

Fiqh of Zakâh

According to Hanafi Fiqh

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

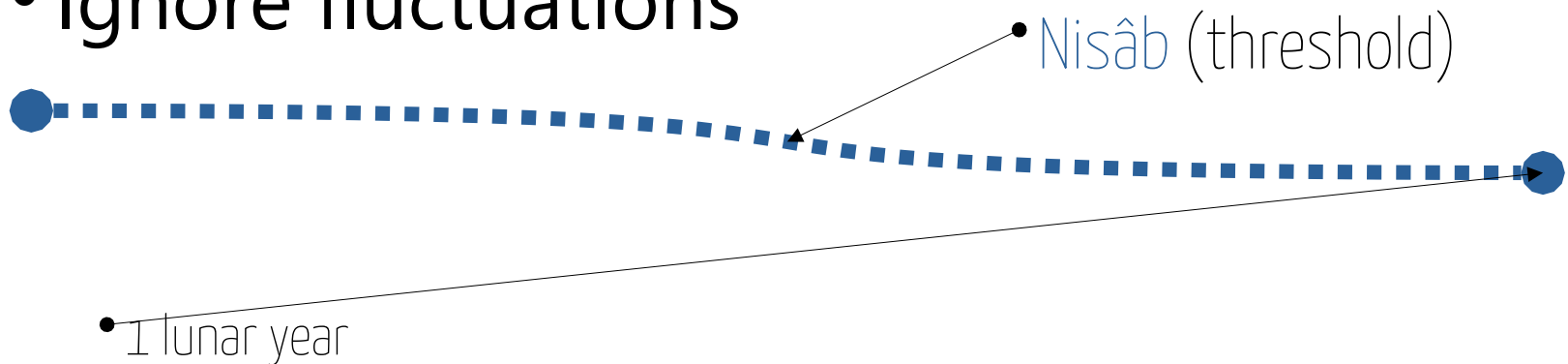
Zakâh

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?

- <https://wellwishers.org.uk/tools/zakah-nisab-and-mahr-prices-daily-updates>
- or homepage:
- <https://wellwishers.org.uk>

ZAKÂH NISÂB/MAHR

Prices in GB Pounds (UK)

Silver Nisâb	£381.72
Gold Nisâb	£4,496.47
1 Gold Tola	£599.52
Mahr al-Azwâj	£954.31
Mahr Fâtimi	£1,090.64
Minimum Mahr	£19.09

