



Ministry of Islamic Affairs  
Republic of Maldives

# SHARI'AH PRINCIPLES AND STANDARDS FOR THE COLLECTION AND DISTRIBUTION OF ZAKAT

1446

2024

مركز الزكاة المالديف  
بَيْتُ الزَّكَاةِ الْمَالِدِي  
MALDIVES ZAKAT HOUSE





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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ  
بَيْتُ الزَّكَاةِ الْمَالِ الدِّينِيِّ  
MALDIVES ZAKAT HOUSE





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## Foreword

In the name of Allah, the Most Merciful and the Most Compassionate.

Zakat is one of the five pillars of Islam, a sacred obligation that purifies wealth, strengthens social solidarity, and ensures justice within the Muslim community. The Maldives Zakat House, entrusted with the responsibility of administering this vital institution, has undertaken the formulation of clear and comprehensive principles for the collection and distribution of Zakat in the country.

These principles are firmly rooted in the Qur'an, the authentic Sunnah of the Prophet ﷺ, the consensus of scholars, and Qiyas. They also draw from the principles of Islamic jurisprudence, the objectives of Shari'ah, as well as the resolutions and recommendations of international Fiqh academies and leading conferences on Zakat. In addition, careful consideration has been given to the practices of Zakat authorities in other Islamic countries, ensuring both authenticity and contemporary relevance.

The preparation of this work was undertaken by a committee comprising legal experts, Zakat practitioners, and Islamic scholars of the Maldives. This multi-disciplinary approach ensured that the guidelines are firmly rooted in Shari'ah while remaining practical and responsive to modern-day circumstances.

The committee was chaired by His Excellency Dr. Mohamed Shaheem Ali Saeed, Minister of Islamic Affairs, Republic of Maldives, and Chairman of the Maldives Zakat House, whose leadership provided direction and oversight throughout the drafting process.

This publication is intended to serve as a reference for policymakers, practitioners, and the wider public, with the aim of strengthening the institutional framework of Zakat in the Maldives and ensuring that its distribution fulfills its intended purpose of supporting the Zakat beneficiaries and advancing social justice.

23rd August 2025

29th Safar 1447

قَالَ اللَّهُ تَعَالَى

﴿خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ﴾

“Take alms from their wealth to cleanse them and purify them thereby, and pray for them. Surely your prayer is a relief for them. Allah is Hearing, Knowing.”

التوبة: 103

# PREAMBLE

## Shari'ah Principles and Standards for The Collection and Distribution of Zakat

*Introduction and name*

1. (a) These are the principles formulated by the Maldives Zakat House for the collection and distribution of Zakat, based on the Qur'an, the authentic Sunnah of the Prophet (peace be upon him), the consensus of the scholars (ijma'), qiyas (analogical reasoning), the principles of Islamic jurisprudence (usul al-fiqh), the objectives of Islamic Shari'ah (maqasid al-shari'ah), the resolutions and recommendations of international Fiqh academies and conferences on Zakat, and the jurisprudential principles followed by the Zakat authorities of Islamic countries.
- (b) These principles and standards shall be called the “Shari'ah Principles and Standards for the Collection and Distribution of Zakat”.

*Parts included*

2. (a) **Part I:** Property on which Zakat is Obligatory and its Shari'ah Principles and Standards.
- (b) **Part II:** Shari'ah Principles and Standards for the Distribution of Zakat.

*Technical meaning of Zakat in Shari'ah*

3. In Shari'ah terminology, Zakat is a right prescribed in Islamic Shari'ah to be given to a specific group of people at a specific time from a specific type of property.

*Shari'ah objective of obligation of Zakat*

4. (a) Purification of the soul and property of the person who gives Zakat.
- (b) Increase in wealth and blessings.

*Five important  
objectives of  
Islamic Shari'ah*

5. This foundation is formulated in accordance with the spirit of the five noble objectives prescribed by Islamic Shari'ah. It is;
- (a) Preservation of religion.
  - (b) Preservation of self.
  - (c) Preservation of intellect.
  - (d) Preservation of honor.
  - (e) Preservation of wealth.

*The specific  
purpose of Zakat*

6. These principles and standards have been formulated based on the essential objectives of Islamic Shari'ah, namely the preservation of religion, self, intellect, honor, and wealth, and taking into consideration the social and economic objectives included in the specific objectives of Zakat:
- (a) Spreading and maintaining care, love, and compassion in the Muslim community.
  - (b) Establishing social justice.
  - (c) Eradicating the practice of soliciting alms from society.
  - (d) Eradicating poverty from society.
  - (e) Eliminating monopolization of wealth.
  - (f) Utilizing wealth appropriately.
  - (g) Building an honorable and dignified society.

*Scope and  
entities of  
implementation*

7. (a) The collection and distribution of Zakat in Maldives shall be in accordance with the provisions of these principles and standards.

- (b) The money received for Zakat shall be distributed each year in accordance with the rules and regulations prescribed in Islamic Shari'ah.
- (c) All rules, regulations, and administrative procedures formulated by the Maldives Zakat House regarding the collection and distribution of Zakat shall be in accordance with these principles and standards.
- (d) Zakat money shall be distributed in accordance with the rules prescribed in these principles and standards.

## **PART I**

### **WEALTH ON WHICH ZAKAT IS OBLIGATORY AND ITS SHARI'AH PRINCIPLES AND STANDARDS**

#### **CHAPTER 1**

##### **Preliminary Provisions**

*Introduction and name*

- 8. (a) This is a guideline formulated by the Maldives Zakat House to explain the types of goods on which Zakat is obligatory and its Shari'ah basis.
- (b) This guideline is called “Wealth on which Zakat is Obligatory and its Shari’ah Principles and Standards”.
- (c) This guideline is formulated as the mandated functions of the Maldives Zakat House under the Ministry of Islamic Affairs include the collection and distribution of Zakat in Maldives.

*Purpose*

- 9. The objectives of this guideline are described below:
  - (a) Describe the types of wealth on which Zakat is obligatory as mentioned in the Qur'an and Sunnah.

- (b) Explain the Shari'ah basis for the wealth on which Zakat is obligatory.
- (c) Describe modern financial assets for which Zakat is obligatory.

## CHAPTER 2

### General Principles Regarding Payment of Zakat on Wealth (Zakat al-Maal)

- |   |  |
|---|--|
| <i>Zakat al-Maal</i>                            | <p>10. The Shari'ah basis for the obligation of Zakat on Wealth (Zakat al-Maal) are as follows:</p> <ul style="list-style-type: none"> <li>(a) The 103<sup>rd</sup> verse of Surah Al-Taubah in the Holy Qur'an.</li> <li>(b) The Prophetic Hadeeth which explains that the third of the five Pillars of Islam is the payment of Zakat on wealth.</li> <li>(c) The consensus of scholars that giving Zakat on Wealth is the 3<sup>rd</sup> Pillar of Islam.</li> </ul> |
| <i>Ruling on refusing to give Zakat al-Maal</i> | <p>11. (a) Anyone who denies the obligation of Zakat and that it is prescribed in Islam will be a disbeliever.</p> <p>(b) A person who refuses to give Zakat without denying its obligation and that it is enjoined in Islam will be sinful.</p>   |
| <i>Intending to pay Zakat</i>                   | <p>12. Zakat will be obligatory when one has the intention to pay Zakat.</p>   |
| <i>Conditions for paying Zakat al-Maal</i>      | <p>13. (a) The conditions for paying Zakat al-Maal are as follows:</p> <ul style="list-style-type: none"> <li>i. <b>Being a Muslim:</b> Zakat is not obligatory on non-Muslims.</li> </ul>   |



- ii. **Possession of Nisab (minimum threshold):** Possession of nisab means that a person owns various types of wealth to the minimum threshold prescribed by Islamic Shari'ah for paying Zakat.
- iii. **Full Ownership:** The conditions for the obligation of zakat include full ownership of wealth.
- iv. **Growth Potential:** Zakat shall be obligatory upon property that is subject to growth, whether such growth is actual or potential.
- v. **Passage of 1 Hijri Year:** 01 (one) lunar year has passed since the person owned the property after reaching nisab.

