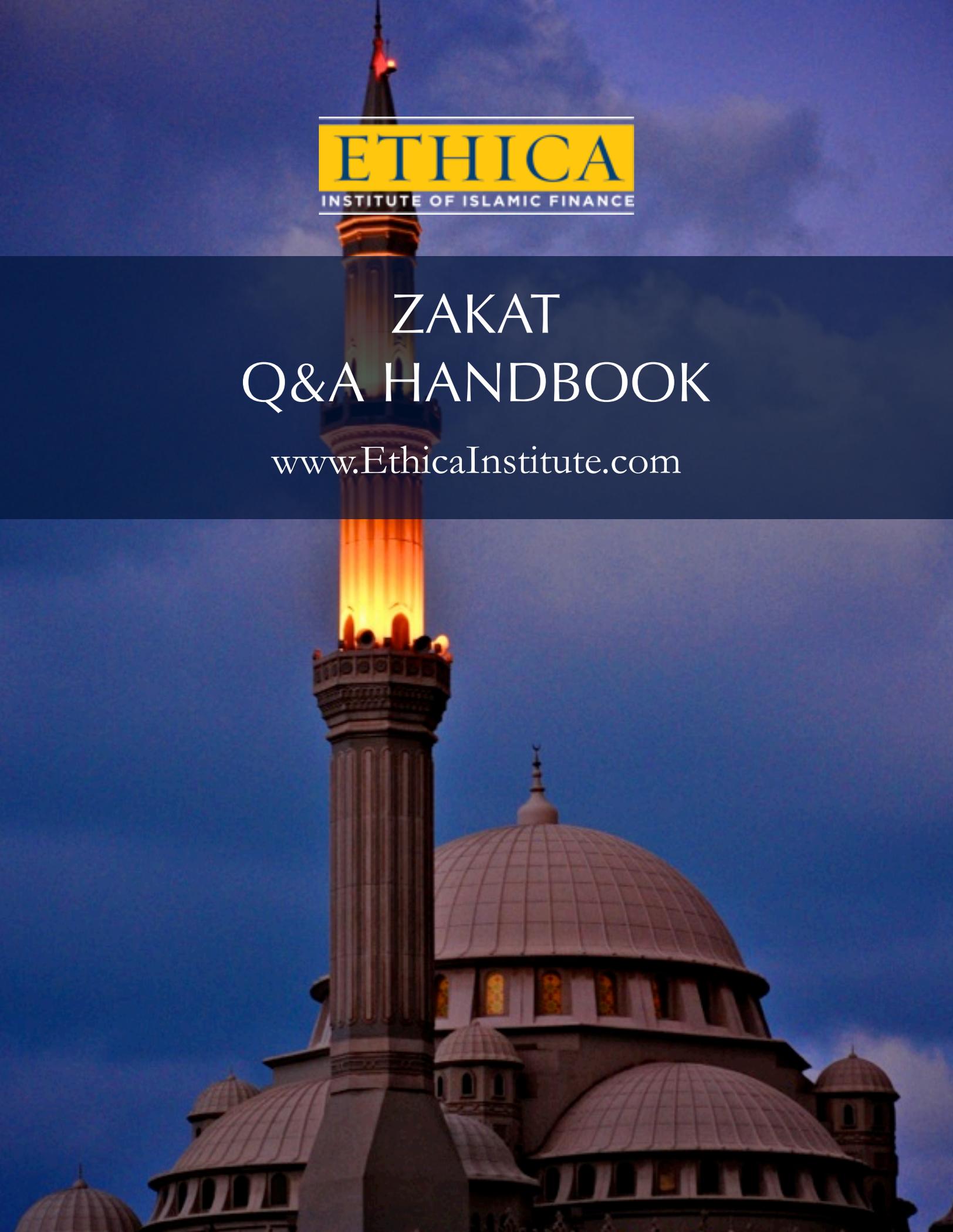




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www.EthicalInstitute.com
info@EthicalInstitute.com

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ZAKAT QUESTIONS & ANSWERS

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ZAKAT

Zakat

What is zakat?

“And perform the prayer, and pay the alms; whatever good you shall forward to your souls’ account, you shall find it with God; assuredly God sees the things you do.”(2:110) Zakat is an Islamic tax paid by qualifying Muslims to deserving recipients, and a means to purify one's wealth. It is not charity. Rather, it is a portion of one's property that needy Muslim members of society already own by virtue of it having been in one's possession for one lunar year. Zakat therefore, is *distributed*, not *donated*. Unlike charity (sadaqah), which is recommended to give, zakat is obligatory, whose non-payment or late payment is an enormity.

Obligation Of Zakat

Who is obliged to pay zakat?

Zakat is obligatorily due on every sane, adult Muslim male and female. Zakat is due on those possessing the minimum nisab and are free of debt obligations; financial obligations (where the net worth of the individual is below the nisab amount because he owes more than he is worth) exempt one from paying zakat only if the individual exhausts all reasonable means to repay these debts using other forms of surplus wealth (i.e. wealth that exceeds what is normal considered a requirement for living).

Exceptions To Zakat On Estate Of Deceased

When is zakat not paid on the deceased's estate?

Unpaid zakat is not taken from the estate of the deceased unless a bequest specifies that zakat should be paid posthumously, in which case zakat is paid on one-third of the estate, regardless of whether this amount covers the zakat obligation or not; it is permissible, though not obligatory, for the inheritors of the remaining two-thirds of the estate to fulfill the balance of the zakat obligation from their own portion.

Zakat-Deduction On Taxable Income

Is it permissible to deduct zakat from one's taxable income when preparing a tax filing?

It is permissible to deduct zakat from one's taxable income as one would a charitable donation when preparing a tax filing.

Money Changers' Zakat

Is zakat payable on money changers' capital exchanged within one lunar year?

There is no zakat on money changers' capital exchanged within one lunar year.

Giving Total Zakat To Single Person

May I give all my zakat to a single person?

It is permissible to give all of one's zakat to a single person, but this becomes offensive, though no less valid, if the recipient exceeds the nisab minimum as a result of having received this amount.

Distributing Zakat In One's Area

Is it necessary to distribute zakat only in one's area?

It is recommended to give zakat in one's area (and offensive not to), unless recipients in another area are more deserving (such as victims of war, zakat eligible relatives, students of Sacred Law, military jihad soldiers fighting intruders, etc.).

Obligation Of Zakat On Non-Muslims

Is zakat obligatory upon non-Muslims?

Non-Muslims and apostates to Islam do not pay zakat, even in Muslim lands, nor do they pay zakat for the time spent out of Islam if they later decide to become Muslim.

Zakat Of One Unable To Pay In Person

Who is responsible for the zakat of one unable to pay in person?

A guardian or trustee must pay zakat from the wealth of a qualifying individual who is unable to pay in person, such as a traveler, prisoner or incapacitated person.

Zakat On Behalf Of Insane Individual Or Minor

Is it obligatory to pay zakat on behalf of an insane individual or a minor?

There is difference of opinion about the obligatoriness of zakat payment by a guardian on behalf of an insane person or a minor. Imams Shafi'i and Malik hold that it is obligatory while Imam Abu Hanifah holds that it is not.

