



# ZAKAAT

A BRIEF GUIDE BASED ON THE HANAFI SCHOOL

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## INTRODUCTION

### DEFINING ZAKAAT

*Zakaat* literally means “to increase”. Technically it means “to purify ones’ assets by distributing a prescribed amount to the poor as a fundamental act of worship (*‘ibaadat*)<sup>1</sup>.

### VIRTUES OF ZAKAAT

Allah ﷻ states in the Qur’an: “The parable of those who spend their wealth in the way of Allah is that of a grain of corn. It grows seven ears and each ear has a hundred grains. Allah increases manifold to whom He pleases” (2:261).

The Qur’an states that a person’s wealth increases abundantly by giving *zakaat*. This reward increases according to the degree of sincerity in the intention. In another verse Allah ﷻ says: “The Shaytaan threatens you with poverty and bids you to coin evil and Allah promises you his forgiveness and bounties and Allah is Bountiful and All-Knowing”(2:268).

### BENEFITS OF ZAKAAT

It is stated in a hadith that by giving *zakaat* the following benefits are derived:

1. The pleasure of Allah ﷻ
2. Increase in wealth
3. Protection from loss
4. Gaining the forgiveness and blessings of Allah ﷻ
5. Safety from calamities
6. Protection from the wrath of Allah ﷻ and from a bad death
7. It will provide shelter on the Day of Judgement
8. Security from seventy misfortunes
9. It will serve as shield against the fire of Hell
10. It contributes to longevity
11. It is a shield from fear and grief

<sup>1</sup> Islam is based upon five foundational pillars: stating the article of faith (*Shahaadah*), establishing the five daily prayers (*Salaat*), performing the *Hajj* once in a lifetime if financially able, fasting during the month of *Ramadhan*, and paying alms (*Zakaat*).

## THAT WEALTH UPON WHICH ZAKAAT IS NOT DUE

1. Personal belongings
  - a. Clothing
  - b. Personal car
  - c. Furniture
  - d. House
  - e. Jewelry (except for jewelry made of gold and silver)
2. Fixtures and fittings/ of a business
  - a. Computers
  - b. Fridge
  - c. Machinery
  - d. Delivery van/ Truck
3. Precious gemstones
  - a. Diamonds
  - b. Ruby
  - c. Emeralds
  - d. Pearls (for personal use, not for trading)
4. *Haraam* wealth
  - a. Accumulated interest
  - b. Gambling winnings
5. Liabilities
  - a. Debts to suppliers
  - b. Debts to others

## THE RULINGS OF ZAKAAT

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### PREREQUISITES FOR AN ACCURATE ZAKAAT PAYMENT

1. At the time of giving *zakaat*, intention should be made or at the time of giving it to an agent for distribution
2. If the agent did not make the intention, but the owner has, then this will suffice.
3. When the *zakaat* is given, the poor should be made the owner or recipient, meaning that he should have full control over it physically
4. *Zakaat* can only be give to Muslims.

### THE INTENTION OF ZAKAAT

The intention (*niyyah*) of *zakaat* includes:

1. It is not necessary to reveal to the needy person to whom *zakaat* is given, that the cash or kind, which is being given to him, is *zakaat*.
2. When one has put aside an amount for *zakaat* with intention that he will give it to the needy, and at the time of giving *zakaat* he forgets to make the intention, the *zakaat* will still be valid.
3. If one gives a deserving person some money as a gift but makes the intention of *zakaat*, the *zakaat* will be valid.

## THE CONSEQUENCES OF NEGLECTING ZAKAAT

Allah ﷻ states in the Qur'an "And there are those who hoard gold and silver and do not spend it in the path of Allah, announce to them a most grievous penalty (when) on the Day of Resurrection heat will be produced out of that wealth in the fire of Hell, then with it they will be branded on their foreheads and their flanks and backs. (It will be said to them) This is the treasure which you hoarded for yourselves, taste then the treasure that you had been hoarding" (9:34).

