"And establish Salah and discharge Zakah ..."
(Surah Baqarah V.43)

ZAKAH GUIDELINES

(Hanafi)

Zakah is Fardh (compulsory) upon every sane adult Muslim (male and female) who possesses net-Zakatable assets (i.e. Zakatable assets over and above one's basic needs minus liabilities) to the value of Nisab (minimum threshold) for one's Zakatable (lunar) year.

Published By:

DARUL IHSAN
HUMANITARIAN CENTRE
GUIDANCE • UBUNTU • EMPOWERMENT

ZAKATABLE ASSETS

1. Gold and Silver: All forms of gold and silver, jewellery that contain 50% or more gold and silver content, gold and silver coins (e.g. Kruger coin), gold and silver ornaments, utensils, etc. Zakah is compulsory on these items whether these are in use or not.

2. Cash: Petty cash, float, cash on hand, cash at the bank, foreign currency, accumulated income from rental/property and investments, dividends accumulated from investments, lump sum payouts, etc.

3. Stock in Trade: Stock, raw materials, redundant stock, assets purchased with the intention of resale. (The market-rated value of the stock will be considered.)

4. Receivables: Debtors, loans, deposits (municipal, rental), voluntary pension/provident funds, retirement annuities, etc.

5. Shares/Unit Trusts/Partnership: The net Zakatable assets of the company/fund/ partnership will be considered and Zakah is payable pro rata of one's investment/ shareholding. However, calculating one's Zakah of the listed company share or unit trust maybe cumbersome. Therefore, one may pay Zakah on the full market value of the investment.

The Zakatable rate for all the above-mentioned assets is 2.5%

6. Livestock: Livestock such as: goats, sheep, cows, bulls and camels for breeding purposes. The local Ulama should be consulted with regard to what amount of Zakah is due. Livestock for trade purposes is considered as stock in trade.

NON-ZAKATABLE ASSETS

1. Metals other than gold and silver such as platinum, titanium, etc.

2. Property, Land and Building

3. Household effects, fixtures and fittings

4. Motor vehicles

5. Personal effects (that are not gold/silver)

6. Diamonds, pearls and other precious or semi

   precious stones

N.B. If any Non-Zakatable asset is purchased for resale then it shall be regarded as stock in trade and considered as Zakatable.

NISAB AND RATE OF ZAKAH

The minimum amount of Zakatable wealth (threshold) which makes one liable for Zakah is called Nisab.

The Nisab of gold is 87.48 grams and silver is 612.36 grams. Hence, if a person only owns gold which is less than 87.48 grams then Zakah is not compulsory since he is below the threshold of Zakah. Similarly, if a person only owns silver which is less than 612.36 grams then Zakah is not compulsory.

However, if a person owns any Zakatable asset together with gold and silver then the applicable Nisab would be the value of 612.36 grams of silver.

The equivalent Rand value of this fluctuates daily. This may be obtained from your local Ulama body.

DEBTS AND LIABILITIES

The classical juristic texts state that all debts are regarded as deductible liabilities of Zakah. However, some contemporary jurists differentiate between the types of debts, e.g. debts which are for commercial expansion or investment purposes and personal debts that are basic, whilst others do so based on the term of repayments of short term and long term debts.

Darul Ihsan is of the view that in long term loans, only the coming twelve months instalments due will be considered a liability and deductible.

THE ZAKATABLE YEAR

1. The Zakah year is based on the Hijri (lunar) calendar and not on the Gregorian (solar) calendar.

2. The very first day a person possesses wealth equivalent to the value of Nisab heralds the beginning of his/her Zakatable year.

3. A person who possesses Nisab for the entire Lunar year will be liable to pay Zakah, irrespective of the fluctuations during the year provided the net-value had not reached zero.

Hence, Zakah is paid on the entire value of the net Zakatable assets in one's possession although some assets may have entered one's possession during the year.

If at any point during the year, the net-value of Zakatable assets reached zero or a person had more debts than Zakatable assets, the Zakatable year will change. The new Zakah year commences upon regaining the equivalent of Nisab.

DECREASE IN WEALTH

If one’s Zakatable assets are destroyed after possessing it for a full Zakatable year, two situations arise:

a) Either the wealth was destroyed without one's own doing then Zakah will be payable only on the remainder.

b) Or the wealth was instantly spent and/or deliberately destroyed then Zakah will be paid in full.

DISCHARGING OF ZAKAH

1. It is necessary for the validity of Zakah to have the intention of discharging Zakah.

2. This can be done in several ways: - intention is made when handing over Zakah to the recipient - or intention is made at the time of separating and setting aside money for discharging Zakah., - or the intention can be made after giving the wealth away, whilst the Zakah is still in the possession of the recipient.

3. The condition for the validity of the discharge of Zakah is “Tamleek” - where ownership and possession of the wealth is transferred to the deserving recipient. Hence, Zakah cannot be given or used for the construction of a Masjid, Islamic institute, etc. nor can Zakah funds be used to prepare meals for the poor without giving them unconditional possession over the food.

4. Zakah can be paid in cash or kind. Hence, one can discharge goods and consumable items as Zakah.

5. Authority can be delegated to another person or an organisation to distribute Zakah on one's behalf. However, if this representative does not distribute the Zakah, or distributes it incorrectly then one's Zakah will not be discharged, and will remain unfulfilled.