*Obligation of Zakat al-Maal*

- 14. If the conditions are fulfilled in the Muslim's wealth, Zakat is obligatory in accordance with the rulings of Islamic Shari'ah.

*General conditions of wealth subject to Zakat*

- 15. The conditions of the property on which Zakat is obligatory are as follows:
  - (a) Ownership of Property.
    - i. Even if the ownership of the property continues, he does not have to pay Zakat on any property from which he does not benefit and over which he has no authority to dispose.
    - ii. However, when the property comes under his control and becomes benefitable, he shall pay Zakat once.
  - (b) Being a valid debt-free property.

- i. If there is a debt on the property to be paid for Zakat, this debt must be deducted from the property.
  - ii. When a person owes another person, the lender's forgiveness of the debt is not a dealing with the intention of paying Zakat.
  - iii. The forgiveness of debt by a lender who is unable to collect it from a debtor who is unable to repay it, does not constitute payment of Zakat, even if the debtor is in fact entitled to it.
- (c) Being a property with the potential to yield benefit.
- (d) Zakat becomes obligatory when property exhibits actual growth or possesses inherent growth potential as recognized by Shari'ah.
- i. Zakat is not required on property held for personal use or maintained as a fixed asset.
  - ii. If it is a shared property, Zakat must be paid on the property in the same manner as Zakat is paid on shared property (maal al-mustharak), taking into account each partner's share.

*Types of wealth  
subject to Zakat*

16. (a) i. Gold.
- ii. Silver.
- iii. Cash.
- iv. Commercial goods.
- v. Livestock (camel, cow, goat).
- vi. Grains and Fruits.

- vii. Rikaz, Minerals and Metal Resources.
- viii. Shares and Bonds.
- ix. Assets.
- x. Wages and Salaries.
- xi. Other properties on which Zakat is obligatory.

## CHAPTER 3

### Zakat on Gold

*The Shari'ah basis for the obligation of Zakat on gold*

17. The Shari'ah basis for paying Zakat on gold is that the Prophet (peace be upon him) commanded half a dinar of gold for every 20 dinars and above, and one dinar for every 40 dinars.

*Paying Zakat on gold*

18. Zakat on gold is paid as follows:
  - (a) Whether in the form of gold, gold coins, gold bullion, jewelry, or ornaments if they are used as commercial goods, Zakat is obligatory on them when the nisab is reached. In the case of gold and silver vessels (even though their use is forbidden to Muslims), Zakat is obligatory on them when the nisab is reached.
  - (b) Zakat is obligatory on gold in whatever form it exists. However, gold used by women as jewelry is exempted from this rule.

*Nisab of gold*

19. The nisab of gold is 20 (twenty) mithqal. In modern measurement, this equals to 85 (eighty-five) grams. When 85 (eighty-five) grams of pure gold are possessed and a lunar year has passed, half of a dinar shall be paid for every 20 (twenty)

dinars, or 2.5% (two point five percent) of the 85 (eighty-five) grams.

## CHAPTER 4

### Zakat on Silver

*The Shari'ah  
basis for the  
obligation of  
Zakat on silver*

20. The Shari'ah basis for paying Zakat on silver is that the Prophet (peace be upon him) took five dirhams from every two hundred dirhams.

*Zakat on silver*

21. Zakat on silver shall be paid as follows:
- (a) The ruling on paying Zakat on silver is the same as on gold. The nisab of silver is two hundred dirhams. In modern measurement, two hundred dirhams equal 595 (five hundred and ninety-five) grams. If a person possesses silver amounting to this amount and a lunar year has passed, they are obligated to pay 2.5% (two point five percent) as Zakat.
  - (b) Zakat is obligatory on silver in whatever form it exists. Under normal circumstances, silver used as jewelry is exempted from this rule.

## CHAPTER 5

### Zakat on Cash and Digital Currency

*Shari'ah basis  
for the  
obligation of  
Zakat on paper  
currency*

22. Zakat is paid on paper currency, calculated based on its gold and silver value equivalents.
23. (a) Zakat on paper currency used in business transactions shall be paid based on the nisab of gold and silver.

*Payment of  
Zakat on paper  
currency*

- (b) The nisab of paper currency in the Maldives shall be calculated based on silver. This is equivalent to the market value of 595 (five hundred and ninety-five) grams of silver. When the nisab threshold is reached and a lunar year has passed, 2.5% (two point five percent) shall be paid as Zakat on wealth.

*Payment of  
Zakat on digital  
currency*

- 24. (a) All digital currencies used for transactions (including cryptocurrency) shall be subject to Zakat, calculated based on the nisab of gold or silver, once the requirements for Zakat payment are fulfilled.
- (b) Zakat shall be paid on digital currency if it meets the nisab independently, or if it reaches the nisab when combined with gold, silver and cash.

## **CHAPTER 6**

### **Zakat on Commercial Goods**

*Shari'ah basis  
for the  
obligation of  
Zakat on  
commercial  
goods*

- 25. (a) The 267<sup>th</sup> verse of Surah Al-Baqarah.
- (b) The Prophet (peace be upon him) said that if one trades in cloth or household items, one must pay Zakat on them.
- (c) The majority of scholars have agreed that Zakat must be paid on commercial goods after 01 (one) year has passed since their possession.

*Types of  
commercial  
property subject  
to Zakat*

- 26. The types of commercial goods that are subject to zakat are as follows:
  - (a) Commercial goods are goods obtained or manufactured for sale. They are acquired by a person or company for the purpose of generating profit through their sale.

- (b) Machinery used to operate a business project or factory, salable land, buildings, vehicles (including those used to transport workers), warehouses, factories and installed equipment are not considered commercial property. However, Zakat is obligatory on the profits generated from such assets.

*Condition of  
paying Zakat on  
commercial  
goods*

- 27. (a) **Full Ownership:** The owner of the property has full control over his property without the authority of anyone else to interfere with his use.
- (b) **Reaching of Nisab and Passing of One Year:** The nisab is equivalent to the value of 85 (eighty-five) grams of pure gold. For silver, the nisab equals 595 (five hundred and ninety-five) grams of pure silver. In the Maldives, the nisab is measured in silver. The “year” for Zakat calculation is the Hijri year. If calculating according to the Gregorian year, the payable Zakat rate is 2.577% (two point five seven seven percent).
- (c) The goods are owned with the intention of doing business and making a profit.

*How the  
business owner  
pays Zakat*

- 28. (a) The method by which a business owner pays Zakat on his property is as follows:
  - i. First, a complete inventory or stock list of the goods in the person's shop and warehouses should be made. Then, the items on the list will be valued based on the market value of the items at that time.
  - ii. When the time for payment of Zakat arrives and the matter comes due, the market price of the goods may be lower than when the person purchased them. The value of the goods in the market may be higher than when they were acquired.

- iii. In any case, the value of the goods for payment of Zakat shall be based on the market value of the goods at that time, and if they are retailers, at the retail price.
  - iv. For wholesalers, goods must be valued at the wholesale price.
  - v. For businesses engaged in both wholesale and retail trade, valuation must account for both price tiers.
- (b) After valuing all property in the person's possession according to the method described in section (a) of this Article, any accumulated cash holdings shall be added to this valuation. Thus, whether funds are invested in business or held as uninvested deposits, all such monetary assets shall be included in the total value of goods.
  - (c) In accordance with section (b) of this Article, the amount of debt certain to be received from various parties (prior to Zakat payment) shall be added to the total valuation. Uncertain debts shall be excluded.
  - (d) In accordance with section (c) of this Article, all debts owed by the person to various parties (including banks and companies) shall be deducted. Thereafter, 2.5% (two point five percent) of the remaining balance shall be paid as Zakat.

