



ZAKAT MADE SIMPLE

Sr. Mariam Ahmed

*Student of Faith Circle Academy
and Mishkah University*





Zakāt Made Simple

All praise is due to Allah, the Lord of the Worlds, who has made the care for His creation a sign of sincerity and goodness, and the purification of one's wealth a means of drawing closer to Him. May peace and blessings be upon our master Muhammad صلى الله عليه وسلم, who exemplified mercy in his compassion and generosity, and upon his family and companions altogether.

This short booklet explores the third pillar of Islam: *zakāh*. It covers its linguistic meanings, those upon whom it is obligatory, the categories of wealth subject to it, its calculation, and those eligible to receive it. The text also delves into contemporary issues and highlights scholarly perspectives, with a focus on rulings of the **Hanbali** madhab. We ask that Allah makes it a source of benefit and clarity for the believers.

Introduction

Zakāh is the third pillar of Islam — a sacred obligation upon all Muslims.

Like many Arabic terms, its linguistic meaning encompasses dimensions that cannot be captured in simplistic English translation. The word *zakāt* carries meanings of:

1) Purification

- It purifies your wealth from impurities and suspicious earnings.
- It purifies your heart from stinginess, greed, and selfishness.

2) Increase

- It brings barakah, increasing your wealth and provision.
- It increases your good deeds and reward with Allah.

3) Praise

- It brings praise in this world, from those whose needs you helped meet
- It brings praise in the Hereafter, when your generosity is remembered before Allah on the Day of Judgment.

Zakāt in the Quran

The word *zakāt* appears around 30 times in the Qur'an. In 28 of those verses, it is paired with the command to pray.

وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَمَا تُقَدِّمُوا لِأَنفُسِكُمْ مِنْ خَيْرٍ تَجِدُوهُ عِنْدَ اللَّهِ إِنَّ اللَّهَ بِمَا تَعْمَلُونَ بَصِيرٌ

And establish prayer, and give zakāh. And whatever good you send forth for yourselves, you will 'certainly' find 'its reward' with Allah. Surely Allah is All-Seeing of what you do. (2:110)

This consistent pairing of *ṣalāh* and *zakāt* encourages the believer to reflect upon the two important relationships in our lives:

- **Ṣalāh**: the spiritual relationship with our Creator
- **Zakāt**: the social responsibility towards His creation

Zakāt in Hadith

Just as *zakāh* is mentioned frequently in the Qur'an, there are numerous Hadith that expound upon its virtues, clarify its rulings, and outline its specific conditions.

The Prophet ﷺ said: “If one gives in charity what equals (the size of) one date-fruit from the honestly-earned money and Allah accepts only the honestly earned money – Allah takes it in His right (hand) and then enlarges its reward for that person, as anyone of you brings up his baby horse, so much so that it becomes as big as a mountain.” (Ṣaḥīḥ al-Bukhārī, 1410)

There is nothing more beloved to Allah than fulfilling what He has made obligatory upon us — and a sincere believer **strives to love what Allah loves**. To awaken a strong love for *zakāt* within us, we should reflect on its incredible virtues. We should read the beautiful stories of the generosity of the Prophet ﷺ, his family, the Companions, and the righteous who followed them.

By embodying the qualities of generosity, compassion, and justice, the believer draws nearer to **the One who possesses them in absolute perfection** — Allah: *al-Karīm* (the Most Generous), *ar-Raḥman* (the Most Merciful), and *al-'Adl* (the Just).

Who Must Pay Zakāt?

Zakāt is obligatory on every free Muslim with complete ownership of the niṣāb. Let's expound on these 3 conditions:



1) Free (حُرِّيَّة)

- *Zakāt* is only obligatory upon free individuals.
- In classical Islamic law, slaves are not accountable for paying *zakāt*.



2) Muslim (إِسْلَام)

- *Zakāt* is a religious obligation specific to Muslims.
- Non-Muslims living under Muslim governance were historically obligated to pay *jizyah* or other civic taxes — not *zakāh*.



3) Complete Ownership of the Niṣāb (مُلْكٌ تَامٌ لِلنَّصَابِ)

- *Zakāt* is due only on wealth that meets or exceeds the niṣāb, a minimum threshold set by the Sharī'ah.
- This amount varies depending on the type of wealth - e.g., currency, livestock, crops, or trade goods.

What about the wealth belonging to children or the insane?

The **Ḥanbalī**, **Shāfi'ī**, and **Mālikī** schools say *zakāh* is still binding. If a child or an insane person owns more than the niṣāb, *zakāh* must be paid from their wealth by their custodians. This is because they consider *zakāh* an obligation tied to the asset itself, not to the individual.

The **Ḥanafī** school holds that *zakāh* is not obligatory on wealth owned by children or the insane, even if they possess wealth above the niṣāb.

The Passing of One Lunar Year

The **Ḥanbalī**, **Mālikī**, and **Shāfi‘ī** schools hold that one’s wealth must consistently remain above the niṣāb for a full lunar year (one ḥawl) for *zakāt* to be due on it.