Unpaid Zakat Of Deceased

Should unpaid zakat be deducted from the estate of a deceased?

Unpaid zakat is not taken from the estate of the deceased unless a bequest specifies that the zakat should be paid posthumously, in which case zakat is paid on one-third of the estate, regardless of whether this amount covers the zakat obligation or not; it is permissible, though not obligatory, for the inheritors of the remaining two-third of the estate to fulfill the balance of the zakat obligation from their portion.

Obligation Of Zakat On Children

Must children pay zakat?

Children do not pay zakat; neither is the guardian obligated to pay zakat on behalf of the child from the child's wealth, nor is one expected to pay zakat for one's childhood; zakat is only obligatory on the zakat-eligible child upon puberty, where actual payment is due one lunar year after puberty.

Zakatable Property And Zakat Rates

What property is zakatable and what are the zakat rates?

One must pay zakat annually on the following items held for at least one lunar year:

Gold and Silver: Gold exceeding 87.479 grams (about 0.2 lbs) at 2.5% (or 1/40th), in gold or its cash equivalent; Silver exceeding 613.35 grams (about 1.35 lbs) at 2.5%, in silver or its cash equivalent; includes all forms of gold and silver jewelry;

Cash and other exchangeable monetary instruments exceeding the equivalent of the silver nisab at 2.5%;

Tradable goods: Tradable goods such as stocks, inventory and merchandise for resale that exceed the equivalent of the silver nisab at 2.5% if the goods were bought with silver or a monetary instrument (e.g. cash, stock, goods); or exceeding the equivalent of the gold nisab at 2.5% if the goods were bought with gold;

Agricultural products: (search "Ushr");

Animals and livestock: equal to or exceeding 40 head of sheep and goat, 30 head of cattle or 5 head of camel.

Nisab is measured either 1) separately (for gold, silver, cash, stocks, and other exchangeable monetary instruments, and trade goods), by measuring the nisab separately for each zakatable category; or 2) if individual measures fall below the nisab amount, it is obligatory to combine individual measures from each category (of gold, silver, and so on) to determine the total amount of zakatable property; livestock is always measured separately.

Zakat is only obligatory on property possessed for at least one lunar year, though if during the year while the value of the property exceeds the nisab and more property which is held for less than one year is added to the original amount, zakat is paid on the new amount (i.e. zakat is paid on the original property held for one year plus new property held for less than one year).

Nisab

What is nisab?

Nisab is a measure of the minimum property one owns that obligates one to pay zakat, and is measured in addition to (not as a part of) the typical requirements necessary for living. Typical requirements necessary for living includes such items as food, clothing, housing, means of conveyance, tools for trade and household and personal effects, regardless of their cost.

Zakat On Items Containing Gold Or Silver

Is zakat due on jewelry, ornaments and other items containing gold or silver?

Zakat is due on jewelry, bars, decorations, ornaments, thread woven into cloth and all other items containing gold or silver regardless whether the items are used or not; for items containing a mix of gold and silver, or a mix of gold or silver with another metal in which the mixture is not accurately measurable, the predominant metal is assumed to comprise the whole (e.g. a bracelet made mostly of gold containing some silver ornamentation should be valued as if made entirely of gold, while a bracelet made mostly of steel containing some gold should be valued as if made entirely of steel).

Zakat On Tradable Goods

Is zakat due on anything purchased with the intention of reselling?

Zakat is due on anything purchased with the intention of reselling the item (e.g. business inventory, real estate, car, clothing), regardless of how much time elapses or how the item is used before resale (e.g. lent, rented out, put up as collateral); if there was no firm intention to resell at the time of purchase, but rather the individual considered resale only one possibility among others, such as using the item for personal use, then zakat is not due on the item; once the item is sold, zakat is payable on the proceeds after one lunar year elapses on the money.

If an individual does not make a firm intention to resell an item at the time of purchase, but later decides to resell the item, zakat is due once the item is sold and at least one lunar year elapses on the money. Tradable goods are zakatable at all stages of production, regardless of whether they are raw material, work in progress or finished product.

Zakat On Means Of Production

Is zakat due on means of production such as machinery?

Zakat is not due on an investment's means of production (e.g. property, plant and equipment).

Zakat On Uninvested Cash

Is zakat due on uninvested cash?

Zakat is due on uninvested cash or cash that is returned to the investor for the period of time that it remained uninvested.

Zakat On Investment Income

Is zakat due on investment income?

Zakat is due on the returns that one receives from an investment.

Zakat On Items Given In Charity

Is zakat due on items held for one lunar year and subsequently given in charity?

Zakat is due on items held for at least one lunar year before being given away in charity, because after a year zakat becomes a debt obligation that remains unfulfilled even by charity.

Zakat On Disbursed Loans

Is zakat due on disbursed loans?

Zakat is due on loans that have been disbursed where there is a reasonable expectation of receiving repayment.

Zakat On Waived Loans

Is zakat due on loans waived even though the debtor is able to pay?

Zakat is due on loans that are waived when the debtor is able to pay; the poor are due a share of the loan and waiving it unnecessarily amounts to misappropriating another's wealth.

Nisab Fluctuations During The Year

Am I liable to pay zakat if my property drops below nisab during the year?

Zakat is due even if one's property value falls below the nisab minimum and rises back above it during the year.

Zakat Amount In Relation To Nisab

Do I calculate my zakat on the full amount of the property, or the full amount less the minimum nisab?

Zakat is due on the full amount of the above properties rather than the full amount less the nisab measure.

Nisab Of Business Owner Or Business

Is zakat paid on the nisab of an individual business owner or on the nisab of a business or property?

Zakat is measured in relation to an individual business owner's nisab, not on a business's or property's nisab, so business partners or owners of shared property pay zakat according to their respective nisab only, not for the nisab of the business or property in aggregate; the Shafi'i school calculates nisab on the basis of the entire business or property, even if individual partners do not qualify for nisab; the Maliki school exempts partners who have been with the business or shared in the property for less than one lunar year or who do not qualify for nisab.

Zakat On Gifts

Is zakat due on gifts?

Zakat is due on qualifying property that has been received as a gift and been in possession for at least one lunar year.

Zakat On Unlawful Wealth

Is zakat due on wealth acquired through unlawful sources?

Zakat is due on both one's lawfully and unlawfully acquired wealth, though it is obligatory to eliminate the impermissible portion of one's wealth, regardless of how long ago it was acquired and whether one did so knowingly, unknowingly, mistakenly or was given to against one's will.

Zakat On Household Items And Personal Effects

Is zakat due on household items and personal effects?

Zakat is not due on the typical requirements necessary for living, including such items as food, clothing, housing, means of conveyance, tools for trade, the books and utensils of a student or teacher, and household and personal effects, regardless of their cost.

Zakat On Revenue-Generating Livestock

Is zakat due on revenue-generating livestock?

Zakat is not due on farm animals that constitute the means of production itself (e.g. there is no zakat on egg-laying chickens and dairy cows), but there is zakat on their product (e.g. egg and milk inventories).

Zakat On Animals For Personal Use

Is zakat due on pets and other animal for personal use?