*Zakat on commercial goods that have been in stock for a long time when they are deteriorating*

- 29. The Shari'ah has prescribed that the Zakat on commercial goods should be paid in cash after the valuation of the goods, after reaching the nisab and a year has passed.
- (a) Even if there are goods in stock that have not been sold for many days, they must be valued and the amount due for Zakat must be paid.

- (b) If the owner of the goods is unable to pay the Zakat amount in cash for the valuated goods, Zakat shall be paid from the goods themselves or the Zakat portion of the unsold stock may be given as Zakat.

## **CHAPTER 7**

### **Zakat on Livestock**

*The Shari'ah basis for obligation of Zakat on livestock*

30. (a) The 103<sup>rd</sup> verse of Surah Al-Taubah.
- (b) The Prophet (peace be upon him) commanded that Zakat be paid on livestock.
- (c) The scholars have agreed that it is obligatory to pay Zakat on specified types of livestock.

*Types of livestock subject to Zakat*

31. (a) Livestock here means cows, goats and camels. Cows include buffalo and goats include sheep.
- (b) Zakat is obligatory on grazed livestock not used for labour, if the nisab is attained.

*Conditions for paying Zakat on livestock*

32. (a) **Attainment of The Nisab Prescribed in Shari'ah:** Ownership of the minimum amount of livestock obligated for Zakat:
- i. The nisab of camels is, 5 (five) camels.
  - ii. The nisab of cows is, 30 (thirty) cows.
  - iii. The nisab of goats is, 40 (forty) goats.
- (b) If the number of livestock for the types mentioned in section (a) of this Article is below this threshold, Zakat shall not be obligatory.



- (c) **One Hijri Year Has Passed Since Ownership:** when calculating the year for offspring of cows, goats and camels, it is based on their mothers.
- (d) **These Animals are not Used for Labour:** meaning they are not employed for tasks like plowing fields or transporting goods. In such cases, they shall be classified as essential wealth, akin to clothing, being indispensable to their owners.

*The amount of Zakat to be paid on camels*

33. The table explaining the amount of Zakat to be paid on camels is given below:

From 1 to 4	No Zakat due.
From 5 to 9	1 goat.
From 10 to 14	2 goats.
From 15 to 19	3 goats.
From 20 to 24	4 goats.
From 25 to 35	1 she-camel (above 1 year of age)
From 36 to 45	1 she-camel (above 2 years of age)
From 46 to 60	1 she-camel (above 3 years of age)
From 61 to 75	1 she-camel (above 4 years of age)
From 76 to 90	2 she-camels (above 2 years of age)
From 91 to 120	2 she-camels (above 3 years of age)

*The amount of Zakat to be paid on cows*

34. The table explaining the amount of Zakat to be paid on cows is given below:

From 1 to 29	No Zakat due.
From 30 to 39	1 cow aged 1 year.
From 40 to 59	1 cow aged 2 years.
From 60 to 69	2 cows aged 1 year.
From 70 to 79	1 cow aged 2 years and 1 cow aged 1 year.

*The amount of Zakat to be paid on goats*

35. The table explaining the amount of Zakat to be paid from goats is given below:

From 1 to 39	No Zakat due.
From 40 to 120	1 goat (at least aged 1 year).
From 121 to 200	2 goats.
From 201 to 399	3 goats.
From 400 to 499	4 goats.

*Paying Zakat on livestock in cash*

36. Zakat can be paid in cash equivalent to the value of the livestock.

*Zakat on livestock, animals, fish and birds kept for commercial purpose*

37. Zakat shall be paid on livestock, animals, fish, and birds kept for commercial purposes as follows:
- (a) If animals are kept for direct purchase, for sale after being fed and raised, or for sale of their meat, Zakat is payable on these commercial goods. This includes livestock, horses, mules, donkeys, chickens, ducks, rabbits, pigeons, birds, and fish etc.
  - (b) If animals and birds are kept for obtaining and selling their products such as milk, hides, honey and eggs, Zakat is payable on the net income from these sales.
  - (c) In section (b) of this Article, the nisab of the income derived from the items mentioned shall be equal to the value of 85 (eighty-five) grams of pure gold, or if it is silver, the nisab is equal to 595 (five hundred and ninety-five) grams of pure silver. In the Maldives, the nisab is measured in silver. 2.5% (two point five percent) of that amount is due for Zakat.

*Method by which Zakat is collected*

38. The Maldives Zakat House shall collect Zakat on livestock in cash, based on the value of the animals.

## **CHAPTER 8**

### **Zakat on Grains and Fruits**

*The Shari'ah basis for obligation of Zakat on grains and fruits*

39. (a) The proof for this type of Zakat is the 141<sup>st</sup> verse of Surah Al-An'am.
- (b) The Prophet (peace be upon him) instructed that Zakat is not obligatory on less than five wasqs of grains.
- (c) The scholars have unanimously agreed that Zakat is obligatory on grains and fruits without any disagreement.

*Types of grains and fruits subject to Zakat*

40. (a) Zakat is obligatory on every kind of grain, fruit and vegetable produced by the earth when the nisab of five wasqs is reached.
- (b) Zakat is obligatory in kind on grains, fruits and vegetables. However, if the benefit to recipients is greater when paid in cash, this is also permissible. In the Maldives, Zakat will be collected in cash (equivalent to the market value).

*Nisab of grains and fruits*

41. Zakat is not obligatory before reaching the threshold of 5 (five) wasqs for any type of grain or fruit. This is equal to 653 (six hundred and fifty-three) kilograms of wheat or similar grains.

*Method by which Zakat will be collected*

42. The Maldives Zakat House will accept Zakat on grains and fruits in cash based on their market value.

## **CHAPTER 9**

### **Zakat on Rikaz, Minerals and Metals**

*Definition of Rikaz, minerals and metals*

43. (a) Rikaz is gold, silver and other valuables found buried without known ownership.

- (b) Minerals and Metals are gold, silver, iron, copper and other valuable materials which Allah has placed within the earth.

*The Shari'ah basis for the obligation of Zakat on Rikaz, minerals and metals*

- 44. (a) The 267<sup>th</sup> verse of Surah Al-Baqarah.
- (b) The Prophet (peace be upon him) commanded the payment of one-fifth (20%) of Rikaz as Zakat.
- (c) The scholars have unanimously agreed that Zakat is obligatory on Rikaz, minerals and metals.

*Types of minerals and metals on which Zakat is obligatory*

- 45. (a) Zakat is obligatory on every kind of precious mineral and metal extracted from the earth.
- (b) The valuable minerals and metals extracted from the earth include the following:
  - i. Gold and Silver.
  - ii. Iron and Copper.
  - iii. Hard but meltable materials like lead.
  - iv. Hard but non-meltable materials such as plaster or gypsum.
  - v. Minerals such as arsenic.
  - vi. Meltable and liquids like oils, mercury and such materials.

*The amount of Zakat due on Rikaz*

- 46. (a) Rikaz is not something for which a nisab has been prescribed to it. Therefore, one-fifth of it shall be paid as Zakat in accordance with section (c) of this Article, whether the amount is small or large.
- (b) Rikaz is not required to have a year passed on it. Therefore, from the moment it is received, Zakat is obligatory. Thus, the Zakat on Rikaz and on grain and fruits is similar in this regard.
- (c) It is obligatory to pay one-fifth of the Rikaz as Zakat, or 20% (twenty percent) thereof. However, Zakat is

obligatory to that extent if it was taken from the land by a person - whether a natural person or a juridical person. A juridical person here includes a company owned by individuals or a company in which people hold shares.

- (d) Zakat is not obligatory on Rikaz extracted from the land by the Islamic State on behalf of the government, as it constitutes public property to which all citizens have rights.

