

Fiqh of Zakâh

According to Hanafi Fiqh

WellWishers
Through **Charity** and **Education**

Overview

- Meaning and importance
- Who pays?
- Zakâtable assets
- Debts/Liabilities
- Recipients
- Conditions
- Zakâh calculator/tools

Meaning

- Increase
 - Barakah
- Purification
 - Wealth
 - Soul (cure from greed, jealousy, miserliness, etc.)
- Praise, etc.

Importance

- 3rd pillar of *Islâm*
- Mentioned many times in *Qur-ân*
- Approx. 30 times with *Salâh*
- Made *Fardh* in 2AH before *Ramadhân* fasting
- Punishment/warnings for non-payment

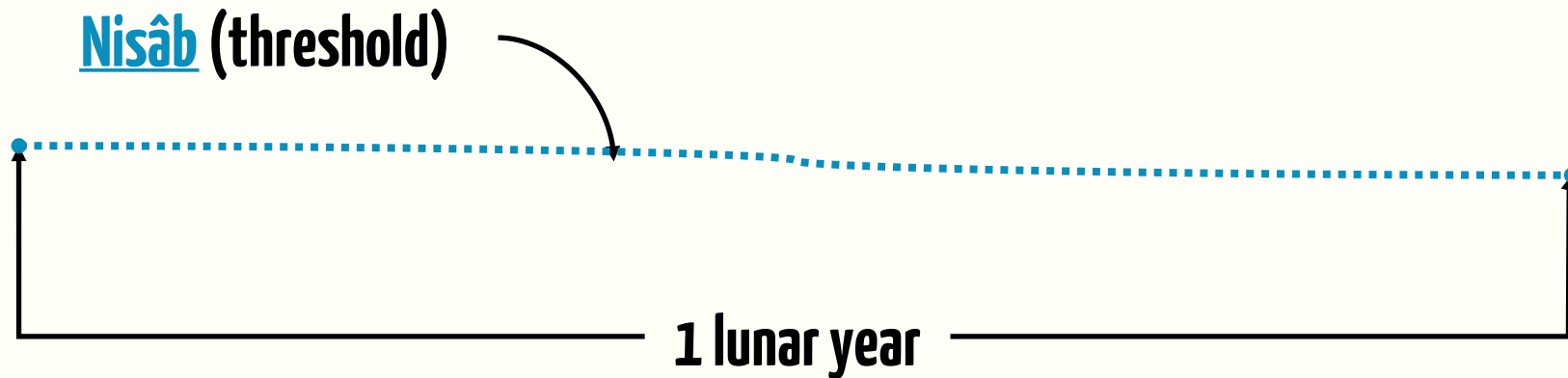
Zakâh

Zakâh is due upon Zakâtable assets reaching nisâb free from liabilities/debts for a complete lunar year

Pay 2.5% of total

Who Pays?

- Muslim, Adult (mature), Sane
- Owns wealth at or above Nisâb (threshold)
- Remains above level after 1 lunar year
 - Ignore fluctuations



What is **Nisâb**?

- Threshold at which Zakâh becomes payable
- **Gold nisâb** » 20 *Mithqâl* = 87.48g
- **Silver nisâb** » 200 *Dirham* = 612.36g
- Use gold nisâb if only gold, otherwise silver
 - more beneficial to the poor
- **Nisâb date** – remember this *Hijri* date!

What is today's Nisâb?