Zakat is not due on animals owned for personal use, even if ownership entails material benefit, such as the use of the animal for transport (e.g. horses, camels) or food (e.g. livestock).

Zakat On Stolen, Lost Or Destroyed Property

Is zakat due on zakatable property that is stolen, lost or destroyed?

Zakat is not due on zakatable property that is accidentally stolen, lost or destroyed before its zakat is distributed; though zakat is due on property destroyed intentionally, which amounts to misappropriation because zakat is a debt obligation to the deserving recipient.

Zakat On Hobby Items

Is zakat due on hobby items?

Zakat is not due on hobby items, like collectibles, pets, and toys, until they are employed for trade.

Zakat On Unrecoverable Loans

Is zakat due on bad debts and unrecoverable loans?

Zakat is not due on loans disbursed when there is no reasonable expectation of repayment; if the loan is ever repaid, the creditor is obligated to retroactively pay zakat for each of the zakatable years the loan is outstanding.

Zakat On Rented Property

Is zakat due on property rented out?

Zakat is not due on property rented out, including residential property, vehicles and equipment, but zakat is due on the rental income exceeding nisab earned for at least one lunar year.

Zakat On Property Already Charged With Ushr

Is zakat due on property that is subject to ushr?

Zakat is not due on property that is already charged ushr (payment on farm produce).

Zakat On Precious Stones

Is zakat due on precious stones?

Zakat is not due on pearls and precious stones, until they are employed for trade.

When Property Becomes Zakatable

When does property become zakatable?

Zakat is due on zakatable property possessed for at least one lunar year; zakat calculations must obligatorily be based on the lunar year because payment intervals on the solar calendar are longer.

Late Payment Of Zakat And Unpaid Zakat Liability

Is late payment of zakat allowed? What is my liability regarding unpaid zakat?

Late payment of zakat is an enormity and any unpaid zakat, even for previous years, must be calculated and paid immediately, accompanied by a sincere repentance; if one is unable to determine exact amounts, one should estimate a bit on the higher side.

Zakat On Tradable Goods

Is zakat due on tradable goods?

Zakat is due on tradable goods one lunar year from the date the total inventory exceeds the nisab minimum, even if individual items within this inventory are replaced by buying, selling or exchanging (assuming that the total inventory never falls below the nisab minimum, because if it does, a new valuation date is set for when the nisab minimum is exceeded).

Value Assessment Of Tradable Goods For Zakat

How do I assess the value of tradable goods for zakat payment?

Tradable goods are assessed at the end of every zakat year according to their current market value rather than their historical cost basis (i.e. the original price of the asset). The current market value of tradable goods is measured as their market value if all the goods were sold at once, rather than if they were sold individually at their retail or wholesale price, entailing a higher zakat amount; it is superior, though not obligatory, to measure the current market value of tradable goods at their individual wholesale price.

Unpaid Zakat

When does unpaid zakat become payable?

Unpaid zakat is payable immediately.

Zakat On Property Held Less Than One Year

Is there any zakat on property held less than one lunar year?

There is no zakat on property owned for less than one lunar year, including loss of ownership even if for a moment during the year, and loss of ownership caused by death.

Zakat On Lost And Found Items

Is zakat due on lost and found items?

Zakat is not due on lost property for either the one who loses or the one who finds and, if found, zakat payments are only made upon the resumption of possession and not made for the time the property was lost. Though in the Shafi'i school zakat is paid on qualifying property that is absent from the zakat payer (e.g. lost, lent or stolen money) for the period of time that it is absent, on the condition that this property is eventually recovered and that it still exceeds the nisab amount upon recovery.

Sale Of Property Just Before End Of Lunar Year To Avoid Zakat

Is it valid to sell property just before the end of the lunar year to avoid paying zakat on it?

Sale of property intended to avoid zakat payment is considered unlawful, though if the timing of the sale happens to coincide with the payment of zakat it is lawful.

Timing For Payment Of Zakat

What is the optimal timing of zakat payment?

One must pay zakat as soon as it becomes due (or, optionally, before) assuming the conditions exist, namely that at least one of the eight categories of deserving recipients exists, and that one does not await a more deserving recipient than the one currently available, in which case some delay becomes permissible.

Advance Payment Of Zakat

Is advance payment of zakat valid?

Two conditions must be satisfied for the advance payment of zakat to be valid. At the end of the zakat year during which payment was made in advance: 1) the zakat recipient must still qualify for zakat, namely that he or she is living and still a valid recipient, after having deducted the amount by which he or she is enriched by the original advance zakat payment; and 2) the zakat payer must still qualify for zakat payment, namely that he or she is living and still a valid payer. If the advance payment is found to have been invalid at the end of the year based on these two conditions, the money is returned by the recipient at the rate at which it was received.

Zakat Recipients

Who is entitled to receive zakat?

The eight categories of zakat recipients are:

1. The poor: generally includes individuals unable to provide for themselves and their families for the foreseeable future (as some jurists note, for the year ahead) with the typical requirements necessary for living for individuals of a similar social standing of their locality, either due to an insufficiency of wealth or an inability to work; for those permanently unable to provide for themselves, such as the incapacitated poor, or the widow without support, an ongoing zakat-based pension may be arranged;
2. Those short of money: includes individuals whose temporary circumstances cause them to become poor, in which case the general guideline for determining “poverty” is followed (as above, “the poor”), such as those who do not have access to their money, whether due to separation or being owed money, and thereby become poor;

3. Zakat collectors: includes individuals and institutions authorized to distribute zakat, provided the entire zakat amount is given to the poor and not deducted from to pay for administrative expenses;
4. Those whose hearts are to be won over: includes Muslims whose faith may be weak and whose service to the ummah may be improved by a monetary incentive; Hanafis and Malikis consider this category to be unique to the early generations of Muslims when the ummah was in a state of tremendous expansion; its abrogation during the time of Hazrat Abu Bakr and Hazrat Umar (Allah be well pleased with them both) is believed to be final, but other jurists still regard its validity as applicable to, for instance, new converts to Islam estranged from their families;
5. The slave seeking ransom: includes providing a slave the funds to purchase freedom; it is worth noting that the practice of slavery, which began before the coming of Islam and which Islamic rulings themselves helped to phase out, is entirely distinguishable from the colonial variety which provided slaves with neither legal right nor legitimate recourse to freedom, as this zakat provision does;
6. The indebted: includes those whose debts exceed their zakatable wealth and thereby become “poor” or “short of money” because they are burdened with a debt, and neither their work nor their surplus wealth is sufficient to repay the debt;
7. Those fighting for the cause of Allah: includes salaries, weaponry, clothing, equipment, and the like for individuals actively participating in military jihad for the establishment of Islam, and their non-participating dependents, who have no other source of income, such as from their government;
8. The needy traveler: includes individuals traveling 81km or more from their city’s limits (or what is normally considered to be the limits of one’s area of residence) who are short of money (having spent or lost it, or having been stolen from) and are reasonably unable to access their money and require expense for food, travel and other necessities, whether they qualify for nisab when resident or not, and even if they are otherwise wealthy.

Allocation Of Zakat

May I allocate my zakat to different categories of recipients?

Individual zakat payers may allocate their zakat to one, a few, or all of the above eight categories.