In contrast, the Ḥanafī school only requires that wealth be at or above the niṣāb at the beginning and at the end of the lunar year. If the wealth drops below the niṣāb during the year, the ḥawl does not reset, provided the person again possesses the niṣāb at the end of the year. We recommend this approach for practicality and ease of calculation, as it allows individuals to maintain a fixed *zakāt* date every year, despite the fact that there may be fluctuations in their savings.

When is my Zakāt Due Date?

The start of your ḥawl is marked by the day your wealth first reaches the niṣāb. If you are unsure when this first occurred, you should make a reasonable estimate and adopt a consistent annual date going forward.

Many people choose a date in Ramaḍān for ease of remembrance and the virtue of giving in a blessed time, though the obligation of *zakāt al-maal* itself is tied to the completion of the ḥawl, not the month of Ramaḍān. This is also the same month in which *zakāt al-fitr* is due.

The passing of one lunar year is a condition for most forms of zakātable wealth, but not for crops, mined goods, or treasure troves. For these types of wealth, *zakāt* is due immediately upon harvest or extraction.

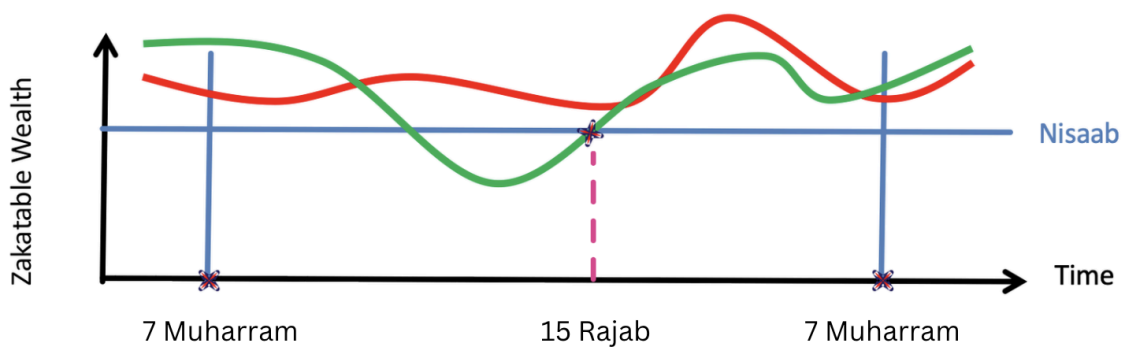
Example Calculation

Sarah and Leena's wealth both reach the niṣāb on the 7th of Muḥarram.

Leena's wealth remains above the niṣāb for the entire year.

Sarah's wealth falls below the niṣāb a few months later. It then rises above the niṣāb again on the 15th of Ramaḍān.

When is zakāt due for each of them?



Leena's wealth stays above the niṣāb for the entirety of the lunar year.

- Her *zakāt* is due on the **7th of Muḥarram** the following year, by all schools.

Sarah's wealth drops below the niṣāb, then rises above it on the 15th of Rajab.

- According to the Ḥanbalī madhhab, the drop below the niṣāb breaks the ḥawl. A new ḥawl therefore begins on the 15th of Rajab, and her *zakāt* will be due on the **15th of Rajab** the following year, provided her wealth remains above the niṣāb throughout that period.
- According to the Ḥanafī madhhab, the ḥawl is not broken by this temporary decrease, and her *zakāt* is still due on the **7th of Muḥarram**.

What Wealth Requires Zakāt?


Zakāt is obligatory upon the following **4 categories of wealth**. Each has specific conditions, thresholds (*niṣāb*), and rulings that govern how *zakāt* is calculated and given.

- 1) Gold, Silver, and Currency
- 2) Free grazing, domesticated livestock
- 3) That which comes from the land
- 4) Trade goods

We will now explore each category in detail, along with common *masā'il* and example calculations to demonstrate how *zakāt* is determined.



1) Gold, Silver, and Currency

Asset Type	Niṣāb (Classical)	Modern Equivalent	Rate of Zakāh
Gold 	20 gold dinars	85g of gold	2.5%
Silver 	200 silver dinars	595g of silver	2.5%
Cash / Currency 	Based on gold or silver niṣāb.	Use the current market value of 85g of gold or 595g of silver. *	2.5%

* As of March 2026, the value of 85g of gold is \$19,560.20, and the value of 595g of silver is \$2,201.50. These values are subject to change, so we encourage you to check the [NZF website](#) for the current niṣāb value.

Do I choose the Gold or Silver Niṣāb?

Because of the significant difference in their market values today, we recommend using the **silver niṣāb**.

The opinion of Majma‘ al-Fiqh al-Islāmī and al-Lajnah ad-Dā‘imah is to choose the lower of the two niṣābs. This means more people meet the threshold and are therefore required to pay *zakāt*, supporting the poor and ensuring broader social welfare. If the gold standard were used exclusively with its current market value, far fewer people would qualify to pay *zakāt*, which may undermine this purpose.

