods requires several conditions, which are as follows:

- 1- Acquisition of the goods for a return, such as buying with cash or deferred debt, or goods that a person owns for sale and profit from it intending to trade it.
- 2- The intention of the trade and the way of knowing it is to look at the behavior of the supply that it possesses, whether it is a behavior of use and acquisition or behavior of buying and selling.
- 3- Reaching the nisab and the quorum of offers with value, and it is evaluated with gold or silver. There is no Zakat on what a person owns from goods if their value is less than the nisab of Zakat in gold and silver. Goods of different kinds should be combined in order to reach the nisab.
- 4 - That the year has passed on it, so no Zakat is due on it unless the year has passed.
- 5- Valuation of commodities, so what is evaluated from goods is what is intended to be sold, without what is not prepared for sale, as the shelves on which goods are placed there is no Zakat on them⁹⁴.

⁹⁴ The Kuwaiti Fiqh Encyclopedia 23/269.

How does the merchant pay Zakat on his commercial wealth, and does he evaluate it at its market value or at the value with which he bought it?

After fulfilling the conditions for Zakat's obligation on trade goods, then Zakat is due on its market value at the time of the year. That is, according to current market prices at the end of the financial year. The majority of jurists infer this with the following: That commercial offers follow cash when purchased when sold, and when evaluated. This dependency is necessary and does not separate between cash as an asset and trade offer as a subordinate to it in market evaluation in the practical commercial reality. This indicates that the quorum of trade offers is the same as the quorum for cash, and likewise, the condition for the passage of the year for trade offers according to cash.

Among the evidence that indicates the weighting of the market value is what Abu Ubayd Al-Qasim bin Salam narrated in his book Al-Amwal on the authority of the Tabi'i Maymun bin Mahran, who said: (If Zakat is imposed on you, look at what you had in cash or an offer for sale, then evaluate it with the value of money)⁹⁵. The point of the evidence is that it stipulates that trade offers are based on the value of cash when the time for Zakat is due, and this explicitly indicates that Zakat is more likely to be paid based on the market value.

The market value standard is neutral and disciplined in custom, which is the fairest and out of temperament in estimation and pricing. Even when the market value doubles, experts sometimes resort to the middle of the two prices for greater certainty in determining the standard of average market value. The fairness is that if the market value increases or decreases due to the force of supply and demand in the market, Zakat follows it according to the same neutral market standard. This is evident in the fact that if the merchant adopted the purchase cost as a basis for calculating Zakat, then the commodity price fell below the purchase cost, then it would be more appropriate to follow the market value standard than the higher purchase cost.

Is Zakat required on stagnant goods?

By trade offers, we mean the money that a Muslim owned intending to resell it. The commercial supply is what the two states of supply and demand converge on. If the commercial demand is cut off from the trade goods, then it is called sluggish trade. Based on this, funds are not called "trade goods" - in commercial terms - except on the condition that they fall into a circle of staggering commercial supply and demand.

95 Alamwal, by Abu Ubayd Al-Qasim Bin Salam, No. (883), Book of Charity, Its Rulings and Sunan, Chapter on Charity in Trade and Debts.

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

There is no Zakat on commercial goods if they become sluggish and the demand for them stops. If the demand is cut off, then the volatility and circulation characteristic, which is the essence and trade place, is no longer true.

There is a difference between an actual recession and weak demand. In a recession, demand is cut entirely from the supply, so there is no Zakat on it. While the demand's mere weakness does not negate the existence of the supply's trade description, and the trader's inability to sell the supply does not mean the cessation of demand for it altogether, rather the trade remains in place, and its provisions are present. Therefore, Zakat applies to commercial money even if the demand for it decreases and the demand for it is weak. In sum, Zakat stops in a state of depression and remains associated with a state of weakness in the level of market demand.

The recession of goods is known by various means, including experience and market measurement, as well as the phenomenon of stagnation of the commercial supply and the cessation of demand for it, for that is what is known by custom. To show that the interruption of demand leads to the departure of the supply whose origin is commercial from commercial life, even as if the spirit of trade has been removed from it, and the conduct of all these means is based on custom.

47 What is the economic purpose of exempting stagnant goods from Zakat?

By imposing Zakat on trade goods, the wise legislator intended to restore the effects of the continuous inflationary stimulus of prices caused by the trade scramble between the forces of supply and demand (speculative behavior). Although trade is a pure right for the merchant, the wise legislator has taken into account the rights of other segments of the deficit in society. Restricting the right of trade to the trader in a time standard is one year, even if the time for inflationary stimulus extends - by exceeding the limit of the year - then the legislator imposes on the market value reached by those commercial offers the legal Zakat amount represented by a quarter of one-tenth (2.5%). The secret is that inflation must diminish the purchasing power of money. Hence, Zakat comes to correct this decrease by increasing money in the hands of the economy's deficit, thus enhancing the demand for goods and services. The intentional dimension of this branch is the fact that the (sluggish) commercial offers depart from the laws of actual trade in the market reality, avoiding them from being a cause of high prices and promoting inflation, and thus imposing Zakat on them becomes unjustified from the intentional point of view.

The third money: Leasing

48 What is the definition of leasing?

Leasing in the language: rent to work. Al-Khalil used to say: “Al-ajr” is a reward for work⁹⁶.
Idiomatically: a netting contract for the ownership of a benefit by an exchange⁹⁷.

And leasing means all the money whose owner has offered to trade in his benefits without his real origin. Meaning: Its owner demands the yield that comes from selling its benefits only. The Muslim in the exploits owns the asset to profit from trading in his benefits and collect his yield. The element that has been prepared for sale is the benefits without the original, and the (exploited) rule is that the benefits are combined in the supply and demand cases in the market. If one or both of them are excluded, the description of exploitation is neglected.

49 Is Zakat required on rentals? What is the evidence for that?

Yes, Zakat is due on the rent. Zakat is due on it at a rate of (2.5%) of the net return, which is the net income collected at the end of the year, after deducting the expenses and obligations that are actually due for the previous year. The evidence for Zakat’s legitimacy on exploited properties is the saying of Allah Almighty:

﴿يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ﴾

“O you who have believed, spend from the good things which you have earned and from that which We have produced for you from the earth”⁹⁸. The leased asset’s revenue is from what the person earns, so it falls under the general verse.

In the hadith: The Prophet, may Allah’s prayers and peace be upon him, instructed us to give the charity from what we prepare for sale⁹⁹, and what is intended for sale here are the benefits of the rented property.

50 What is the legal purpose of requesting Zakat on rent?

When the benefits of leased assets become the subject of commercial negotiations and fall into a supply and demand counterpart (the speculative zone), this trading situation will drive the benefit prices towards a continuous rise. There is no treatment for this inflationary situation except by one of two methods: to increase the number of goods and services supplied (production). The second

96 Dictionary of Standards of Language 62/1.

97 Kachf Al-Haqaiq 2/151, al-Mabsut 15/74, al-Umm 3/250, and al-Mughni al-Mutab’a with al-Sharh al-Kabeer 6/3, alsharh alsaghir ealaa ‘aqrab almasalik 4/5.

98 Surah Albaqarq, 267.

99 Previously graduated.

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

is to impose Zakat on the net revenues collected from notables. The goal is to push money towards the production area, which increases the number of supplies and benefits. Hence, it fights downward inflation. If the revenues are kept in their liquid or commercial (pure) form, then Zakat is attached to the money in this way whenever a year has passed, and its purpose is to achieve the benefit for the community.

51 What is the difference between what is taken for rental and what is for trade?

In commerce, the thing that is sold is the commodity. Whereas what is being sold in the lease is the benefits inherent in the property. Examples of goods sold include real estate, cars, phones, animals, fruits, and the like. While the benefits lie in these sales. The sales contract regulates the trading, while the lease regulates the rent. Therefore, the sale aims to transfer the property itself, while the rent aims to transfer only the benefits, not the property, in exchange for the price.

52 What is the quorum of rentals? How is Zakat paid in the rental income?

Leased assets or exploited assets do not have a nisab in themselves. Instead, Zakat is due on the rent (yield) resulting from the sale of its benefits. If the rent reaches a value of 85 grams of gold, then the nisab of Zakat has been met, then Zakat is due on it at a rate of (2.5%) of the net yield, which is the net revenue collected at the time of the year. After deducting the expenses and obligations that are due for the previous year, if they reach a quorum or add to other Zakat funds, their total reaches a quorum.

Fourth money: camels

53 Should Zakat be paid from camels? What is the evidence for that?

Zakat is obligatory on camels if its conditions are met, and the evidence for Zakat on camels is the Sunnah and consensus:

As for the Sunnah: On the authority of Thumama bin Abdullah bin Anas, that Anas told him: Abu Bakr, may Allah be pleased with him, wrote this book to him when he directed him to Bahrain: “In the name of Allah, the Beneficent, the Merciful. These are the orders for compulsory charity (Zakat) which Allah’s Messenger had made obligatory for every Muslim, and which Allah had ordered His Apostle to observe: Whoever amongst the Muslims is asked to pay Zakat accordingly, he should pay it (to the Zakat collector) and whoever is asked more than that (what is specified in this script) he should not pay it; for twenty-four camels or less, sheep are to be paid as Zakat; for every five camels one sheep is to be paid, and if there are between twenty-five to thirty-five camels, one Bint Makhad is to be paid; and if they are between thirty-six to forty-five (camels), one Bint Labun is to be paid; and if they are between forty-six to sixty (camels), one Hiqqa is to be paid; and if the number is between sixty-one to seventy-five (camels), one Jadha is to be paid; and if the number is between seventy-six to ninety (camels), two Bint Labuns are to be paid; and if they are from ninety-one to one-hundred and twenty (camels), two Hiqqas are to be paid; and if they are over one-hundred and twenty (camels), for every forty (over one-hundred-and-twenty) one Bint Labun is to be paid, and for every fifty camels (over one-hundred-and-twenty) one Hiqqa is to be paid; and whoever has got only four camels, has to pay nothing as Zakat, but if the owner of these four camels wants to give something, he can. If the number of camels increases to five, the owner has to pay one sheep as Zakat. As regards the Zakat for the (flock) of sheep; if they are between forty and one-hundred-and-twenty sheep, one sheep is to be paid; and if they are between one-hundred-and-twenty to two hundred (sheep), two sheep are to be paid; and if they are between two-hundred to three-hundred (sheep), three sheep are to be paid; and for over three-hundred sheep, for every extra hundred sheep, one sheep is to be paid as Zakat. And if somebody has got less than forty sheep, no Zakat is required, but if he wants to give, he can. For silver the Zakat is one-fortieth of the lot (i.e. 2.5%), and if its value is less than two-hundred Dirhams, Zakat is not required, but if the owner wants to pay he can.”¹⁰⁰

As for consensus: it has been proven unanimous that Zakat is obligatory on livestock in general, including camels, cows, and sheep¹⁰¹.

100 Narrated by Al-Bukhari in his Sahih 2/118, No. 1454

101 See: Al-iifsah 1/195, Al-Mughni 4/10, 30, 38, and Almajmue 5/338

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

54 What are the conditions for Zakat on camels?

Zakat is obligatory for camels under three conditions:

- 1- **To be used for breeding**, reproduction, and fattening, and not for work, for Ali's hadith on the authority of the Prophet, may Allah bless him and grant him peace, he said: "There is no Zakah to be paid on working cattle."¹⁰² On the authority of Jabir, he said: "Zakat is not taken from cows that are used for plowing".¹⁰³ And this is general for cows, camels, and sheep.
- 2- **It should be grazing** "Saima"¹⁰⁴ most of the year, according to the hadith of Bahz bin Hakim on the authority of his father on the authority of his grandfather: "Concerning grazing camels, for every forty a Bint Labbun (a two-year-old female camel)"¹⁰⁵. And on the authority of Abu Bakr, two sheep are raised: "Concerning the sadaqah on sheep which are pasturing, when they number from forty to a hundred and twenty, a sheep is to be given..."¹⁰⁶
- 3- **That their number reaches the amount of the legal quorum specified by Sharia**, so Zakat is not due to what is less than the Sharia quorum.

¹⁰² It was narrated by al-Tabarani in al-Muḥjam al-Kabeer 11/40 No. 10974, and al-Daraqutni in al-Sunan 2/492 No. 1939. Al-Haythami said: It was narrated by al-Tabarani in al-Kabeer, and it includes Laith bin Abi Salim, and he is trustworthy, but he is "Modalis". Majmae Alzawayid Wa Manbae Alfawayid 3/75 No. 4396.

¹⁰³ It was narrated by Al-Daraqutni 2/493 No. 1942. Al-Bayhaqi in Al-Sunan Al-Kubra 4/196 No. 7397, and Ibn Hajar Al-Asqalani said: It is "Mawqof" Iithaf Almahrat 3/532.

¹⁰⁴ Saima: taken from sawm; It is a herding. Saima are the animals of camels, cows, or sheep that are sent and graze on their own and are not fed during most days of the year.

¹⁰⁵ Narrated by Ahmad in Al-Musnad 33/220, No. 20016, and Shuaib Al-Arna`ut said: Its chain of transmission is good. And Al-Nasa'i 5/15, number 2444, and Al-Albani said: Hasan.

¹⁰⁶ Narrated by Ahmad in Al-Musnad No. 72/232, and Shuaib Al-Arna`ut said: Its chain of transmission is authentic. And Abu Dawood 2/96 No. 1567, Al-Albani said: It is Sahih.

55 What is the nisab for camels?

The quorum of camels can be summarized in the following table:

The number of camels	The amount of Zakat due	Age
5-9	One sheep	–
10-14	Two sheeps	–
15-19	Three sheeps	–
20-24	Four sheeps	–
25-35	Bint Makhad	It has one year
36-45	Bint Laboun	It is two years old
46-60	Hiqqa	It is three years old
61-75	Jadaaa	It is four years old
76-90	Two Bint Laboun	–
91-120	Two Hiqqa	–
121-129	Three Binto Laboun	–

If the camels reach one hundred thirty or more, then in every forty of them there is Binto Laboun, and in every fifty of them is Hiqqa, as follows:

The number of camels	The amount of Zakat due
130-139	One Hiqqa and two Binto Laboun
140-149	Two Hiqqa and one Binto Laboun
150-159	Three Hiqqa
160-169	Four Binto Laboun

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

Fifth money: cows

56 Is Zakat required on cows? What is the evidence for that?

Zakat is obligatory on cows if its conditions are fulfilled. The evidence for this is from the Sunnah and consensus:

As for the Sunnah: It came in the hadith of Muadh, may Allah be pleased with him, who said: “The Messenger of Allah commanded me not to take any cattle until the number had reached thirty. If the number reached thirty, then a Jadh’ah calf in its second year, either. Male or female was due on them until the number reached forty. If the number reached forty, then a Musinnah was due on them”¹⁰⁷.

As for consensus: it has been proven definitive consensus that Zakat is obligatory on livestock in general, including camels, cows, and sheep¹⁰⁸.

57 What are the conditions for Zakat in cows ?

Zakat is obligatory on cows under three conditions:

1- **To be used for breeding**, reproduction and fattening, and not for work. According to Ali’s hadith on the Prophet’s authority, may Allah’s prayers and peace be upon him, he said: “There is no Zakah to be paid on working cattle”¹⁰⁹. On Jaber’s authority, he said: “Zakat is not taken from cows that are used for plowing”¹¹⁰. This is general for cows, camels, and sheep from cattle.