Recommended Recipients Of Zakat

Who are the recommended recipients of zakat?

It is recommended to give zakat to deserving (non-dependent) family and relatives, including brothers, sisters, uncles, aunts, nephews, nieces, step-parents and foster parents; which carries the dual reward of paying zakat and assisting one's kin. It is recommended to give zakat in one's area (and offensive not to), unless recipients in another area are more deserving (such as victims of war, zakat eligible relatives, students of Sacred Law, military jihad soldiers fighting intruders, etc.)

Zakat As Gift

May zakat be given in the guise of a gift?

Zakat may be paid in the guise of a gift rather than as an ostensible zakat payment.

Wages And Expenses Of Zakat Collectors

Is it permissible for zakat collectors to deduct wages and other expenses from zakat itself?

In modern times, when no Islamic state exists, it is impermissible for zakat collectors to deduct wages and administrative expenses from the zakat itself for the service of distributing zakat among recipients; it is a condition for the validity of a zakat collector to deduct wages that the zakat recipient appoint the zakat collector to act as an agent on behalf of the recipient; in an Islamic state, the head of the state is obligated to act on behalf of zakat recipients by appointing zakat collecting agents, so zakat collectors are effectively appointed by the recipients in an Islamic state; but in a modern state, zakat collectors act on behalf of zakat givers, not zakat recipients, so it would be impermissible for a zakat collector to deduct wages and administrative expenses from the zakat. It is permissible, however, for zakat collectors to take charity, not zakat, to cover wages and administrative expenses related to zakat collection.

Benefit In Lieu Of Zakat Payment

Is the zakat payer entitled to any benefit in lieu of his zakat payment?

No worldly benefit, whether of goods, services or otherwise, should accrue to the zakat payer in relation to the zakat payment itself.

Stolen Property As Zakat

Is it permissible to give or take stolen property as zakat?

It is impermissible to give or take stolen property as zakat one is certain is stolen; if there is doubt then it is permissible to give or take the zakat, though it is always superior to avoid the doubtful.

Zakat Given Through Intermediary

Is zakat deemed paid when given to an intermediary/zakat collector?

Zakat given to an intermediary, like a collecting individual or institution, is deemed to have been paid once the intermediary is given the zakat, not necessarily when the intermediary actually distributes the zakat.

Verifying Legitimacy Of Zakat Collector

Is the zakat payer responsible to check the legitimacy of the zakat collector?

The zakat payer is responsible for verifying the legitimacy of the collecting intermediary before payment, though additional checking is not necessary after payment.

Zakat To Students Of Sacred Law

May I pay zakat to students of Sacred Law?

Students of Sacred Law may be considered poor, and therefore eligible to receive zakat, if they fall below the nisab minimum *and* their pursuit of Sacred Law precludes their ability to earn a livelihood; though students of non-Islamic knowledge are only considered poor if they fall below the nisab minimum.

Zakat In Lieu Of Wages

May I pay zakat to my employee in lieu of wages?

Zakat may be given to one's zakat eligible employee as a gift (while intending zakat in one's heart), but not in lieu of wages.

Zakat To Woman Denied Marriage Payment

May I pay zakat to a woman who has been denied the marriage payment by her husband?

Zakat may be given to the woman whose husband is unable (or unwilling) to pay the marriage payment.

Zakat To Charitable Institutions

May I pay zakat to charitable institutions such as hospitals?

Institutions such as hospitals, orphanages and charitable schools that serve needy zakat recipients may receive zakat, for which the entire zakat amount must be appropriated directly to the poor; it would be impermissible for any of the zakat funds to be used for wages and administrative expenses.

Zakat To Individuals Exceeding Nisab

Are individuals exceeding the nisab entitled to zakat under any circumstance?

Individuals exceeding the nisab may not receive zakat unless they are: 1) zakat collectors; 2) of those whose hearts are to be won over; 3) a slave seeking ransom (where the price of freedom exceeds the nisab); 4) indebted (where the debt exceeds their surplus wealth) 5) fighting for the cause of Allah; or 6) a traveler in need.

Zakat To Non-Muslims

May I pay zakat to non-Muslims?

Non-Muslims may not receive zakat, though they may receive charity.

Zakat In Lieu Of Separate Obligation

May I pay zakat in lieu of an independent, separate obligation?

Zakat may not be used to pay for something already obligatorily established as due from another source, such as burial expenses or the fulfillment of a deceased's unpaid debts, which come from the deceased's estate.

Zakat For Members Of Prophetic Household

May I pay zakat to members of the Prophet's family?

Members of the Prophet's Family (Allah bless them and give them peace) and their descendants may not receive zakat, even as remuneration for collection, though they may collect and distribute zakat without compensation.

Zakat To One's Dependant Family Members

May I pay zakat to my dependant family members?

Members of one's dependant family and relatives (or one's spouse's dependant family and relatives) may not receive zakat, since these individuals are already obliged to receive one's support (assuming the necessary conditions exist), including one's spouse, parent, grandparent, great grandparent, and their direct ascendants; and child, grandchild, great grandchild and their direct descendants.

Zakat To Former Zakat Recipients

May I pay zakat to former zakat recipients who have now exceeded the nisab?

Individuals previously eligible to receive zakat, but upon receiving zakat exceed the nisab, should not receive zakat.

Paying Zakat To One Using Money Unlawfully

May I pay zakat to an eligible recipient who will use the money in unlawful ways?

It is impermissible to give zakat to an eligible recipient when one is certain the money will not be used lawfully, and offensive when one doubts whether the money will be used lawfully.

Zakat To Projects And Institutions

May I pay zakat towards development projects and institutions?

Zakat may not be given to projects (e.g. building masjids, hospitals, schools, etc.) but rather must be given to eligible individuals, unless the project also operates as a collector and allocates the zakat funds directly to the poor.

Zakat Allocation Towards Payment Of Salaries And Other Expenses

Is it valid to use zakat money to pay for operating costs of the zakat-collecting institution, such as salaries?

Zakat may not be used to pay for operating costs (e.g. salaries, utilities, administration, etc.) even if the institution taking zakat directly benefits zakat eligible individuals; a condition of valid zakat distribution is that the zakat is given in its entirety directly to the eligible recipient, so that the recipient actually owns the zakat; it is permissible to give zakat to recipients and to charge them a fee for a service, from which an operating cost may be paid (e.g. a hospital gives zakat to a needy patient; the patient gives the money to the hospital for treatment; the hospital allocates a portion of the money for the doctor's salary).

Intention When Paying Zakat

What intention must I have when paying zakat?

Zakat payers must have an intention to pay zakat prior to its payment for it to be considered zakat, whether the intention is spoken, unspoken or written; one may not, for instance, retroactively label a payment "zakat," though if the giver establishes with certainty that the recipient still possesses the very money that one has given and it has not yet been spent, the payer may make the intention of zakat; it is valid for the intention to be made well before the time of disbursement; this intention is necessary from the original payer, not from the one authorized on behalf of the payer to distribute zakat.

Zakat Payment In Kind

May I pay zakat in kind instead of cash?

Zakat may be paid in kind by taking the appropriate percentage from the zakatable good itself (e.g. 2.5 grams of gold paid for 100 grams of gold owned) or by paying separately with durables (e.g. clothing, shoes, blankets).