[http://wellwishers.org.uk/
tools/zakah-nisab-and-
mahr-prices-daily-updates](http://wellwishers.org.uk/tools/zakah-nisab-and-mahr-prices-daily-updates)

or homepage:

<http://wellwishers.org.uk>

ZAKÂH NISÂB/MAHR	
Prices in GB Pounds (UK)	
Silver Nisâb	£198.51
Gold Nisâb	£2,124.99
1 Gold Tola	£283.33
Mahr al-Azwâj	£496.28
Mahr Fâtimi	£567.18
Minimum Mahr	£9.93
Prices in US Dollars	
Silver Nisâb	\$315.50
Mahr al-Azwâj	\$788.75
Prices in Euros	

Historical Silver Price

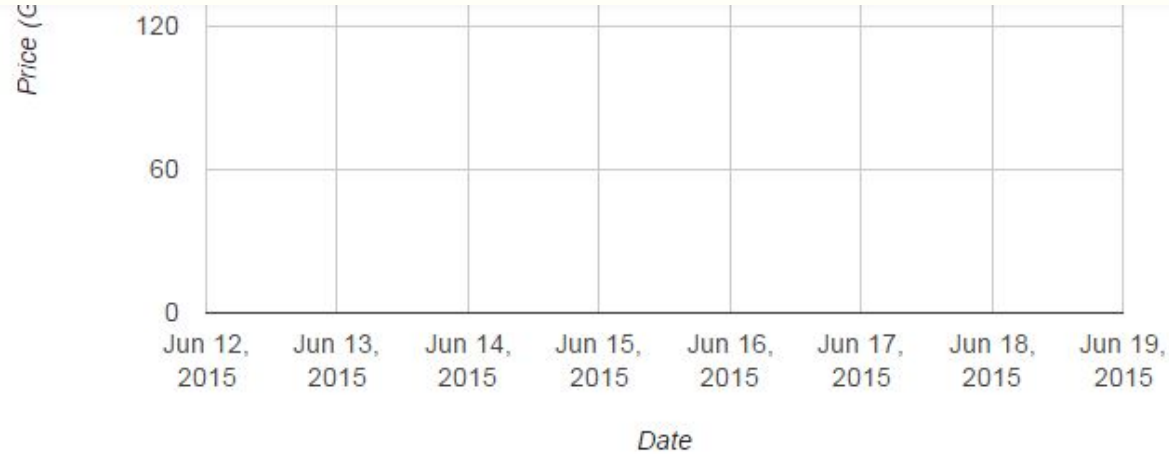
20 Year Silver Price in GBP/kg

Last Close: 327.02

High: 933.78 Low: 80.92 ▲217.82 199.48%



Historical Nisâb Tool



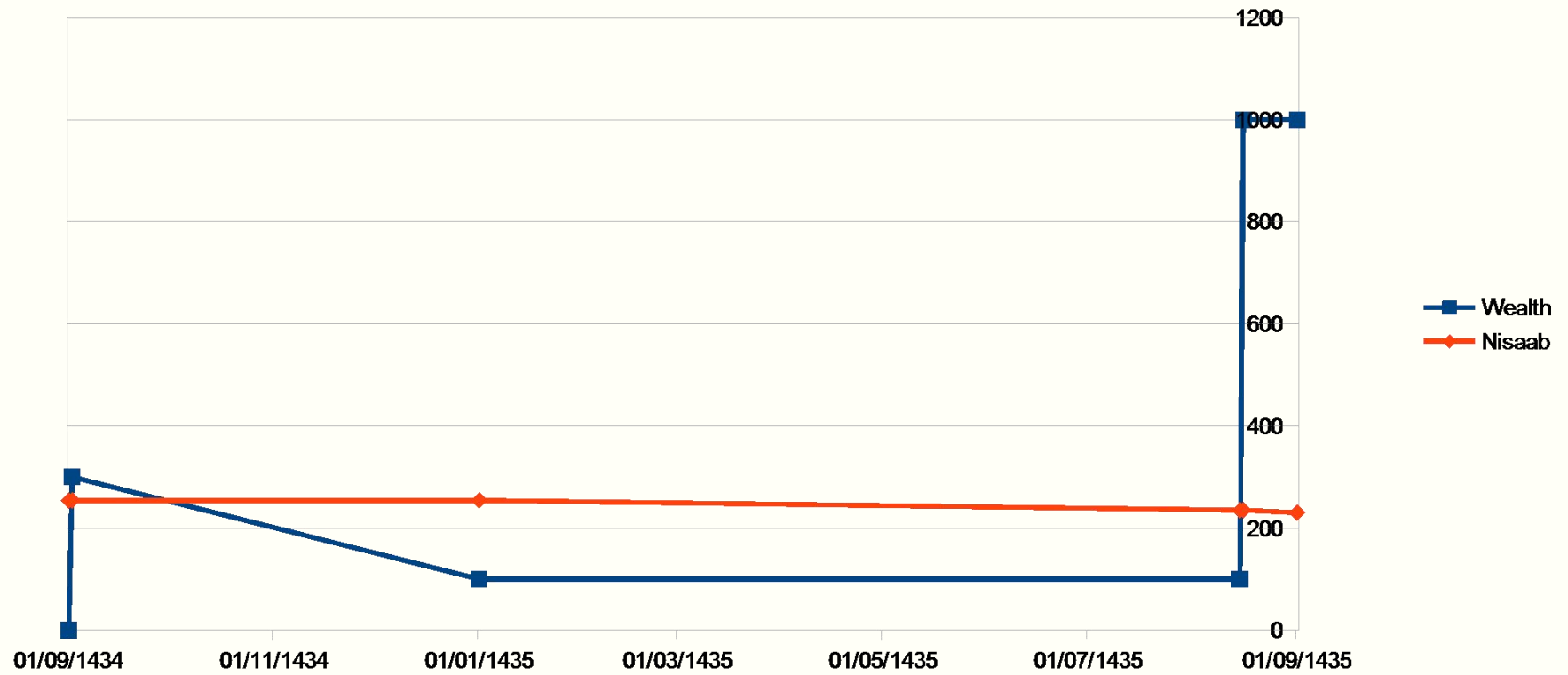
Date	Approx. Hijri Date	GBP
12/06/2015	24 شعبان 1436	£201.41
15/06/2015		£204.86
16/06/2015		£200.72
17/06/2015		£200.69
18/06/2015		£200.62
19/06/2015	2 رمضان 1436	£198.51

<http://wellwishers.org.uk/tools/historical-nisab-tool>

Example

- Zayd had £0 on 1st *Ramadhân* 1435
- He received £300 on 2nd *Ramadhân* 1435
- Zakâh date/anniversary → 2nd *Ramadhân* every year
- On 1st *Muharram* 1436, he had £100
- On 15th *Sha'ban* 1436, he received £900
- Zakâh payable » 2.5% of £1000 = **£25**

Example (continued)



Zakâtable Assets

- **Gold** and silver
- **Cash** (inc. debts receivable)