2- **It should be grazing** “Saima” most of the year, according to the hadith of Bahz bin Hakim on the authority of his father on the authority of his grandfather: “Concerning grazing camels, for every forty a Bint Labban (a two-year-old female camel).”¹¹¹ And on the authority of Abu Bakr, two sheep are raised: “Concerning the sadaqah on sheep which are pasturing, when they number from forty to a hundred and twenty, a sheep is to be given...”¹¹²

3- **That their number reaches the amount of the legal quorum specified by Sharia**, so Zakat is not due to what is less than the Sharia quorum.

107 Narrated by Al-Nasa’i 5/26, number 2453, and Al-Albani said: It is good and authentic (Hassanon Sahih).

108 See: Al-Ihsah 1/195, Al-Mughni 4/10, 30, 38, and Al-Majmoue 5/338.

109 It was narrated by al-Tabarani in al-Mu’jam al-Kabeer 11/40 No. 10974, and al-Daraqutni in al-Sunan 2/492 No. 1939. Al-Haythami said: It was narrated by al-Tabarani in al-Kabeer, and it includes Laith bin Abi Salim, and he is trustworthy, but he is “Modalis”. Majmae Alzawayid Wa Manbae Alfawayid 3/75 No. 4396.

110 It was narrated by Al-Daraqutni 2/493 No. 1942. Al-Bayhaqi in Al-Sunan Al-Kubra 4/196 No. 7397, and Ibn Hajar Al-Asqalani said: It is “Mawqof” Iithaf Almahrat 3/532.

111 Narrated by Ahmad in Al-Musnad 33/220, No. 20016, and Shuaib Al-Arna`ut said: Its chain of transmission is good. And Al-Nasa’i 5/15, number 2444, and Al-Albani said: Hasan.

112 Narrated by Ahmad in Al-Musnad No. 72/232, and Shuaib Al-Arna`ut said: Its chain of transmission is authentic. And Abu Dawood 2/96 No. 1567, Al-Albani said: It is Sahih.

58 What is a cows' quorum?

Zakat on cows can be summarized in the following table:

Cow number	The amount of Zakat due	Age
30-39	Tabie	One year old
40-59	Musinna	Two years old
60-69	Two Tabie	–

If the cows reach seventy or more; In every thirty: Tabie, and in every forty: Mossina.

Cow number	The amount of Zakat due
70-79	One Tabie and one Musinna
80-89	Two Tabie
90-99	Three Tabie
100-109	Two Tabie and one Musinna
110-119	one Tabie and two Musinna
120-129	Four Tabie or three Musinna

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

Sixth money: Sheep

59 Is Zakat required on sheep? What is the evidence for that?

Zakat is obligatory on sheep if its conditions are fulfilled, and the evidence for this is from the Sunnah and consensus:

As for the Prophet's Sunnah: It came in Sahih al-Bukhari: "Regarding the Zakah of grazing sheep, if they are between forty and one hundred and twenty, one sheep is due as Zakah. If they are between 120 and 200, two are due. If they are between 200 and 300, three sheep are due. If they exceed three hundred sheep, then one sheep is due for every extra hundred grazing heads. If the grazing sheep is less than forty (even if they are 39), then no Zakah is due on them unless he "the owner" wants to give something voluntarily"¹¹³.

As for consensus: it has been proven definitive consensus that Zakat is obligatory on livestock in general, including camels, cows, and sheep¹¹⁴.

60 What are the conditions for Zakat on sheep?

Zakat is obligatory on sheep under three conditions:

- 1- **To be used for breeding, reproduction, and fattening**, and not for work. And for Ali's hadith on the authority of the Prophet, may Allah bless him and grant him peace, he said: "There is no Zakah to be paid on working cattle."¹¹⁵ On the authority of Jabir, he said: "Zakat is not taken from cows that are used for plowing".¹¹⁶ And this is general for cows, camels, and sheep.
- 2- **It should be grazing "Saima"¹¹⁷ most of the year**, according to the hadith of Bahz bin Hakim on the authority of his father on the authority of his grandfather: "Concerning grazing camels, for every forty a Bint Labbun (a two-year-old female camel)"¹¹⁸. And on the authority of Abu Bakr, two sheep are raised: "Concerning the sadaqah on sheep which are pasturing, when they number from forty to a hundred and twenty, a sheep is to be given..."¹¹⁹

¹¹³ Narrated by Al-Bukhari in his Sahih 2/118, No. 1454.

¹¹⁴ See: Al-Ihsah 1/195, Al-Mughni 4/10, 30, 38, and Al-Majmoue 5/338

¹¹⁵ It was narrated by al-Tabarani in al-Mu'jam al-Kabeer 11/40 No. 10974, and al-Daraqutni in al-Sunan 2/492 No. 1939. Al-Haythami said: It was narrated by al-Tabarani in al-Kabeer, and it includes Laith bin Abi Salim, and he is trustworthy, but he is "Modalis". Majmae Alzawayid Wa Manbae Alfawayid 3/75 No. 4396.

¹¹⁶ It was narrated by Al-Daraqutni 2/493 No. 1942. Al-Bayhaqi in Al-Sunan Al-Kubra 4/196 No. 7397, and Ibn Hajar Al-Asqalani said: It is "Mawqof" Iithaf Almahrat 3/532.

¹¹⁷ Saima: taken from sawm; It is a herding. Saima are the animals of camels, cows, or sheep that are sent and graze on their own and are not fed during most days of the year.

¹¹⁸ Narrated by Ahmad in Al-Musnad 33/220, No. 20016, and Shuaib Al-Arna'ut said: Its chain of transmission is good. And Al-Nasa'i 5/15, number 2444, and Al-Albani said: Hasan.

¹¹⁹ Narrated by Ahmad in Al-Musnad No. 72/232, and Shuaib Al-Arna'ut said: Its chain of transmission is authentic. And Abu Dawood 2/96 No. 1567, Al-Albani said: It is Sahih.

- 3- That their number reaches the amount of the legal quorum specified by Sharia, so Zakat is not due to what is less than the Sharia quorum.

61 What is the quorum of sheep?

The quorum of sheep is summarized in the following table:

The number of sheep	The amount of Zakat due	Age
40-120	One sheep	It has one year or Jadaa'' of lamb that have six'' months
121-200	Two sheep	

Then after the two hundred in every one hundred sheep one sheep must be taken out, as follows:

The number of sheep	The amount of Zakat due
201-399	Three sheep
400-499	Four sheep
500-599	Five sheep
600-699	Six sheep
700-799	Seven sheep

62 Is it obligatory to pay Zakat on various animal products such as milk and so on?

What animal products mean is what these animals produce as products that people benefit from, and they take it for trade, such as milk, yogurt, ghee, and the like. The answer is: Yes, Zakat is due on animal products if these animals are not grazed and are taken for production and trade. If Zakat is not due to the animal's origin, then it is obligatory for its growth and production. Cow's milk here is like honey from bees, each of which is produced from an animal, and no Zakat is due on its origin. Accordingly, Zakat is not paid from the animals raised for livestock and are not grazed; it is due on its products.

There are a group of jurists who hold that those products are treated as trading goods and take the same ruling, so one-tenth is taken from their net income as these are trading goods. To make analogy with trading goods is stronger than to make analogy with honey from bees, which itself is an issue of juristic difference.

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

Seventh money: crops and fruits

63 Is it necessary to pay Zakat from crops and fruits? What is the evidence for that?

Crops and fruits are subject to Zakat, and this has been proven by the Qur'an, the Sunnah, and consensus. We can summarize the most crucial evidence that Zakat is obligatory on crops and fruits as follows:

First: From the Qur'an: Allah Almighty said:

﴿ يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ ﴾

“you who have believed, spend from the good things which you have earned and from that which We have produced for you from the earth.”¹²⁰ The Almighty Allah also said:

﴿ وَهُوَ الَّذِي أَنْشَأَ جَنَّاتٍ مَعْرُوشَاتٍ وَغَيْرَ مَعْرُوشَاتٍ وَالنَّخْلَ وَالزَّرْعَ مُخْتَلِفًا أُكْلُهُ وَالزَّيْتُونَ وَالرَّيْحَانَ مُتَشَابِهًا وَغَيْرَ مُتَشَابِهٍ كُلُوا مِنْ ثَمَرِهِ إِذَا أَثْمَرَ وَآتُوا حَقَّهُ يَوْمَ حَصَادِهِ ﴾

“He brings forth gardens, trellised and untrellised, palmtrees and crops, different to eat, and the olive and pomegranates alike and unlike. When it bears fruit eat of it and pay what is due (the Zakat) of it upon the harvest day. But do not be wasteful; He does not love the wasteful.”¹²¹

Second: From the Sunnah: On the authority of Ibn Umar - may Allah be pleased with both of them - on the authority of the Prophet - may Allah bless him and grant him peace - he said: “A tenth is payable on what is watered by rain or wells, or from underground moisture, and a twentieth on what is watered by draught camels.”¹²²

Third: The consensus: The nation was unanimously agreed that a tenth, or half of a tenth, of Zakat must be paid from fruits and crops, and they differed in the details of these types¹²³.

64 From which crops and fruits should Zakat be paid?

The legal texts require Zakat on certain types of crops and fruits, which are four: wheat, barley, dates, and raisins. This is learned from the hadith narrated by Abu Musa Al-Ash'ari and Mu'adh that The Messenger of Allah said to them, “Do not take any Zakah except on these four crops: Barley, wheat, raisins, and dates.”¹²⁴

Then the jurists differed on the issue of Is Zakat required on other than the four mentioned in the hadith? Does the obligation of Zakat on crops and fruits exceed wheat, barley, dates, and raisins?

120 Surah Albaqara, 267.

121 Surah Al-anaam, 141.

122 Narrated by Al-Bukhari (1483), Abu Dawood (1596), Al-Tirmidhi (640), Ibn Majah (1817), and Al-Nasa'i (5/41).

123 See: Mughni al-Muhtaj 2/81, and Badai'a al-Sanaia 2/54

124 It was narrated by Al-Hakim (1/401) and Al-Bayhaqi (4/128). Al-Hakim authenticated it and Al-Dhahabi agreed with him. See Al-Irwa (3/278).

Or only we restrict it to it as mentioned in the hadith? If the ruling is generalized to include other than the mentioned four items, what is the guideline by which we measure the rest of the items?

The Malikis and Shafi'is believe that Zakat is obligatory on every staple that is stored from crops and fruits¹²⁵. That is, what people take for their livelihoods, such as rice, corn, and the like. They do not have to pay Zakat on almonds, pistachios, walnuts, and the like, because people do not depend on them for their livelihood. Likewise, there is no Zakat on apples, peaches, and the like, because they are fruits that cannot be saved. The Malikis stipulate that is on staple foods that people most regularly use.

The Hanbalis believed that Zakat is due to what can be dried and can be measured. So Zakat is required in their opinion on almonds, pistachios, hazelnuts, cucumber, rice, millet, peas, lentils, and chickpeas¹²⁶.

The Hanafis, on the other hand, went¹²⁷ to generalize the obligation of Zakat on all crops and fruits that are grown on the land.

This last opinion is the fairest and correct saying and is consistent with the Almighty's saying:

﴿ يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ ﴾

“Spend from the good things which you have earned and from that which we have produced for you from the earth.”¹²⁸ He says:

﴿ وَهُوَ الَّذِي أَنْشَأَ جَنَّاتٍ مَعْرُوشَاتٍ وَغَيْرَ مَعْرُوشَاتٍ وَالنَّخْلَ وَالزَّرْعَ مُخْتَلِفًا أَكُلُهُ وَالزَّيْتُونَ وَالرَّمَانَ مُتَشَابِهًا وَغَيْرَ مُتَشَابِهٍ كُلُوا مِنْ ثَمَرِهِ إِذَا أَثْمَرَ وَآتُوا حَقَّهُ يَوْمَ حَصَادِهِ ﴾

“He brings forth gardens, trellised and untrellised, palm trees and crops, different to eat, and the olive and pomegranates alike and unlike. When it bears fruit, eat it and pay what is due (the Zakat) of it upon the harvest day. But do not be wasteful; He does not love the wasteful”¹²⁹. The noble verse explicitly states the fruit of the pomegranate, and the pomegranate is a fruit that cannot be saved. Yet, Allah commanded its Zakat by saying (and give it is due [zakāh] on the day of its harvest). Therefore, Ibn al-Arabi - one of the Malikis scholars - said that Abu Hanifa made the verse his mirror and saw the truth, and said: Allah enjoins Zakat on food, whatever it is. This is benefited from the general saying of the Prophet - may Allah bless him and grant him peace -: “take one-tenth of whatever is irrigated by the sky.”¹³⁰ This saying is consistent with the general purposes of the Sharia and is the opinion of most contemporary jurists¹³¹.

125 Mughni al-Muhtaj 81/2.

126 Al-Rawd Al-Murabba Sharh of Zad Al-Mustaqni, p.204.

127 See the Alikhtyar Litaalili Al-Mukhtar 1/113.

128 Surah Albaqara, 267.

129 Surah Al-anaam, 141.

130 Ahkam Al-Qur'an by Ibn al-Arabi 2/283.

131 This statement was chosen by the legitimate authority of the House of Zakat, as mentioned in the list of Zakat collection prepared by the Commission: (Zakat is required for everything that is cultivated from what is intended to cultivate the land), and see it on the Zakat House website <http://www.Zakathouse.org.kw>

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

65 What is the quorum of crops and fruits?

The nisab of crops and fruits is five wasaq, and this is the view of the majority of scholars; Because of the hadith of Abu Saeed - may Allah be pleased with him - that the Prophet - may Allah bless him and grant him peace - said: (No sadaqah is payable on less than five (wasdaq) of dates, on less than five ounces of silver, and on less than five camels)¹³².

Al-Wasaq: sixty Sa'a, and al-Sa'a ' : one and one-third cup. The nisab then is fifty Kila, which equals the weight (647 kilograms)¹³³ of wheat and the like. In beans and fruits that would dry up, the previous estimate is considered after the drought, not before. It is noticed that the nisab is to be estimated after the grains have been filtered from their husks and the fruits have dried. Ibn Qudamah said: " The five Wasdaq was considered after filtering the grains and drying the fruits. If someone has ten "Wassaqs" of grapes that yield less than five "Wassaqs" of raisins, he does not have to pay zakat on them."¹³⁴

66 Should the Zakat payer wait for a year to pass to pay the Zakat on crops and fruits?

The Zakat payer does not take into account the passage of the entire Hijri year in paying Zakat on crops and fruits. Because the time to take it out is the day it is harvested, and it is suitable for food and use, as Allah Almighty said: " When it bears fruit, eat of it and pay what is due (the Zakat) of it upon the harvest day."¹³⁵ And based on that: if the land produces more than one crop in one year, Zakat is due on each crop separately.

67 How much Zakat must be paid from agricultural crops?

The amount to be paid in Zakat on crops varies according to the effort expended in watering and irrigating crops and fruits:

The first case: Irrigation with rainwater or at no cost so that the required quantity is ten (10%).

The second case: irrigation by industrial machinery, such as digging a well and extracting water from it, or trying to lay irrigation pipes, or buying water and transporting it by cars, and so on; in this case, the required amount of Zakat is only half of one-tenth, equivalent to (5%).