There is a difference of opinion in this matter, with some scholars advocating for using the gold currency if there is difference, including Shaykh Hatem Al Haj.

Zakāt on Gold & Silver Jewelry

Here we find a difference of opinion among the madhāhib.

- The **Ḥanbalī**, **Mālikī**, and **Shāfi‘ī** schools say that **zakāt is not required** on gold and silver jewelry worn for adornment.
- The **Ḥanafī** school says gold and silver jewelry **is zakātable** like other gold and silver, even if it is worn regularly.

Zakāt on jewelry is only due on the weight of the gold or silver, and not on the value of the jewelry. For example, for a diamond ring, you would not be paying on the value due to the diamond. When calculating *zakāt* on gold, it's **the pure gold content** that matters, not the total weight of the jewelry.

Number of Karats	Parts of Gold	% of Gold Purity
14K	14/24	58.3%
18K	18/24	75.0%
22K	22/24	91.7%
24K	24/24	99.9%

White Gold

White gold is usually an alloy containing about 75% gold and about 25% nickel and zinc. If stamped 18 karat, it would be **75% pure gold**. According to the permanent committee of Ifta (SA) and the Kuwaiti Zakāh House, white gold is zaktable exactly like the normal gold.

Gold & Silver Utensils

Since they are impermissible to use, storing them requires the payment of *zakāh*. This is a matter of consensus among all Muslim scholars.

Zakāt on Cryptocurrency

Cryptocurrency is considered zakātable wealth by most scholars today. *Zakāt* is calculated at **2.5% of its market value** on your *zakāt* due date.

If Someone Owes You a Debt

- **If the debt is strong**, meaning you expect to get paid back (e.g. a loan to someone trustworthy), you include it in your zakātable wealth.
- **If the debt is doubtful** or hard to collect, you don't pay *zakāt* on it unless and until you actually receive it.

If You Owe Someone a Debt

Subtract your **debts** from your total wealth. Then:

- If remaining wealth \geq **niṣāb** → **pay zakāt**
- If remaining wealth $<$ **niṣāb** → **no zakāt**

Debts are subtracted from hidden wealth (e.g. your cash and savings). There is scholarly disagreement about manifest wealth (livestock/crops). The **Hanbali** opinion is that debts are subtracted from these as well, except in the case of the *zakāt* of treasure troves, from which debts are not subtracted.

As for long term loans (e.g. mortgage, business equipment):

- You **do NOT subtract the full debt**
- You should only subtract **the amount due this year (instalments)**

Example Calculation



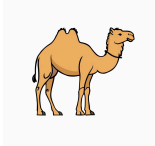
Amina owns 90g of 18K gold and \$15,000 in cash. She has had both for over one lunar year. Assume the price of pure gold is \$60 per gram. Does Amina owe zakāt, and if so, how much?

To calculate Amina's *zakāt*:

- 1. Convert 18K gold to pure gold:**
 $18\text{K} = 75\% \text{ pure} \rightarrow 90\text{g} \times 0.75 = 67.5\text{g}$ of pure gold
- 2. Calculate the value of her gold:**
 $67.5\text{g} \times \$60 = \$4,050$
- 3. Add her cash savings to get total wealth:**
 $\$4,050$ (gold) + $\$15,000$ (cash) = $\$19,050$ total wealth
- 4. Compare to niṣāb threshold:**
Assuming that Amina goes with the gold niṣāb...
 $\text{Niṣāb} = 85\text{g of pure gold} \times \$60 = \$5,100$
Since $\$19,050 > \$5,100$, *zakāt* is due.
- 5. Calculate zakāt (2.5%):**
 $2.5\% \text{ of } \$19,050 = 0.025 \times \$19,050 = \$476.25$

Zakāt due: \$476.25

2) Free Grazing, Domesticated Livestock

Animal Type	Niṣāb	Rate of Zakāh
Cows and Buffalos 	30	<ul style="list-style-type: none"> • For every 30, 1 one-year-old cow/buffalo • For every 40, 1 two-year-old
Goats and Sheep 	40	<ul style="list-style-type: none"> • 40–120: 1 goat/sheep • 121–200: 2 goats/sheep • 201–300: 3 goats/sheep • More than 300: 1 per 100 (e.g., 399 = 3, 400–499 = 4)
Camels 	5	<ul style="list-style-type: none"> • 5–24: 1 sheep per 5 camels • 25–35: 1 one-year-old she-camel • 36–45: 1 two-year-old she-camel • 46–60: 1 three-year-old she-camel • 61–75: 1 four-year-old she-camel • 76–90: 2 two-year-old she-camels • 91–120: 2 three-year-old she-camels • More than 120: 1 two-year-old she-camel per 40 or 1 three-year-old per 50

When is Zakāt due on Livestock?

According to the **majority** of madhāhib, *zakāt* is only due on **free-grazing livestock**—specifically camels, cattle, sheep, and goats. This is only for livestock that are **not used for work** (such as ploughing or transport).

