



# ZAKAAT CALCULATION

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PRESENTED BY DR NAJMUL  
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RAMADAN 2024

# BRIEF PROFILE OF PRESENTER

- Dr Najmul Hussein Rassool is a freelance Business Management/Islamic Finance Consultant, Lecturer and Trainer
- He holds the following qualifications and certifications:
  - PhD in Islamic Banking & Finance with Al-Madinah International University, Malaysia
  - Certified Shariah Adviser & Auditor (CSAA) from AAOIFI, Bahrain
  - Chartered Islamic Finance Professional (CIFP) from INCEIF, Bank Negara, Malaysia
  - Certified Islamic Professional Accountant (CIPA) from AAOIFI, Bahrain
  - MBA in Finance from the University of Witwatersrand, South Africa
  - Post-Graduate Diploma in Economic Principles from the University of London
- He lectured on Islamic Banking & Finance at the University of Technology Mauritius among others
- He has authored a few articles and book chapters that were published internationally



## NON-ZAKATABLE ASSETS

- Personal assets (House, motor vehicles, furniture, etc.)
- Business Fixed assets - Machinery, Tools etc
- Agricultural/Mineral assets
- Waqf
- Unlawful assets



# ZAKATABLE ASSETS



Liquid Assets -Money, Gold, Silver, Inventories, Debtors, Loans, Investments etc.



Livestock - Sheep, Cows, etc.  
(per quantity)



Agricultural Products - Wheat, Barely, Dates, etc. (on harvest, per reaping)



Minerals - earth and ocean (upon extraction)

# LIQUID ASSETS



Money (currency) – Cash & Bank



Shares and Investment in Funds & Unit Trusts



Takaful (Insurance) Policies (YSV )  
Life Insurance Policies (Premiums)



Retirement Savings - Pensions & Retirement (Compulsory/Voluntary)



Gold, Silver & Jewellery



Business Assets – Cash, Inventories, Debtors

# ZAKAAT ON SHARES IN COMPANIES, PARTNERSHIPS, CO- OPERATIVES

## 1. Business Partnerships

Each partner is responsible to pay Zakaat on their share of the underlying **Net Zakatable Assets**

## 2. Private limited companies & Public Limited Companies

Shareholders are responsible to pay Zakaat proportionate to their share of the underlying **Net Zakatable Assets**

## 3. Co-operatives

Each equity owner is responsible to pay Zakaat on their share of the underlying **Net Zakatable Assets**

## 4. Franchising

Whoever owns the underlying assets is responsible to pay Zakaat on the **Zakatable Assets**

# CURRENT LIABILITIES (SHORT TERM DEBTS)

- Personal - bills due but unpaid
- Business - amount owing to suppliers and other short-term debts
- Long-term debts – Capital repayments due for next twelve months (excluding Interest)
- Unpaid instalments on loans (Capital repayments only)
- Unpaid salaries and other charges



# ZAKAAT RATES

- 2.5 % on liquid assets
- 5% on agriculture and fruits (watered by tools)
- 7.5% on agriculture – partly watered by tools and partly by rain and springs
- 10% on agriculture and fruits (watered by rain and springs)
- 20% on earth minerals
- 25% for ocean minerals
- 2.5% on Cattle etc
- Rates will vary if a Gregorian calendar is used – e.g 2.5776% on liquid assets (AAOIFI)

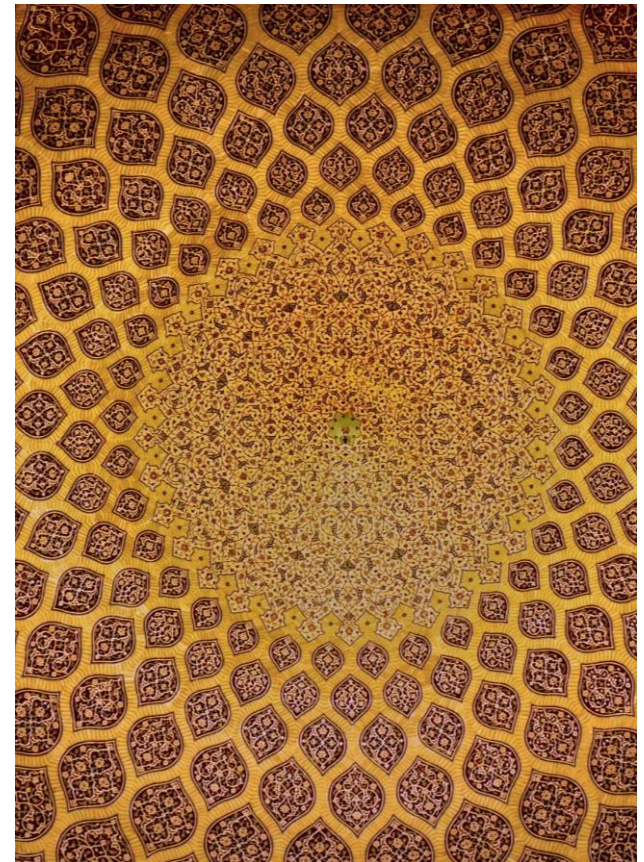




# DETERMINATION OF ZAKAAT RATE OF 2.5%

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- Set by the Prophet (PBUH)
- Ali narrated that the Messenger of Allah said: “When you possess **two hundred Dirhams (Silver)** at the end of the year (if you still have all of them), **five Dirhams are levied on them as Zakaat.**
- There is nothing upon you (to be paid) in **Gold**, until it reaches (the value of) twenty Dinars. When you possess **twenty Dinars**, at the end of the year, then there is **half a Dinar levied on it (as Zakaat)** [Abu Dawud]



