

# Islam Question & Answer

General Supervisor:  
Shaykh Muhammad Saalih al-Munajjid

## 139631 - Each partner must pay zakaah on his share of the profits from mudaarabah (partnership)

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### the question

He gave me seven thousand riyals four years ago, to buy and sell halaal items, and each year the profits are to be shared out. Now (the profits) have reached sixteen thousand riyals, and we have not paid zakaah for the past four years.

I hope that the picture is clear. Please advise us, may Allah reward you.

### Detailed answer

Praise be to Allah.

Firstly:

Zakaah is one of the pillars of Islam and one of the most important duties and obligations in Islam. What the Muslim is required to do is hasten to give it when it becomes obligatory for him, and it is not permissible to neglect to pay it.

Zakaah cannot be waived by the passage of time; even if many years have passed without zakaah being paid, it is a debt that is owed and it is obligatory to pay it.

An-Nawawi (may Allah have mercy on him) said in al-Majmoo', 5/302:

Even if many years have passed, and he did not pay zakaah on it, he must pay zakaah for every year. End quote.

It says in al-Mawsoo'ah al-Fiqhiyyah, 23/289:

If many years have passed during which one who is obliged to pay zakaah did not pay it, and the

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conditions of it being obligatory are met in this case, nothing of it is waived, according to scholarly consensus, and it is obligatory for him to pay zakaah for all those years that passed in which he did not pay zakaah on it. End quote.

Secondly:

Zakaah is due on trade goods according to the majority of scholars. The evidence for that has been discussed in the answer to question no. [130487](#)

The way to work out the zakaah on trade goods is to work out the value of the goods at the end of the zakaah year, then pay zakaah on that at a rate of one quarter of ten per cent (2.5%).

Ibn Qudaamah (may Allah have mercy on him) said in al-Mughni, 4/249:

Whoever possesses trade goods and one year has passed since he acquired (the money with which he brought them), and they reach the nisaab (minimum threshold), should work out their value at the end of the zakaah year, and whatever the value is, he should pay zakaah on it at a rate of one quarter of ten per cent (2.5%).

The scholars of the Standing Committee for Issuing Fatwas said:

The proper way is to work out the value of what he has of trade goods upon the completion of the zakaah year, based on the value of those goods at the time when zakaah became due, regardless of the price for which the goods were bought. End quote.

Fataawa al-Lajnah ad-Daa'imah, 9/319

The profit is to be added to the original value, then zakaah is to be paid on the total.

It says in al-Mawsoo'ah al-Fiqhiyyah, 22/86:

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The profit made on the goods during the year is to be added to the original value for the purpose of working out the zakaah. For example, if a person buys trade goods in the month of Muharram for two hundred dirhams, then the value rises to three hundred dirhams before the end of the zakaah year, even for a moment, he should pay zakaah on the total value at the end of the zakaah year. End quote.

This is for the owner of the wealth: he should pay zakaah on the original amount (his capital) in addition to his share of the profits every year.

With regard to the partner (in the mudaarabah partnership, i.e., the one who is contributing his efforts in investing the wealth), there is a difference of opinion among the scholars as to whether he has to pay zakaah on his share of the profits if they have not yet been divided – as in the case asked about here. The view favoured by a number of our contemporary scholars is that he does have to pay zakaah on his share of the profits (even if they have not been divided).

Shaykh Ibn ‘Uthaymeen (may Allah have mercy on him) said:

There is a difference of opinion as to whether zakaah must be paid on the mudaarib’s (partner’s) share of the profits or not. The correct view is that if one year has passed and the profits have not been divided, he still has to pay zakaah, because it is profit on wealth that is subject to zakaah, so he has to pay zakaah on it. And because this is what appears to have been people’s practice from the time of the Messenger (blessings and peace of Allah be upon him) until the present day: when zakaah becomes due on wealth (capital), it must be paid on both the capital and the profit. End quote.

Sharh al-Kaafi, 3/121

Shaykh Ibn Jibreen (may Allah have mercy on him) was asked:

Is zakaah due on the share of the mudaarib (partner) before the profits are shared out if it reaches

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the nisaab (minimum threshold)?

He replied:

The mudaarabah partnership means that you give a person your wealth to do trade with it. If you give him twenty thousand, for example, and he uses it to buy goods on the basis that he will have half of the profits and will return your capital to you, then after one year the twenty thousand has become thirty thousand with the profits, then the share of the partner or worker is five thousand and the share of the owner of the money is five thousand, and the capital is twenty thousand.

What is subject to zakaah? The entire amount of thirty thousand is subject to zakaah, and zakaah must be paid on all of it, on the profit and on the capital. This is what mudaarabah is and this is how to pay zakaah on it. End quote.

Fataawa ash-Shaykh Ibn Jibreen, 50/8

Shaykh Saalih al-Fawzaan (may Allah have mercy on him) was asked:

I have some money that I left with a friend of mine to do trade with it; who should pay the zakaah - him or me? Should I pay zakaah on the capital only or on the profit too?

He replied:

You should pay zakaah on your share of the profit, if it reaches a nisaab (minimum threshold). The owner of the capital should pay zakaah on it and on his share of the profits, even if it is little, because it belongs to the capital. End quote.

Al-Muntaqa min Fataawa al-Fawzaan, 87/1-2

Based on this, you have to work out the profits that are additional to the capital of every year, then the owner of the capital has to pay zakaah on the capital and on his share of the profits, and

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you have to pay zakaah on your share of the profits for the past years.

Note: the zakaah year for trade goods does not begin from the date the trade goods were bought; rather it is based on the zakaah year for the cash with which the trade goods were bought.

For more information on that, please see the answer to question no. [32715](#)

And Allah knows best.