*The nisab of minerals and metals and the Zakat amount due*

- 47. (a) Minerals and metals are not subject to a waiting period. Zakat becomes obligatory immediately upon ownership.
- (b) To be liable for zakat on minerals and metals, they must meet the nisab requirement. The nisab for minerals and metals is equivalent to 85 grams (eighty-five grams) of pure gold.
- (c) When a mineral or metal is mined by a natural person or a juridical person and ownership is acquired, if the extraction required no effort, one-fifth or 20% (twenty percent) of it becomes obligatory as Zakat.
- (d) If the extraction required financial investment and physical effort, then one-fourth of a tenth 2.5% (two-point five percent) becomes obligatory as Zakat.
- (e) If the mineral or metal extracted is the property of the state, then it is public property and is exempt from Zakat obligations.

*Giving Zakat on what is extracted from the sea*

- 48. Among valuables obtained from the sea, only minerals and metals extracted from seabeds and treasure troves of gold/silver from sunken ships are subject to Zakat. Marine products including fish, pearls, ambergris and corals are generally Zakat-exempt unless acquired for commercial trade. When obtained for trading purposes, these goods become subject to standard Zakat requirements for commercial goods.

## CHAPTER 10

### Zakat on Shares

- |   |  |
|---|--|
| <i>Definition of share</i>                                    | 49. Shares are a portion of a company's capital. Shares are bought and sold at a price not less than their face value, with the purpose of creating or increasing the capital of the company.  |
| <i>Shari'ah basis for paying zakat on shares</i>              | 50. The 267 <sup>th</sup> verse of Surah Al-Baqarah.   |
| <i>The ruling on permissibility and prohibition of shares</i> | 51. The permissibility or prohibition of purchasing a company's shares is determined by the nature of the company's business transactions.   |
| <i>Companies dealing with shari'ah-compliant transactions</i> | 52. Shari'ah-compliant companies offer shares and engage only in business activities that are clear of any doubtful or prohibited dealings in Islam.   |
| <i>How to pay Zakat on shares</i>                             | <p>53. The method of paying Zakat on shares differs according to the shareholder's intention when purchasing or investing in the company. The beneficiaries of company shares are divided into 03 (three) categories:</p> <p>(a) <b>Type 1:</b> Shareholders who purchase shares to receive annual dividends:</p> <ul style="list-style-type: none"> <li>i. These shareholders purchase company shares solely with the intention of participating in the company's annual dividends.</li> <li>ii. The method for such persons to pay Zakat is to add the annual profit from the shares to their Zakatable wealth that has reached the nisab and completed a full lunar year, and if all other Zakat</li> </ul> |

conditions are met, they must pay 2.5% (two point five percent) of the total amount.

(b) **Type 2:** Those who buy shares with the intention of profiting by selling them in the stock market:

- i. These are individuals who purchase shares when prices decline and sell them when prices rise, engaging in daily stock market trading with the intention of making a profit.
- ii. For such persons, the Zakat obligation requires valuing the shares at current market price, adding this value to their other Zakatable wealth that has both reached the nisab and completed a full lunar year. When all Zakat conditions are satisfied, they must pay 2.5% (two point five percent) of the total amount.

(b) **Type 3:** Those who buy shares to sell at higher prices in the future:

- i. These are individuals who purchase shares intending to earn substantial profits by selling them later. They buy shares anticipating future gains, even if these shares remain unsold for months or years after purchase.
- ii. For such persons, the Zakat obligation requires valuing the shares at their current market price on the day when Zakat becomes due, adding this value to their other Zakatable wealth that has both reached the nisab and completed a full lunar year. When all Zakat conditions are fulfilled, they must pay 2.5% (two point five percent) of the total amount.

- (c) If a person invests money to buy shares using all three methods at once, the Zakat owed is determined by the specific purchase method used for each portion of shares.
- (d) When someone buys shares without deciding their purpose upfront, those shares should be considered as bought for selling later. This is because most people typically buy shares hoping to make a profit from selling them.

## **CHAPTER 11**

### **Zakat on Bonds and Sukuk**

#### *Definition of bond*

54. A bond is a financial document issued by a company to acknowledge a specific debt. When issuing the bond, the issuer must state a fixed interest rate that will be paid to the bondholder, regardless of whether the buyer ultimately profits or loses from the investment.

#### *Ruling on bonds*

55. Since the bond involves usury (riba), which is prohibited by Shari'ah, and because bond transactions entail buying and selling debt by someone other than the original debtor, such transactions are impermissible according to Shari'ah.

#### *How to pay Zakat on bonds*

56. (a) The bondholder must pay Zakat annually on the principal amount of the bond.
- (b) The bondholder must add the bond's original value to their other Zakatable wealth that has reached nisab and completed a lunar year. If all Zakat conditions are met, they then pay 2.5% (two point five percent) of the total amount as Zakat.

#### *How to treat the usurious portion of a bond*

57. Since the interest earned on bonds is impermissible, Zakat cannot be paid on it. However, this usurious portion may be allocated for public benefit purposes—excluding mosque construction/repair and Mushaf printing. The portion received as usury should be spent in this way in order to guard oneself



from the evil of it. The expenditure should not be considered as Zakat or charity.

*Paying of Zakat on sukuk*

58. Sukuk is a bond issued in accordance with Islamic Shari'ah.
- (a) If sukuk are purchased with the intention of selling them when their price increases, Zakat must be paid on both the principal amount and profits, calculated at current market value. 2.5% (two point five percent) from it is given as Zakat.
  - (b) If you purchase a sukuk for saving and profit accumulation, Zakat is obligatory only on the profit portion.

## **CHAPTER 12**

### **Zakat on Assets**

*Definition of assets*

59. Assets refer to movable and immovable properties that are not themselves traded, but are retained for generating profit

*Shari'ah basis for obligation of Zakat on assets*

60. Based on Shari'ah evidence, contemporary scholars have ruled that Zakat is obligatory on the profits generated from such properties.

*Types of assets*

61. (a) Buildings, vessels, aircraft, vehicles, factories and similar assets whose benefits are utilized through rent, income generation, or product creation are classified as tangible capital goods.
- (b) Every such asset may or may not be considered as a mustaghallat or an income-generating asset depending on the intended use of its owner.

*How to pay Zakat on assets*

62. Machinery, tools, residential properties and similar assets constitute income-generating investments. While these assets themselves are not Zakatable, their net profits—when combined with the owner's other Zakatable wealth—require an

annual Zakat payment of 2.5% (two point five percent). This obligation applies once a full lunar year has passed since the profits were generated.

## **CHAPTER 13**

### **Zakat on Wages and Salaries**

*The Shari'ah basis for the obligation of zakat on wages and salaries*

63. The basis for paying Zakat on wages and salaries is the 267<sup>th</sup> verse of Surah Al-Baqarah.

*Zakat on wages and salaries*

64. Zakat on wages and salaries earned through various types of work is payable when the nisab is reached and a full Hijri year has elapsed.
- (a) Zakat is paid on wages, salaries, allowances and net income from self-employment after deducting necessary living expenses.
- (b) The nisab of the wealth mentioned in this Article shall be equal to the value of 85 (eighty-five) grams of pure gold. Or if it is silver, the nisab is equal to 595 (five hundred and ninety-five) grams of pure silver. In Maldives, the nisab is measured in silver. 2.5% (two point five percent) of that is due for zakat.

## **CHAPTER 14**

### **Zakat on Business**

*Definition of business*

65. Business is a legally permitted economic activity carried out for the purpose of making profit in any form

*Shari'ah basis  
for obligation of  
Zakat on  
business*

66. (a) The 267<sup>th</sup> verse of Surah Al-Baqarah.
- (b) The Prophet (peace be upon him) said that if one trades in cloth or household items, one must pay Zakat on them.