Subtracting Debts Owed From Zakatable Wealth

Is it valid to subtract debts from one's total zakatable wealth?

Debts are subtracted from one's total zakatable wealth; if the net amount is greater than the nisab minimum, zakat is owed; if the net amount is less than the nisab minimum, zakat is not owed.

Amount Of Zakat Per Recipient

Is there any bar on the amount of zakat I may give to a single recipient?

The amount of zakat given depends on the recipient. For instance, one looks at the needs of the person's trade for the working poor, the extent of the household requirements for the non-working poor, the size of the loan for the indebted, the needs of the traveler, and so on.

Assessing Value Of Non-Cash Zakatable Items

What is the appropriate time to assess the market value of non-cash zakatable items?

Non-cash zakatable items for which it is decided that cash will be paid should have their market value assessed on the valuation date, not before or after, in order to avoid inaccurate payment caused by price fluctuation (e.g. zakat on stocks is paid as of the valuation date regardless of the rise and fall in price).

Valuation In Case Of Advance Payment Of Zakat

In the event of advance payment of zakat, am I obliged to value my wealth on the termination of one lunar year?

If zakat is paid in advance, the payer must still ascertain on the valuation date that his zakatable property, and therefore his zakat obligation, did not increase after the original payment for which he would still be liable to pay.

Zakat Payment In Advance Of Zakat Qualification

May I pay zakat in advance of my wealth being equal to or greater than the nisab?

Zakat may be paid in advance of one's zakat valuation date, but not in advance of one's nisab qualification.

Zakat Payment In Installments

Is it valid to pay zakat in installments?

Zakat must be paid in its entirety as soon as it becomes due, but if it is paid in advance of one's zakat valuation date, it may be paid in parts.

Informing Recipient Of Zakat Payment

Must I inform the recipient of zakat that the payment is zakat?

Zakat payers need not necessarily inform the recipient that the payment is zakat, though they may do so if they wish; payment may be made in the guise of a gift rather than as a zakat payment.

Waiving Unpaid Debt In Lieu Of Zakat

Is it valid to waive unpaid debt in lieu of zakat payment?

Unpaid debt may not be waived in lieu of paying zakat; if a person owes money and is eligible to receive zakat, it is permissible to pay the person zakat first (so that the money is in his constructive possession) and then ask for the loan to be repayed; it is impermissible to condition the payment of the zakat on the repayment of the loan; it is at the borrower's discretion whether to repay then or later, though the borrower should be aware that delaying repayment of a loan when the means are available is blameworthy.

Intending Zakat While Ostensibly Making Loan

Is it valid to intend paying zakat while ostensibly making a loan?

It is permissible for a zakat payer to intend to pay zakat while ostensibly making a loan, and thereby fulfill his zakat obligation, provided the recipient is eligible to receive zakat and that if the recipient

returns to repay the money, the zakat payer must refuse to accept the repayment by waiving the ostensive loan obligation.

Contingencies Or Stipulations In Zakat Payment

Is it valid to place stipulations or make zakat payment to an individual contingent on a particular event?

Zakat payment, whether in cash or in kind, is paid in its entirety to the recipient (or the intermediary handling zakat distribution) without contingencies (e.g. it is unacceptable to say: “I will give you this zakat only if you use it to send your children to school” or “This zakat is being given to build this school”; rather, recipients may be advised about a course of action without imposing stipulations on the manner in which the property, which is effectively the recipient’s, is spent).

Paying Zakat To Undeserving Recipient By Mistake

What is my liability if I unknowingly pay zakat to an undeserving recipient?

Zakat unknowingly paid to an undeserving recipient (e.g. the recipient actually exceeds the nisab requirement) is deemed to have fulfilled the obligation of zakat if the payer realizes the mistake afterwards, though the onus of returning the zakat rests with the recipient.

Inadvertent Zakat Payment To Non-Muslim

Is inadvertent zakat payment to a non-Muslim considered zakat paid?

Incorrect payment to a non-Muslim is not considered zakat paid.

Doubts Regarding Zakat Eligibility Of Recipient

What must I do if I doubt the zakat eligibility of a recipient?

When the zakat payer doubts the zakat eligibility of a recipient, it is better to refrain from giving zakat; if zakat is given and the payer later confirms the eligibility of the recipient, the zakat obligation will have been fulfilled.

Setting Off Losses With Zakat

Am I allowed to set off my losses against my zakat payment?

Regardless of one's losses (e.g. in stock market investing, real estate speculation, business ventures, etc.), one is obligated to pay zakat on the entire net amount (i.e. zakatable property less current liabilities); losses may not be calculated *against* the zakat itself (e.g. if one's zakatable property comes to \$100,000, and one thereby owes \$2,500 in zakat, it would be impermissible to take, for instance, a \$500 loss in the stock market and reduce one's zakat to \$2,000).

Zakat As An Allowable Tax Deduction

Am I allowed to deduct zakat as a charitable donation from my tax return?

Depending on the tax jurisdiction, from a Shariah perspective it would be permissible to deduct zakat from one's taxable income as one would a charitable donation when preparing a tax filing.

Authorizing Third-Party To Distribute Zakat

Is it permissible to authorize a third-party to distribute my zakat?

Just as it is permissible to give zakat to those authorized to collect and distribute zakat, so too it is permissible to appoint a third party to distribute one's zakat.

Zakat Collector Authorizing Another To Distribute Zakat

Is it permissible for a zakat collector to authorize another party to distribute zakat?

The authorized distributor is entitled to authorize another party to distribute the zakat; it is permissible, though not a necessary requirement, to disclose the identity of the original zakat payer, unless the zakat payer instructs otherwise.

Intention In Case Of Third-Party Distributor Of Zakat

Is it necessary for a third-party distributor of zakat to make the intention of zakat when distributing?

When the zakat payer appoints a distributor (or the distributor appoints another party), only the intention of the original zakat payer is required, not that of the authorized distributor (or of subsequent parties).

Third-Party Distributing Very Same Notes Of Zakat As Received

Is it necessary for a third-party distributor of zakat to pay the very same cash notes as received from the original zakat payer?

It is not a condition that the very same cash notes (or similar fungible and transferable property) given by the zakat payer be the ones that are distributed.

Zakat Payment On One's Behalf Without One's Knowledge Or Permission

Is it valid for another to pay zakat on my behalf without my knowledge or permission?

It is impermissible (and the payment invalid) if zakat is paid on one's behalf without one's knowledge or permission, even if from a distributor authorized to perform other financial and legal functions on behalf of one, and even if one later agrees to the zakat having been paid without one's knowledge (because the payment was not preceded by an intention); there is no obligation to repay the third party making the unauthorized disbursement.

Zakat Distributor Paying Zakat To Eligible Family And Friends

Is it valid for the zakat distributor to pay received zakat to his eligible family members and friends?

Unless instructed otherwise, the zakat distributor may give the zakat payment to those of his friends and relatives that are eligible to receive zakat.

Zakat Distributor Keeping Zakat For Himself

Is it valid for a zakat distributor to keep received zakat for himself if he is eligible?