The third case: When watering crops and fruits with rain sometimes and using machines at other times during the year, contemporary jurists were keen to take the average amount between the two amounts stipulated in the Sharia in the two previous cases. So the amount due in it is three-quarters of what is equivalent to (7.5%). It is a crucial ijthihad based on the principle of analogy and the legislation's objectives, even if there is no separate text in it.

132 Previously graduated.

133 See the jurisprudence of Zakat by Sheikh Al-Qaradawi 1/375.

134 Al-Mughni (2/696).

135 Surah Al-anaam, 141.

68 Are costs and other agricultural expenses deducted from the crop before Zakat is paid?

The basic principle is that the legislation of Zakat on crops and fruits has clearly taken into account the farmer's burdens and costs. Islam differentiated between what was irrigated by rain, so it set its Zakat ten (10%) and what is irrigated at the cost of machines, so it made its Zakat half a tenth (5%). It is necessary to adhere to the legal texts regulating Zakat as much as possible. So it is not lawful to deduct any other costs and expenses, such as the farmer's debt and other agricultural expenses other than watering.

But suppose it appears to the ruler that the increase in these expenditures will lead to serious harm to the right of certain cases or a particular group of farmers, especially in light of force majeure circumstances and special pandemics. In that case, it is prescribed for him to pay the damage and remove the affected farmers' embarrassment in what he deems to achieve the interest. With this, we combine adherence to Sharia texts' expressions, which stipulate that none of the mentioned types of costs be taken into consideration, and in return not to allow harm, distress, and embarrassment to be inflicted on the affected farmers. Thus, the guardian behaves, by way of exception, to protect people from damage, whether public or private.

The eighth money: ores and minerals

69 What is the meaning of ore and metal?

Ore “Rikaz” in the language is money that is firmly settled in the earth. It can be made by Allah, such as boulders of gold, silver, and other minerals and raw materials deposited in the ground. It can also be a human act, such as money and treasures buried in the ground since ancient times. It was said that treasure “Alkanz” is a name for what a person buried, and the mineral “Almaadin” is a name for what the Most Merciful deposited on the earth. Ore “Rikaz” is a name for them that includes them all¹³⁶.

Based on the meanings of Ore “Rikaz” in the Arabic language and among the general jurists, we can define it as: “a name that collects all the money that was settled on the land.” This definition applies to every fixed and stable money buried in the ground. Whether by the action of the Creator or the act of the creature. It also applies to metals such as gold, silver, and all other minerals lurking in the earth, whether solid, liquid, or gaseous. All of them are treasures that Allah has fixed in the ground and made a trial for humanity. Thus, the term Ore “Rikaz” becomes clear and comprehensive in terms of language and sharia.

Zakat is obligatory on ore “Rikaz” - in the meaning of the mentioned - at the one-fifth rate, equivalent to (20%). In the two Sahihs on the authority of Abu Hurairah, may Allah be pleased with him, the Messenger of Allah, may Allah’s prayers and peace be upon him, said: “a fifth is payable on a buried treasure “Rikaz.”¹³⁷ The Islamic jurists have agreed to act according to this hadith¹³⁸. In Imam Ahmad’s Musnad, it was also mentioned with the wording: “One fifth is compulsory to be paid (as Zakah) on buried Treasures “Rakaiz.” So he mentioned it in the plural “Treasures,” not singular. It was not easy for jurists in the past to conceive of the finances of the underground benefits of oil and gas in a manner that has become the case in our contemporary reality.

The saying of the Messenger of Allah, may Allah’s prayers and peace be upon him, in the hadith (rikaz) or (rakaiz) is a general term that includes all money buried in the ground, and restricting this general term to some of its members needs evidence. Regarding Zakat on minerals,

136 See the following sources: Lisan al-Arab 5/401, Mu-jam Maqayis Allugha 2/433, al-Ain al-Khalil 5/322, al-Mughni by Ibn Qudamah 3/53, al-Bidaya Sharh al-Hidayah 3/403, Durar al-Hakam Sharh al-Ahkam 1/184.

137 Narrated by Al-Bukhari in his Sahih 2/130 No. 1499, and Muslim 3/1334 No. 1710.

138 See: Alaikhtiar Lita'il Al-mukhtar 1/117, Mawahib Aljalil Sharah Mukhtasar Khalil 6/415, Mughni al-Muhtaj 2/102, and Al-Mughni by Ibn Qudamah 3/51

Malik narrated in al-Muwatta that the Messenger of Allah, may Allah bless him and grant him peace, assigned the mines of al Qabaliyya to Bilal ibn Harith al-Mazini, and nothing has been taken from them except Zakat¹³⁹.

As for Zakat on the metal, the jurists differed about it¹⁴⁰.

70 What is the purpose of requiring Zakat on ore and metal?

- 1- Motivating companies and individuals to carry out research and excavation work for the treasures that Allah placed in earth or buried by man since ancient times. Thus, whoever finds any earth's treasure, owns it. Moreover, rational economic management should not leave this money idle in the ground and not benefit from it because extracting and employing it will have a positive and beneficial effect on the economy.
- 2- Enriching the entrepreneurial people who spend their efforts extracting treasures from the earth. Islam has given them a right of ownership. Rikaz is one of the methods of establishing ownership in Islamic law, and the same is the ruling on ownership of reviving the dead from the land in Islam. In the hadith, the Messenger of Allah - may Allah bless him and grant him peace - said: "Whoever revives a dead land, it is his."¹⁴¹
- 3- Whoever owns Rikaz by extraction, Allah has obliged him to pay the fifth of it for the benefit of those who are entitled to Zakat, such as the poor, the needy, and others in need. In this way, a person thanks Allah and acknowledges His favours; and this is general for every time and place.

71 What are contemporary examples and applications of ore legislation?

In our contemporary reality, there are many examples of ore "Rikaz" - in its general sense - the most prominent of which are the following:

- A- Petrol:** It is money buried on the ground by Allah Almighty's will, and it has a market value and vital strategic benefits. It is more valuable than the treasures buried in the past, or even

139 Narrated by Malik in Al-Muwatta 1/254, No. 651.

140 The fuqaha have agreed that a year is not required for metal or ore. But they differed in the quorum and the amount to be extracted from the minerals. The Hanafis are of the view that it is rikaz, and what is required in it is necessary for the rikaz (the fifth). The Malikis and Shafis were of the view that there is no Zakat on metal unless it is gold or silver, and it reaches the nisaab, and a quarter of a tenth is paid from it. The Hanbalis went on the necessity of Zakat on minerals of various kinds. Because the mineral for them is everything generated from the earth and not of its kind, and a quarter of a tenth is required for it. It has been reported on Umar bin Abdul Aziz's authority - may Allah have mercy on him - that he took five of the minerals out of every two hundred. And see the following sources: Alaikhtiar lita'elil Al-mukhtar 1/117, Alsharah Alkabir by Sheikh Al-Dardir, Haashiyat al-Desouki 1/486, Mukhtasar al-Muzni 8/149, Mughni al-Muhtaj 2/101, Matalib U'wli Alnohaa Sharh Ghayat Almontaha 2/76.

141 Reported by Abu Dawood 3074, and Al-Nasa'i in.

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rocks of gold and silver. Zakat must be paid from petrol, the amount of which is one-fifth. Because it is included within the general meaning in the hadith of “a fifth is payable on a buried treasure (Rikaz). “ Or “ One fifth is compulsory to be paid (as Zakah) on buried treasures (Rakaiz).” As evidenced by the general meaning of Allah Almighty’s saying:

﴿يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ﴾

“O you who have believed, spend from the good things which you have earned and from that which we have produced for you from the earth.”¹⁴² Petrol is nothing but a treasure that Allah has placed on the earth, so it is necessary to spend from it for the sake of Allah. And the general meaning in the noble verse is clearly stated in the hadith (fifth is payable on a buried treasure “Rikaz”). Whoever says that petrol should be taken out of this evidence’s generalities has come with a restriction on his own, for which there is no evidence from Sharia.

- B- Gas:** what was said of the inference in petrol above is said about gas, whoever said that gas should be removed from this general rule came with a restriction on his own, and there is no evidence for it in the Sharia.
- C- All minerals extracted from the earth:** from what people extract and possess by their work in pursuit and exploration, the fifth is due to the owner who extracted it. Whether the state extracted it, a company, or a natural person. The minerals include gold, silver, aluminum, iron, copper, cobalt, coal, manganese, uranium, lead, and other great financial value minerals in the modern era.
- D- The antiquities of ancient civilizations, their treasures, and their monuments:** People can access them through excavation, digging, and other contemporary means. Whether the discoverer of these treasures is a state, a company, or an individual, in all of this, one-fifth of them must be paid for the benefit of those who are entitled to Zakat according to the hadith.

¹⁴² Surah Albaqara, 267.

Chapter: What is not subject to Zakat:

First: Personal Assets (Al-Quniyyah)

72 What Does Personal Assets (Al-Quniyyah) Mean?

Al-“Qunayyah” in language: a name for what is acquired for its use and not for trade¹⁴³. In the terminology: it is what a person takes for himself, not for trade¹⁴⁴. What is meant by personal assets in terminology: all money that a Muslim owns for consumption, use, and personal acquisition, for himself, his family, such as the house, the farm, the car, clothes, furniture, and electrical appliances. For these funds, even if their prices and their assets increased, they do not affect the price trading market, and they have no input in the industry of inflation, so they are exempt from Zakat according to the disappearance of its cause.

73 What is the evidence that Zakat is not obligatory on Personal assets?

Zakat is not obligatory on consumption funds and personal assets in general, and the evidence for that is as follows:

- 1- On the authority of Abu Hurairah - may Allah be pleased with him - that the Messenger of Allah, may Allah’s prayers and peace be upon him, said: “No Sadaqa is due from a Muslim on his slave or horse.”¹⁴⁵ Al-Nawawi said: “This hadith is based on the fact that Zakat is not due on consumer spending, and that there is no Zakat on horses and slaves if it is not for trade. And this is the opinion of all the scholars from the predecessor and successor”¹⁴⁶.
- 2- Personal assets do not grow. Rather, it is money that depreciates, and its benefits diminish over time. In contrast, the jurists require that the funds from which the Zakat is taken must be actually developing or capable of being developed. What is meant by growth is that money brings profit and interest to its owner; income or return. This is what the jurists decided. Ibn al-Hamam said: “What is meant by the legitimacy of Zakat is to console the poor, in a way that he does not become poor, by giving a little of his money. And an offer in money that does not grow leads to otherwise in the case of repetition of years”¹⁴⁷.

143 Moejam Maqayis Allughat 5/29.

144 Dictionary of Language of Jurists 371.

145 Bukhari / 1395, Muslim / 2320.

146 Sahih Muslim, explained by Al-Nawawi: 7/55, No. 982.

147 Fath al-Qadeer 2/155.

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- 3- Application of the concept of the hadith of Samurah bin Jundub that the Messenger of Allah, may Allah's prayers and peace be upon him: "used to order them to deduct the sadaqa "Zakat" from what they prepared for trade."¹⁴⁸ For personal assets, even if it is money that can have a market value, it is not intended for sale nor for trade. Thus, Zakat should not be taken out of it.

74 What is the purpose of not levying Zakat on personal assets?

Funds intended for consumption are not intended for trade, so no Zakat is due on them. Personal consumables do not affect speculation and price trading. Hence, it is far from the commercial supply and demand cycle and does not stimulate inflation in the economy. Suppose the relationship between money and inflation ceases to exist. In that case, Zakat is not included in it at that time, even if the value of the consumer's cash reaches millions, such as owning a palace for residence, or a luxury farm, and so on. The point is that the lack of the effect of consumer money on the rush of supply and demand avoids the obligation of Zakat on it. On the other hand, this pushes the Muslims to spend money on rational consumption, which would support the circulation and promotion of goods and services in the economy, especially if they know that Zakat is not due to consumption funds.

75 What are examples of consumer funds that are not subject to Zakat?

All that is prepared for personal consumption is not subject to Zakat, and there are many examples of that, including buildings and personal real estate, regardless of their number and the extent of their high price. Included in it are cars, furniture, electrical and office appliances, and other things that are not intended for sale or trade.

Among the applications for consumer funds are raw materials in the industrial field. The scholars differed regarding its Zakat, and some divided it into two parts:

The first: what goes into making the manufactured product: This is like iron in making cars, wood in making doors, and so on. The majority of fuqaha have decided that Zakat is obligatory on these materials that remain after manufacturing¹⁴⁹. Today it is called raw materials, and some jurists, such as Ibn Taymiyyah, may Allah Almighty have mercy on him, believe that these materials are not subject to Zakat. Because it was not prepared for sale and did not enter the supply and demand market, Zakat is due on what was prepared for sale, which is likely to be correct.

¹⁴⁸ Previously graduated.

¹⁴⁹ See: Al-Mabsut 2/198, Mawahib Al-Jalil 2/316, Al-Majmoo' Al-Nawawi 6/6, and Al-Insaaf 3/194. See: Nawazil Zakat for al-Ghafli 128.

The second: What is not included in the manufacture of products: This is like soap and detergents for those who wash clothes and the fuel that factories consume when they are running. According to the scholars, these materials do not remain after the manufacturing process, so there is no Zakat on them¹⁵⁰. Because it is not intended for trade or sale and because there is no clear Sharia text indicating the obligation of Zakat on it

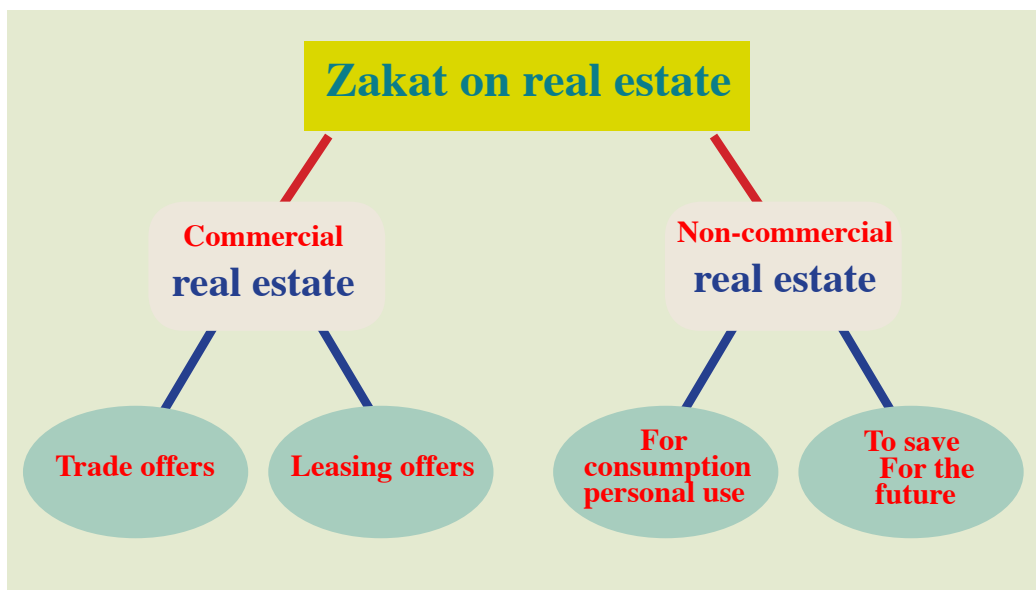
76 What is the ruling for Zakat on land?