The Messenger of Allah ﷺ is reported to have said:

1. That nation which does not give *Zakaat*, Allah ﷻ will bring about a drought on them (i.e. necessities of life will become scarce).
2. That person on whom Allah ﷻ has bestowed wealth, and he does not give *Zakaat*, on the Day of Resurrection, his wealth will be turned into a venomous bald serpent which will wind around his neck and bite his jaw and say: "I am your wealth, I am your treasure" (*Sahih al-Bukhari*).
3. Once the Messenger of Allah ﷺ saw gold bangles on the hands of two women. He enquired if they had given *Zakaat* on them. They replied "No." The Messenger of Allah ﷺ replied "Do you wish "Do you wish on the Day of Resurrection that you be made to dress in bangles of fire?" They replied "No." He then said "Give *Zakaat* on them" (*Sunan al-Tirmidhi*).

## CONDITIONS OF ZAKAAT

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### CONDITIONS WHICH NECESSITATE ZAKAAT

1. To be a Muslim
2. To have reached maturity i.e. puberty (not upon minors nor on the guardians or on the belongings of the minor).
3. To be sane.
4. To be free (not a slave).
5. For the wealth to have been in the owners possession for the duration of one lunar year (i.e. at the beginning and end of the lunar year to have *nisaab*, although in the interim it may decrease).
6. That wealth upon which *zakaat* is obligatory e.g. gold, money etc.

### CATEGORIES OF ITEMS UPON WHICH ZAKAAT IS DUE

1. Gold and silver
2. Merchandies (i.e. items for sale).
3. Livestock
4. Agricultural farming (e.g. orchards, fruit farms etc.) also known as *Ushr*
5. Debtors

### COMPULSORY PERCENTAGE

1. 2.5% is compulsory upon:
  - a. Gold
  - b. Silver
  - c. Cash
  - d. Merchandies
2. For agricultural produce it varies from 5% to 10%
2. For livestock the amount varies

*ibn al-sabeel*: those persons who are travellers (*musaafir*) according to the *Shari'ah* and during the course of their journey do not possess basic necessities, though they are well to do at home. They could be given *zakaah* in order to fulfill their needs in order to return home.

**IMPORTANT:** All the above mentioned recipients excluding *al-'Aamileen* must be those who do not possess the *nisaab* amount.

It is not permissible to give *zakaah* to a person who owns merchandise or wealth in excess of his needs i.e. in excess to the value of *nisaab*, nor is it permissible for such a person to accept *zakaah*. A person that does not own an amount equal to the value of *nisaab* is termed *faqir*. This person can be given *zakaah* and it is permissible for him to accept it. A person who owns wealth, which is valued in excess of the *nisaab* value, and this wealth is not intended for business use nor is it required for daily needs is regarded as well to do and should not be given *zakaah*. The books of a scholar or tools of a tradesman are among the necessities, irrespective of their value. Besides these, if the person does not own wealth equal to *nisaab* then they could be given *zakaah*.

When giving *zakaah* or *sadaqah* etc, one's own poor and needy should be given preference. To avoid embarrassing them it should be given to them without saying that it is *zakaah* or *sadaqah*. *Zakaah* can be given to siblings, their children, uncle, aunt (both paternal and maternal) step grand parents, father-in-law, mother-in-law provided that they do not own wealth equal to *nisaab*.

## PERSONS THAT CANNOT BE GIVEN ZAKAAH

1. *Zakaah* cannot be given to non-Muslims.
2. a wealthy person (i.e. one who possess wealth equal to the *nisaab*)
3. A Hashimite (descendants of 'Abbas, Haashim i.e. the sons of 'Abdul Muttalib (who is the uncle of the Messenger of Allah ﷺ) 'Ali, Ja'far, Aqeel i.e. the sons of Abu Talib)
4. one's own parents and ascendants; children and descendants and one's own spouse.
5. if one cannot determine whether the recipient is needy or not, then it is better to make certain before giving *zakaah* to him. If *zakaah* is given without inquiry and subsequently it is known that the recipient is wealthy then the *zakaah* is not valid. It must be given again.
6. *Zakaah* will not be fulfilled by purchasing books for an institution, or land purchased for public and made a trust (*waqf*).

## HOW TO CALCULATE ZAKAAH

*Zakaah* will not be fulfilled by purchasing books for an institution, or land purchased for public and made a trust (*waqf*). *Zakaah* is calculated on one's nett *Zakaatable* assets (if it equals the *nisaab* of *zakaah*) once every 12 lunar months. This can be done by a once off calculation at the end of the year by totalling ones *Zakaatable* assets (such as cash, gold and silver jewelry, stock in trade), then deducting all liabilities. The result will be termed as the nett *Zakaatable* assets. Thereafter establish 2.5% of this figure. This will be the *zakaah* due.