- **Business** assets
- Livestock and Agriculture

Not on Haraam income » donate to charity

Personal Assets

- Exempt except gold, silver & cash
- Gold/silver if majority, e.g. 18ct
- So, 9ct is not subject to Zakâh
- Cash
 - Bank/savings/in hand
 - Liquid investments
 - Under mattress!

Gold Value Calculation

- Split gold by carat (24, 22, 18, etc.)
- Find out weights of each carat
- Find out price of each carat per gram/tola
- Multiply weight by price for each carat
- Add up totals » **total value of gold**

Gold Value Example

- 1 tola of 24ct gold = £240 today
- Zaynab possesses:
- 5 tola 22ct, 10 tola 18ct, 2 tola 9ct
- $(5 * 220) + (10 * 180)$
- £1100 + 1800
- = £2900

Gold Value Calculator

Enter the weights for each carat of gold to calculate the total value

▼ Gold Value

Choose grams, tola or troy ounce *


Grams ▼

Please choose whether you wish to enter the weights in grams, tola or troy ounce

Select currency *

GB Pounds ▼

Select the date (optional)



(Optional) Please click on the icon to select a date. Please select a date between 01-01-1968 and 19-06-2015. If your date falls on a weekend, please choose the Friday before that date. Please leave blank to use the latest price

Common carats only or all?