Only the **Mālikī** school differs, holding that *zakāt* is due on all livestock, whether they graze freely or are fed, and whether or not they are used for labour.

Zakāt becomes obligatory when the minimum number (niṣāb) is owned for a full lunar year. The schools all agree that if someone owns different types of livestock, but no single type reaches its niṣāb, they are not combined to make *zakāt* obligatory.

Joint Ownership

The schools differ on *zakāt* when two people jointly own zakātable wealth that reaches the niṣāb. This is relevant for when several people share ownership over a flock, for example.

- The **Ḥanafīs** and **Mālikīs** say: *Zakāt* is not due unless each person's individual share reaches the niṣāb.
- The **Shāfi'īs** and **Ḥanbalīs** say: *Zakāt* is due if the combined total reaches the niṣāb, even if each person's share is below the threshold.

Example Calculation

Rabiya and Areej own 100 and 90 camels respectively which are managed as a single herd. How much zakāt do they pay?

1. **Total number of camels:**

$$100 + 90 = 190$$

According to the Hanbali madhab, their *Zakāt* can be calculated **jointly**.

2. **Zakāt due:**

The rules for camels:




- 1 two-year-old camel (bint makhāḍ) per **40**
- 1 three-year-old camel (bint labūn) per **50**

3. **Breakdown of 190 camels:**

- 150 camels → **3 camels (3-year-olds)**
- Remaining 40 → **1 camel (2-year-old)**

Zakāt due: Three 3-year-old camels + One 2-year-old camel

3) That Which Comes from the Land

Asset Type	Niṣāb	Rate of Zakāh
Zakātable crops 	5 awsuq = 300 saa' Equivalent to 653kg.	Depends on the irrigation method <ul style="list-style-type: none"> • Naturally irrigated: 10% • Irrigation requiring effort: 5% • Half-half: 7.5%
Mined metals 	The same as gold or silver.	2.5% (according to Ḥanbalī madhab)
Treasure troves 	No niṣāb!	20%

When is Zakāt on Crops due?

Zakāt is due on crops **immediately upon harvest** - there is no waiting for a lunar year to pass. It becomes obligatory when the fruit appears ripe and the grain has matured.

This means that if the crops are destroyed for any reason before they are ripe and mature, *zakāt* is not obligatory. Likewise, if the person sells the land before that time, *zakāt* will not be due on the seller for any crops on that land (as they no longer have ownership).

Which Crops are Zakātable?

By consensus, the following five crops are zakātable. Each crop type is assessed separately for the nisāb. Different crops are not combined to reach the threshold, though different varieties of the same crop are combined.

1. Wheat
2. Corn
3. Barley
4. Dates
5. Raisins

Beyond these five crops, **Ḥanbalī** madhab also includes anything else measured by volume, stored, and non-perishable. This includes beans, lentils, caraway seeds, safflower, sesame seeds, hazelnuts and almonds, among others, but excludes fresh non-storable fruits and vegetables such as apples, pears, peaches, eggplants, turnips, and carrots, among others. The **Mālikī** and **Shāfi‘ī** schools agreed on the exclusion of perishable fruits and vegetables.

The **Ḥanafī** school differs, holding that *all* agricultural products planted by humans for their benefits are zakātable. This may be an excellent opinion to follow in modern times, especially given our advantages such as long-distance transport, refrigeration, freezing, and centralized storage! For this reason, contemporary scholars often encourage following Abu Haneefa’s view in this matter, as in modern times it may be the most conducive to equity and the attainment of the objectives of Sharia.

Is Zakāt due on Honey?

Yes, according to the official position of 2 of the madhāhib!

- **Ḥanbalī:** Zakāt is due at 10%, similar to agricultural produce. The niṣāb given is 10 *faraqs* (approximately 75.2 kg).
- **Ḥanafī:** Zakāt is due at 10%, with no niṣāb — so it is zakātable for every quantity.
- **Shāfi‘ī and Mālikī:** Honey is not zakātable.

Imam Bukhari commented that there is no authentic report regarding the obligation of *zakāt* on honey. Some Ḥanbalī scholars, including Ibn Muflih, considered Imam Ahmad’s opinion on this matter as not compelling.

What about Crops from the Sea?

There is no *zakāt* on pearls, coral, amber, or fish, or on what is hunted on the land or fished from the sea. This is the case unless these items are intended for trade, in which case their *zakāt* would be calculated using the business and merchandise rulings.

Which Metals are Zakatable?

- **Ḥanbalī:** Zakāt is due on all extracted materials not from the earth's substance — including liquids like oil and other minerals.
- **Ḥanafī:** Zakāt is due on impressionable metals, such as copper, lead, iron.
- **Mālikī, Shāfi'ī:** Zakāt is due only on gold and silver, not other metals.

Treasure Troves

Rikāz—buried treasure from the pre-Islamic period—is unique among zakatable wealth because it requires neither a niṣāb nor the passing of a lunar year. As soon as it is discovered, one-fifth (20%) becomes due immediately.

