

Gold & Silver

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Zakat is payable on all gold and silver, including gold and silver certificates

Zakat is payable on any gold and silver in your possession. Zakat on gold and silver is calculated on its weight multiplied by the ruling gold or silver market price. Australian dollar prices of gold and silver are available in certain newspapers. Alternatively, the US\$ price per ounce (oz) is available in most newspapers and you need to convert that to Australian dollars at the US\$/A\$ exchange rate.

Jewellery:

Imams Shafi, Hanbal and Malik were of the opinion that gold and silver jewellery being used is not subject to zakat. Zakat is only payable on excess jewellery.

Majority of Muslim scholars are of the opinion that zakat is only payable on 'excessive' jewellery.

Ali Muhi-Deen Al-Qurrah Daghi, head of department of Islamic Jurisprudence, Qatar University, says¹: "Concerning Zakah on women's jewellery that is worn, it is a controversial issue. The opinion deemed to be the most correct states that Zakah is not levied on jewellery worn by women throughout the year, or most of the year, for the sake of adornment, and if the jewellery worn is not more than usual. However, Zakah is due on the jewellery that is not worn most of the time (i.e. that is kept) and on that which is more than usual."

Imam Hanifa on the other hand was of the opinion that gold is gold and no matter what form it takes, is subject to zakat. Hence under Hanafi law, all jewellery containing gold and/or silver is subject to zakat.

The schools concur that zakat should be payable on jewellery owned by a male. The reason for this is that males are prohibited from wearing gold and silver, except for a silver ring (Qardawi). The Shafi and Maliki schools state that zakat should also be paid on excess jewellery.

Zakat on jewellery is calculated on the weight of the gold and/or silver portion of the jewellery, irrespective of the price paid.

Women's jewelry made of other than gold and silver, such as pearls, diamonds, and other precious stones and metals are not *zakatable* (Qardawi).

Bibliography

The following books were referred to:

- The Holy Quran

- The following books containing hadith: Bukhari, Muslim, Abu Dawud, Muwatta
- Sallie: *The Book on Zakah*.
- Ullah: *The Essential Hanafi Handbook on Fiqh*, Idara-E-Islamiat.
- Al-Misri: *The Reliance of the Traveller*, Modern Printing Press.
- Nawawi: *Al-Maqasid*, Sunna Books.
- Islamonline.
- Khaf: *The Calculation of Zakah*.
- Qardawi: *Fiqh al-Zakah*

ⁱ Zakah on Gold - Islamonline – 10 September 2003