A zakat distributor may not keep any received zakat for himself or his immediate family.

Inability Of Zakat Distributor To Disburse Zakat

What is the liability of the zakat distributor in case of his inability to disburse the full amount of zakat?

When an individual or institution assigned with the task of distributing zakat is unable to distribute the entire zakat amount, the remaining zakat should be returned to the zakat payer or, with the permission of the zakat payer, be given in charity to a recipient according to the payer's instructions; if contacting the original zakat payer is not possible, the money should be given as zakat to a similar cause.

Zakat Al-Fitr

What is zakat al-fitr?

Zakat on 'Eid Al-Fitr is a specific kind of zakat, distributed upon the termination of the month of fast (Ramadan), obligatory on every nisab qualifying individual. Zakat al-fitr not only provides the social benefit common to other forms of zakat, but also provides a spiritual benefit as a means of atoning fasters for errors and sins committed during the month of Ramadan.

Zakat Al-Fitr Rate

What is the rate of zakat al-fitr payment?

Zakat al-fitr payment equals 2.03 liters of the locality's staple food (i.e. equal to or superior to the local staple's quality), though it is also permissible to give its monetary equivalent in cash or in another staple.

Recipients Of Zakat Al-Fitr

Who is entitled to receive zakat al-fitr payment?

Recipients eligible to receive ordinary zakat are eligible to receive zakat al-fitr.

Measurement Of Nisab For Zakat Al-Fitr

When do I measure my nisab for zakat al-fitr payment?

Unlike the nisab minimum for ordinary zakat, which must be possessed for an entire year, the nisab minimum for zakat al-fitr is measured at dawn on 'Eid day, the first of Shawwal (the day after the final day of Ramadan).

When Zakat Al-Fitr Becomes Obligatory

When does zakat al-fitr become obligatory on me?

Zakat al-fitr becomes obligatory from the sunset of the final day of Ramadan to the dawn of the following day, meaning 'Eid day, when it is recommended to be paid before prayer.

Appropriate Time To Pay Zakat Al-Fitr

What is the appropriate time to pay zakat al-fitr?

It is permissible to pay zakat al-fitr anytime during Ramadan and the 'Eid day, though impermissible after the 'Eid day sunset, though no less obligatory.

Zakat Al-Fitr In Relation To Ramadan Fasts

Is zakat al-fitr due on one who did not fast during the month of Ramadan?

Zakat al-fitr is obligatory whether one fasted during Ramadan or not.

Zakat Al-Fitr On Behalf Of Dependants

Am I obliged to pay zakat al-fitr on behalf of my dependents?

One is only obligated to pay zakat al-fitr for oneself, not on behalf of those dependents one is obligated to support, though if the dependent exceeds the nisab qualification and is unable to pay zakat al-fitr (e.g. a child, an insane or incapacitated person), one should pay from their wealth on their behalf.

Non-Muslims Receiving Zakat Al-Fitr

May I pay zakat al-fitr to non-Muslims?

Non-Muslims may not receive zakat al-fitr.

Zakat Al-Fitr To Prophetic Household

May I pay zakat al-fitr to members of the Prophet's family?

Members of the Prophet's Family (Allah bless them and give them peace) and their descendants may not receive zakat al-fitr, even as remuneration for collection, though they may collect and distribute zakat without compensation.

Distributing Zakat Al-Fitr Among Multiple Recipients

May I distribute zakat al-fitr among more than one eligible person?

It is permissible to give all of one's zakat al-fitr to one person or to distribute it among many.

Zakat On Business In Debt

Is zakat liable to be paid for a business that is repaying debt?

There is no zakat on a business that is in debt. You will have to pay zakat at the time the business is out of debt.

Role Of Zakat In Islamic Economy

What is the role of zakat in Islamic economics?

It would be difficult to give a brief answer about the role of zakat in Islamic economics. Generally, zakat can be used to provide social uplift and poverty alleviation as a parallel function to a financing sector, which is more about seeking profits.

Zakat On Corporate Equity

Does corporate equity qualify for zakat? If so is it due on net profit or assets of the company?

Yes, one must pay zakat on corporate equity. One treats all shares as cash and pays zakat on them accordingly. So, on the day that zakat is due you would calculate the total value of the shares according to the market value of the shares on that day, and then pay 2.5% of that amount in zakat.

Zakat On Savings

Is zakat due on an individual's £5,000 worth of savings or does a debt owed through the Diminishing Musharakah property plan exempt him from it considering the value of the property exceeds his savings and is £200,000?

The Diminishing Musharakah plan is not a debt that is owed and so it cannot be considered in zakat calculations. The individual has purchased a portion of the property and the Bank owns the rest, which he will purchase from it in installments. These installments are not 'debts' that he owes; they are (usually) unilateral promises to purchase at specified dates in the future. They only become a debt when the Bank asks him to fulfill his promise on those dates in the future. Given this, he cannot consider the outstanding of his Diminishing Musharakah a 'debt' and hence should pay zakat on the £5,000.

Zakat In Advance

If a person asks one to make a payment for him and one knows he is eligible to receive zakat, is it permissible to waive the debt owed and ask him to consider it a gift?

This would be permissible if and only if the intention for zakat is made before agreeing to make the payment on behalf of the other person.

Converting Loan To Zakat

If a person given a loan is unable to return it due to his straitened financial circumstances, can the lender convert the loan into zakat without the borrower's knowledge and deduct it from his current year's zakatable amount and in the future when he pays back, give the amount away as zakat?

No. The loan must be returned before the new zakat is given.

Zakat Eligibility

An irresponsible husband depends on his relatives to pay for his living expenses or sells his property to cover his family's expenses. His wife has some gold which she does not want to sell but in fact safeguard for her children's future. Can the woman be given zakat without telling her it is zakah so she can save her assets for her children?

If she is being supported by her husband, she is not eligible to receive zakat.

Zakat Calculation

An individual's account balance a year ago was an amount A, now the balance has increased to an amount B. Will zakat be calculated on amount A or the new balance?

The zakat for the previous lunar year will be calculated on the new balance.

ABOUT ETHICA

ABOUT ETHICA INSTITUTE OF ISLAMIC FINANCE

The Fastest Way to Learn Islamic Finance Guaranteed

Winner of "Best Islamic Finance Qualification" at the Global Islamic Finance Awards, Ethica is trusted by more professionals for Islamic finance certification. Training and certifying professionals in over 100 financial institutions in 56 countries, Ethica's 4-month Certified Islamic Finance Executive™ (CIFE™) is a globally recognized certificate accredited by scholars to fully comply with AAOIFI, the world's leading Islamic finance standard. Ethica's award-winning CIFE™ is delivered 100% online or live at the bank. The Dubai-based institute is now supported by Licensed Ethica Resellers in 11 countries.

At Ethica Institute of Islamic Finance we believe that many of the world's problems could be solved by providing alternatives to interest-based banking. If governments, companies, and individuals could focus on something other than repaying mounting debts, the world would be a much better place. We also believe that the industry urgently needs to 1) comprehensively train the many people now entering Islamic finance in AAOIFI standards, the de facto standard in over 90% of the world's jurisdictions; 2) create Shariah-based solutions for a broader set of clients, including the poor, not just Sharia-compliant solutions for institutions and the wealthy; and 3) address the very real problem of social and environmental degradation at the hands of fractional debt reserve banking.

