



## Zakat Policy

### What is Zakat?

Zakat, or almsgiving, is one of the five pillars of Islam. For every sane, adult Muslim who owns wealth over a certain amount known as the nisab, they must pay 2.5% of that wealth as Zakat.

### Zakat is obligatory on whom?

1. A free man or woman.
2. Muslim: Zakat is a religious obligation upon Muslims, like the five daily prayers.
3. Sane: The person on whom zakat becomes obligatory must be of sound mind according to Imam Abu Hanifa. Imam Malik holds that an insane person is still liable for zakat.
4. An adult: Children do not have to pay zakat, even if they own enough wealth to make zakat obligatory.
5. In complete ownership and control of their wealth: The person must own and be in possession of the wealth, and also be free to spend or dispose of the wealth in any manner they like. If a person has made a loan of their wealth, then they still have to pay zakat on that and assume it will be repaid.
6. In possession of wealth above the nisab threshold: The person should possess wealth above a defined amount required to satisfy the essential needs of themselves and their dependents (nisab).
7. Free from debt: Someone in debt may deduct their debts from their assets. If what remains is still above the nisab threshold, zakat is due, otherwise not.
8. In possession of the wealth for one complete lunar (Hijrah) year: If one owns zakatable wealth for a lunar year, zakat will become obligatory, provided the total amount of wealth exceeds the nisab at the beginning of the year and the end, irrespective of any fluctuations in the months between.



## Who can receive my Zakat?

To be eligible to receive zakat, the recipient must be a poor Muslim. A poor person is someone whose zakatable asset in excess of his basic requirements does not reach the value of the nisab threshold.

The recipient must not belong to your immediate family: your spouse, children, parents and grandparents cannot receive your zakat. Other relatives however, can receive your zakat.

## How do we distribute Zakat?

The Zakat giver is freed from its obligation as soon as he grants full ownership and possession of it to any of the above mentioned categories. This can be done either by giving a certain amount of money, food, water and or accommodation in desperate circumstances to meet his basic requirements or by giving him a means of production or tools of trade to help him in becoming self-empowered.

## What is the nisab?

To be liable for zakat, one's wealth must be more than a threshold figure, termed the 'nisab'. To determine the nisab there are two measures, either gold or silver.

**Gold:** The nisab by the gold standard is 3 ounces of gold (87.48 grams) or its cash equivalent. This will vary with the market value of gold.

**Silver:** The nisab by the silver standard is 21 ounces of silver (612.36 grams) or its equivalent in cash. This will vary with the market value of silver.

<b>Date of last review</b>	January 2024
<b>Date of next review</b>	January 2025
<b>Review period</b>	On a yearly basis
<b>Policy status</b>	Statutory
<b>Owner</b>	Board of Trustees