1346 - Is it obligatory to pay zakah on money loaned to someone who is going through difficulties or who is delaying repayment?

the question

What is the ruling on paying zakah on money loaned to someone who is going through difficulties and may take years to repay? What is the ruling on paying zakah on money loaned to a rich man who is delaying repayment? What is the ruling on a loan given to someone who one knows is rich and will pay it back – of course, after one year has passed?

Detailed answer

Praise be to Allah.

If the debtor is going through difficulty or is rich but is delaying repayment, and it is not possible to get the money back from him, either because there is not sufficient evidence to get the matter resolved through the courts, or because one has evidence but the authorities will not help him to get it back, as is the cases in some countries where the authorities do not support people’s rights, zakah does not have to be paid until the loan is recovered and one hijri year has passed. If, however, the debtor is rich and it is possible to recover the loan, then it is obligatory to pay zakah on the money each time a year passes, if the loan reaches the level of nisaab either by itself or when added to one’s other money and other wealth.

Allah is the Source of strength. May Allah bless our Prophet Muhammad and his family and companions.