The lands are divided into two parts:

The first part: lands intended for trade, which are lands purchased by their owner to resell and trade in them. Or it is real estate used for personal needs, but its owner decided to sell it, so he offered it in the market until a year passed, which is a commercial offer. These real estate are commodities, so Zakat is due on it when the description of wealth is fulfilled according to its four conditions.

Second part: Lands not intended for trade if they are acquired to build on them or keep them. These are lands on which Zakat is not required due to the lack of evidence from the Shariah requiring Zakat on them, and because they are not trade goods, and they are not included under any of the eight Zakat assets.

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150 See: previous sources.

Second: debt

77 What is the meaning of debt, both idiomatically and linguistically?

First: What is the meaning of debt in the language?

(Dayn) in Arabic refers to the sense of submission and humiliation¹⁵¹. Everything that was not present is a debt. And (Adinto) someone means I gave him a debt¹⁵². And it is said: (dayanto) someone if I treat him with debt, either by taking or giving. (Adinto): I borrowed and gave debt¹⁵³.

Second: What is the debt according to the jurists? Does Sharia consider it money?

Debt in the terminology of the jurists is: (a right that is established in Dhimma). Debt is not money in itself, neither in the terminology of Sharia nor in the terminology of jurisprudence. The Holy Qur'an describes debt as «right» in two places in the verse of debt which is the longest verse in the Holy Qur'an¹⁵⁴. «Debt» in Islamic jurisprudence is a legal effect that is proven in the Dhimma. In other words, debts are rights and obligations established in the liability and not in the same money. Thus, (debt) becomes an expression of a purely human right situation related to the Dhimma after its separation from its physical location, whether the debt arose due to a transaction of cash (price), such as a good loan, or its origin as a commodity such as the sale of installments, «Salam» and «Istisna'a.» Or for any other reason such as compensation for destroying the money of others, and so on¹⁵⁵.

In the Jurisprudence Encyclopedia: (Debt is an imperative right in Dhimma)¹⁵⁶. Jurists use the word «Alaayn» in their terminology as opposed to «debt,» considering that debt is what is proven in the Dhimma, without being specific, whether it is in cash or otherwise. Alaayn means the identified specific thing as a house¹⁵⁷.

It was stated in the Journal of Legal Rulings that the term (debt) is defined as What is established in Dhimma; As an amount of dirhams owed by a man¹⁵⁸.

151 Moejam Maqayis Allugha 2/319.

152 Al-Ain 8/72.

153 Moejam Maqayis Allugha 2/320, and Lissan Al-Arab 13/166.

154 Surah Albaqara, 282.

155 Fath al-Ghaffar Sharh al-Manar 3/20. And Al-inaya Sharh al-Hidayah 6/346. See Alforouq by al-Qurafi 2/134. Manh al-Jalil 1/362, and beyond. Nihayat al-Muhtaj 3/130, and beyond. Asna Claims 1 / 356-585. Alaadbo Alfaid charh Omdat Al-Farid 1/15. Al-Zorqani Ala Khalil 2 / 164-178. and Charh Montaha Al-Iradat 1/368. The rules by Ibn Rajab, p. 144.

156 The Kuwaiti Fiqh Encyclopedia, vol. 21, p.102, and the definition was quoted from Ibn Najim.

157 The previous source, Part 21, p. 103.

158 Journal of Judicial Rulings, Article (158).

Al-Kafawi said: « The debt is judgmental money that occurs in Dhimma by selling or consuming or others, and its repayment is only by way of recompense according to Abu Hanifa.»¹⁵⁹

Thus, it becomes clear that debts in Islamic jurisprudence are rights fixed in the Dhimma. And it is something other than money because the debt is, in reality, an effect and a consequence of the transactions that take place on the exchange of prices or valuations. As long as the debt is fixed in the Dhimma, its owner does not have the power to dispose of his assets in the debtor's hands completely. It is not wholly-owned money, so no Zakat is required on it.

78 Is Zakat obligatory on debts? What is the most correct of the sayings of scholars?

Evidence that Zakat is not obligatory in debt:

Zakat is not due on debts. This is evidenced by the fact that Zakat is not required except with money that the Shariah explicitly stipulates that Zakat must be paid from it, such as cash and trade goods. As long as the debt is not included in the obligation of Zakat in an explicit Sharia text, the result is that Zakat is not due on debts. The rule here is that Islam has established the rule of obligating Zakat on the description of the wealth and neglected, on the other hand, considering the description of debt in Zakat, neither on the creditor's part nor on the part of the debtor. The evidence indicating that Zakat is not obligatory on debt is abundant, and the most prominent of these are five as follows:

- 1- There is no clear evidence in Sharia that indicates the obligation of Zakat on debts. Zakat is a worship that is «Tawqifiya» meaning it is not permissible to say that it is obligatory except with clear evidence from Sharia.
- 2- Debt is an incomplete property, and there is no Zakat according to the consensus of scholars except in money that its owner completely owns.
- 3- Debt does not accept growth in Sharia because if the debt is growing, it becomes one of the applications of usury that is forbidden according to Sharia.
- 4- Debt is a right in the Dhimma, and it is not money from the funds considered by the Sharia and jurisprudence, and no Zakat in Islam except on real money.
- 5- The majority of jurists do not consider the debt in the Zakat of animal and agricultural wealth

¹⁵⁹ Alkolyat by Alkafawi 144/1.

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The severity of the jurisprudential difference and the multiplicity of rational opinions regarding the issue of Zakat on debt:

There has been a great controversy and severe confusion regarding the issue of Zakat on debt between the old and modern schools of jurisprudence. You even find some contemporary jurists - bodies and individuals - inventing new sayings and doctrines about Zakat on debt that have no basis in the debates of ancient jurists, in addition to their contradiction with the original view of the texts of the wise law¹⁶⁰.

And since no valid and significant evidence from Sharia necessitates Zakat on the debt, and because the issue devolved into pure rational diligence, the disagreement has proliferated, and the opinions on this issue have spread in a way that the researcher cannot control or limit¹⁶¹. So we will try to present the doctrinal dispute briefly, considering the two sides of the debt, namely: the creditor and the debtor, in the following detail:

A- Considering the creditor:

A creditor provides money to a debtor. The creditor is the right owner, and the debtor has a right to the creditor, as the lender and the borrower. Should this creditor pay Zakat on his debt, which is in the borrower's hand?

The majority of jurists argued that the creditor must pay Zakat on his debt, and they differed over the details and characteristics of the debt from which Zakat should be paid and how it should be paid¹⁶². On the other hand, some jurists believe that Zakat is not required of a creditor in his debt because no evidence from Sharia requires Zakat on debts and because of the absence of the condition of full ownership. Likewise, the benefits of the debt are in the hands of the debtor, not the creditor, and the debt is a right in the Dhimma, and it is not specific money in itself. Even Imam al-Shafi'i said in his old school of thought - as far as al-Zafarani quoted from him -: «I do not know valid evidence for the obligation of Zakat on debt, and in my opinion: Zakat is not required in debt because the creditor is not able to dispose of the debt».¹⁶³ This statement by Al-Shafi'i is consistent with one of the two narrations in the Hanbali school¹⁶⁴, and it is also the saying of al-Dhahiriya¹⁶⁵.

160 An example of this is the strange and ambiguous opinion that the esteemed Zakat House concluded in the ninth symposium in the Sultanate of Oman in 2010. Which its authors are still unable to explain in terms of legal jurisprudence and financial accounting. Its content: deduction of deferred profits from debt. Those who said it did not notice that they had fallen into the trap of establishing the principle of usury, as the origin of the debt and its profit were separated, according to the mechanisms of the traditional usurious method in contemporary financing operations. This is what was explicitly prohibited and invalidated by the Islamic Fiqh Council on deferred sales, and see: Rulings and Fatwas of Zakat (Issue 12) 1437/2016, House of Zakat - Office of Sharia Affairs, pp. 42-41.

161 See the fundamentals of differences in Zakat on debt in the book: Certification of a Certified Zakat Accountant, p. 58 and beyond, by a group of researchers. It is a book approved by the International Zakat Organization and the Kuwaiti Association of Accountants and Auditors.

162 See the details of these statements in the book: Certification of a Certified Zakat Accountant, p. 55 onwards, by a group of researchers. See also: Al-Amwal by Abu Ubayd Al-Qasim Bin Salam 529, and Al-Mabsot by Al-Sarkhasi 2/194, Al-Sharh Al-kabir by Al-Dardir and Hachiat Al-Desouki 1/468, Almajmoue by Al-Nawawi 6/22. Al-Mughni by Ibn Qudama 3/46.

163 See: Al-Bayan by Al-Omrani 3/291. Al-Mohadab 1/520, Rawdat Al-Talibin 2/194.

164 See: Hashiata Qalioubi and Amira 50/2. Al-Furoo < 3/477, Al-Mubdi> in Sharh Al-Muqni 2/297

165 Almohala 4/221 and beyond.

B- Considering the debtor:

The debtor is someone who has a right in the interest of the creditor as if he borrowed money from another person, and the money is in his control and his absolute disposal. Is Zakat obligatory on money borrowed from someone else if it meets the description of wealth with its four conditions: the legitimacy of money, complete ownership, possession of the Nisab, and the lapse of a year on the property (Alhawl)?

The position of the four Imams and their opinions on the issue of the creditor's payment of Zakat:

Upon examining the four great imams' position, we find that some of them have explicit statements that Zakat is not obligatory in debt. Others require that, in order for the Zakat to be on the debt, the creditor must first take his debt. Therefore, Zakat is not due on the debt unless the creditor takes possession of it. This means that if the debt is still in the debtor's possession (deferred debt), no Zakat is due. Because the creditor has poor control of the debt that is in the debtor's possession, and there is no Zakat except on money that the owner has full ownership of. This is the view of Imam Abu Hanifa and the Malikis, and it is one of the two views in the Shafi'i school and one of the two views in the Hanbali school. Based on that, we know that considering the receipt of a debt a condition for the obligation of Zakat on it expresses the fulfillment of the condition of full ownership that the jurists stipulated for the obligation of Zakat. Accordingly, the statement that Zakat is obligatory on a creditor without paying his debt is contrary to what the jurists stipulated in the requirement of total ownership of money for Zakat to be due on it.

The position of the four schools on the issue of the debtor's payment of Zakat:

The majority of jurists believed that the debtor is not obligated to pay Zakat on the money he owes. Because it is not his money on the truth, but it is the property of the creditor¹⁶⁶. And a group of the predecessor believes that the obligation of Zakat is on the debtor. Because it became his property, and he is the beneficiary of its growth. Abu Ubaid said in his book "Al-Amwal" - in the context of mentioning this last opinion - the following: "Zakat is due on the debtor, and not on the creditor ... There are hadiths in all of this"¹⁶⁷.

And from what he mentioned in his book Al-Malwal: (That Muhammad bin Kathir told us on the authority of Hammad bin Salamah on the authority of Hammad on the authority of Ibrahim on the debt that its owner delays and locks in, he said: "Zakat is on those who eat the profits of money." Muhammad bin Katheer told us, on the authority of Hammad, on the authority of Qais bin

¹⁶⁶ See all previous sources.

¹⁶⁷ Al-Amwal, by Abu Ubayd Al-Qasim Bin Salam 529.

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Saad on the authority of Aatae like that)¹⁶⁸. Abdul-Razzaq al-San'ani mentioned in his Mossannaf on the authority of Ma'mar on the authority of Hammad; he said: "Zakat is obligatory for the one who has money in his possession."¹⁶⁹ Imam Ibn Hazm in Al-Muhalla inferred that Zakat is not obligatory on the debtor if the money goes out of his possession. The debtor no longer has money in which the description of wealth is fulfilled. He says: "If the debt is left from an owner who borrowed it, then it is non-existent with him, and it is a certain falsehood that he should pay Zakat on nothing, and on what he does not possess, and for something if he stole it, his hand would be cut off because it is in possession of someone else."¹⁷⁰

Based on that, it is more likely that the debtor's Zakat revolves around the description of wealth in existence and nothingness. If the debtor's debt remains with him until the description of wealth is fulfilled in it with its four conditions, then Zakat is due on it; since he became rich with the debt, it is in his possession and at his disposal and benefits from its growth. But if the debtor consumes the debt by spending it on his needs or consuming it in building a house, for example, buying a car, or lending it to someone else, then no Zakat is due on him. Moreover, the original owner of the money (the creditor) no longer wholly owns the money, as he only has the right to ask the debtor to return it to him.

In summary: The debt - considering itself - is not money concerned with Zakat because it is a worship that is "Tawqifiya" and there is no clear evidence from Sharia that Zakat is obligatory on debt, neither on the creditor nor on the debtor. The debt is an imperfect property, and there is no Zakat except in a complete possession, according to scholarly consensus. Moreover, the debt does not accept growth, according to Sharia, since the growth of the debt means the recognition of the principle of usury. Islam considered the description of wealth as a reason for Zakat's necessity and neglected, on the other hand, the description of debt on the subject of Zakat.

168 Ibid.

169 Mussannaf Abdul Razzaq 4/104 with number 7129.

170 Al-mohalla 4/219.

Third: Funds in the process of manufacturing and construction

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What is the meaning of funds in the process of manufacturing and construction? Is Zakat obligatory on it?

First: the meaning of funds in the process of manufacturing and construction:

The funds are either finished goods and things in their final usable form or are still in the manufacturing, construction, and setup stages. Sharia has shown us that Zakat is obligatory on cash and trade goods if the description of wealth is fulfilled with its four conditions. However, it did not say anything about the under-construction funds and did not require Zakat on them in a special text. The basic principle concerning Zakat is that it is based on evidence, so the Muslim's liability remains on the basis of the innocence of the obligation to pay Zakat on it since there is no legal text that requires that.

Creation refers to all other productive and transformative works. It aims to find what was non-existent and to create, manufacture, and develop it by transforming its raw materials. Every industrial work that produces what was non-existent in goods and services is part of this principle. The fruit of this creation is adding a real value to the economy in terms of authentic goods or services; consequently, the market supply increases, which stimulates prices to decline and retreat.

Second: Examples of funds in the process of manufacturing and construction:

What a person owns - whether natural or legal - of buildings, real estate, cars, or other industries, but it is still under construction and manufacturing until a year has passed, and it is incomplete. It includes products in the process of being manufactured in factories, raw materials, and manufacturing materials.

Third: Ruling on Zakat on Funds During Manufacturing and Construction:

Zakat is not required on funds which are still in the process of being made, transferred and built, and which have not reached the stage of commercial offers or rental offers. Nor is it pure consumer money. The most obvious proofs that Zakat is not obligatory on these funds are as follows:

1 - The principle is the clearance of the liability from the Sharia rulings unless there is evidence for it. Funds in the making are future products or projects under construction. It is not currently prepared for sale, so it is not subject to Zakat on commercial goods. Also, it is not money, so it does not take the ruling on Zakat in cash, nor is it among the exploiters, so it takes the ruling on Zakat on it. Thus, the Muslim remains in possession of the original clearance of liability until the correct legal

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evidence proves the Zakat on it, especially since the basic principle concerning Zakat is that it is not obligatory except with evidence.

2- The concept of the hadith of Samra bin Jundub, may Allah be pleased with him, when he said: “The Messenger of Allah - may Allah bless him and grant him peace - ordered us to pay Zakah from (the goods) we had prepared for sale.”¹⁷¹ Based on this hadith, Zakat was restricted to what was prepared for sale, stating that Zakat is not due on objects and benefits that not designed for sale. The rule is that the principle of worship is to wait until the evidence is proven. But if the benefits of the industrial product are fulfilled and they have become considered money, then it becomes clear, after its completion, whether Zakat is required on it or not.

