

Series of Questions Addressed to the Eminent Scholar Ata Bin Khalil Abu Al-Rashtah,
Ameer of Hizb ut Tahrir through his Facebook Page (Fiqhi)

Answer to Question

Zakat on Joint Money

To: Ahmad Saleh Ajoli

(Translated)

Question:

Assalamu Alaikum wa Rahmatullah wa Barakatuhu,

Topic: Is *Zakat* an individual '*Ibadah*'?

Our honorable *Ameer*, noble sheikh...

May Allah help you, grant you success, and aid you with Ansar (supporters) like the Aws and Khazraj...

With reference to the above topic I would like to ask:

Is Zakat an individual '*Ibadah*' that is obliged upon individuals only or is it obliged for companies as well?

To clarify my question, I will give an example:

Khalil and Zaid have a company at a rate of 50% each, and the company's capital was 3000 Jordanian dinars, Khalil did not have anything else Zakat worthy, and he had a personal debt of 1000 dinars, and Zaid had 4000 dinars in his house and a year had passed...

How do both Khalil and Zaid calculate their *zakat*? Does each person calculate his percentage in the company separately from the other person, or is zakat paid on the company's total capital as a company?

Answer:

Wa Alaikum Assalam wa Rahmatullah wa Barakatuhu,

May Allah reward you for this kind Du'a, and I ask Allah (swt) to answer this Du'a and reward you...

Joint money zakat:

With regard to zakat on money in gold and silver, and the current cash that takes place in their place, zakat on it is obligatory for the individual on his money if he reaches the nisaab (amount) and one year has passed...

As for the example that you mentioned in the question, its answer is as follows:

1. As for Khalil, his share of the company's capital is "1500 dinars", and he owes a debt of "1000 dinars," meaning that what he has left to calculate zakat is "500 dinars" because the debt he owes is reduced from his money and zakat is on the money that remains after paying the debt, and we have explained the evidence for that in the adopted book – ***Al Amwal fee Dawlatil Khilafah – Funds in the Khilafah State*** under the topic of Zakat on debt, page 165, in which it says:

(If someone has money that has reached the nisaab, and a year has passed, and he owes a debt that reaches the nisaab, or the remaining money after the debt is paid, is less than the nisaab, then he does not pay zakat, and that is like he who owns a thousand dinars, and he owes one thousand dinars in debt, or if he owns forty gold dinars, and he owes thirty gold dinars, then in these two cases no zakat is due on him, because he does not own the nisaab. It was narrated by Nafi', by ibn 'Umar who said: the Messenger of Allah (saw) said: «إذا كان لرجل ألف درهم، وعليه ألف درهم، فلا زكاة عليه» “If a man owned one thousand dirhams, and he owed one thousand dirhams, then zakat is not obliged for him” mentioned by ibn Qudamah in Al-Mughni.

But if the money left over from the debt reaches the nisaab, then he must pay zakat on it...) **Ends.**

The calculation that we have mentioned before the quotation are based on the assumption that there are no capital profits for the company, but if there are profits for the company, they are considered capital growth and thus take its hukm, i.e. it is added to the capital of each partner by the amount of his share in the profit and is taken into account when calculating zakat...

Accordingly, if the amount remaining with Khalil according to the accounts above is "500 dinars", if this amount exceeds the nisaab and one year has passed, then zakat is calculated at the amount of 2.5%, which Khalil shall pay from his money... and if the aforementioned amount is not very high or a year has not yet passed, then he does not have to pay zakat until it reaches the nisaab and the year has passed... As mentioned above, if there are profits, then they are added to the capital.

2. With regards to Zaid, his share of the company's capital is "1500 dinars", and he has "4000 dinars" in his house and there is no debt on him, meaning he owns a total of "5500 dinars", and this account is of course at the assumption that the company has no capital profits, if there are profits for the company, they are considered capital growth and thus take its hukm, i.e. it is added to the capital of each partner by the amount of his share in the profit and is taken into account when calculating zakat...

And it is clear to Zaid that the money he has reached the nisaab because it is a large amount of "5500 dinars." If a year has passed, then zakat is due on it at the amount of 2.5% on the whole amount, that is, on "5500 dinars", and the year begins as of reaching the nisaab.

I hope this answer is sufficient, and Allah Knows Best and is the Most Wise.

Your brother,

Ata Bin Khalil Abu Al-Rashtah

19 Dhul Hijjah 1441 AH

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The link to the answer from the Ameer's Facebook page:

https://web.facebook.com/HT.AtaabuAlrashtah/posts/2711281709117836?_tn=K-R