# ZAKAAT CALCULATION

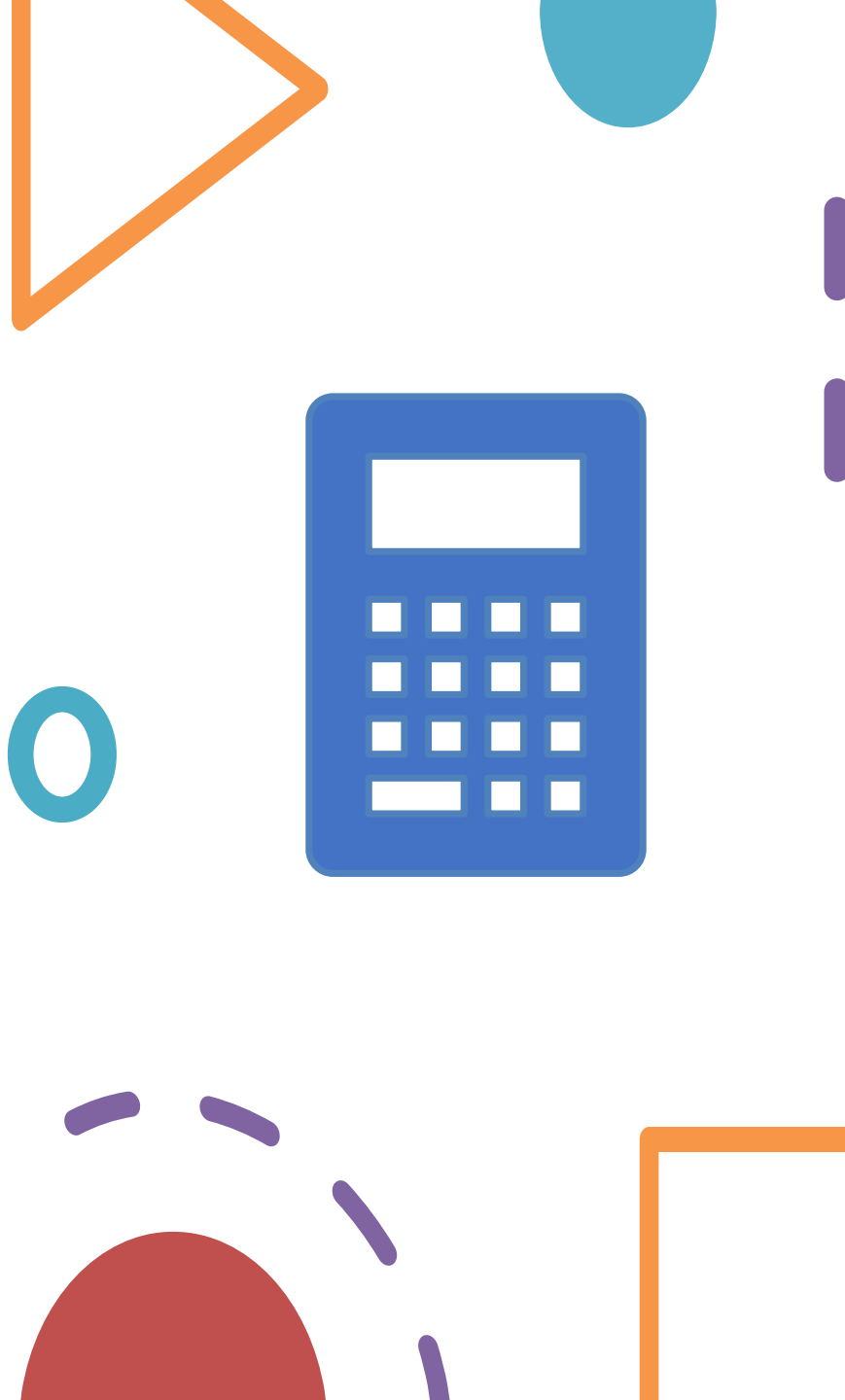
## Steps in calculating Zakaat

1. List and value all Zakatable Assets at current prices on your Zakaat Valuation Date (A)
2. List all current liabilities (B)
3. Calculate Net Zakatable Assets ( $A - B = C$ )
4. Calculate value of Nisaab at the Zakaat Valuation Date (D)
5. If Net Zakatable Assets are equal to or exceed Nissab (if  $C =$  or  $> D$ ), then calculate Zakat at the rate of 2.5% on Net Zakatable Assets ( $C \times 2.5\%$ )

**Or Use our Zakaat Calculator**

**Download your Zakaat Calculator from our website**

**<https://www.shdcl.org/our-zakaat-calculator/>**





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Thank you