80

What is the purpose of not collecting Zakat on funds in the process of manufacturing and construction?

Productive businesses require spending of money and efforts and involve various industrial risks, financially and administratively. It also aims to achieve the general economic recovery represented by increasing the supply of goods and services in the economy, the ensuing employment of the workforce, stimulating work and increasing economic output, and combating inflation. For this reason, the Shari’ah has taken a supportive and encouraging attitude towards this rational behavior, exempting the work and productive activities in the process of industrialization from Zakat. It was also legally fair to reward the producer because he bears the risk to revive the spirit and movement in the economy, production, and trade. And the purposes of Sharia law in money always seek to stimulate circulation and promotion and enhance business and production.

On the other hand, the productive works under construction are not prepared for sale. Instead, they are still under construction and preparation and have not yet reached the commercial supply state on which supply and demand meet. Likewise, the productive project does not affect the prices by rising because it has not been offered for sale, so it is not contracted for trade unless it is a debt of “Istisna’a” and the like. This is included in the debts arising from forward contracts, which are not under construction production.

¹⁷¹ Previously graduated.

Chapter: Zakat al-Fitr

81 What is the meaning of Zakat Al-Fitr? What is the wisdom of its legitimacy?

“Al-fitr” in the language: is “Alkhillqa” means creation¹⁷². Zakat al-Fitr in the idiomatic sense is: the charity that is obligatory for breaking the fast after Ramadan¹⁷³. Zakat was associated here to Eid al-Fitr’s occasion after the end of the month of Ramadan because it was the reason it was obligatory. It was said: “Alfitra” means creation¹⁷⁴. Al-Nawawi said: “the output” is named: Fitrah. It is a generative word, neither Arabic nor Arabized, but rather from the jurists’ naming, so it is likely a legitimate fact, such as “Salat” and “Zakat.”

And the wisdom behind the legality of Zakat al-Fitr: Kindness to the poor and their enrichment so that they do not beg on the day of Eid. In addition to bringing happiness to them on the day of happiness and joy because of the holiday’s advent and purifying those who must pay Zakat al-Fitr from idle talk and obscene speech¹⁷⁵. Abu Dawud narrated on the authority of Ibn Abbas, may Allah Almighty be pleased with him, who said: « The Messenger of Allah prescribed the sadaqah (alms) relating to the breaking of the fast as a purification of the fasting from empty and obscene talk and as food for the poor. If anyone pays it before the prayer (of ‘Id), it will be accepted as Zakat. If anyone pays it after the prayer, that will be a sadaqah like other sadaqahs (alms) ¹⁷⁶».

82 What is the ruling on zakat al-fitr? on whom is it obligatory? And in what time is it performed?

Ruling on Zakat Al-Fitr: The majority of jurists said that Zakat al-Fitr is obligatory for every Muslim, male or female, young or old, sane or insane. They cited the hadith of Ibn Omar, may Allah be pleased with him: «the Messenger of Allah enjoined Zakat-al-Fitr at the end of Ramadan upon the people; A Sae’ of dates or a Sae’ of barley, upon everyone, free or slave, male or female, of the Muslims.»¹⁷⁷ Ibn al-Mundhir said: «They are unanimously agreed that al-Fitr charity is obligatory.»¹⁷⁸

The time for taking it out: a day or two before the Eid, as the companions of the Messenger of Allah, may Allah bless him and grant him peace, used to do. On the authority of Nafeh, he said in the voluntary charity: “People used to give Sadaqat-ul-Fitr (even) a day or two before the Id.”¹⁷⁹

172 Al-Ain 7/418.

173 See Hashiyat Al-Shalabi on Al-Zaylai, and Sharh al-Zaylai 1/306, and Nil al-Ma’rib 1/255 i al-Falah.

174 Kashaf Alqinae 2/245, and Mughni Al-Muhtaj 1/401.

175 Al-Mughni 3/56.

176 Narrated by Ibn Majah 1/585 No. 1827, and Al-Albani said: it is Hassan. And Abu Dawood 11/11 number 1609.

177 Narrated by Al-Bukhari 2/130 number 1503.

178 The consensus by Ibn Al-Mundhir 47.

179 Narrated by Al-Bukhari 2/131 number 1511.

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

Last time to take it out: Zakat Al-fitr should be paid before the Eid prayer. On the authority of Abdullah bin Abbas, may Allah be pleased with him, he said: «The Messenger of Allah prescribed the sadaqah (alms) relating to the breaking of the fast as a purification of the fasting from empty and obscene talk and as food for the poor. If anyone pays it before the prayer (of 'Id), it will be accepted as Zakat. If anyone pays it after the prayer, that will be a sadaqah like other sadaqahs (alms) «.¹⁸⁰

83 What is the amount to be paid in Zakat al-fitr?

The amount to be paid from Zakat al-Fitr is a «Sae'» on behalf of every Muslim according to the hadith of Ibn Omar, may Allah be pleased with him, who said: «The Messenger of Allah enjoined Zakat-al-Fitr at the end of Ramadan upon the people; A Sa' of dates or a Sa' of Barley, upon everyone, free or slave, male or female, of the Muslims.¹⁸¹«

The intended «Sae'» is the «Sae'» of the people of Medina because the Prophet, may Allah's prayers and peace be upon him, set a standard for what is measured, according to the measure of the people of Medina. Ibn Umar, may Allah be pleased with him, said: The Messenger of Allah, may Allah's prayers and peace be upon him, said: «The measure (to be used) is the measure of the people of Al-Madinah, and the weight (to be used) is the weight of the people of Makkah.»¹⁸² And the «Sa'» is from the measure, so it must be a «Sa'» of the people of Medina at the time of the Prophet, may Allah's prayers and peace be upon him.

The «Sae'» estimate is as shown in the following table¹⁸³:

The type of food	Sae' weight in kilograms
Mezzeh rice	2.510
Beshawar Rice	2.490
Egyptian rice	2.730

¹⁸⁰ Previously graduated.

¹⁸¹ Narrated by Al-Bukhari 2/130 No. 1503, and Muslim 2/679 No. 986.

¹⁸² It was included by Abu Dawood (3340) and Al-Nasa'i (2520) with an authentic chain of narrators.

¹⁸³ Sheikh Yusef bin Abdullah Al-Ahmad says: I found with one of the honorable students a «Mod» equal to the «Mod» of Zaid bin Thabit, may Allah be pleased with him, so I took the «Mod» and adjusted it by weight for different foods. It is known that the «Sae'» is four «Mod», so I came up with the following results:

First: That the «Sae'» cannot be adjusted by weight because the weight of a «Sae'» differs according to what is placed in it, and the weight of a «Sae'» of wheat differs from that of a «Sae'» of rice, and a «Sae'» of rice differs from a «Sae'» of dates, and dates also vary in its different types. The weight of (Alkhodari) differs from (Sukkari), and the stored is different from the dried, even in the same type, and so on. The most accurate way to control the amount of Zakat is to weigh using the prophet «Sae'», and it should be in the possession of people.

Second: The Prophet's «Sae'» is equal to (3280 milliliters) three liters and approximately two hundred and eighty milliliters.

Third: I adjusted the «Sae'» of types of foods by weight, and I found that the scales differ in the accuracy of the result, so I chose the accurate (sensitive) scale and came out with the following table. Then he mentioned the previous table.

American rice	2.430
Red rice	2.220
Wheat	2.800
Jareech grain	2,380
Harees grain	2.620
Wheat flour	1.760
Barley	2.340
Dates (khalas) not hoarded	1.920
Dates (khalas) hoarded	2,672
Dates (Sukari) not hoarded	1.850
Dates (Sukari) hoarded	2.500
Dates (Khoudary) not hoarded	1.480
Dates (Khoudary) hoarded	2.360
Dates (ruthan) dry	1,680
Dates (mixed) hoarded	2.800

We note here that the weight of the types of foods here is approximate. Because placing food in the «Sa'» is not controlled by the previous accuracy. It is better for the Prophet's "Sa'" to be common among people, and that they use it for measurement.

84 Is it permissible to pay Zakat Al-Fitr with its value in cash?

The majority of scholars are of the view that it is obligatory to pay Zakat al-fitr from food, as stated in the text of the hadith¹⁸⁴. The value of food may not be taken out in cash because no text from the Sharia allows this. Moreover, giving value in terms of people's rights is not permissible unless both parties agree on that, and al-Fitr charity does not have a specific owner until it is considered whether he is satisfied or not.

184 See: Al-Bayan wa Al-Tahseel 2/486, Mughni Al-Muhtaj 2/118, and Al-Mughni 3/87.

What is Zakat due on? How much Zakah is due?

(Zakat funds and the required amounts)

As for the Hanafis, they argued that it is permissible to pay Zakat Al-Fitr with its value from money¹⁸⁵, and this was narrated on the authority of Omar bin Abdul Aziz and Al-Hassan Al-Basri¹⁸⁶.

The Hanafi school of thought is preferable because it outweighs the interest of the poor. After all, the means have the provisions of the objectives. Wherever the poor's welfare is higher, it is better, especially if it is easier and more convenient for the poor to give cash to him to buy his needs for the day of Eid. The poor may not need grain but rather clothing, meat, or other things. Giving him grain forces him to wander the streets to find someone to buy it from him, and he may sell it for a low price that is less than its real value.

Moreover, the reason that the legislator stipulated in the necessity of al-Fitr charity is enrichment, as the Messenger of Allah, may Allah bless him and grant him peace, said: "Save them (the poor) wondering around (in the markets and the streets asking for food) on that day."¹⁸⁷ Accordingly, enriching the poor on the day of Eid occurs through giving them cash. All this is in the event of ease and the presence of grains in abundance in the market. In the event of distress and a shortage of grains in the market, paying Zakat in kind is better than the value considering the poor's interest and more convenient for the poor to give cash to him to buy his needs for the day of Eid¹⁸⁸.

85 To whom is Zakat Al-Fitr given?

The majority of jurists believe that it is permissible to give Zakat al-Fitr to the eight categories given the Zakat of money because Al-Fitr charity is a type of Zakat. Those who deserve it are those who deserve all kinds of Zakat. Moreover, because it is charity, it is included in the Almighty's general meaning: {The obligatory charity shall be only for the poor and the needy ...}¹⁸⁹. It is not permissible to pay it to someone to whom it is not permitted to pay Zakat of money¹⁹⁰.

The Malikis and others stated that Zakat al-Fitr is only given to the poor and needy and not others. Their evidence for this was the practice of the Messenger of Allah, may Allah bless him and grant him peace, and his Companions and due to the narration, "and food for the poor."

185 See Al-ikhtiar Lita'elil Al-mukhtar 1/102.

186 Al-Mughni by Ibn Qudama 3/87.

187 Narrated by Al-Daraqutni 3/89 No. 2133, and Al-Bayhaqi in Al-Sunan Al-Kubra 4/298 No. 7739. Ibn Al-Mulqen said: this hadith is weak, and he has weakened it in his "Sunans" in the chapter: Waiting for asr prayer after Friday prayer, and chapter: Hajj for Al-Ma`doub, and Al-Bukhari said: Its a denied (Monkar) hadith. Al-Badr Al-Munir 5/621.

188 Adapted from the Kuwaiti Encyclopedia of Fiqh 23/345.

189 Surrah At-Tawbah 60.

190 Ibn Abidin Haashiyah 2/79. Al-Desouki 1/508. Mughni al-Muhtaj 3/116. Al-Furooe '2/540, and Mughni Ibn Qudamah 3/98.

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Chapter Five:

How do we calculate it?

(Calculating Zakat)

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Chapter Five:

How do we calculate it?

(Calculating Zakat)

Calculating Zakat is derived from the obligation to pay Zakat in Islam because the calculation is a means of determining the amount of Zakat due in money, and that without which an obligation cannot be performed is itself an obligation. Besides, deficiencies in the calculation of Zakat may lead to a complete or partial suspension. This defect in Zakat's calculation leads to a lack of rights due from the eight beneficiaries and leads to injustice to the poor, the needy, and others. On the other hand, the defect in the calculation of Zakat leads to an increase in assigning the rich to more than the right that Allah has enjoined upon them in their money, which leads to the oppression of the rich in their affairs and harms their interests.

86 What is the concept of financial accounting?

Financial accounting is the language of business, and it is expressed in numbers classified according to generally accepted principles. It is necessary to accurately access business results and financial activities in all their forms and applications. Financial accounting depends on (digital measurement) and (documentary recording) and (organized tabulation) of the financial operations conducted by organizations as legal persons or the financial operations of natural persons (individuals).

Financial accounting can be defined as the science of measuring, recording, and classifying financial operations to provide specific financial data.

Financial accounting's importance is that it is a necessary workforce in the realities of organizations and individuals. This is because without the knowledge of financial accounting, business decisions become a kind of unreasonable risk and financial madness because every financial decision necessarily relies on mathematical input and measurable data.

87 What is the definition of Zakat accounting? What are its scientific origins?

First: Definition of Zakat Accounting:

Zakat accounting is a method aimed at determining the amount of Zakat due from the Muslim. We can define Zakat accounting as follows: The set of principles and procedures that must be followed to determine the assets of Zakat owned by the financial liability to know the calculation of the amount of Zakat due on it in accordance with the provisions of Islamic Sharia.

Mastering the understanding of financial accounting helps in mastering the understanding of Zakat accounting. To calculate the Zakat owed by a Muslim, some financial data must be used to calculate the Zakat of individuals, companies, or non-profit organizations, or even calculate the Zakat owed by the state.

Second: Principles of Zakat Accounting:

Zakat accounting derives its principles and provisions from three principles:

The first principle is Islamic law, which is the first and final reference for Zakat's obligation. Islamic law is a comprehensive name for the principles and rulings mentioned in the Noble Qur'an or the Sunnah of the Prophet, or the consensus of scholars, along with other evidence in the science of "Usul Al-fiqh" such as "Analogy," "Maslaha," and "Istihsan."

The second principle is legal legislation, which is a set of general, abstract and binding rules to regulate persons' behavior in society. The law is written custom, and custom is considered in the jurisprudence of Zakat and its applications, including the foundations and rules for calculating Zakat for receivables and financial entities because judging something is dependent on having a proper conception of it.

The third principle is the accounting custom, which is a set of foundations, concepts, rules, standards, and terminology common in the profession of financial accounting and accepted in general, whether in the international, regional or local scope.

Third: The necessity of taking into account the arrangement of the scientific foundations of Zakat accounting:

The arrangement of the three scientific principles is an obligation, so the inference is made in calculating Zakat is made first according to Islamic Sharia, then by law, then according to the accounting custom. It is not permissible to work with the lowest principle if it contradicts what is higher than it. This leads to rejecting and not considering any taxation, principle, norm or accounting concept that contravenes the provisions of Zakat stipulated in Islamic Sharia because it is in violation of the provisions of Sharia. Therefore, if financial accounting violates the legal legislation, the law is the first to apply.

88 What is the balance sheet (budget)?

A balance sheet is defined as a financial statement that includes the balances of all assets, liabilities, and equity accounts of the entity at a specific point in time, often the end of the fiscal year. Thus, the balance sheet clarifies the sources of funds - the entity owners' investments and the lenders-and the funds' use - the assets¹⁹¹.