The reasoning reflects a principle: the less effort you exert to acquire the wealth, the higher the *zakāt*. You didn't farm it, earn it, or trade for it—you just found it! The same idea applies to crops: if they're naturally irrigated (e.g. with rain), you owe 10%. but if you put in effort and irrigate them yourself, you only owe 5%. Less effort, more *zakāt*!

Example Calculation

Raihanah harvests **5,000 kg of oranges**, which were irrigated by natural rain. The niṣāb for produce is 653 kg. Is zakāt due?

1. Check if niṣāb is met:
5,000 kg > 653 kg → Zakātable amount.
2. Irrigation source:
Natural (rain) → zakāt rate = 10%. 10% of 5,000 = 500 kg
3. **BUT: Type of produce matters.**
According to the Ḥanbalī madhab, perishable fruits (like oranges) are not subject to zakāt — only non-perishable items like grains and dates are.

Zakāt due: Nothing!

(If this was a non-perishable crop, then 500 kg would be due upon harvest.)

Example Calculation

Wasim is digging and uncovers an old pot filled with **ancient gold coins**. The total weight of the gold is **850g**. Does he owe zakāt, and how much?

1. **Is there niṣāb?**
No. Zakāt on treasure troves is not subject to niṣāb or ḥawl
2. **Zakāt rate:**
20% is due on treasure troves. 20% of 850g = 170g of gold

Zakāt due: 170g worth of gold due immediately upon discovering the treasure.

4) Trade Goods

When is Zakāt due on Merchandise?

- Zakāt is not due on merchandise until you intend to trade it
- Once intended for trade and a ḥawl has passed, zakāt becomes obligatory
- Trade goods are valued at year-end
- Zakāt is paid at 2.5% of their market value.

Example Calculation

Aisha runs a small online clothing store. At the end of the lunar year, she has \$20,000 worth of unsold inventory and \$2,000 cash in her business account. Does she owe zakāt, and how should she pay it?

- 1. Add up zakāttable assets:**
 - Inventory (intended for sale): \$20,000
 - Cash: \$2,000
 - **Total: \$22,000**
- 2. Is niṣāb met?**

Yes — \$22,000 exceeds the gold niṣāb (~value of 85g of gold).
- 3. Zakāt rate:**

2.5% of total zakāttable wealth.
2.5% of \$22,000 = **\$550**
- 4. How to pay it:**
 - Zakāt on trade goods is paid in **currency**, not merchandise.
 - Aisha should pay **\$550**

Zakāt due: \$550 in currency (not in clothes!)

Who is Eligible to Receive Zakāt?

Category	Definition
The Poor (<i>Fakir</i>)	Cannot afford what they need through earning or otherwise.
The Needy (<i>Miskin</i>)	Can afford some of their needs but not all.
Zakāt Collectors (<i>Amin</i>)	They are the people who collect it and those who are needed for that (workers hired by the zakāt administration).
Those whose hearts may be reconciled (<i>Mu'allafatu Qulūbuhum</i>)	i.e. New converts. Also, according to Hanbalī madhab: authorities within their tribes whose [conversion to] Islam is hoped for, and those whose evil may be evaded or faith may be strengthened by giving them zakāt, or it is hoped to prevent them from [harming] Muslims, or who may help them [Muslims] collect zakāt from those who are withholding it.
Slaves/Captives (<i>Riqab</i>)	One who is freeing himself/herself from the bondage or shackles of slavery.
Those in Debt (<i>Gharmin</i>)	One who is in debt and needs assistance to meet his/her basic needs.
Those Fighting In Allah's Cause (<i>Fisabilillah</i>)	Fighters who are unpaid, not being part of an organized army unit. Many contemporary scholars argue this also includes all means of Dawah and defending the civil rights of Muslims.
Travelers (<i>Ibnus Sabil</i>)	Traveler who lacks the means to return home, even if he was well-off in his homeland.

These eight categories are laid out in Surah Tawbah.

إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمَلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ فِي الرِّقَابِ
وَالْغَرَمِينَ وَفِي سَبِيلِ اللَّهِ وَأَبْنِ السَّبِيلِ طَفْرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ

Zakāh expenditures are only for the poor and for the needy and for those employed to collect [zakāh] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah. And Allah is Knowing and Wise. (9:60)

It is preferable in the **Hanbalī** madhhab to distribute zakāt across multiple categories. Only the **Shāfi‘ī** madhab considered it mandatory to divide it among the eight categories when they are present.