## NISAAB

*Nisaab* is the minimum amount of wealth owned by an individual for one year that obligates the individual to pay *Zakaah*. The *nisaab* of gold and silver fixed by the Messenger of Allah ﷺ is as follows:

|        |             |              |                  |
|--------|-------------|--------------|------------------|
| Gold   | 20 Mithqals | 87.48 grams  | 2.8125 troy oz.  |
| Silver | 200 Dirhams | 612.36 grams | 19.6875 troy oz. |

## THE METHOD OF ZAKAAT DISTRIBUTION

1. *Zakaat* is compulsory at a rate of 2.5%.
2. *Zakaat* should be given as soon as possible after it becomes due. It is possible that death may occur and thus lead to a failure in fulfilling one's obligation.
3. A poor man cannot be paid for his work from *zakaat*, nor can *zakaat* be given in payment of anyone's services.
4. *Zakaat* will only be valid if the recipient is made the owner of the amount.
5. *Zakaat* cannot be given for the construction of a *masjid*, *madrasah*, hospital, well, bridge or any other public amenity.
6. Poor students can be given bursary from *zakaat*. If the student is of an understanding age, the *Zakaat* must be given to him personally; and if he is not of an understanding age, then his Shar'ee Waalee (parents of legal guardian) must be given possession of the amount.
7. *Zakaat* can be paid in kind form the same merchandise on which it is due, or alternatively, it could be paid in cash. It is of vital importance to ensure at all times that the recipient is made the owner of the *zakaat*.
8. Authority can be delegated to another person or an organization for the distribution of *zakaat* in order that it be utilized in accordance with the laws of *zakaat*.
9. If a person requests someone to give a certain amount on his behalf as *zakaat*, and that sum is given out, then that *zakaat* will be valid. The sum given will be a debt upon the one who made the request.
10. If an agent is given *zakaat* for distribution, and he does not distribute it then the *zakaat* will not be regarded as fulfilled, and then sin of not discharging the obligatory duty of *zakaat* will remain a burden on whom it was obligatory (*fardh*).
11. It is best (*afdhal*) to give one's *zakaat* when it is due, rather than wait for *Ramadhan*.

## THE METHOD OF ZAKAAT DISTRIBUTION

The recipients of *zakaat* according to the Qur'an are as follows:

**Fuqara'a:** people who are poor and who possess more than their basic needs but do not possess wealth equal to the *nisaab*.

**Masakeen:** people who are destitute and extremely needy to the extent that they are forced to beg for their daily food.

**al-'Aamileen:** those people who are appointed by a governing Islamic head of state to collect *zakaat*. It is not necessary that they be a needy person.

Note: In non-Islamic countries this category will not be applicable

**Mu 'allafatul quloob:** those poor and needy persons who are given *zakaat* with the express intent of solidifying their hearts. These are three categories:

- a. to bring non-believers (*kuffar*) closer to Islam.
- b. to save Muslims from persecution.
- c. recent Muslims, to keep them steadfast in Islam.

Note: this category was abolished during the era of 'Umar ibn al-Khattab (ra)

**al-Riqaab:** those slaves that are permitted to work for remuneration and have an agreement from their masters to purchase their freedom on payment of fixed amounts.

Note: this is no longer applicable.

**al-Ghaarimeen:** those persons that have a debt and do not possess any other wealth or goods with which they could repay that which they owe. It is condition that this debt was not created for any un-Islamic or sinful purpose.

**fi sabilillah:** those who are away from home in the path of Allah ﷻ, those seeking knowledge or stranded pilgrim (*haji*) may be assisted with *zakaat* if they are in need.

The *nisaab* of assets other than gold and silver (eg. merchandise and cash etc.) will be the equivalent of what is lesser in value between gold and silver. (eg. if the *nisaab* of gold is for instance \$300 and the *nisaab* of silver is \$200, then the *nisaab* of the merchandise etc. will be \$200. (1 ounce = 31.105 grams)).



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