At the end of the fiscal year, the balance sheet digitally answers the following questions:

The first question: Where did the financing for the enterprise activity (sources of funding) come from? Did it come from partners only? Or from creditors (loans) only? Or both? And how much is the amount of financing provided by them? In other words: How much are the rights and liabilities that the company owes to the benefit of others? With an indication of who are the owners of those rights? Are they partners (equity) or lenders (creditors)?

The second question: What are the assets and areas in which the funds were invested (uses of funds)?

The balance sheet equation (budget) is represented in the following equation:

$$\text{Assets} = \text{Liabilities (Creditors)} + \text{Net Equity.}$$

- Important summary: The budget answers two questions: Where did the money come from? Where was the money used?

The two-wing account shape (T)

Assets			Liabilities		
Current assets			Short-term liabilities		
Cash	4000		Creditors	5000	
Bank	5000		Bills payable	8000	
Debtors	7900		Total short-term liabilities		13000
Merchandise Inventory	1000		Long-term liabilities		
Total current assets		107900	Loans	14000	
Fixed assets			Total long-term liabilities		14000
Cars	8000		Total liabilities		27000
Machines	7000		Shareholder Equity		
Total fixed assets		15000	Capital	70000	
			Net profit (loss) for the year	25900	
			Total Equity		95900
Total assets		122900	Total liabilities and equity		122900

191 Principles of Accounting, C1, Dr. Saad Salem Al-Shammari, et al., P. 198.

89 From which side of the balance sheet (assets / liabilities) do we calculate Zakat?

For the sake of calculating Zakat, we restrict it to the (assets) side of the budget only. Because this aspect is the place of wealth, and it contains the Zakat money that is the subject of Zakat in Islamic law. Examples include cash and commercial goods. If the description of wealth - with its four conditions - is fulfilled in these Zakat funds, then the Sharia discourse on the issue of paying Zakat includes it.

On the other hand, we neglect the (liabilities) side of the budget entirely. The reason is that liability clauses are not real money but rather clauses that show us numerically the sum of the elements of rights and obligations that the company owes to others. These liabilities are either (partners) themselves as internal financiers (Shareholder Equity), or they are (creditors) as external financiers. All of them are fixed liability rights, so the liability aspect expresses funds' abstract legal existence, while the asset side reflects the actual real existence of funds with the company.

The three
filters for
calculating
zakat from
the budget

	Assets	liabilities
1	Cash	1- Property rights
	Cash in hand / Cash in the bank / Gold bars	capital
2	Trade	2- Creditors
	Finished stock / assets acquired for sale / or for trading purposes	Payment assets
3	Investment	
	Investment deposits / funds / portfolios / companies	
1	Leased assets	
	Real estate or cars acquired for the purpose of leasing / Rental equipment	
2	Consumption assets	
	Buildings / Cars / Equipment / Devices / Intangible Assets / Equipment / Rental	
3	Debit assets	
	Debtors /Receivables / Advance Expenses / Accrued Income	

90- What are the three Zakat assets on the assets side of the balance sheet?

The three Zakat assets included in Zakat, which are on the balance sheet's assets side, are cash, trade, and investment. The statement of these three assets is as follows:

The first asset: cash:

1. The concept of cash:

Cash refers to all contemporary currencies, local or foreign, with all their names, shapes, values, amounts, countries, and places of savings. So whatever is fit to be a price for things, Zakat is due on it as long as its owner wholly owns it. The origin of cash is gold and silver - whether they are bullions or coins - because the value is inherent to it with the origin of its creation.

2- Its legal evidence:

Allah Almighty says:

﴿وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يُنْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ بِعَذَابٍ أَلِيمٍ يَوْمَ يُحْمَى عَلَيْهَا فِي نَارِ جَهَنَّمَ فَتُكْوَى بِهَا جِبَاهُهُمْ وَجُنُوبُهُمْ وَظُهُورُهُمْ هَذَا مَا كَنْزْتُمْ لِأَنْفُسِكُمْ فَذُوقُوا مَا كُنْتُمْ تَكْنِزُونَ﴾

“And those who hoard gold and silver and spend it not in the way of Allāh - give them tidings of a painful punishment.” In the noble hadith: “Any person who possesses gold or silver and does not pay what is due on it (ie, the Zakat); on the Day of Resurrection, sheets of silver and gold would be heated for him in the fire of Hell and with them his flank, forehead and back will be branded.»

3- Its Zakat Ruling:

If the description of wealth according to its four conditions is fulfilled; the cash is permissible and fully owned and has reached the nisaab, and one year has passed. In that case, Zakat is due on it for one-fourth of one-tenth (2.5%) of the total cash balance at the end of the fiscal year.

4- Its term in Islamic jurisprudence:

Islamic jurisprudence calls this asset cash “Anaqdan.” In ancient times, it meant coins minted in gold and silver. The reason is that they were considered reasonable prices in that era, and this classification includes everything that was in its ruling at all times and places.

5-Its accounting term:

The science of financial accounting calls this Zakat asset (cash), whether it is in the company's fund or in its account with banks.

6- Its accounting examples:

Cash on hand, cash in the current account, cash in banks.

The second asset: trade:

1. The concept of trade:

Trade means every particular commodity that its owner puts on the market to sell it and displays it for a whole year. It is stipulated that the commodity remains active in the supply and demand market, affects the rate of prices, and is affected by them throughout the year, whether the commodity owner is a wholesaler or retailer. Accordingly, the commodity is bought to make a profit from reselling it in the short term. It is also considered trade if the owner of the commodity is not a professional trader. He has an asset that he consumes or preserves - such as a car or real estate - and then decides, after dispensing with it, to offer it for sale in the market, so that the asset remains commercial and offered for sale for a whole year, even if his owner is not a professional trader in origin. However, his goal is to obtain an allowance for the commodity in exchange for cash or another commodity.

Thus, it becomes clear that the trade asset includes the trader and the non-trader. Both offer a commodity in the market to sell to achieve an economic objective.

2- Its legal evidence:

Allah Almighty says: "O you who have believed, spend from the good things which you have earned and from that which we have produced for you from the earth."¹⁹² The verse indicates that Zakat must be paid from two types of money, as the money is acquired either through trade or through production.

In the hadith, Somra bnou Jundub, may Allah be pleased with him, said: "The Messenger of Allah used to command us to pay Zakah from (the goods) we had prepared for sale". The hadith indicates that Zakat must be paid on every commodity designed for sale, enters the supply and demand market, and is valid until a full year has passed.

3- Its Zakat Ruling:

Zakat is due on commercial assets at a rate of 2.5% of the market value upon the year's passage or the end of the fiscal year according to contemporary budgets. Zakat is payable on trade funds based on the commodity's market value on the day the year has passed. We note here that Zakat on trade is a branch of Zakat on money, in terms of its quorum, according to the condition that the year passes and the amount that is due on it.

¹⁹² Surrah Albaqara, 267.

4- Its juristic terminology:

The science of Islamic jurisprudence calls this asset “trade goods.” A guiding principle of trade offers is meeting two pillars in the commodity: supply and demand. And if this description remains usual for a year, then Zakat is due on this money, and if one or both of the two pillars are absent, the trade description is missing from this asset.

5-Its accounting term:

Accounting science calls this asset in multiple terms: inventory or commodity , precisely what has been completed and in its final form that can be sold in the market. There is a disagreement in financial accounting regarding (stocks) and the like, whether it is from trade applications or investment activities.

6- Its accounting examples:

Goods or stocks intended for sale in the form of finished products , including assets acquired for selling or assets available for sale or the purpose of trading, such as real estate and the like.

The third asset: investment:

1. The concept of investment

The term investment means all funds to be developed by authorizing others to dispose of it. Originally, a person invests his money by himself, whether through trade or leasing - selling benefits or developing the assets themselves. That is, a person intends to grow his money to increase his wealth and increase his profit. On the other hand, a person - for many reasons - may turn to others and ask them to invest and develop his money, whether with or without pay. This investment person may be a natural person or a legal person, such as banks, companies, and bodies. If others are mandated to invest money, a contractual relationship must be established that defines this relationship's nature and clarifies its rules and provisions. The contract regulating the relationship between the two parties may be a company contract, a speculative contract, a lease contract, and the like, all of which are contractual mechanisms regulated by Islamic jurisprudence and civil law provisions.

The rule governing Zakat on investment is that it follows full ownership. Whoever possesses money fully is the one who is directed to the obligation of Zakat, and this condition is agreed upon between ancient and modern jurists. Whereas Zakat is not obligatory on those who own the money incompletely in an investment relationship, regardless of the different names and mechanisms of contemporary investment tools, the criterion for Zakat in all of them is the jurisprudential rule that we have presented.

We can also express the same previous concept by saying: There are two types of investments: a fully owned investment and a deficient ownership investment. An investment that you fully own, you must pay Zakat on it. As for the one that you do not fully own, you do not have to pay Zakat on it because money, in this case, is not described as wealth because it does not meet the four conditions.

Let us illustrate with the following example: a person participating in establishing a company, and he owns a specific public share in it, so is Zakat due to the company's personality, or is it due to the character of the partner himself? If we apply the rule, we find that Zakat is due only to the company's personality because it fully owns the money and disposes of : "the neck and the hand" according to the expression of the islamic jurists. While the partner's right to dispose of his money is restricted, conditional, and weak and the company's personality prevented him from disposing of his share, thus, the jurisprudential rule applied here becomes "Zakat is obligatory on the company and not on the partners."¹⁹³

The reason is that the partners' ownership is incomplete, and the company has full ownership of its funds. Thus, we can apply this disciplined legal and jurisprudential rule to every investment relationship, whatever its name or form, and whatever the contract that organizes it, whether the investment instrument is called an "investment fund" or "an investment portfolio" or an "investment deposit"...

In conclusion, Zakat on investment is obligatory on the one who has full ownership of the investment money. Suppose the description of wealth in money is fulfilled according to its four conditions (permissibility of funds, complete ownership, reaching of the nisaab, passing the year), in that case, Zakat is obligatory for the one who owns the money. If the original owner of the funds is the full owner to dispose of it, then Zakat is obligatory on him. However, if the full ownership is in the hands of the person in charge of investment - an individual, a company, or a bank - then Zakat is obligatory on it at that time.

2- Its legal evidence:

Many Qur'an verses and Prophet's hadiths indicate the obligation of Zakat on all funds characterized by wealth and fulfilling its four conditions. Allah Almighty said:

﴿خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ﴾

"Take from their wealth a charity by which you purify them and cause them increase, and invoke [Allāh's blessings] upon them. Indeed, your invocations are reassurance for them. And Allāh is Hearing and Knowing." And the Almighty said: "And establish prayer and give zakāh and obey the Messenger - that you may receive mercy."

193 It came in the Fiqh Encyclopedia - Kuwait, vol. 39/pg. 33, under the term property (Almilk) includes the following:(A property is divided according to its reality into a perfect property and an imperfect property. Perfect property is the property of the neck and utility, and the imperfect property is the property of the neck only or only the utility).

And in the noble hadith: “Any person who possesses gold or silver and does not pay what is due on it (ie, the Zakat); on the Day of Resurrection, sheets of silver and gold would be heated for him in the fire of Hell and with them, his flank, forehead and back will be branded.”

This hadith includes every owner of gold and silver, regardless of the type of his personality. Moreover, when the Messenger of Allah, may Allah’s prayers and peace be upon him, sent Moad to Yemen, he told him: «tell them that Allah has enjoined on them Zakat of their properties and it is to be taken from the rich among them and given to the poor».

The point of inference is that Zakat in all investment operations is obligatory on the one who owns money completely, and it has been described as wealth according to its four conditions, whether the owner is the original owner of the money or the one assigned to invest because Zakat follows the description of wealth in existence and nothingness.

3- Its Zakat Ruling:

Zakat on investment assets is due on the one who fully owns it until the end of the fiscal year according to contemporary budgets, at a rate of one-quarter of one-tenth. In this regard, it is taken into consideration to ensure that the owner wholly owns the investment. He can dispose of his money without the need for others’ permission when deciding to dispose of it.

4- Its juristic terminology:

Islamic jurisprudence did not define the term “investment” as one of the assets of Zakat funds as it did with cash, trade offers, and exploits. Instead, jurisprudence defined various forms and types of investment applications. It also dealt with it according to the multiplicity of contracts and the types of funds involved. Islamic jurisprudence has created special doctrinal contracts for it, sometimes the term (company) is used, sometimes the term (mudarabah) is used, and sometimes the term (leasing) is used, all of which are contractual means that include the meaning of (investment) in our time. Therefore, the Fuqaha ‘have been exposed to discussing the ruling on Zakat if it relates to each of the contracts mentioned above. In fact, the term (investment) has occupied the forefront in the world of finance and business in our time, and it has a concept, tools, and contracts in its name. On the other hand, we find that Islamic jurisprudence - ancient and modern - did not classify (investment) among the assets of Zakat funds, which created great confusion for accountants when calculating contemporary companies’ Zakat. On the other hand, the term (investment) is confused in its connotations, control, and diagnosis to a large extent in accounting and finance sciences in the modern era. It includes many contradictory tools in their essence, nature, and mechanisms, but they are combined - despite their differences - under one term (investment).

Building on this turbulent concept - in accounting, finance, and economics - we had to take the initiative to declare the term “investment” as one of the Zakat assets in modern jurisprudence. Thus we defined this contemporary Zakat asset. Then we linked the obligation of its Zakat to the obligation to fulfill “the condition of full ownership” in it. We set it according to the contemporary jurisprudential rule that “Zakat on investment follows full ownership.”

In summary, one of the requirements for renewal in contemporary jurisprudence is singling out the term (investment) as one of the assets of Zakat funds in the modern era. In addition, the obligation of Zakat on investment instruments depends on fulfilling the condition of full ownership. Therefore, we included the asset (investment) in the formula for calculating Zakat according to the net-rich model in Islamic law.

5-Its accounting term:

Accounting science calls this asset “investments.” It means that the company invests its money with others in order to develop it and make profit from it. Accounting science also uses two main terms to refer to investment operations, the first of which is: the term “trading assets.” It refers to every financial investment that the owner intends to keep for a period of less than (90) days. Second: The term “assets available for sale” means every financial investment whose owner intends to keep it for period of more than (90) days. According to this current prevailing accounting opinion, the classification of investments revolves around two elements: the intention to hold and the time criterion (90) days.

6- Its accounting examples:

Examples of investments in accounting are investments in associates or subsidiaries, investment instruments, investment funds, investment portfolios, securities, and investment bank deposits. All these contemporary applications are treated as “investments.” It is also disclosed under the assets items on the assets side of the balance sheet.

91- What are the three assets for which zakat is not due on balance sheet assets?

Assets that do not include Zakat on the balance sheet’s assets side are three assets: leasing, consumption, and debt. The statement of these three non-Zakat assets is as follows:

The first asset: leasing:

1- Its concept:

What is meant by leasing: all money prepared to sell its usufructs without selling its asset. That is the asset whose investment aims to collect its revenues by selling its benefits only, not its main assets.