*Areas where  
Zakat on  
business is  
obligatory*

67. The areas where Zakat is obligatory from business include the following:
- (a) Commercial goods include merchandise, debt expected to be paid, cash, paper currency, manufactured goods, raw material used in the manufacture of goods and the semi-finished goods.
- (b) The scope of Zakat on business encompasses industrial operations, contractual services, banking and insurance services, currency exchange, commission-based agencies, international trade (import/export), tourism, transportation, food service establishments (cafes/restaurants), and all other profit-generating commercial activities
- (c) All donations for public benefit are exempt from Zakat.
- (d) Zakat is not obligatory on fixed assets, equipment used for work, or items held without commercial intent.
- (e) Zakat applies to net earnings from both rental income and profits accrued from the sale of manufactured goods throughout the year.
- (f) The nisab of the goods mentioned in this Article shall be equal to the value of 85 (eighty-five) grams of pure gold. If silver is used, the nisab equals 595 (five hundred and ninety-five) grams of pure silver. In Maldives, the nisab calculation is based on silver. 2.5% (two point five percent) is due on this amount as Zakat.

- (g) The goods described in this Article shall be calculated together. If they include different types of currency, their value will be based on the rate at the central bank on the date of obligation of Zakat. If they are commercial goods, the price shall be based on the market price of the day. These assets must also include the debts expected to be paid. However, for debts that are not expected to be repaid soon, Zakat is payable only after the debts are received, and it is paid only for one year.
- (h) Zakat is payable on the wealth mentioned in this Article if the nisab is reached at the beginning and end of the year. If wealth of that kind is added during the year to wealth whose nisab was reached at the beginning of the year, and this added portion has not been subject to zakat before, it shall be added to this wealth, and zakat shall be paid at the end of the year.

*How to pay  
Zakat on  
receiving debt  
after a long time*

- 68. (a) For non-business debts (regardless of duration), Zakat is only payable for one year after repayment is received.
- (b) When business debts are received by the Zakat payer, they must be added to the business assets and treated the same manner as other business property.

## **CHAPTER 15**

### **Zakat on Waqf Property (Endowments)**

*Definition of  
waqf property*

- 69. Waqf property refers to assets designated for a specific beneficiary or purpose.

*Shari'ah basis  
of waqf property*

- 70. The Prophet (peace be upon him) greatly encouraged establishing waqf for the welfare of Muslims.

*Ruling of waqf  
property*

- 71. (a) Zakat is obligatory on the income generated from an endowment established for a specific family or individual.

- (b) Zakat is not required to be paid from an endowment established for the public benefit of the Muslim community by way of Sadaqah Jariyah (ongoing charity).
- (c) If a family endowment's beneficiaries become absent, temporarily or permanently, no Zakat is due on the property, which shall then become a charity waqf.
- (d) Property owned by non-profit academic institutions, social charitable institutions, and similar organizations falls under waqf rulings and is therefore exempt from Zakat obligations.
- (e) Islamic charity insurance companies are exempt from Zakat on their invested assets, as these represent communal property serving collective interests.
- (f) Those who invest in charity insurance companies must pay Zakat on the profits of such companies.

## **CHAPTER 16**

### **Zakat on Pension and Retirement Money**

*Lump sum  
payment  
received upon  
lay-off*

72. Severance pay is the amount that an employer is required to pay to a laid-off employee in accordance with the applicable laws and regulations.

*Retirement  
money*

73. Retirement money refers to the benefit payment received when an employee leaves their job and does not meet all the requirements for pension payments from the government or private institutions under the Social Security Act.

*Pension*

74. A pension is a mandatory monthly payment made to government employees or employees of private institutions upon termination of their employment, in accordance with the requirements set forth under the Social Security Act.

*How to pay  
Zakat*

75. The following outlines the payment of Zakat on lump sum payments, retirement benefits, and pensions at the end of employment:
- (a) As long as an employee or worker continues in his employment, he is not obliged to pay Zakat on any of these types of money that he is legally entitled to receive. This is because they do not have full ownership of the property, which is one of the conditions for paying Zakat. Because the person has not received the money so far.
  - (b) Once the employee or worker is legally entitled to the benefit, they may receive it as a lump sum under a decree issued by the competent authority, or it may be disbursed in monthly installments. When the person acquires full ownership of the money, they shall pay zakat on the amount they own at that time, following the standard procedure for paying zakat on acquired property.

## CHAPTER 17

### Zakat on Land

*Cases in which  
Zakat is paid on  
land*

76. (a) **Land Devoted to Agriculture:** Zakat on income from agricultural activities on such land shall be paid in the same manner as Zakat on grains and fruits.
- (b) **Land Reserved for Commercial Purposes:** Zakat on the income from such land shall be paid in the same manner as Zakat on commercial property.
- (c) If it is leased land and the amount received as rent reaches the nisab, Zakat is paid once a year has elapsed on it.
- (d) If the land is reserved for personal purposes, Zakat is not required.
- (e) If there is no determination regarding the appropriation of the land for a specific purpose—such as business or

personal use—it is considered appropriated for personal purposes. Therefore, no Zakat is required on such land.

## **CHAPTER 18**

### **Zakat on the Minor's Property**

*Zakat on  
minor's property*

77. If a minor or a person who is mentally incapacitated possesses property that has reached the nisab and one year has elapsed on it, it is obligatory for their guardian to pay Zakat on that property.

## **CHAPTER 19**

### **Zakat on Inherited Property**

*Circumstances  
in which Zakat  
can be paid on  
inherited  
property*

78. There are 02 (two) situations of inherited property.
- (a) One situation is when the property is divided among the heirs.
  - (b) The other situation is that the property has not yet been divided among the heirs.
    - i. If the property has been divided among the heirs, each inheritor is obliged to pay Zakat on their share, provided that the nisab is met and one lunar year has passed since the date of the deceased's death.
    - ii. If the inheritance is not divided among the heirs, there are two (2) situations:
      - 2.1 The distribution of the property among the heirs was not delayed due to their own issues.
      - 2.2 If the distribution of the property among the heirs is delayed not due to their own issues, and since none of them has full ownership, Zakat is not required on it. When each heir receives their share, if it meets the nisab for

Zakat, they must pay Zakat for one year, regardless of how many years have passed. The payment should be made without waiting for an year to elapse.

2.3 The distribution of the property was delayed due to a dispute among the heirs.

2.4 Since the distribution of the property has been delayed for years due to the heirs' personal issues, Zakat is obligatory for each year the property remains undistributed, in accordance with conditions of Zakat. Therefore, the heirs must continue to pay Zakat on the property annually. If Zakat has not been paid for any previous years, the heirs are required to pay the outstanding Zakat for those years upon acquiring ownership of the property.

## **CHAPTER 20**

### **Zakat and Taxes**

*Paying Zakat  
from taxes*

79. (a) Paying taxes is not considered the same as paying Zakat, as Zakat is a form of worship performed with wealth. It is one of the Pillars of Islam. If an individual possesses enough wealth to meet the nisab, they are obliged to pay Zakat.
- (b) Under the Income Tax Act, Zakat payments are deductible when calculating taxable income.



## CHAPTER 21

### Zakat on Wealth Acquired by Haram Means

*Definition of wealth acquired by haram means*

80. Unlawfully acquired wealth includes money and assets obtained through usury, bribery, robbery, theft, unjust means, fraud, deception, gambling, and other activities forbidden in Islam, along with any money and assets obtained through them.

*Zakat on wealth acquired by haram means*

81. It is not permissible to pay Zakat on property and money acquired in a haram manner.

## CHAPTER 22

### Payment of Zakat before it Becomes Obligatory

*Payment of Zakat before it becomes obligatory*

82. (a) Many scholars of fiqh believe that it is permissible for the owner of property to pay Zakat on their property before a year has elapsed on it.
- (b) Notwithstanding section (a) of this Article, it is a condition that the person must possess the nisab of Zakat for the payment to be valid before the end of the year. Scholars have agreed that it is not permissible to hasten the payment of Zakat when the property has not attained the nisab.
- (c) A person who wishes to hasten the payment of Zakat is allowed to pay it all at once. It is also permissible to pay in installments; however, the condition is that the last installment of the payment should not be delayed beyond the date when Zakat becomes obligatory.