Crash courses are not enough. What is needed is ongoing, standards-based training for everyone. From single individuals to entire banks. Anytime, anywhere. Ethica is the world's first dedicated Islamic finance portal offering training videos, certification, career counseling, recruiting assistance, live webinars, and the world's largest library of scholar-approved answers available online.

Unlike traditional institutes typically run by academics and administrators, Ethica finds its roots in the cut-and-thrust of banking execution. This real-world experience translates directly into the effectiveness of Ethica's practical content. Launched by a team of bankers and scholars who, to this day, conduct advisory and training assignments in the industry, content development for Ethica Institute of Islamic Finance began in 2002.

Ethica is the most trusted Islamic finance program: training and certifying professionals from over 100 financial institutions in 56 countries

Ethica is the most trusted name in Islamic finance certification, successfully rolling out bank-wide Islamic finance e-learning. We have done so across large banks (e.g. Mashreqbank's bank-wide e-learning and certification), large academics (e.g. La Trobe University's accredited semester course in Australia), and global corporates.

Ethica offers leading market recognition: winner of "Best Islamic Finance Qualification"

Ethica won the award for "Best Islamic Finance Qualification" from Global Islamic Finance Awards in the UK and in 2012, 2011, 2010, and 2009, Ethica received the award nomination for "Best Islamic Finance Training Institution" from Islamic Business and Finance magazine in Dubai. In 2012 we were shortlisted as finalists for "Business Innovation of the Year," "Online Business of the Year," and "Customer Focus of the Year" categories by the Gulf Capital SMEInfo Awards in Dubai.

Ethica guarantees standardization: 100% AAOIFI-compliant and scholar-accredited

Ethica offers the highest form of accreditation possible in Islamic finance: fatwas from leading scholars stating that we comply with AAOIFI, the most widely accepted standard in Islamic finance. Shaykh Yusuf Talal DeLorenzo, Mufti Zubair Usmani, and a team of practitioners certify Ethica certificates for 100% AAOIFI-compliance - not 80% or 90%, which leads to confusion.

Ethica offers an extensive selection of advanced training

Ethica offers a huge inventory of face-to-face and e-learning programs. This strength reflects our ability to leverage from an entire team of experts who handle everything from the most fundamental training all the way up to the most advanced. We have delivered 2 day sales training for CROs all the way up to rigorous 5 day intensives at the bank. Ethica's trainers are among the best in the industry and our team is made up of specialists only: scholars, legal experts, Islamic bankers and practitioners with over 15+ years of experience. They work on product innovation for a living and continue to advise central banks, governments and regulatory bodies. Here is a partial list of some of the programs delivered by Ethica in the past:

- 100 American Imams receive Islamic finance training (4 Days, USA)
- Certified Islamic Finance Master Class (5 Days with on-site certification, Turkey)
- Certified Islamic Finance Master Class (4 Days, Kenya)
- An Introduction to Islamic Banking (3 Days, Dubai)
- Sukuk: Understanding The Structuring, Execution And Legal Issues (Workshop, Switzerland)
- Islamic Real Estate Finance: Islamic Finance And Structures For Real Estate Development (5 Days, Dubai)
- Islamic Capital Markets' Boot Camp: Sukuk Essentials - Principles, Products, Structuring And Pricing (2 Day, Riyadh)
- Islamic Accounting Standards (5 Days, Dubai)
- Essentials of Islamic Finance (Workshop, Abu Dhabi)
- Liquidity Management in Islamic Finance (Workshop, Abu Dhabi)
- Risk Management in Islamic Finance (Workshop, Abu Dhabi)
- In-house training for Noor Islamic Bank (3 Days, Dubai)
- 1-on-1 Coaching for a top executive at First Gulf Bank (3 Days, Abu Dhabi)
- Numerous workshops, seminars and talks for universities and colleges across the world

Ethica offers truly blended learning: 100% online e-learning and 360° assessment

Crash courses don't work. And guidebooks don't get read. After your learners leave the classroom they need to apply what they learn in an interactive and self-paced environment. Know what your learners are doing and how their learning is progressing. Ethica offers e-learning combined with our industry-proven assessment dashboard, empowering learning managers with 360° visibility on learner progress.

100% Risk-Free, Money-Back Guarantee

Start your 4 month risk-free trial today!

If you aren't super happy with Ethica's program and decide to cancel at anytime during the 4 month period, the entire course fee gets refunded. No questions asked.

ABOUT ETHICA'S CIFE™

ABOUT ETHICA'S CERTIFIED ISLAMIC FINANCE EXECUTIVE™ PROGRAM

Ethica's award winning CIFE™ is a streamlined training and certification program designed to take complete newcomers to an advanced level of understanding in Islamic finance in just 4 months.

The program fee is \$1,495 (discounted for selected developing countries), which can be paid online or through wire transfer and includes:

- 4 months access to self study videos
- 1 examination attempt
- CIFE™ Certificate couriered to your home or office
- Ethica's 1-on-1 Career Counseling
- Ethica's Recruiter's Database



Ethica's 100% online delivery platform enables us to give you dynamic and up-to-date material 24 hours a day, rather than waiting around for outdated guidebooks, CDs, and distance learning emails. Our training and certification is designed for maximum knowledge transfer without burdening you with more information than you require. All the information, including spreadsheets, case studies, questions, exercises, and quizzes is contained in the training modules.

Our experts are here to answer your questions over email (questions@ethicainstitute.com).

You get access to our entire inventory of training videos during your study-period. You can play each video as many times as you like - 24 hours a day.

One module consists of an approximately 20 minute training video comprising a variety of exercises, case studies, and quizzes, along which the student is expected to conduct his or her own self-study. Experience with hundreds of other learners shows that the CIFE™ program is comfortably manageable in about 1 to 3 months of training and about 1 month or less of studying for the examination, enabling most users to complete the program in less than the 4 month access period.

There are no prerequisites for the Ethica CIFE™ though some prior knowledge of finance does help. If you have no prior knowledge of Islamic finance, you've come to the right place. We designed the material specifically for newcomers seeking a high level of proficiency in the practical aspects of Islamic finance in a very short amount of time.

There are no fixed dates for the program either. You can start whenever you like.

The CIFE™ Examination: A 90 minute timed exam comprising 100 multiple choice questions. The pass mark is 70%.

How to take the exam: Login, click on 'My Account' and then click on 'Take CIFE™ Exam.'

Re-attempt: If you fail you can re-attempt the exam by paying a small fee.

Once you understand the 22 core modules listed below that comprise the testable material, you are ready to take the 90-minute online CIFE™ examination. You can take the exam as soon as you are ready. For some that's 3 months, for others it's more: you choose your pace. The recommended study schedule shows you how to comfortably finish the program in the allotted 4-month period with an investment of as little as 1 hour per week.