And the “leasing” rule is the combination of supply and demand for the leased asset’s benefits in the market. If one or both of them are missing, the original description of the lease will be invalidated. The applications of “leasing” are many in the contemporary era, including: renting real estate, houses, apartments, shops, factories, cars, equipment, devices, clothing, hotels, airplanes, taxis, farms, and the like. In all of these applications, the contract’s subject is the benefits of the leased object rather than its assets.¹⁹⁴

2- Its legal evidence:

Allah Almighty says:

﴿يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ وَلَا تَيَمَّمُوا الْخَبِيثَ مِنْهُ تُنْفِقُونَ وَلَسْتُمْ بِآخِذِيهِ إِلَّا أَنْ تُغْمِضُوا فِيهِ وَاعْلَمُوا أَنَّ اللَّهَ غَنِيٌّ حَمِيدٌ﴾

«O you who have believed, spend from the good things which you have earned and from that which we have produced for you from the earth. And do not aim toward the defective therefrom, spending [from that] while you would not take it [yourself] except with closed eyes. And know that Allāh is Free of need and Praiseworthy». Selling benefits is included in what brings profit, so it falls under the general meaning of Allah Almighty saying «which you have earned». It is also included in the hadith of the Prophet, may Allah’s prayers and peace be upon him, to give charity from what we prepare for sale. Therefore, if the benefits are for sale and enter the supply and demand market, then Zakat is due on the revenue collected.

In contrast, there is no Zakat on leased assets because it does not enter the supply and demand market on its own. Instead, what is included in the supply and demand market (price speculation) is interest, not the leased asset. Therefore, Sharia allocates leasing Zakat on the proceeds from the sale of the benefits, regardless of the market value of the leased property itself.

3- Its Zakat Ruling:

Zakat is not due to leased assets’ value, neither on their historical cost, nor on their capital, book, or market value. Instead, Zakat is due on its yield and the proceeds from the sale of its benefits. The rental income collected is transferred immediately - and throughout the year - to be added to the (cash) balance either in the treasury or in the bank. Then the company redirects it to any of the assets that appear on the assets side of the balance sheet. Thus it becomes evident that the leased property is not subject to Zakat. Instead, Zakat is only due on revenue earned during the year, which automatically appears in the cash balance during and at the end of the fiscal year.

194 There is no Zakat on the sale of benefits that are foibidden by law, such as. reting real estate and shops for activities that are prohibited in the Sharia, such as usurious banks, interest-based financing companies, and commercial insurance companies, or renting to liqour factories, cigarettes, and drugs, or renting out gambling, prosititution and media outlets that are prohibited by law. The reason is that one of the conditions for Zakat is the permissibility of money. If the revenues are generated from activities forbidden in Islamic law, the duty is to cancel these contracts and business. As for the revenues generated from unlawful actions, they must be paid out in total, and it is not permissible to pay Zakat at that time because Allah is Good and accepts only that which is good.

The practical result is: the formula for calculating Zakat according to the criterion of wealth does not pay attention to the leased assets and does not consider them or figure them as one of its components. Therefore, we neglected it in the equation for calculating Zakat, as stated above. The reason is that leased assets are not subject to Zakat in Islamic jurisprudence. Instead, Zakat is due on the resulting revenue, which appears automatically in cash at the end of the fiscal year. This Zakat ruling is based on a Sharia principle that considers Zakat on asset income (leasing) as a sub-section of the Zakat of cash assets. It is a branch of it in its quorum, the amount of Zakat on it, and the year's passage.

The truth is that this precise practical meaning is something that Islamic jurisprudence scholars do not realize when launching the theory of the obligation of Zakat in exploited properties. They often do not realize that this theoretical Zakat asset is divided from an accounting point of view at the end of the fiscal year - when the year passes - into two essential components of assets: cash and leased assets. Zakat is due on the first by consensus, and it is not due on the second. This detail comes from the accounting practice in reality.

- 4- **Its Juristic Terminology** – The term given to this in jurisprudence is benefits. This means that the product or service is being used for payment in return. It is called a benefit due to that having been the main purpose of its owner in renting it out. The benefit for the owner is the payment they receive in return.
- 5- **Its Accounting Term** – In accounting terms, this is known as leased goods or goods for rental purposes
- 6- **Accounting Examples** – includes rented lands, buildings, houses, apartments, cars, planes, offices. It also includes rental contracts that end with purchase as in accordance with Islamic laws.

The second origin: Consumption:

1- Its concept:

“Consumption” is a new asset that has been derived and developed specifically for computing contemporary corporate Zakat according to the description of wealth in Islamic law. Its source in the Arabic language is from the word “Halak,” which means the disappearance of something due to its use for personal needs. What is meant by “consumption” is all money used to satisfy the desired needs of natural or legal persons. This “consumption” asset is not offered for trading in the supply and demand market as commercial offers. In addition, its benefits are not provided in the supply and demand market, such as exploited properties, and it is not cash; it is money owned to collect interest for a personal purpose.

Consumption assets include two types of funds. The first is consumer funds intended to satisfy ordinary personal use benefits. Its goal is not to support businesses that generate profits, such as a person's home, car, furniture, phone, clothing, and the benefits of devices and the like. Second: Consumer funds aimed at fulfilling benefits within the business chain with the purpose of profit making. An example of these funds is all auxiliary tools in productive and commercial businesses.

It is no secret to anyone that the term "consumption" in the modern era has become popular, easy, and has clear connotations for each individual. It is a common and well-established term in the general custom. Therefore, it was stipulated in the literature of banking laws and the instructions of central banks. Contemporary judges in their rulings even use it, and it has become famous in the principles of economic theory in the modern era.

2- Its legal evidence:

The wise legislator advised us that consumption funds are divided into two types as mentioned, and here is the Sharia evidence that indicates each of them:

First: consumption funds for abstract personal use. The evidence for denying Zakat on this type of funds is the hadith, "No sadaqah is due from a Muslim on his slave or his horse."¹⁹⁵ Al-Nawawi said: " This hadith indicates that there is no Zakat on consumption money "Qonya," and that there is no Zakat on horses and slaves if it is not for trade. And this is the opinion of all the scholars from the predecessor and successor".¹⁹⁶

Second: Consumption funds for profit "production/trade" use. Evidence for the denial of Zakat from it is the hadith: "There is no Zakah to be paid on working cattle." What is meant here is the animals taken to assist in plowing, sowing, planting, and watering. The hadeeth is evidence that Zakat is not obligatory on these animals, even though the basic principle is that Zakat on camels and cows is obligatory according to Sharia. However, if it is an aid in completing the work, then the Sharia excludes the owner from paying Zakat on it. In this appears the justice and mercy of the wise law. Working cattle includes all the assets, tools, and auxiliary materials in our time's commercial, productive, and construction businesses.

It should be noted here that consumption assets usually have a market value with which they can be sold. However, the Sharia ignored the possibility of evaluating it in the market. Instead, it considered that these funds were prepared to meet personal needs and were not put up for sale in the supply and demand market as trade offers or as benefits, as in the case of leased exploits.

¹⁹⁵ Previously graduated.

¹⁹⁶ Sahih Muslim, explained by Al-Nawawi 7/55, No.982.

3- Its Zakat Ruling:

Zakat is not obligatory in consumption funds for previous hadiths.

4- Its juristic terminology:

The term “consumption” does not exist in Islamic jurisprudence, as we have explained. Instead, Islamic jurisprudence establishes the same meaning under two well-known terms: “Al-Kouniyya” and “Al-Awamil.” The first is the consumption of funds for personal needs. The second is the consumption of funds for commercial, productive, and constructive purposes, which is the basis for the previous hadiths of the Prophet.

5-Its accounting term:

Accounting science refers to “consumption” assets by the term “fixed assets” or “non-current assets.” Had it been expressed in the word “consumption,” that would be clearer and more accurate in terms of disclosure and the accurate description of the reality of the situation, especially since the term “consumption” has become widespread in banking legislation and instructions of central banks. Also, it is a very famous term in economics and one of the unambiguous terms in the contemporary general convention.

6- Its accounting examples:

- A- Fixed assets: which are everything that is taken with the intention of consumption and personal use, and not to sell or rent, such as real estate, buildings, machinery, and cars. These assets are prepared for consumption and the fulfillment of their benefits and not for sale or rental.
- B- Goods under processing and their requirements and raw materials : These are not finished products that are considered commercial goods. Thus, it is not permissible to say that Zakat is obligatory on it because there is no evidence for that from the correct Sharia. While these funds may fall under the absolute term “stock / merchandise” in financial accounting theory, it is not like trade offers prepared for sale. This mixed meaning of the term (stock/merchandise) often leads to error and confusion, mainly when calculating Zakat, whether with the accountant or the jurist, so it is necessary to guard against it.
- C- Intangible assets: such as franchise, trademarks, goodwill, patents, trade license, and copyrights. Although they are assets that can be valued at market prices, they are not subject to Zakat, and the reason is that they are intended neither for trade nor for rent.

- D- Projects under construction and manufacturing: It includes productive and industrial projects of all kinds and forms. Zakat is not included in it because it is subject to the scope of construction work and has not been transformed into a final product for sale, neither in itself, such as commercial offers, nor in its benefits such as rents. However, suppose the construction product is finalized and presented to the market of supply and demand. In that case, its Zakat ruling becomes legally obligatory according to the Zakat base that it follows.

The third asset: Debt:

1-Its concept:

“Debt” is an obligation established by a person who owes the right in favor of another person who has the right. The giver, who is the original owner of the money, is called a “creditor,” while the person who takes the money is called a “debtor.” The meaning of the Debt asset is: Every right that is established for you but disposing of the money itself is not in your hands, but with others. For every money you have a right to and cannot fully dispose of, it is a debt to you. Also, its ownership is deficient for you because the money is in the debtor’s hands and at his disposal. The money may be corrupted or perished and cannot be returned. All debts shall be equal to this, whether they arise from a profitable credit relationship “commercial debt” or a non-profit credit relationship “civil debt.”

2-Its legal evidence:

Sharia has stipulated that the description of wealth in Zakat is considered, but on the other hand, it neglected the description of debt and did not consider it in Zakat at all. Therefore, Sharia’s silence in this regard is evidence that Zakat is not obligatory on the debt. The debt ownership is deficient, and the scholars are unanimously agreed on the condition of complete ownership so that Zakat is due on money. Likewise, debt is not financier money that accepts profit, and it does not accept growth unanimously. Thus, there is no significance for the debt in Zakat, but what counts is to attain the description of wealth in money that is entirely owned by either the creditor or the debtor. In this way, a new jurisprudential rule is proven that “Zakat on debt revolves around the description of wealth in existence and nothingness”.

3-Its Zakat Ruling:

There is no Zakat on debts because Sharia did not consider Zakat on them. And because Zakat is a financial act of worship, the details are precisely controlled by Sharia. Whoever establishes an act of worship without evidence from the text of the Sharia or consensus has invented a ruling from himself and attributed it to the Sharia without significant evidence or valid argument.

4-Its juristic terminology:

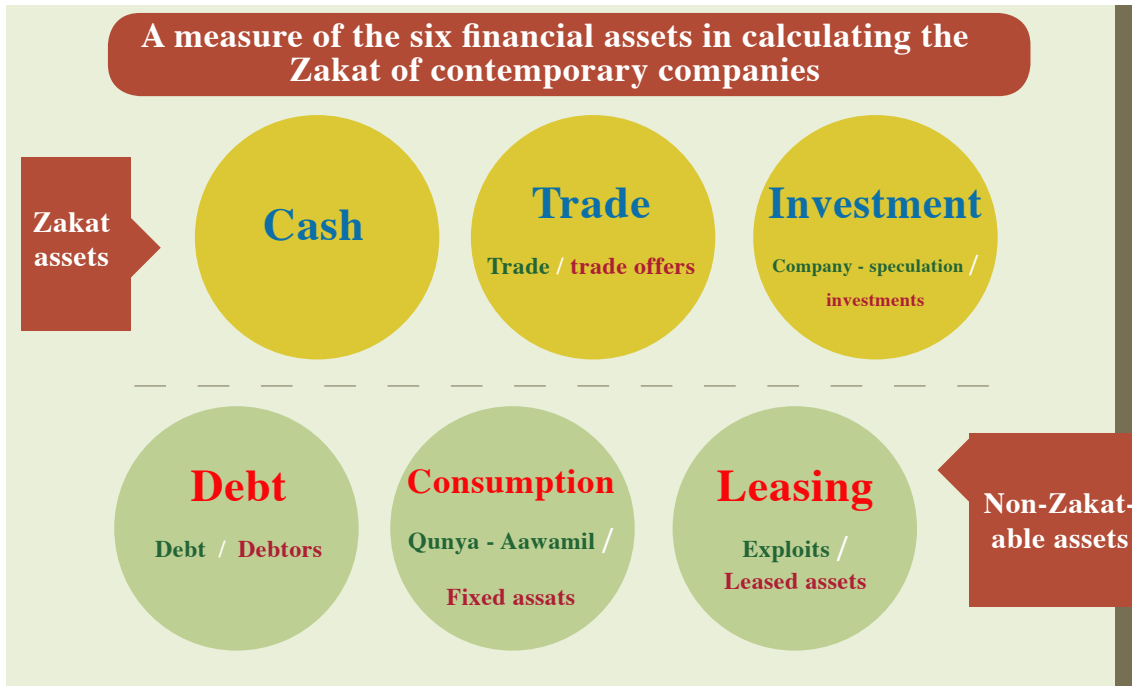
Islamic jurisprudence uses the same term (Dayn) to denote the same meaning of the asset intended here, similar to what was mentioned in the first verse of debt in Surah Al-Baqara.

5-Its accounting term:

Financial accounting differentiates between a debt that you have or a debt that you owe. If the debt is yours in the hands of others, then it is expressed with the term (debtors), and it is included among the assets and items listed on the assets side of the balance sheet. But if the money of the debt is in your hands and at your disposal, then this case is expressed in the term (creditors), and it appears among the liabilities on the liabilities side of the budget.

6-Its accounting examples:

On the assets side, we find items that express the debt that you owe others, with various names: debtors (as financiers of murabahah, salam, and Istisnaa sales, commercial debtors, suppliers, contracting ... etc.) Examples include commercial receipts, like checks under collection, and any fixed rights of the company that it did not fulfill. It also includes accrued revenues or expenses provided and any rights established in favor of the company on behalf of others, regardless of the different names of those rights or institutions and the conventions of people or societies regarding them.



Matching of the six assets to the budget assets

	Assets	liabilities
1	Cash assets Cash in hand / Cash in the bank / Gold bars	1- Property rights capital
2	Trade assets Finished stock / assets acquired for sale / or for trading purposes	2- Creditors Payment assets
3	Investment assets Investment deposits / funds / portfolios / companies	
1	Leased assets Real estate or cars acquired for the purpose of leasing / Rental equipment	
2	Consumption assets Buildings / Cars / Equipment / Devices / Intangible Assets / Equipment / Rental	
3	Debit assets Debtors /Receivables / Advance Expenses / Accrued Income	

92 What are the five steps for calculating Zakat from the balance sheet?

Islamic accounting experts have developed five simple and clear practical steps that assist the accountant and financial manager - and even the business owner himself - in calculating the Zakat due on his company with ease, accuracy, and discipline. This is to facilitate understanding of the process of calculating Zakat for new companies with precision and discipline in accordance with the principles and rules of the net-richness standard method in Islamic law and enable the use of the model in the best practical way possible. This leads to the certainty of performing the obligation of Zakat in the manner required by Sharia on the one hand and enhances the efficiency of internal or external control efforts - of all kinds, fields, and levels - with regard to how the company's Zakat is calculated.

These procedural steps are summarized in the following five steps:

The first step: the "assets" side of the balance sheet is approved, and everything else is excluded.