*Zakat paid in excess*

83. If a person pays Zakat before the due date and finds that they have paid more than required, the decision to deduct the excess from next year's Zakat, or consider it a deposit in the Muslim treasury—provided it causes no inconvenience for the Zakat authority—or treat it as charity is at the property owner's discretion.

*Paying Zakat less than the amount due*

84. If, after paying Zakat for the year before the end of the year, it is discovered that the amount paid is less than what is actually obligatory, it is mandatory to pay the deficiency to fulfill the Zakat requirement for that year .

## **CHAPTER 23**

### **Delaying the Payment of Zakat**

*Delaying the payment of Zakat*

85. It is obligatory for Muslims to pay Zakat on their property without delay, as giving Zakat is a prescribed act of worship in Islam. Therefore, this act of worship must be performed on time, without postponement.

## **CHAPTER 24**

### **Zakat al-Fitr**

*Definition of Zakat al-Fitr*

86. (a) Zakat al-Fitr is obligatory for every Muslim who has more than enough to eat and drink for himself and his dependents on the eve and day of Eid al-Fitr. He must give Zakat on behalf of his wives and small children who do not possess any wealth.
- (b) He is not obliged to pay Zakat al-Fitr on behalf of his adult children or his servants. He does not have to pay Zakat al-Fitr on behalf of someone whom he helps with his property. Any orphan, student, poor person, or wealthy person whom he helps, he is not obliged to pay their Zakat al-Fitr.

*The Shari'ah basis of Zakat al-Fitr*

87. Zakat al-Fitr is enjoined in the Sunnah of the Prophet (peace be upon him)

*Types of goods from which Zakat al-Fitr is given*

88. (a) The Zakat al-Fitr should be given in the amount of one saa' of dates, barley, raisins, or wheat, as mentioned in the hadith. The saa' is, by modern measurement, 2.4 (two point four) kilogram.

- (b) It is permissible to pay Zakat al-Fitr in the form of rice, meat, powdered milk, or any other staple foods that are commonly consumed.
- (c) If Zakat al-Fitr is paid on the above items, it is permissible to determine their value and pay Zakat in cash.
- (d) Zakat al-Fitr should be paid before the Imam goes out for the Eid prayer. It is forbidden to postpone the payment of Zakat beyond the day of Eid; in such cases as well, it should be paid later. Additionally, it is permissible to pay Zakat al-Fitr starting from the first day of Ramadan.
- (e) It is also permissible to delegate the payment of Zakat al-Fitr to someone else.
- (f) Depending on the needs of the recipients of Zakat al-Fitr, a Zakat authority may value the types of grains or other items given as Zakat and distribute them in cash to the beneficiaries, or convert the cash payments into types of grains and distribute that to the beneficiaries.
- (g) Instead of distributing what is received as Zakat al-Fitr in the original village, it is permissible to transfer it to another village where there are individuals who are more in need. Similarly, if there are no eligible recipients of Zakat al-Fitr in that village, it is permissible to move it to another village where there are eligible individuals.
- (h) The intention to pay Zakat al-Fitr is also required. Mere consent to the act is considered sufficient for having the intention to give Zakat.
- (i) When necessary and in the interest of the Islamic community, it is permissible for a Zakat authority to postpone the distribution of Zakat al-Fitr until after Eid.

*Recipients  
entitled to Zakat  
al-Fitr*

89. Zakat al-Fitr will be distributed to the poor (faqeer) and needy (Miskin). However, it is also permissible to give Zakat al-Fitr to other individuals who have been designated as recipients of Zakat al-Maal.



قَالَ اللَّهُ تَعَالَى

﴿ إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسَاكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَارِمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ ﴾

“The alms are only for the poor and the needy and those who collect them, and those whose hearts are to be softened for the faith, and to free the captives and debtors, and in the path of Allah and for travellers. A duty imposed by Allah; Allah is Knowing, Wise.”

التوبة: 60

## PART II

# SHARI'AH PRINCIPLES AND STANDARDS REGARDING ZAKAT BENEFICIARIES

## CHAPTER 1

### Preliminary Provisions

- |  |  |
|--|--|
| <i>Introduction and name</i>                     | <p>90. (a) This provides the basis for defining Zakat beneficiaries, outlining Shari'ah principles for the collection, distribution, and management of Zakat funds, establishing standards for disbursing Zakat to those areas, and identifying key considerations to be taken into account.</p> <p>(b) This guideline is referred to as the "Shari'ah Principles and Standards regarding Zakat Beneficiaries".</p>  |
| <i>Purpose</i>                                   | <p>91. The purpose of these principles and standards is as follows:</p> <p>(a) Determination of areas for distribution of Zakat according to Shari'ah principles.</p> <p>(b) Explaining the details of the categories and areas eligible for Zakat, as mentioned in the Qur'an.</p> <p>(c) Provide extensive ways for beneficiaries to benefit from Zakat, in accordance with the demands of the modern era.</p>   |
| <i>The Shari'ah basis of Zakat beneficiaries</i> | <p>92. (a) The beneficiaries of Zakat are the following groups mentioned in the 60<sup>th</sup> verse of Surah Al-Taubah:</p> <ul style="list-style-type: none"><li>i. The Poor (Al-Fuqara).</li><li>ii. The Needy (Al-Masakin).</li><li>iii. Zakat Collectors (Al-Amilina 'Alaiha).</li><li>iv. Those Whose Hearts are to be Reconciled (Al-Mu'allafatu Qulubuhum).</li><li>v. To Free Captives (Fi Al-Riqab).</li><li>vi. The Debtors (Al-Gharimin).</li></ul> |

- vii. In the Cause of Allah (Fi Sabilillah).
- viii. The Wayfarer (Ibn Al-Sabil).

*Spending From Zakat*

93. The funds from Zakat shall be utilized in accordance with the rules prescribed in these principles and standards.

## **CHAPTER 2**

### **Categories of the Poor and Needy (al-Fuqaraau wa al-Masakin)**

*Definition of al-Faqeer and al-Miskin*

94. A poor person (al-Faqeer) is defined as one who possesses neither wealth nor income sufficient to meet their basic needs.

*Definition of Miskin*

95. A needy person (al-Miskin) is defined as one who has some means to meet basic needs but lacks enough to sustain themselves for 01 (one) year.

*Areas for which Zakat can be spent from the category of Al-Fuqaraau wa Al-Masakin*

96. The following are the areas among the Poor and Needy for which Zakat may be expended.

#### **Orphans**

- (a) Among orphans, Zakat funds may be disbursed to those who meet the following conditions:
  - i. The father is deceased, missing, of unknown whereabouts, or unidentifiable.
  - ii. The orphan must not have reached adulthood or the age of 18 (eighteen) years.
  - iii. The individual must either lack income or have income insufficient to meet basic needs.
  - iv. The individual has no financially capable legal guardian to provide for them.

#### **Widows**

- (b) Among widows, Zakat funds may be disbursed to those who meet the following conditions:

- i. The individual must be a widowed woman.
- ii. The widow must either lack sufficient income or have income inadequate to meet basic necessities.
- iii. There exists no legally responsible and financially capable provider.

### **Divorcees**

(c) Among divorcees, Zakat funds may be disbursed to those meeting the following conditions:

- i. The waiting period ('iddah) has been completed.
- ii. The individual must not be currently married.
- iii. The individual must lack sufficient income or possess income inadequate to meet basic necessities.
- iv. There exists no legally responsible and financially capable provider.

### **Single Mothers**

(d) Among single mothers, Zakat funds may be disbursed to those meeting the following conditions:

- i. The individual must not be currently married.
- ii. The individual must lack sufficient income or possess income inadequate to meet basic necessities.
- iii. There exists no legally responsible and financially capable provider.