6. Zakah may be discharged gratuitously by another person provided this is done with the consent of the one who is obligated to do so. e.g. if the husband wants to discharge the Zakah of the wife gratuitously then he may do so with her consent.

Zakah may be discharged on one’s behalf by another person upon one’s request and this will be a debt which needs to be repaid.

7. Zakah can be paid in advance. One must, however, calculate Zakah at the end of the Zakah year to determine whether there was any shortfall or not, and if so make good the outstanding amount.

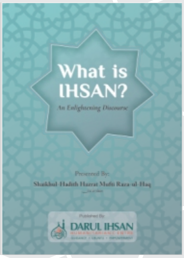
The rules and laws of Zakah are detailed. This brochure merely serves as a brief overview of the basic laws. Please refer to your local Alim/Mufti for further guidance.

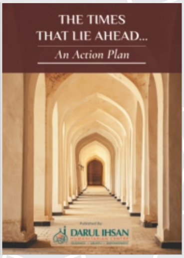
"Whatever Zakah you give intending the pleasure of Allah, those are the multipliers" (Surah Rum)

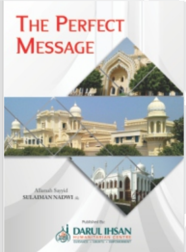
Zakah Calculation Guidance

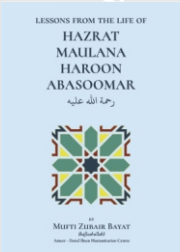
Assets	**Total Value**
1.Gold	
2. Silver	
3. Cash	
4. Stock in trade	
5. Receivables/Debtors	
6. Shares/Units/Investments	
Total Assets	
Liabilities	**Deductible Value**
Current	
Zakah Calculation	**Amount**
Total Zakatable Assets	
Less Total deductible Assets	
Total Zakatable	
Zakah Due (2.5% of total Zakatable)	

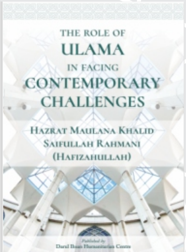
OTHER PUBLICATIONS

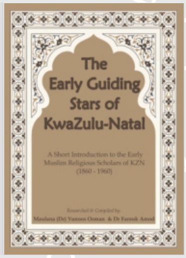


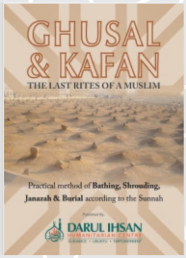


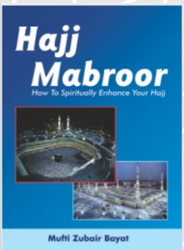


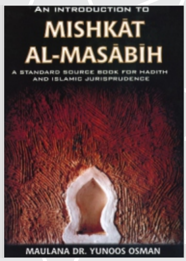












Available from www.darulihsan.com/books

DARUL IHSAN
HUMANITARIAN CENTRE

GUIDANCE • UBUNTU • EMPOWERMENT

Projects

ISLAMIC

- Learn The Deen
- Teach The Deen
- Jumuah Roster
- Bookshop
- Basic Islam
- Library & Research Facility
- GUIDELINE (Counselling)
- Literature Collection
- Al Ihsan Micro Library
- Marriage Registration
- Sadaqah Jariyah Projects
- Taqwa School of Excellence
- Muslim Marriages Tribunal (MMT)
- Drug Awareness Drive (DAD)
- Siyaphambili Madrasah
- Enewsletters, Social Media Posts
- Azmatu-Ahlil-Bayt-was-Sahaba

HUMANITARIAN

- Feed a Pupil
- Feed a Patient
- Feed The Needy
- Al Ihsan Clinic
- Build a Home
- Al Ihsan Relief (AIR)
- Enable the Disabled
- Bursary Fund (DIBF)
- Operation H2O
- Sponsor a Blanket
- Sponsor a Kajoor Pack
- Al Ihsan Boreholes
- House & Home Improvement
- Al Ihsan Fashion & Design Course
- Uniforms & Stationery
- Al Ihsan Garden Patch
- Al Ihsan Caregiver Course

www.darulihsan.com disc@darulihsan.com @discdbn /darulihsancentre 08611 44726

About **Darul Ihsan**

Darul Ihsan Humanitarian Centre provides education, guidance, social, empowerment and welfare services to the community. In providing this service, we adopt a holistic approach, that gives due importance to basic needs as well as human rights and dignity of those that we serve.

Founding **Philosophy**

Darul Ihsan Humanitarian Centre is a multi-purpose, humanitarian-services providing organisation. 'Ihsan' means compassion towards mankind and to act with excellence. The Centre was established in the year 2000 with the primary objective of serving humanity and alleviating poverty and hardship locally and abroad. Since its inception, it has developed and established many humanitarian projects and provides a variety of free services to the community.

Key **Objectives**

One of the key objectives of the Centre is to promote a better understanding of humanity and peace, thereby serving as a bridge-builder between faiths and communities. Through guidance, Ubuntu and empowerment, the organisation hopes to train and develop the youth to become torch bearers of hope, peace and compassion to humanity.