Zakāt Cannot Be Given To:

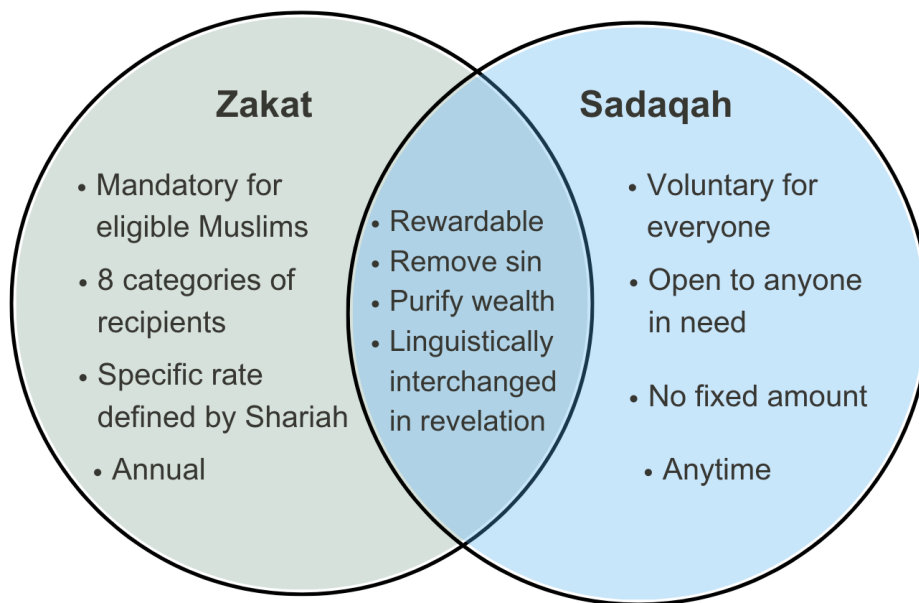
- The Wealthy and Capable
- The Family of the Prophet ﷺ
 - Banū Hāshim and their freed slaves are not eligible to receive zakāt.
- Those You Are Legally Obligated to Support
 - The **Hanafī** and **Hanbalī** schools are of the opinion that one’s lineal ascendants (parents, grandparents) and descendants (children, grandchildren) cannot receive zakāt
- Non-Muslims
 - **Shāfi‘īs** allow zakāt only for Muslims, with no exception
 - There is an exception according to **Hanbalis and Mālikīs**, who say zakāt *may* be given to non-Muslims whose hearts are to be reconciled (*mu’allafah qulūbuhum*).
 - **Hanafīs** generally consider the above category obsolete.

Zakāt vs Ṣadaqah Comparison

Ṣadaqah is so named because it is a proof of **ṣidq** — the sincerity and truthfulness of one’s faith.

While the terms zakāt and ṣadaqah may be used interchangeably in revelation, there is an established clear legal distinction between them.

Zakāt refers to the obligatory charity due from eligible Muslims, while **ṣadaqah** is generally understood to mean **voluntary charity** — given freely at any time, in any amount, and to a broader range of recipients.



Example Scenario

Ahmad gave 2.5% from his savings. He distributed it equally among 8 eligible categories of zakāt. This is fulfilling his zakāt obligation.

Later, he donated \$50 to a well project for a non-Muslim community. This would be considered ṣadaqah.

Common Zakāt Mistakes

Zakāt is a core obligation — but fulfilling it correctly requires knowledge and care. Here are some common mistakes to avoid.

1. **Delaying payment past due time**

Zakāt must be paid as soon as it becomes due after one lunar year - not a solar year! We should start becoming more familiar with the lunar calendar.

2. **Not calculating all zakāttable assets**

Many forget to include:

- Cash (bank + on hand)
- Gold/silver in the bank
- Business stock
- Investments (shares, crypto)
- Money lent to others

3. **Treating zakāt like general charity**

Zakāt is restricted - it must be given to one of the eight eligible categories. In most cases, zakāt cannot be used for building mosques, schools, or wells! These forms of charity are commendable, but would count as Saqadah.

4. **Neglecting zakāt on business goods**

An important note for businessmen and women! Zakāt is due on the value of merchandise held for sale — not just profits or cash in hand.

5. **Paying zakāt with the wrong intention**

Zakāt must be given solely for Allah's sake — not to show off, or to gain favour of people.

How Should Zakāt Be Calculated in Modern Economies?

Cryptocurrency

According to the official position of the Assembly of Muslim Jurists of America (AMJA), dealing with cryptocurrency is “**closer to being permissible than prohibited**” when done within Sharī‘ah-compliant parameters. See [AMJA's 18th Annual Imams Conference 2022: Shariah Rulings for Contemporary Issues Related to Technological Advancements](#) for more details.

However, acknowledging the permissibility of cryptocurrency does not mean encouraging investment in it. Dr Hatem al-Haj advocates caution.

Like any other form of currency, zakāt is due on cryptocurrency if it is held for one lunar year and its total value meets the niṣāb — the monetary equivalent of 85 grams of gold. The zakāt is calculated at 2.5% of its market value on the zakāt due date. Despite its digital nature, cryptocurrency is considered a valid form of wealth, as it functions as a store of value, a unit of exchange, and meets the essential criteria of money in Islamic law.