### **Elderly without Caretakers**

- (e) Zakat funds may be allocated to elderly individuals lacking caretakers, provided they meet the following conditions:
  - i. The individual must be at least 60 (sixty) years of age.
  - ii. The individual must lack sufficient income or possesses income inadequate to meet basic necessities.
  - iii. There exists no legally responsible and financially capable provider.

### **People with Disabilities**

- (f) Among persons with disabilities, Zakat funds may be disbursed to those meeting the following conditions:
  - i. The individual must have a medically recognized health condition, permanent illness, or physical/mental disability that prevents them from work to get an income.
  - ii. The individual must lack sufficient income or possesses income inadequate to meet basic necessities.
  - iii. There exists no legally responsible and financially capable provider.

### **The Sick**

- (f) Among the sick people, Zakat funds may be disbursed to individuals meeting the following conditions:
  - i. A temporary health condition has been diagnosed.
  - ii. The individual lacks access to adequate free medical treatment.

- iii. The individual must lack sufficient income or possesses income inadequate to meet basic necessities.
- iv. There exists no legally responsible and financially capable provider.

### **Individuals with Income Inadequate for Essential living Expenses**

- (g) Among individuals with income inadequate for essential living expenses, Zakat funds may be disbursed to those meeting the following conditions:
  - i. Income is insufficient to cover basic needs
  - ii. The individual has no viable prospects for further employment.
  - iii. There exists no legally responsible and financially capable provider.

### **Students in Difficult Circumstances**

- (h) Zakat funds may be disbursed to students meeting the following conditions:
  - i. The applicant must provide proof of current student status.
  - ii. The student must be enrolled in a Shari'ah-compliant field of study.
  - iii. The individual's income is insufficient to support themselves, their spouse(s), and dependent children.
  - iv. There exists no legally responsible and financially capable provider.

### **Individuals who Lost Their Means of Income**

- (i) Among those no longer engaged in income-earning work, Zakat funds may be allocated to individuals meeting the following conditions:
  - i. The individual must have experienced involuntary termination from employment.
  - ii. The individual's income is insufficient to support themselves, their spouse(s), and dependent children.
  - iii. The individual must have no alternative sources of income.
  - iv. There exists no legally responsible and financially capable provider.

### **Families of Prisoners**

- (j) Zakat funds may be disbursed to families of prisoners who meet the following conditions:
  - i. Before he is imprisoned, they must be able to support themselves from the income earned from his work.
  - ii. The family must lack sufficient income or possess income inadequate to meet basic necessities.
  - iii. There exists no legally responsible and financially capable provider.

### **Families of Missing Persons**

- (k) Zakat funds may be allocated to families of missing persons who meet the following conditions:

- i. The missing individual, who is the provider for the family, must have been absent for at least 4 (four) months.
  - ii. The family must lack sufficient income or possess income inadequate to meet basic necessities.
  - iii. There exists no legally responsible and financially capable provider.
- (m) Spending on persons without adequate housing.
- (n) Expenditure on marriage of those who are unmarried due to lack of financial resources.
- (o) Expenditure on skills training for the Poor and the Needy.
- (p) To help the Poor and Needy achieve economic prosperity.
- (q) A person who, despite owning adequate housing, is compelled to sell it to sustain themselves and their dependents.
- (r) A person who, despite possessing property, is in a situation where he cannot utilize it, and there is no way to take hold of it.
- (s) Persons who maintain their own investments but earn insufficient income to meet basic needs.
- (t) Persons who, despite possessing the various working tools used in their occupation, are unable through these means or otherwise to meet their necessary expenses.
- (u) Persons lacking the financial capability to afford treatment for severe chronic illnesses.

*People who will not receive Zakat from the category of Al-Fuqaraau wa Al-Masakin*

97. The following are those for whom Zakat cannot be expended from the category of the Poor and Needy:
- (a) The wealthy.
  - (b) Those who are healthy and physically cable to earn.
  - (c) Non-Muslims outside of Mu'allafat al-Qulub.
  - (d) Those with financially capable offspring or parents.
  - (e) Aal al-Bayt for whom the Bayt al-Maal provides expenditure.

## **CHAPTER 3**

### **Zakat Collectors (Al-Amilina 'Alaiha)**

*Definition of Aamilina 'Alaiha*

98. Al-Amilina 'Alaiha are the individuals and entities officially designated by the governing authority to collect and distribute Zakat.

*Conditions of Aamilina 'Alaiha*

99. (a) Being a Muslim.
- (b) Being of age.
- (c) Be of sound mind.
- (d) Being trustworthy.
- (e) Having knowledge of the rules of Zakat, or the knowledge required for a Zakat Aamil by Shari'ah.
- (f) Being capable of fulfilling assigned responsibilities.

*Areas for which Zakat can be spent from the category of Al-Amilina 'Alaiha*

100. (a) Those appointed to collect and distribute Zakat.
- (b) Persons entrusted with the responsibility of collecting Zakat on behalf of the State.
- (c) Establishment of necessary facilities for the development of Zakat House.

- (d) Development of human resources for the development of Zakat House.
- (e) Zakat awareness campaigns.
- (f) Remuneration and allowances for legal and technical advisors in matters relating to Zakat.
- (g) The cost of transporting Zakat from one place to another.
- (h) Achieving the mandate of Zakat House.

## **CHAPTER 4**

### **Al-Mu'allafat al-Qulub**

*Definition of Al-Mu'allafat al-Qulub*

101. Al-Mu'allafat al-Qulub are those for whom Zakat is expended to instill in them love for Islam, to attract people to embrace Islam, or to defend Islam.

*Areas for which Zakat can be spent from the category of Al-Mu'allafat al-Qulub*

102. (a) Non-Muslims who are not hostile towards Islam and Muslims.
- (b) New converts to Islam.
- (c) Activities to promote interest in Islam.
- (d) Various efforts to defend Islam.
- (e) Non-Muslims facing humanitarian crisis.
- (f) Expenditure on media initiatives to present an accurate representation of Islam and Muslims.
- (g) Expenditure for the benefit of Islam and Muslims.
- (h) To cultivate love for the personality of the Noble Prophet (peace be upon him) and spread his moral teachings worldwide.

- (i) To provide assistance to non-Muslims living in Maldives in humanitarian situations.

## **CHAPTER 5**

### **To Free Captives (Fi Al-Riqab)**

*Areas for which Zakat can be spent from the category of Fi Al-Riqab*

- 103. No slaves exist today requiring emancipation, but funds from this category may be allocated to the following purposes
  - (a) Spending to secure the freedom of imprisoned Muslims.
  - (b) Rescuing Muslims who have been kidnapped.
  - (c) Delivering Muslims from economic bondage.
  - (d) Freeing Muslims enslaved through human trafficking.
  - (e) Expenditure to liberate captured Muslims.

## **CHAPTER 6**

### **The Debtors (Al-Gharimin)**

*Definition of Debtors*

- 104. Al-Gharimin (debtors) refers to those incapable of settling their debts.

*Areas for which Zakat can be spent from the category of Al-Gharimin*

- 105. (a) Persons who assumed responsibility for paying a debt incurred by another but are incapable of fulfilling this obligation.
- (b) Persons who guaranteed repayment of another's debt and assumed responsibility for its payment.
- (c) Individuals who took legitimate loans but are unable to repay
- (d) Those indebted due to property mismanagement

- (e) People who incurred debts through sinful means but subsequently repented.
- (f) Persons who borrowed for the welfare of the community or for peacemaking between two parties and are now unable to repay.
- (g) Individuals whose property was destroyed by disasters, forcing them to incur debts for living expenses, and who are now unable to repay.
- (h) Debts of deceased persons who lack heirs or Muslim benefactors to repay their debts.
- (i) Those unable to pay blood money for Quasi-Intentional Murder or accidental murder.
- (j) Persons who borrowed for medical treatment but are unable to repay.
- (k) Students who took out higher education loans (that do not involve usury) and are unable to repay.