Common carats only ▼

Enter the weight of gold in 24 Carat

Please enter the weight of gold that you possess in 24 Carat

Enter the weight of gold in 22 Carat

Please enter the weight of gold that you possess in 22 Carat

Enter the weight of gold in 18 Carat

<http://wellwishers.org.uk/tools/gold-value-calculator>

Business Assets

- (Gold, silver)
- Cash, cash receivables, trade stock
- Fixed assets/property, tools/machinery, vehicles, etc. »

No Zakâh



Unless intend to resell

Business Stock Valuation

- Finished goods » **selling/retail price**
- Raw materials » **market value**
- Intention to resell » entire value
 - Selling/retail price, not cost price
- No intention to resell/clear
intention not to resell » income received

Shares/Investments

- Intention to resell
 - Zakâh due on entire value
- As an investment
 - Zakâtable assets only
 - Realistic estimate
- Add dividends

Pensions

- Received » Zakâh due
- Contributions
 - *Key question: is it being invested on behalf of policy holder?*
- Final salary pension ✘
- Money purchase pension ✓
- Personal pension ✓

Debts owed to oneself

3 types of debt

STRONG

WEAK

MEDIAL

Bad debts » no need to include

Strong Debts

- Loan or sale of commercial goods, e.g. personal loans, credit purchase, etc.
- **Liable** for Zakâh *even before possession*
- **Obligation** to pay: upon receipt of 40 *dirhams*
- So either pay every year or every time 40 *dirham*-worth received

Weak Debts

- Accrues without any consideration, e.g. inheritance, bequest
- Or (in consideration of) other than property, e.g. dower, khul', unpaid wages/salary
- Only payable once received

Medial Debts

- By sale of non-commercial goods, e.g. clothes, personal property to friend/relative
- **More correct opinion:** Liable for Zakâh 12 months (lunar year) after receipt of 200 *dirhams*

Bad Debts

- Inability to pay, bankruptcy or denies existence of debt and no proof/witnesses
- If recovered, both opinions
 1. pay Zakâh for all previous years
 2. only current/future years
- 1st precaution, 2nd permissible

Debts payable

- Immediate debt
 - Deduct total amount
 - e.g. personal loan,
outstanding basic living expenses
(utility bills, rent, etc.),
salaries, credit purchase, rates,
taxes

Debts payable

- Long-term debt
 - Only within 12 months
 - e.g. unpaid dower, commercial loan
- Installment-based
 - e.g. mortgage, student loans
 - Only 12 months of payments
 - Do not include interest!

Home Purchase Plans

- Murâbahah
 - Loan considered a debt
 - Only 12 months can be deducted
- Ijârah/Diminishing Mushâarakah
 - Rental payments only
 - Can **only** deduct outstanding rent

Recipients

Zakâh is "...solely for the **poor**, and the **needy**, and those employed to collect these [funds], and those whose hearts have to be reconciled; and in [freeing] those in bondage, and in [releasing] **those in debt**, and in the way of Allah, and for the wayfarer..." [*at-Tawbah*.60]

Recipients

- Mainly poor, destitute, needy, in debt
- Poor: whose net assets are below *Nisâb*
- Net assets
 - Include surplus assets
 - Exclude basic necessities & debts
- Basic necessities: house, car, furniture, appliances, clothes, etc.
- So some people neither pay nor receive Zakâh

Example

- Zayd has £1000 and £900 debts
- = £100 net assets
- **Eligible to receive Zakâh**

- Khalid has £500, £1000 debts + a 2nd car valued at £1500
- = £1000 net assets
- **Neither gives nor can receive Zakâh**

Ineligible for Zakâh

- Descendants of 'Abbâs and Hârith, and descendants of 'Ali, Ja'far and 'Aqeel
- Own descendants (child, grandchild, etc.)
- Own ascendants (parent, grandparent, etc)
- Own spouse

Preferable to give to relatives

Conditions for Zakâh

- Intention
- Eligibility of Recipient
- Recipient's full ownership
 - cannot pay to Masjid / hospital
- Must not be used to pay for admin costs!