Dr Hatem al-Haj [reflects further on the broader potential](#) of cryptocurrency. He notes the insights of Muslim economists — such as the author of *The Bitcoin Standard* — who argue that Bitcoin may offer protection against inflation, curb reckless government spending, undermine interest-based economic structures, and provide financial autonomy. In this light, cryptocurrency could be a step toward a more ethical and decentralized financial future, if used responsibly.

Stocks

Stocks are also considered zakātable. According to Dr. Main Khalid Al-Quda of AMJA, if stocks are purchased with the intention of short-term buying and selling (i.e., like trade goods), then zakāt is due on the entire market value of the shares. However, if they are held as exploited assets, zakāt is only due the accrued profit, not on the wholesale market value.

In both cases, the shares must be held for one lunar year, and their zakātable value must meet the niṣāb threshold (the value of 85g of gold). Zakāt is paid at 2.5%.

Superannuation

In short, zakāt is generally not paid on superannuation while it is locked, because you do not have access to it. However, any voluntary contributions that you have made are zakātable, as they were placed there by your own choice (so it cannot be used as a loophole to avoid zakāt).

There is also a difference of opinion among scholars regarding when zakāt becomes due once the funds are accessible. Some hold that zakāt is paid once when the funds are withdrawn, while others hold that zakāt should be calculated for each year the wealth accumulated, and then paid when it becomes accessible.

What Role Does Zakāt Play in Muslim Minority Contexts?

In response to contemporary questions about the use of zakāt in the West—particularly in relation to Islamic organizations, da‘wah, and community development—the **Assembly of Muslim Jurists of America (AMJA)** has issued a principled fatwa on allocating zakāt funds to such purposes.

AMJA reaffirms that the disbursement of zakāt is governed by the eight categories set forth in **Surah al-Tawbah (9:60)**. While historically, the majority of scholars understood “*fī sabīlillāh*” (“in the cause of Allah”) to refer primarily to those engaged in military jihād, AMJA—and numerous other contemporary fiqh councils—hold that this term can and should be expansively understood to include many efforts that serve **the preservation and promotion of Islam and the welfare of the Muslim community**. This is especially important for protecting the interest of the Muslim communities in the West.

AMJA and the Islamic Fiqh council adopt the view that “*fī sabīlillāh*” encompasses all forms of jihad, including:

- Intellectual jihad through da‘wah
- Dispelling misconceptions
- Defending the religion and its people through all legitimate means.

According to Sheikh Hatem Al-Haj in his article [Zakāt Eligibility of Islamic Organisations](#), this understanding rests not on emotional or activist grounds, but on a

sound legal reading of Quran, Sunnah, the Companions, analogy, and rational evidence.

In addition to *fi sabīlillāh*, AMJA highlights the legitimate application of other zakāt categories to contemporary realities: specifically, *Al-Mu'allafatu Qulūbuhum* (hearts to be reconciled). This category is still considered valid by Mālikīs and Ḥanbalīs. It includes not only new Muslims and those wavering in faith, but also strategic non-Muslim allies—particularly in policymaking and public discourse—when such support secures Muslim safety and rights.

AMJA emphasizes that while this expanded view is valid, it **should not be abused**.

Zakāt shouldn't be used carelessly. It's not just general charity. Organizations must use it responsibly, and only for things that directly benefit zakāt-eligible recipients. They must be transparent with how the money is used, and donors should check before giving. They also strongly recommend that institutions build other sources of funding over time—like waqf (endowments)—so they're not relying on zakāt forever.

Zakāt must serve its purpose: to lift hardship, strengthen the religion, and support the community—not to pay big salaries or fund vague activities.

Zakāt isn't just a financial duty—it's a chance to support the things that matter most to our community. Whether that's helping the poor or strengthening our institutions, it's a trust from Allah that needs to be treated with care.

While the world is changing, our tradition has the tools to respond, as long as we approach it with sincerity and scholarly grounding.

Zakāt al-Fiṭr

Zakāt al-Fiṭr is a mandatory form of charity that every Muslim must give at the end of Ramaḍān, before the Eid al-Fiṭr prayer. It serves as a means of purifying one's fasting from any shortcomings and ensuring that the poor and needy are able to partake in the joy of Eid.

It is distinct from Zakāt al-Māl, described previously in the document, as it is not based on accumulated wealth but is instead required from every Muslim who has enough food beyond their basic needs for themselves and their dependents.

It is mandatory on everyone who fits this condition, but it is required for the head of the household to give this out. The Prophet ﷺ prescribed it as a fixed amount of staple food to be given on behalf of each individual, including children and dependents.

Amount Required

The amount is 1 Ṣā' (around 2.5–3 kg) of staple food (e.g. barley, wheat, flour, dates, raisins, or local equivalents).

When to Give

Zakāt al-Fiṭr becomes obligatory on sunset of the last day of Ramadan, which is the beginning of the night of Eid. If it is delayed beyond the Eid prayer without a valid excuse, it is sinful, though it must still be made up.

The following are the permissible timeframes according to the 4 madhāhib.

