

Q: (2) We have some stock in our shop along with some fixtures, furniture, etc. We have some cash-in-hand, some bank balance, some receivable amounts and some payable debts. On what assets out of these categories should we pay Zakah and at what rate?

A: Zakah is not payable on the fixtures and the furniture of the shop. You should pay Zakah only on the stock, cash-in-hand and on your bank balance. The amounts receivable from your customers are also liable to Zakah. You can pay Zakah on these receivable amounts either at the end of each year or after you actually receive them from your debtors. But in the latter case if you receive these amounts after more than one year, you will have to pay Zakah for all the preceding years also. So, it is more advisable to pay Zakah of all the receivable amounts each year together with the other zakatable assets.

The rate of Zakah in all these assets (i.e. the stock, the cash in hand, the bank balance and the receivable amounts) is 2.5 percent of their value.

As for the debts payable to creditors, you can deduct their total amount from the value of your zakatable assets, Zakah not being payable on these liabilities.

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