Prices in US Dollars

Historical Silver Price

30 Year Silver Price in GBP/kg

Last Close: 643.41

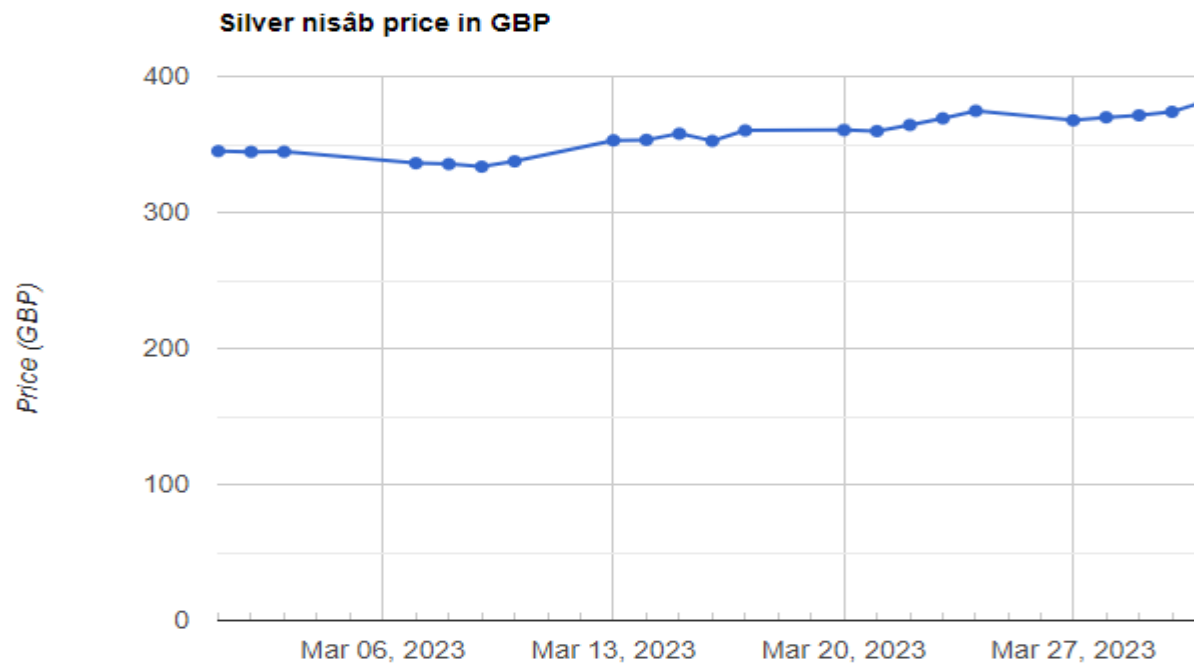
High: 934.08 Low: 79.88 ▲561.06 681.31%



Friday, April 7, 2023

Historical Nisab Tool

Silver nisab prices for **01-03-2023** to **31-03-2023** in **GBP**



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

Example

- Zayd had £0 on 1st Ramadhân 1444
- He received £400 on 2nd Ramadhân 1444
- **Zakâh date/anniversary** → 2nd Ramadhân every year
- On 1st Muharram 1445, he had £100
- On 15th Sha'bân 1445, he received £900
- Zakâh payable » 2.5% of £1000 = **£25**

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

- 1g of 24ct gold = £24 today
- **so each ct = £1**
- Zaynab possesses: 100g 22ct, 10g 18ct, 20g 9ct
- $(100 * 22) + (10 * 18)$
- £2200 + 180
- = **£2,380**

Gold Value Calculator

Carat	Weight	Gold value
22 Carat	100.00 g	£4,764.67
18 Carat	20.00 g	£779.67

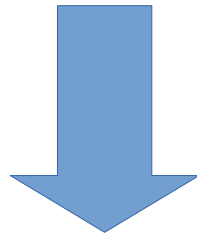
TOTAL GOLD VALUE: £5,544.35

ZAKAH DUE ON GOLD: £138.61

<https://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

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**

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/already due
 - – **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

Zakâh Calculator

Your results will appear **on the right**.

For most accurate results, please use the calculator on your *Zakâh nisâb* anniversary/date.

For help and guidance in using this calculator, please see the [Zakâh Calculator Guide](#).

If you need further help or wish to give feedback, please [contact us](#) or contact your local scholar for further guidance.

Please note: agriculture (crops) and livestock (animals) are also subject to Zakâh. These have different rulings, so are beyond the scope of this calculator. If you possess these assets and require assistance, please consult a scholar.

► [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 = £

ZAKÂH CALCULATOR RESULT

Total Assets £70000.00

Liabilities /
Deductions £7100.00

Zakâtable Assets £62900.00

Zakâh due: £1572.50

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ZAKÂH NISÂB/MAHR

Prices in GB Pounds (UK)

Silver Nisâb **£395.93**

Gold Nisâb £4,547.06

1 Gold Tola £606.26

Mahr al-Azwâj £989.83

Mahr Fâtimi £1,131.23

Minimum Mahr £19.80

<https://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 Bakr	£5,000	
Owed to supplier	£20,000	
TOTAL		

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Owed to supplier	£-20,000	DEDUCTIBLE
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Gold	£10,000	YES
Investment property	£60,000	NO
Business stock	£20,000	YES
Lent to Bakr	£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

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

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

Miscellaneous

- Pre-paying Zakâh permissible
- Can disguise as gift



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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