

► **Funds to pay Zakat for:**

First: Cash Assets:

• **Money, Gold and Silver:**

Zakat is an obligation to be paid on all monetary funds of an obligated person whether they are kept in his own safe or in his bank accounts, if it reaches its minimum set amount (NISAB).

The Zakat shall be 2.5%. If these amounts are making interests – although this is a sinful practice (HARAM)- the Zakat shall be paid only on the principal amount and all the interests shall be all given to charities.

NISAB set amount of Money	NISAB set amount of Silver	NISAB set amount of Gold
Same as Gold Value	595 Grams	85 Grams

• **Financial Provisions and Reserve Amount:**

Financial Provisions: are the returns set aside at the end of the financial period to face the possibilities of assets to depreciation. On these the following shall be observed:

1. Zakat must be paid on Fixed Assets provisions.
 2. Zakat for Current Assets provisions shall be paid in the following manner: if the available assets have a Book Value which is greater than their Market Value, then the difference between Book and Market Value shall be deducted from such provision. Then the Zakat shall be calculated.
- **Reserves:** Deducted amounts from profits set aside for future expansion or to face potential future losses. Zakat must be paid for all such reserves whether it is regulatory (enforced by law) or optional set by company or corporation management.
- **Guarantees and Cash Insurance Amounts:**
- a. Seriousness Guarantee: the party who submitted that amount shall pay Zakat.
 - b. Cash advances paid by individuals or corporation to get services and preliminary bid guarantees as well as tenders' Execution / performance guarantees: the owner shall pay Zakat of such with his other possessions. Yet if several years have passed then he shall pay only for one year.
 - c. Cash advance Deposit: Zakat shall be paid by the seller since he owns it, whether the purchaser cancelled the sale or concluded it.
- **Wages, Salaries and End of Service Compensations.**
- a. You should not pay Zakat when you receive wages, salaries and professional jobs incomes or such but you shall pay Zakat on what is remaining in your possession when the maturity period (lunar year) passes by.
 - b. End of service compensation, retirement compensations and retirement salary: The employee or worker shall pay Zakat after one lunar year (Hijri) of receiving these.
 - c. Saving Deposits : The Zakat depends on your ability to act upon it:
 - If it is deposited in special accounts for the beneficiary and he has right to invest it, then he shall add it to Zakatable possessions and shall pay Zakat accordingly.
 - If it is deposited in an account where the beneficiary has no control over, then he shall only pay Zakat for one year when receiving it.

Second: Financial Invested Assets :

• **Investment Accounts, Sukuk and Investment Funds:**

- a. Zakat shall be paid on the balances of these investment accounts (The principal plus profits). Yet if these balances include interests, then the Zakat shall be calculated on the principal and all interests shall be spent on charities.
- b. Different types of Sukuk and Investment Fund: the owners shall pay Zakat according to their value.

• **Shares, Bonds and Treasury Bills**

- a. The company management shall pay Zakat exactly as the common person would, of 2.5% if the shareholders have authorized them or if the Article of Association provided for such action.
- b. If the shareholder sold his shares during the year, he shall add these amounts to his funds and shall pay the Zakat when the maturity comes.
- c. If the shareholder is holding the share for the purpose of only benefiting from its profits the Zakat is due only on the profit. Yet if he holds it for trading, he shall pay Zakat of 2.5% of its market value.
- d. Bonds and Treasury Bills (which are debts with interests) Zakat shall be paid on the principal of these and the whole amount of interests shall be paid to charities.

Third: Precious Metals & Gems:

- The Zakat shall be paid on precious metals and gems of 2.5% and its Nisab shall be as gold or silver according to their value.

Fourth: Zakat of Debts:

There are three cases:

First: For debts of a payable debtor: Zakat must be paid yearly by the lender. **Second:** Debts of an installing debtor or Insolvent one: the Zakat shall only be paid when they are collected and for one year. **Third:** Debts of the person who is paying Zakat shall be deducted from the Zakat fund (Amounts calculated for Zakat) whether they are currently due or deferred.

Fifth: Tradable goods:

1. Trade Offerings are every tradable thing whether it's property or movable assets.
2. They are evaluated by their Market Value on their locations.
3. The Zakat shall be 2.5% on trade offering and its Nisab is equivalent with gold or silver.

Sixth: Fixed Assets:

1. There is no Zakat on Fixed Assets used for operational purposes, like the building set for housing or as headquarters for the corporation or its equipment. Also there is no Zakat on movable assets owned for operations like spare parts for machinery and industrial equipment as long as it is not used for trading.
2. The Zakat shall not be paid on fixed assets that generate return as long as they are not set for trading like rented assets. The Zakat shall be paid on what remains of their return at the end of maturity period.

Seventh: Real Estate Properties:

1. Zakat is not obligatory on non-tradable Real estate properties. For tradable ones it shall be paid like tradable goods offerings.
2. There is no Zakat on rented real estate properties or lands. The Zakat shall be only on their rent after the maturity period.