## **CHAPTER 7**

### **In the Cause of Allah (Fi Sabilillah)**

*Definition of Fi Sabilillah*

106. Fi Sabilillah is to work to exalt the religion of Allah and to elevate His Word among the people.

*Areas for which Zakat can be spent from the category of Fi Sabilillah*

107. (a) Jihad in the way of Allah in accordance with the Shari'ah principles.
- (b) All activities to spread knowledge of the Holy Qur'an and the Sunnah of the Prophet (peace be upon him) and to cultivate love for the Qur'an and Sunnah.
- (c) Education, upbringing, and training in Shari'ah disciplines and secular disciplines permissible in Shari'ah.



- (d) Increasing religious awareness.
- (e) Conducting religious programs through technology and modern resources.
- (f) Writing, translating, publishing, printing Islamic books and preparing sermons.
- (g) Projects for memorizing the Holy Qur'an.
- (h) Sponsoring those unable to afford the obligatory Hajj pilgrimage.

## CHAPTER 8

### The Wayfarer (Ibn Al-Sabeel)

#### *Definition of Ibn Al-Sabeel*

108. Ibn Al-Sabeel (the traveler in distress) refers to an individual who, despite being wealthy in their homeland, loses their money during their journey or exhausts their resources and is in need of assistance.

#### *Conditions for Zakat to be given from the category of Ibn Al-Sabeel*

109. (a) Being on a journey outside one's homeland.
- (b) The journey must not involve any act of disobedience to Allah.
- (c) Even if he owns property, he is not able to access it.
- (d) Have insufficient funds to complete the trip.

#### *Areas for which Zakat can be spent from the category of Ibn Al-Sabeel*

110. (a) Pilgrims of Hajj and Umrah who are in distress during their journey.
- (b) Individuals who have suffered a serious illness or faced special circumstances while abroad for a valid reason.
- (c) Those who call for Islam outside their own country.

- (d) Muslim refugees displaced from their homeland.
- (e) Those who wish to return to their home country but are unable due to financial constraints.
- (f) People affected by natural disasters, such as war, floods, famine, and earthquakes, whether in their own country or abroad.
- (g) Students studying abroad under deprived circumstances in fields beneficial to the country.
- (h) Victims of fire incidents.

## **CHAPTER 9**

### **Investing Zakat Funds**

#### *Investing Zakat Funds*

111. The Zakat authority of the state may invest a portion of the Zakat funds to meet the essential needs and in the best interests of the Zakat beneficiaries for the following reasons:

- (a) The needs of the beneficiaries have increased, and the amount of Zakat they receive is insufficient to meet those needs.
- (b) Investing Zakat funds can provide a permanent solution to the needs of the beneficiaries.
- (c) Assisting the poor in achieving a state of affluence.

#### *Conditions for Investing Zakat Funds*

112. (a) No circumstances exist that necessitate the immediate distribution of Zakat to its rightful recipients.
- (b) A permanent solution to the needs of Zakat beneficiaries is ensured, along with the assurance that the Zakat fund will grow.

- (c) Investment should be made only after the annual distribution of Zakat, ensuring that it does not burden the needs of the beneficiaries.
- (d) Investments should be made in areas permitted by Islamic Shari'ah.
- (e) All profits generated from invested Zakat funds belong solely to the designated Zakat beneficiaries.
- (f) Those entrusted with investing Zakat funds must be professionally competent and trustworthy to fulfill this duty.
- (g) The investment project must be easily liquidatable if necessary.
- (h) The liquidated funds must be returned to the Zakat Fund.
- (i) Before starting the project, an appropriate feasibility study should be conducted, and it is expected to yield substantial profits.

*The entity responsible for investing Zakat Funds*

113. (a) Zakat funds can be invested exclusively by the state. The Maldives Zakat House will invest the funds on behalf of the state.
- (b) The advice of the Shari'ah Advisory Committee of the Zakat House should be sought before investing Zakat funds.
- (c) It is not permissible for the payer of Zakat to invest their Zakat money themselves.

## **CHAPTER 10**

### **Moving Zakat from one location to another**

*Transferring Zakat from one*

114. The basic rule is to distribute Zakat in the same location where the zakat was paid. The payer's location need not be considered.

*location to another*

However, it is permissible to transfer Zakat elsewhere if there is a valid benefit in doing so.

*Important matters to be considered in transferring Zakat from one location to another*

115. (a) To transfer Zakat to a battlefield where Jihad in the path of Allah is taking place.
- (b) To provide Zakat to an institution engaged in Dawah, or to an academic entity, or to a health services institution, as they fall within the 8 (eight) categories for which Zakat is due.
- (c) To provide the benefits of Zakat to Muslims living in any part of the world affected by various disasters, famines, and natural calamities.
- (d) Transferring Zakat to the location where the relatives of the Zakat payer reside.
- (e) It is permissible, yet discouraged, to transfer Zakat from one place to another, except in the circumstances mentioned above provided that the Zakat is given to a category that is entitled to receive it.
- (f) The village or city where Zakat was paid is considered the location where Zakat was paid. This includes the town and its adjoining neighborhoods, covering a distance of approximately 83 (eighty three) kilometers. Because all areas within this range are deemed permissible for distributing Zakat.
- (g) For the distribution of Zakat al-Fitr, the place where the Zakat is given is considered to be the village from which the Zakat was given.
- (h) For the convenience of transferring Zakat from one place to another, the following are permissible:
- i. If the conditions for paying Zakat on property are fulfilled, it is permissible to pay the amount of Zakat on property shortly before the end of the year, making

it easier for them to reach by that time. However, it is not permissible to pay Zakat al-Fitr earlier than the first day of Ramadan.

- ii. It is also permissible to pay Zakat al-Maal later than the designated period for transferring the Zakat money and property to the location where they are to be distributed.

## GENERAL PROVISIONS

*Matters not mentioned in the principles and standards*

116. Any matter not mentioned in these principles and standards shall be addressed by the Maldives Zakat House in consultation with its Shari'ah Advisory Committee.

*Amending the principles and standards.*

117. Any changes to these principles and standards shall be submitted to the Minister of Islamic Affairs, along with the reasons for the changes, and written approval must be obtained.

*Implementing Office*

118. These principles and standards shall be enforced by the Maldives Zakat House.

*Enforcement of the principles and standards*

119. In accordance with Islamic Shari'ah, individuals and entities obligated to pay Zakat shall adhere to these principles and standards.

*Commencing the Enforcement of the principles and standards*

120. (a) These principles and standards shall take effect on the date of their publication, following approval by the Shari'ah Advisory Committee of the Maldives Zakat House and endorsed by the Zakat Council.
- (b) All existing administrative rules and regulations concerning the collection and distribution of Zakat that contradict these principles and standards shall be amended within thirty (30) days from the date these principles and standards come into effect.

*Revising the  
principles and  
the standards*

121. These principles and standards should be reviewed in light of Shari'ah principles, considering the time, circumstances, and needs.

*Definition*

122. Unless otherwise defined in these principles and standards, or unless a term or phrase is interpreted differently based on its usage, the terms and phrases in the following sections shall be defined as follows:

- (a) "Minister" refers to the official entrusted with the administration of the Ministry designated by the Government to oversee matters related to Islam, including those pertaining to Zakat.
- (b) "Ministry" refers to the Government Ministry responsible for the administration of all Islamic affairs in Maldives, including matters related to Zakat.
- (c) "Zakat House" refers to the office operating under the Ministry of Islamic Affairs, established by the authority of the President as outlined in Article 116 of the Constitution of the Republic of Maldives.
- (d) "Basic need" refers to the minimum necessities required for living in a specific society.



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