

ZAKAT

HAZRAT ABU HURRAIRAH (RA) RELATES THAT RASULULLAH (SAW) SAID WHOM SO EVER ALLAH GIVES WEALTH, BUT WHO DO NOT PAY ITS ZAKAT, HIS WEALTH WILL BE LIKENED FOR HIM ON THE RESURRECTION DAY TO A HUGE BALD SNAKE HAVING TWO FANGS. IT WILL BITE HIM ROUND HIS NECK AND TAKE HOLD OF HIM WITH HIS TWO FANGS MEANING ITS TWO JAWS AND SAY – I AM YOUR WEALTH AND I AM YOUR HIDDEN TREASURE. THEN HE RECITED “AND LET NOT THOSE WHO COVETOUSLY WITH HOLD OF THAT WHICH ALLAH HAS BESTOWED ON THEM OUT OF HIS BOUNTY” ‘ALAAYAH’. BUKHARI

Zakat is fardh upon a person if s/he is A Muslim, An Adult, Sane, and owns wealth equal to the value of Nisab. Nisab is the amount of wealth, which makes one liable for payment of Zakat and must remain in his/her possession for one Lunar year***.

N.B. The value for Nisab varies according to fluctuation in market price of Gold/Silver
Value of Nisab.

7 ½ Tolas gold = 87.48g

Price of gold on **12/04/20** is (a) **£ 43.518** per gm (Source: - www.bullionbypost.co.uk)

Gold Nisab = 87.48 x (a) = **£ 3806.95**

52½ Tolas silver 612.35g

Price of silver on **12/04/20** is (b) **£ 0.3979** per gm (Source: - www.bullionbypost.co.uk)

Silver Nisab = 612.35 x (b) = **£ 243.65**

The lowest of these two values, (c) **£ 243.65** is the value of Nisab.

If one has in his/her possession mixed wealth (e.g. gold, silver, cash etc.) equal to (c) **£ 243.65** that has remained in his/her possession for one whole lunar year then Zakat of 2 ½ % (1/40) of the total aggregate balance (after deducting debts) is due.

ZAKAT CALCULATION TABLE		
Cash in Hand	Any Currency acceptable in the Market	£ -
Cash at Bank	In any type of account	£ -
Gold/Silver	Jewelry/Ornaments/Cutlery / Coins etc.	£ -
	Money owed to you	£ -
Shares & Stocks	See note in next column	£ -
Pensions & Retirement Plans		£ -
Trusts		£ -
Business Goods	See note in next column	£ -
Total	Add all the above	£ -
Less Debts	Money you owe others	£ -
Amount Eligible for Zakat	Amount on Which Zakat is Payable	£ -
Zakat at 2.5% of the above	Amount eligible for Zakat x 0.025	£ -

Zakat on Shares

If the shares are bought only for the sake of reselling them to make a profit (Capital Gain), then Zakat will have to be paid on the market value of the shares.

If shares are bought with the intention of benefiting from the dividend then, if the company is trading, e.g. if it is dealing in cloth, iron, steel, machinery goods, cement, or supplies electric power etc., then Zakat will have to be paid on the market value of the shares and the dividend. However, machinery used in the business, factories/buildings, land, fixtures and fittings, and furniture are all exempt and one is allowed to subtract these from the total assets. (These figures can be obtained from the Annual Report). e.g. If a share worth £100 comprises of the following, then Zakat is only payable on £40.

Buildings £30	Machinery £30	Stock £15	Raw Materials £15	Cash £10

If the company does not trade but realises rent (i.e. bus, train, air companies), then Zakat will only be paid on the dividend and not on the value of the shares.

***If the wealth decreased lower than the Nisab in the course of the Year but it was equivalent or more than the Nisab in the beginning and at the end of the year, it will be considered as if he/she owned the Nisab for the full year.

WHITE GOLD: - Due to the fact that 75% of White Gold consists of REAL GOLD and 25% of other material – **ALL OF IT WILL BE CONSIDERED AS GOLD**, Hence ZAKAT will **have to be given** on White Gold.

BUSINESS GOODS: What is bought with the intention of selling with the profit. If at the time of buying intention of business was not made it will not be defined as business goods.

PROPERTIES: If the property was bought with the intention of Renting and not for Reselling than Zakat will only be liable on accumulative Rent and not on the value of the property.

For further information or clarification, consult your local Ulama.

Further copies can be obtained from Masjid-E-Umcr, 79 Queens Road, Walthamstow E17 8QR. (020 85202658). Web-www.masjideumer.org.uk