

In the name of Allah The Beneficent, the Merciful



All praise is due to Allah, the Lord of Creation. And peace and blessings upon the Messenger of Allah Muhammad and upon all his family and companions.

On behalf of ANSB and Australian Dar Al Iftaa, we present to our respected community a detailed study of the Nisab (minimum threshold) for **Zakat** on savings, and **Zakatul Fitr** for the Hijri year **1442**, which coincides with the year 2021 AD. This study has been conducted according to the price of a gram of gold on Friday the 2nd of April 2021.

Allah, Ta'ala, has encouraged giving and spending on what is good for society. Allah, Exalted and High, said: **“Believe in Allah and His messenger and spend from what He has entrusted you with. For those of you who believe and spend (of their wealth) is a great reward”** – Al Qur’an: 57:7.

He ordained the giving of Zakat: **“Take (O messenger of God) from their wealth alms (to pass on to the needy) to purify and elevate those who give through what they give and pray for them. Indeed, your prayer is a source of comfort for them and Allah is All-Hearing, All-Knowing”** – Al Qur’an: 9:103.

Allah, the Almighty, also clarified who the recipients should be, saying: **“Indeed Alms are for the poor and the needy, for those who are employed to administer it, for those whose hearts are attracted to the faith, for (the freeing of) slaves, for those in debt and in the cause of Allah and for the traveler (in need). An obligation from Allah and Allah is All-Knowing, All-Wise”** – Al Qur’an: 9:60.

The purpose of alms is to strengthen the body of the Ummah and enliven the spirit of support, brotherhood and cooperation among the adherents of this great faith.

Zakat is a great support system within Islam through which Allah has guaranteed a dignified life for every person in need. Zakat is compulsory upon those who are able, so that they can do their duty towards the needy and empower them to live with dignity.

Zakat is a pillar of Islam and is a financial act of worship which Allah has made as a

right for the poor from the wealth of the rich in order to fulfill higher purposes.

Zakat is compulsory upon those whose wealth reaches the Nisab (minimum threshold) and have maintained this wealth for an entire year, at which point they must give 2.5% of their wealth. The minimum threshold for Zakat according is 20 mithqals (equivalent to 85 grams) of gold or 200 grams of silver. The Shafi'i and Hanbali schools stipulated that if a person has impure gold, then it will not meet the minimum threshold until the weight of the gold itself reaches the threshold. This is the favoured opinion among the people of knowledge. It is stipulated in the Hanafi and Maliki schools that if most of the gold or silver is not impure and is accepted and circulated in the same way as the pure gold is circulated, then we consider its total weight, including the impure portion of it as contributing to the minimum threshold. As such the minimum threshold for Zakat to be required upon a person in the three instances is as follows:

1. Pure gold: $85g \times 72.92 = \$6198$
2. 21 Carat gold: $85g \times 63.92 = \$5433$ (This is the second opinion outlined above)
3. As for the threshold based on the value of silver: $595g \times 1.05 = \$624.75$

Based on this, we recommend that those who have a discretionary wealth of \$6198 and who have held this wealth for a year to pay Zakat based on this threshold. However, if they wish to take the other views and pay higher Zakat using the \$624.75 that is also acceptable according to the stated interpretations. As a practical example, if a person had a wealth of \$7,000 and has held this amount for one year, the calculation would be: $2.5\% \text{ of } \$7000 = \175 .

In this document, we are only dealing with Zakat on wealth and Zakat Al Fitr as these are the most common. There is Zakat on primary products for example which we will deal with on a case by case basis if the readers wish to send a specific enquiry.

Zakatul Fitr

Allah has ordained Zakatul Fitr for the purification of the fasting person from what may occur with him or her of slips of the tongue and minor indiscretions. Zakatul Fitr also feeds the poor and needy. The prophet peace and blessings upon him said: Zakatul Fitr is a purification for the fasting person from the laghu and rafath, (mistaken / frivolous / trivial speech and minor intimacies) and is a feeding of the needy.

Ibn Umar, may Allah be pleased with him, said: *The prophet, peace and blessings upon him, ordained that Zakatul Fitr should be a Sa' of dates or a Sa' of barley upon the servant and the free person, the male and the female, the young and the old among the believers. He commanded that it be given before the people leave for the prayer (of Eid).* The authenticity of this hadith is agreed upon among scholars of hadith.

The prophet peace and blessings upon him commanded that it should be given before the people leave for the Eid prayer, there is consensus among the scholars of Islam that it is compulsory upon all the believers.

It is a Sa' from the staples of the locality of wheat or rice or any similar staple, it's weight is roughly 3kgs. It is given to the needy on the morning of Eid before the prayer, or before the eve of Eid by a day or two. This is what the companions of the prophet, peace and blessings upon him, would do.

The minimum amount to pay for Zakatul Fitr in relation to the value of the food is \$AUD 12 per person.

The Imams of ANSB will be happy to answer any specific questions in relation to Zakat. Readers can email their questions to daim@afic.com.au.

And Allah knows best

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