Course Code	Course Name	Course Description	Recommended Study Schedule
CIFE01	Why Islamic Finance?	What makes Islamic finance different from conventional finance? And what makes it better? We look at 3 real-world examples and find out. We also introduce you to the 4 principles that guide Islamic finance transactions.	Week 1
CIFE02	Understanding Musharakah I (Islamic Business Partnerships)	You've heard of joint-stock companies. Now learn about the Islamic variation. We look at Musharakah, the Islamic business partnership where partners pool together capital, expertise or goodwill to conduct business or trade. We look at the basic features of a Musharakah and its types, their mode of operation, duration and the various forms of capital contribution.	Week 1
CIFE03	Understanding Musharakah II (Islamic Business Partnerships)	We discuss the management of the Musharakah business and take you through some practical applications of how Islamic banks use Musharakah. We also look at profit and loss sharing ahead of the subsequent module's profit calculation exercises.	Week 2
CIFE04	Understanding Musharakah III (Islamic Business Partnerships) and Quiz	We complete our discussion on general aspects of Musharakah, including how banks handle negligence, termination, and constructive liquidation. We round our discussion with some practical examples of Musharakah calculation, a quick review of financial statements and how exactly profit gets calculated.	Week 2

Course Code	Course Name	Course Description	Recommended Study Schedule
CIFE05	Understanding Mudarabah I (Islamic Investment Partnerships)	Where Islamic banks meet conventional private equity type investing. Here you learn Mudarabahs, the Islamic business partnership where one partner supplies capital for the business and the other provides management expertise. We explain the Mudarabah structure and contrast it with Musharakah and Wakalah, explaining how they differ in banking practice.	Week 3
CIFE06	Understanding Mudarabah II (Islamic Investment Partnerships)	How is an investment partnership different from an agency contract? We discuss the relative merits of the Mudarabah and the Wakalah structure in different situations. We also describe the Mudarib's role, the duration of Mudarabahs and the forms of capital contribution by the investor and in some cases even the Mudarib.	Week 3
CIFE07	Understanding Mudarabah III (Islamic Investment Partnerships) and Quiz	We discuss the Mudarabah's management and the rules for sharing profit and loss. We also look at some practical examples showing how Islamic banks use Mudarabahs.	Week 4
CIFE08	Understanding Ijarah I (Islamic Leasing)	What's an Islamic lease? This module helps you find out. We introduce Ijarah, the Islamic lease, and look at pre-requisites for their execution, legal title, possession, maintenance, earnest money, default, and insurance. We begin answering the question "How does an Ijarah work?" with step-by-step practical explanations.	Week 5
CIFE09	Understanding Ijarah II (Islamic Leasing) and Quiz	You learn the rights and obligations of the lessor and the lessee and focus on defective assets, sub-leases, extensions and renewals, transfer of ownership, and termination.	Week 5
CIFE10	Understanding Murabaha I (Cost Plus Financing)	Learn about the most widely used Islamic finance product: buy an asset for the customer; sell the asset at a premium in installments to the customer. That's a Murabaha. In these modules we introduce Murabahas and walk you through the first 5 of the 7 important steps necessary for a Murabaha's valid execution.	Week 6
CIFE11	Understanding Murabaha II (Cost Plus Financing)	Wrap up the 7 steps to executing a Murabaha: we cover steps 6 and 7 and go on to discuss common mistakes bankers make when executing Murabahas and how to avoid them. We also look at risk management, default, early repayment, and profit calculation in Murabahas.	Week 6
CIFE12	Understanding Murabaha III (Cost Plus Financing) and Quiz	So how does it work in the real world? We look at 6 practical examples of Murabahas based on installment repayments, bullet repayments, advance payments, and credit and import Murabaha.	Week 7

Course Code	Course Name	Course Description	Recommended Study Schedule
CIFE13	Understanding Salam And Istisna I (Forward Sales And Manufacturing Contracts)	What makes a forward contract Islamic? Learn here. In this module on Salam, the Islamic forward sale, and Istisna, the Islamic manufacturing contract, we begin with Salam. We look at the goods for which a Salam may be executed, the prerequisites, and the use of a Parallel Salam.	Week 7
CIFE14	Understanding Salam And Istisna II (Forward Sales And Manufacturing Contracts)	We discuss security, replacement, and default before explaining how its pricing is calculated. We then look at Istisna and discuss the major differences between it and the Salam.	Week 8
CIFE15	Understanding Salam And Istisna III (Forward Sales And Manufacturing Contracts) and Quiz	In this final module we discuss delivery, default, and termination an Istisna. We conclude the 3 module series with a practical product structuring exercise where you get to choose the appropriate financing tools in a given scenario.	Week 8
CIFE16	Understanding Islamic Insurance and Quiz	You learn the difference between Islamic and conventional insurance and the essentials that make Islamic insurance unique. You walk through a numerical example before taking the Self-Assessment Quiz.	Week 9
CIFE17	Understanding Sukuk I (Islamic Securitization)	You've read about them. Now learn about them. Sukuks are Islamic shares and we show you the main features walking you through the 8 step structuring process concluding with a study of Ijarah Sukuk.	Week 10
CIFE18	Understanding Sukuk II (Islamic Securitization) and Quiz	We continue our discussion on Sukuk with a look at Musharakah and Mudarabah, Sukuk and the limitations of issuing using Murabaha, Salam and Istisna. We close with a case study of the IDB Sukuk.	Week 10
CIFE19	Liquidity Management In Islamic Finance I	What do Islamic banks do with excess capital in the short- term? How do they access capital for the long-term? You learn the answers to these and other questions in this module. We discuss how Islamic banks manage liquidity and begin by explaining an inter-bank Mudarabah, walking you through how a weightage table works; useful information for other Islamic banking products. We close the module with a look at the application of Sukuk in liquidity management.	Week 11

Course Code	Course Name	Course Description	Recommended Study Schedule
CIFE20	Liquidity Management In Islamic Finance II and Quiz	You look at filters for stocks, shares, Musharakah investment pools, and the use of agency contracts to manage liquidity. We also look at local and the foreign currency Commodity Murabahas and walk you through the steps for executing each quiz.	Week 11
CIFE21	Risk Management In Islamic Finance I	Some have said "Banking is risk management." If you don't know anything about risk management this is the module for you. You learn the basics about risk management in Islamic finance and discuss the most common risks facing Islamic banks and the mitigation techniques used to address them.	Week 12
CIFE22	Risk Management In Islamic Finance II and Quiz	Now you learn about how risk relates to each specific Islamic finance product. We go through each major Islamic banking product, namely Murabaha, Salam, Istisna, Ijarah, Musharakah and Mudarabah, and explain the specific risks associated with each quiz.	Week 12
<ul style="list-style-type: none"> • Review all modules • Reattempt all self-assessment quizzes • Examination 			Week 13 - 16

CONTACT ETHICA

Ethica Institute of Islamic Finance
Level 14, Boulevard Plaza - Tower One
Emaar Boulevard, Downtown Dubai
PO Box 127150, Dubai, UAE

Emails are responded to within the same working day, usually in a few hours.

New inquiries about Ethica's training and certification:

contact@ethicainstitute.com

Technical help:

support@ethicainstitute.com

Islamic finance questions:

questions@ethicainstitute.com

We take calls Sunday to Thursday from 9am to 5pm Dubai time:

+9714 455 8690

Fax? If you insist:

+9714 455 8556



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