161816 - How is the hijri year worked out for trade goods if they were bought with cash?

the question

I had a sum of money that surpasses the nisaab (minimum threshold at which zakaah becomes due) and a hijri year had not yet passed since I acquired it. I used it to open a shop. Do I have to pay zakaah on it? If the answer is yes, then how do I do that?

Detailed answer

Praise be to Allah.

Firstly:

If the money reached the nisaab but one full hijri year had not yet passed since it reached the nisaab, then the person bought trade goods with it, he must pay zakaah when one full year has passed since the money reached the nisaab. He should not start counting a new year from when he first bought the trade goods; rather he should complete the year for the cash with which the goods were bought.

An-Nawawi (may Allah have mercy on him) said:

If he acquires [the trade goods] with money that reached the nisaab, then one full Hijri year must be counted from when he acquired the money…" (A*l-Minhaaj ma'a Haashiyati Ma'na al-Muhtaaj* 2/107).

Al-Bahooti (may Allah have mercy on him) said:

If it falls below the nisaab at some time during the year, or he exchanges the wealth that reached the nisaab for something of a different nature, the year is interrupted, except in the case of

exchanging trade goods for their price [gold, silver or cash] or other trade goods. In that case, the year is not interrupted by this exchange, because it comes under the ruling on the same type of wealth when they are put together." (*Kashshaaf al-Qinaa'* 2/178).

For more information, please see the answer to question no. 32715 .

Secondly:

With regard to how to give zakaah on trade goods, at the end of the year you can work out the value of the goods that you have, based on the market price for which you are selling them on the day when they are evaluated, then give zakaah for them at a rate of 2.5%.

For more information, please see the answers to questions no. 50726 and 22449 .

And Allah knows best.