The second step: All "assets" of the budget are categorized according to the six financial assets.

The third step: the Zakat assets are to be approved in the calculation of Zakat, and all non-Zakat assets are excluded.

The fourth step: The three net assets of the Zakat are extracted after excluding the items of the deficient property from them.

The fifth step: 2.5% of the net assets of Zakat is deducted.

the five steps for calculating zakat from the balance sheet

- 1 The asset side of the balance sheet is approved and the liability side is entirely excluded
- 2 All "assets" of the budget are categorized according to the six financial assets
- 3 All non-Zakat assets are excluded
- 4 Excluding the items of the deficient property from Zakat assets
- 5 One-fourth of one-tenth of the net assets of Zakat is deducted

93 How do we extract the amount of Zakat, taking into account the Hijri year and the Gregorian year?

After knowing the net assets of Zakat from the assets side, namely: cash, trade, and investment, we exclude the items mentioned under it that did not meet the mandatory conditions, such as the description of the commercial offer in the stagnant commodity or the condition of full ownership is not fulfilled. After that, we extract the legitimate estimated amount, which is a quarter of one-tenth, which is equivalent to (2.5%) if the budget is prepared on the basis of the Hijri year, or (2.577%) if the budget is prepared based on the calendar year. The difference is that the number of days in the Hijri year is less than the number of days in the Gregorian year by about eleven (11) days.

94 What is the equation for calculating Zakat according to the net-riches method in Islamic law?

After extracting the Zakat assets calculated from the Zakat list, the equation is as follows:

Net cash + net trade + net investment X 2.5% for the Hijri year.

Net cash + net trade + net investment X 2,577% for the calendar year.

95 How is Zakat paid for crops, fruits, ores, and minerals?

First: How to calculate Zakat on crops and fruits:

If the crop and fruits reach five “Wassaq” (647 kilograms), one of the two amounts is required:

The first: The tith is 10% if watered with sky water.

The second: half of the tenth 5% if watered with effort and work. The equation is as follows:

The number of kilograms x 10% = the amount to be taken out.

The number of kilograms x 5% = the amount to be taken out.

Second: How to calculate Zakat on ore and minerals:

The legislator decided that one-fifth of the ore must be extracted, and the same is true for the minerals analogously.

The arithmetic equation is as follows:

The amount of ore or metal x 20% = the amount of Zakat.

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Chapter Six:

To whom Zakat is given?

(Beneficiaries of Zakat)

MY ZAKAT

A certified scientific method



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Chapter Six:

To whom Zakat is given?

(Beneficiaries of Zakat)

96 Demonstrate how the Holy Quran shows the importance of Zakat recipients?

Zakat is one of the pillars of Islam. It was mentioned in the Holy Qur'an in many verses, which indicates the Qur'an's interest in this great pillar. Rather, it is mentioned in most places of the Noble Qur'an in conjunction with prayer, which is the greatest pillar of the religion. Allah the Almighty said:

﴿الم تِلْكَ آيَاتُ الْكِتَابِ الْحَكِيمِ هُدًى وَرَحْمَةً لِّلْمُحْسِنِينَ الَّذِينَ يُقِيمُونَ الصَّلَاةَ وَيُؤْتُونَ الزَّكَاةَ وَهُمْ بِالْآخِرَةِ هُمْ يُوقِنُونَ﴾

“Alif, Lām, Meem, These are verses of the wise book. as guidance and mercy for the doers of good, who establish prayer and give zakāh, and they, of the Hereafter, are certain [in faith]”¹⁹⁷. This indicates the interest of the Holy Quran in Zakat. What clarifies this interest and increases the belief in the importance of this great pillar is that Allah Almighty did not leave the statement of those entitled to Zakat to a nearby angel, to a sent prophet, or the jurisprudence of the jurists. Rather, Allah Almighty undertook the self-explanatory statement of those who deserve Zakat, with recited verses until the Hour of Resurrection, which are not subject to interpretation or alteration. The Almighty said:

﴿إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسَاكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَارِمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ﴾

“As-Sadaqât (here it means Zakât) are only for the Fuqarâ ‘(poor), and Al-Masâkin (the needy) and those employed to collect (the funds), and to attract the hearts of those who have been inclined (towards Islâm), and to free the captives, and for those in debt, and for Allâh’s Cause (ie for Mujahidûn - those fighting in a holy way), and for the way battlefarer (a traveler who is cut off from everything); a duty imposed by Allâh. And Allâh is All-Knower, All-Wise.”¹⁹⁸

97 Who are the eight beneficiaries of Zakat?

Those who are entitled to Zakat are confined to eight categories. The Noble Qur'an stipulated them in the Almighty saying:

﴿إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسَاكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَارِمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ﴾

197 Surah Loqmane, verses 1-4.

198 Surah Attawba, 60.

MY ZAKAT

A certified scientific method

“As-Sadaqât (here it means Zakât) are only for the Fuqarâ ‘(poor), and Al-Masâkin (the needy) and those employed to collect (the funds), and to attract the hearts of those who have been inclined (towards Islâm), and to free the captives, and for those in debt, and for Allâh’s Cause (ie for Mujahidûn - those fighting in a holy way), and for the way battlefarer (a traveler who is cut off from everything); a duty imposed by Allâh. And Allâh is All-Knower, All-Wise.”¹⁹⁹ The verse limits the recipients of Zakat, and it is not permissible to spend it on anyone other than those included in these types. This was confirmed by what was narrated on the authority of the Messenger of Allah, may Allah bless him and grant him peace, that a man came to him and said: Give me some of the sadaqah (alms). The Messenger of Allah - peace be upon him- said: “Allah Almighty was not satisfied with the judgment of a prophet or anyone else regarding alms, so he took over the decision on them. He’s divided those who are entitled to it into eight categories, so if you fall into those categories, I shall give you what you desire.”²⁰⁰

The eight beneficiaries of Zakat are detailed as follows:

The first category: the poor: the destitute or the one who has no money.

The second category: the needy: He who has money, but it is not sufficient for him. The poor or needy is given Zakat sufficient to meet his basic needs for a whole year because Zakat is repeated every year. The criterion for the necessities that Zakat provides for the poor and needy is that it suffices them for what they need in terms of food, clothing, and housing. It should provide them with all they need according to what befits their condition without extravagance or misery, including the poor and those of their families who depend on them.

The third category: Those working in collecting Zakat funds: They are the workers and couriers in collecting, storing, and disbursing Zakat to those entitled to it. They are entitled to a share of the Zakat money even if they are wealthy, and it is permissible for them to receive a fee for their dedication to these works. In the hadith on the authority of Ataa bin Yasar, may Allah be pleased with him, that the Messenger of Allah, may Allah bless him and grant him peace, said:” Zakat is not permissible for someone who is not in need except for five: Someone fighting in the way of Allah, someone who collects Zakat, someone who has suffered (financial) loss (at the hands of debtors), someone who buys it with his own money, and someone who has a poor neighbor who receives some Zakat and gives some as a present to the one who is not in need.”²⁰¹

The fourth category is: to attract the hearts of those who have been inclined towards Islam. That is, those who are given money to convert to Islam or improve their Islam and abide in it, or to stop harming Muslims. The guideline for this category is an infidel, whom we hope to convert to Islam or a Muslim we hope to confirm in Islam.

The fifth class: to free the captives: means for the sake of liberating slaves. The slave is given what he pays as the price of release, and it may be by buying slaves with Zakat money and freeing them.

199 Surah Attawba, 60.

200 Narrated by Abu Dawood 2/117 with the number 1630, and Al-Albani said it is weak.

201 Malik included it in Al-Muwatta (2/378) No. (919), and Ahmad in Al-Musnad (18/97) No. (11538). Shuaib Al-Arna`ut said: It is authentic. Its narrators are trustworthy, the men of the two Sahihs, but they differed in its connection and transmission. Assuming that it is “Mursal” it is strengthened by the work of the imams. Al-Daaraqutni and Ibn Abi Hatim suggested that it is a “mursal”. Ibn Majah (1/590) reported it with the number (1841), and Al-Albani said commenting on it: “Sahih Lighayrih,” and Ibn Khuzaymah (4/69) included it with the number (2368).

The sixth category: for those in debt: they are the debtors such as someone who was assigned a debt and was obligated to pay it, or in the expiation for a sin, he repented from. Some of them have reconciled between two groups of Muslims, and in favor of reform among them, they bear compensation for what the opponents lost in their fight. Those losers for the benefit of others deserve from Zakat what suffices them.

The seventh category: For the sake of Allah: spending on jihad for the sake of Allah. Included in this category in our time is spending on legitimate means of advocacy²⁰².

The eighth category: Ibn Al-Sabil: He is a traveler who travels in a country with nothing to use for his travel, so he is given alms that suffice him until he returns to his country. Among its contemporary applications is the category of displaced persons forced to move within the country from one place to another for compelling, urgent reasons. Including the refugees, who are involuntarily moving out of their country to other countries, where they will settle temporarily until the barrier to return is removed.

98 What is the purpose in Islam of giving zakat to those who deserve it?

The purpose of Islam is to give Zakat to those who are entitled to it, relieve their needs, and deliver the needy to the extent of sufficiency. For each of the categories, he is paid for what he needs, without extra. Both the debtor and the slave are given what they need to pay off their debt, even if it is a lot. And “Ibn al-Sabil” is given what brings him to his country, and the “Mujahid” is given what is sufficient for him in his conquest, and the worker is given according to his wages²⁰³.

The jurists differed in the amount that meets the need of the poor and brings him to the level of sufficiency, considering two controls: the first: the quantitative control, and the second: the time control. There is a third guideline: it relates to the extent of the Zakat holder’s ability to work and earn money or not. This is explained as follows:

First: Considering quantitative control in determining sufficiency:

Jurists differed as to the amount of zakat to be given to the poor and needy in two schools:

1- The school of the majority of jurists: the majority of jurists believe that a person should give the poor their self-sufficiency. Sufficiency means all that a person needs from food, drink shelter and all the other things that he needs in proportion to the situation without extravagance or deprivation for man himself and for those in his costs. The Malikis and others have even mentioned that if Zakat is sufficient, it is permissible to help those who wish to marry.

2- The Hanafi school of thought: The jurists of the Hanafi School believe that the poor should be given the Nisab or more, even if they choose not to exceed the quorum²⁰⁴.

202 See: a jurisprudential study entitled: «msarif fi sabil allh. Almafhum walnitaq», d. Riyad Mansour Al-Khulaifi, among the publications of Mabarar Al-Aal and Al-Ashab in the State of Kuwait, 1428 AH / 2007AD.

203 See: Al-Mughni by Ibn Qudama 2/500.

204 See: Explanation of Al-Mahli on Al-Minhaj 3/196, Al-Majmoo 6/191, and Al-Desouki 1/494. See: The Kuwaiti Encyclopedia of Fiqh 23/316.

Second: Considering the time limit for determining sufficiency:

The Fuqaha differed as to the amount that should be given to those who are entitled to Zakat, considering the time limit for removing them from the state of poverty, and that is based on two schools of thought:

- 1 - **The doctrine of the majority of jurists:** They are given from Zakat funds their sufficiency and those who depend on them for a whole year, including food, drink, clothing, housing, and education. This is because Zakat is repeated every year, and because the Prophet, may Allah's prayers and peace be upon him, stored for his family so much food as would cover their needs for a whole year²⁰⁵.
- 2 - **The doctrine of the Shafi'i jurists:** The Shafi'i believe that the poor person is given what suffices him for the prevailing life of people like him in his country. Al-Mutawali and others said he is given what he can buy a real estate to earn his livelihood²⁰⁶.

Thus it becomes evident that what some of the rich do in splitting the Zakat of their money on the poor is ineffective and contrary to the goals of Zakah for which Allah obligated it, and is therefore not the opinion of Muslim jurists.

Third: Considering the extent of the beneficiary's ability to work and earn or not:

The purpose of the obligation of Zakat is to reduce poverty, enrich the poor and meet their needs. The Fuqaha 'stated that the poor and the needy person is one of two types of people:

The first is a poor, strong man who is capable of earning. And this person either does or does not own a trade that he is good at. If he has a profession that he can improve, he is given from Zakat what he can buy for himself the machines of his trade²⁰⁷ to become a producer within society and move out of poverty. If he does not have a profession, he is given from Zakat what he learns with a craft to become a producer, and then he is given from Zakat what he can buy the machines of that craft.

The second is a poor person who cannot work, such as orphans, the elderly, women, and people with disabilities. They are given money that meets their needs because of their inability to work and earn.

205 Narrated by Al-Bukhari and his text: On the authority of Omar, may Allah be pleased with him: The Prophet used to sell the dates of the garden of Bani An-Nadir and store for his family so much food as would cover their needs for a whole year. Sahih Al-Bukhari 7/63 No. 5357, and others.

206 Al-majmoue Sharh Al-Muhadhdhab 6/194.

207 Al-Nawawi said in al-Majmoo (Sharh al-Muhadhdhab 6/194: Our companions said that if he was a professional, he would be given what he would buy the machines of his craft, whether the value of that decreased or increased. As for the amount that is given, it is almost as much as it is sufficient for it, and this varies with different trades, countries, times, and people. And he said in Hashiat Al-jamal 4/104 and afterwards: If the poor person does more than one craft, all of which are sufficient for him, he shall be given the capital of the lowest. And if only some of it is sufficient for him, then he shall be given its capital. If one of them is not sufficient for him, one is given and an extra amount is given to him by purchasing a property that complements his income. This varies with different people, places and times, so this is taken into account in all aspects.

And see also: Nihayat al-Muhtaj to Sharh al-Minhaj by Imam al-Ramli 6/153.

Zakat takes into account the conditions of the beneficiaries, according to their ability to work and earn or not.

99 – Is it permissible to give Zakat to relatives?

It is permissible to pay zakat to relatives through breastfeeding “Radaa” or “Mossahara.” As for the relatives from lineage “Nassab” it is not permissible to pay Zakat to them unless one of the following conditions is met:

The first condition: That the relatives’ need for Zakat is not due to poverty and misfortune. As if they were debtors, or those working in collecting Zakat funds, or Ibn Al-Sabil.

The second condition: that the relative should not be someone on whom the Zakat payer must spend. Thus, it is permissible for the rich to give Zakat to relatives whom he does not have to spend on, such as cousins, maternal uncles, and others.

The third condition: That Zakat is distributed through the imam or the state.

100 – What are the categories that may not be given Zakat?

Those who are entitled to Zakat are limited to the eight categories mentioned by Allah Almighty only. Zakat may not be given to others, including:

1- Zakat is not given to the family of the Prophet Muhammad, may Allah bless him and grant him peace because Zakat and charity are forbidden for them. He, may Allah’s prayers and peace be upon him, said: “Zakah ought not to be given to the family of Muhammad, it will be like giving them from the impurities of people.”²⁰⁸

2- The rich: they are the ones who have their sufficiency and the sufficiency of those under their support for a whole year.

3- The disbelievers, even if they were “ahl ad-*immah*” (non-Muslims living in an Islamic state with legal protection): It is not permissible to give them from Zakat. For the hadith: “teach them that Allah has made it obligatory for them to pay the Zakat from their property and it is to be taken from the wealthy among them and given to the poor.”²⁰⁹

4- Strong people who can earn and meet their needs and the needs of those who depend on them.

²⁰⁸ Narrated by Muslim 2/752, No. 1072.

²⁰⁹ Previously graduated.

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