Zakâh Calculator

- For most accurate results, please use the calculator on your *Zakâh nisâb* anniversary/date.
- If you need help or wish to give feedback, please [contact us](#), use the comments section or contact your local scholar for further guidance.

Options

Money/Cash/Jewellery

Cash/Bank Account £

Money lent to others £

Debts owed to others £

Long term Debts (12 months) £

Rent/taxes/bills currently due £

Gold tola = £

Silver g = £

Business

Goods/stock £

Business Cash £

Rental income £

Rents/bills/taxes due now £

ZAKÂH CALCULATOR RESULT

Total Assets £15000.00

Liabilities /
Deductions £6100.00

Zakâtable Assets £8900.00

Zakâh due: £222.50

ZAKÂH NISÂB/MAHR

Prices in GB Pounds (UK)

Silver Nisâb £238.48

Gold Nisâb £2,161.18

1 Gold Tola £288.15

Mahr al-Azwâj £596.19

Mahr Fâtimi £681.36

Minimum Mahr £11.92

Prices in US Dollars

Silver Nisâb \$406.75

Gold Nisâb \$3,686.11

<http://wellwishers.org.uk/tools/zakah-calculator>

Zakâh Example

ASSET/LIABILITY	VALUE	ZAKATABLE?
House	£150,000	
Car	£5,000	
Bank Account	£20,000	
Other Cash	£5,000	
Gold	£10,000	
Investment property	£60,000	
Business stock	£20,000	
Lent to Zayd	£5,000	
Owed to supplier	£20,000	

Zakâh Example

ASSET/LIABILITY	VALUE	ZAKATABLE?
House	£150,000	NO
Car	£5,000	NO
Bank Account	£20,000	YES
Other Cash	£5,000	YES
Gold	£10,000	YES
Investment property	£60,000	NO
Business stock	£20,000	YES
Lent to Zayd	£5,000	YES
Owed to supplier	£-20,000	Deductible

Zakâh Example

ASSET/LIABILITY	VALUE	ZAKATABLE?
House	£150,000	NO
Car	£5,000	NO
Bank Account	£20,000	YES
Other Cash	£5,000	YES
Gold	£10,000	YES
Investment property	£60,000	NO
Business stock	£20,000	YES
Lent to Zayd	£5,000	YES
Owed to supplier	£-20,000	Deductible
TOTAL	£40,000	@ 2.5% = <u>£1,000</u>

Missed Zakâh

- Calculate for each year missed
- Can deduct Zakâh liability from each year » considered a debt for Zakâh purposes
- **Urgent! Pay immediately!**

Missed/Unpaid Zakâh Calculator

Unpaid Zakâh Calculator

For help and guidance in using this calculator, please see the [Unpaid Zakâh \(Debt\) Calculator Guide](#). If you need wish to give feedback, please [contact us](#) or contact your local scholar for further guidance.

Enter the amount of debt or unpaid Zakâh

— ▶ Unpaid Zakâh

Submit

Year	Amount on which Zakâh due in year	Zakâh due in year
1	£10,000.00	£250.00
2	£20,000.00	£493.75
3	£30,000.00	£731.41

TOTAL ZAKÂH DUE: £1,475.16

<http://wellwishers.org.uk/tools/unpaid-zakah-calculator>

Miscellaneous

- Pre-paying Zakâh permissible
- Can disguise as gift

Individual obligation

Establish ownership of all wealth



Summary

- Identify/estimate/fix date reached Nisâb
- Determine Zakâtable assets and value
- Add money lent to others
- Deduct money owed to others
- If \geq Nisâb:
 - Pay Zakâh at 2.5% of total
 - Pay as soon as possible (within 1 lunar year)

Q & A



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