

Chapter of Zakaah

Is Zakaah Payable on Shares?

Question: Is zakaah payable on shares? If so, then is it payable on the capital or on the dividend? Please explain.

Answer: Zakaah is payable in shares. The zakaah is payable on both the Capital or on the dividend if the company one has shares in is a trading company. such as a fabric manufacturer, an iron and steel company, a power company, etc. However, when the company is not trading, but only collects revenue. such as the railway company, then zakaah will be payable only on the dividends. And Allaah knows best what is most correct.

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