- 1–2 days before Eid → **Ḥanbalī, Mālikī**
- From beginning of Ramaḍān → **Shāfi'ī**
- Even before Ramaḍān → **Ḥanafī**

Recipients

- According to the **majority**, Zakāt al-Fiṭr must be given to Muslims from the 8 categories, who are in the local region.
- The **Ḥanafī** restricted this to the poor and needy.

Final Message

Jazākum Allāhu khayran for reaching the end of the booklet!

Zakāt is a responsibility that Allah has entrusted to us, and to be in a position to give is a blessing that should never be taken lightly.

This lesson has been a reminder of how complete and detailed the Islamic legal tradition is. The fiqh of zakāt reflects a system that is coherent, balanced, and complete to perfection. The more one studies the rulings, the more one begins to recognise their incredible precision and comprehensiveness.

And this isn't limited to zakāt alone. The entire body of Islamic jurisprudence — in its beauty, its structure, and even its sheer volume — is something miraculous. It reflects a tradition rooted in revelation, complimented by centuries of sincere scholarship.

Furthermore, the differences between the madhāhib are a blessing and a mercy — a sign of the richness and depth of this deen.

“You should know that the differences between the madhāhib of this nation are a great blessing and an immense virtue...”

— Imām Jalāl al-Dīn al-Suyūṭī, Jazīl al-Mawāhib fī Ikhtilāf al-Madhāhib

As we close, a practical reminder:

If your zakāt is due, don't delay. Give with intention. Reflect on who it's reaching, and remember the reward that awaits you in the Hereafter.

We ask Allah to purify our wealth and our intentions. We ask that Allah accepts from what we give, and makes it a means of benefit for those in need — and a means of drawing us closer to Him.

Zakāt Glossary

- **‘Āmilīn ‘Alayhā (العاملين عليها)**
Those appointed to collect and distribute zakāt; one of the eligible recipients.
- **Deen (دين)**
Debt. Debtors (ghārimīn) who cannot repay their lawful debts may receive zakāt.
- **Fī Sabīlillāh (في سبيل الله)**
Literally "in the path of Allah"; classically refers to those engaged in jihad, but many scholars include broader causes that serve the religion, such as da‘wah or Islamic education.
- **Fuqarā’ (فقراء)**
The poor — those who have nothing or less than half of their basic needs met.
- **Ghanī (غني)**
A wealthy person. Zakāt cannot be given to someone who meets or exceeds the niṣāb and can support themselves.
- **Ghārimīn (غارمين)**
Debtors in legitimate, overwhelming debt. One of the eight zakāt recipient categories.
- **Ḥawl (حول)**
One lunar year. Zakāt becomes due after owning zakātable wealth above the niṣāb for a full ḥawl.
- **Ibnu al-Sabīl (ابن السبيل)**
A stranded traveler — eligible for zakāt even if wealthy at home, provided they lack access to their funds.
- **Mal (مال)**
Wealth or property. Zakāt applies to specific types of mal (e.g., gold, silver, trade goods).

- **Masākīn (مساكين)**
The needy — slightly better off than fuqarā' but still unable to meet basic needs.
- **Mu'allafah Qulūbuhum (المؤلفة قلوبهم)**
Those whose hearts are to be reconciled — including new Muslims or figures whose support benefits the Muslim community.
- **Niṣāb (نصاب)**
The minimum threshold of wealth that makes zakāt obligatory. For gold, it's 85g; for silver, 595g.
- **Riqāb (رقاب)**
Refers to freeing slaves. While less applicable today, some extend this to modern forms of bondage or incarceration.
- **Ṣadaqah (صدقة)**
General charity. When used alone, can also refer to zakāt in specific contexts (e.g., in Qur'an 9:60).
- **Zakāh (زكاة)**
An obligatory almsgiving and one of the five pillars of Islam; a purification of wealth and a means of social welfare.
- **Zakāt al-Fiṭr (زكاة الفطر)**
A specific type of zakāt due at the end of Ramadan, before Eid prayer. It is **not** from wealth but from food, and is meant to purify the fast and aid the poor on Eid.

Sources

- AMJA 18th Annual Imams Conference 2022 – *Shari‘ah Rulings for Contemporary Issues Related to Technological Advancements*
<https://www.amjaonline.org/declaration-articles/amja-18th-annual-imams-conference-2022-shareeah-rulings-for-contemporary-issues-related-to-technological-advancements>
- Dr. Hatem al-Haj – *Bitcoin and Islam*
<https://www.facebook.com/drhatemalhaj/posts/bitcoin-and-islam-alhamdulillah-i-felt-compelled-to-share-these-reflections-about/961810261981178/>
- AMJA Fatwa – *How to Pay Zakāt al-Māl on Stocks*
<https://www.amjaonline.org/fatwa/en/3625/how-to-pay-zakat-al-mal-on-stocks>
- Dr. Hatem al-Haj – *Zakat Eligibility of Islamic Organizations*
<https://www.amjaonline.org/zakat-eligibility-of-islamic-organizations>