256289 - He is working in Europe and has wealth in euros and in pounds in his own country; how should he work out his zakaah?

the question

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I am working in Europe, and I have some money in euros, in addition to some money in my homeland in the local currency. According to which country should I reckon the nisaab [minimum threshold at which zakaah becomes due], and in which currency? And in which country should I give it?

Detailed answer

Praise be to Allah.

Firstly:

The difference in currency of saved money does not make any difference to working out the nisaab for zakaah, because it is not worked out in currency; rather it is worked out on the basis of whichever is cheaper, gold or silver.

If the total sum of what you possess in both euros and Egyptian pounds is equivalent to the value of 595 grams of silver, then this is the nisaab for zakaah on wealth, and you must pay zakaah on it.

For more information on the nisaab for cash, please see the answer to question no. 2795.

Secondly:

What you must do is give one quarter of one tenth of the total amount of your wealth. This ratio is not affected by differences in the currency of the money saved, or differences in the countries where the wealth is.

In order to do that, you may give 2.5% of the money you have saved in euros, and 2.5% of the

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money you have saved in Egyptian pounds.

If you do not want to give your zakaah in the same currency as what you have saved, or you want to give it from one of the two currencies and not the other, then you should look at the one from which you do not want to give zakaah, and work out its value according to the exchange rate on the day on which you pay your zakaah, in the other currency from which you want to give your zakaah.

For example, if you have 2000 euros and 6000 pounds, and you want to give your zakaah in pounds, and you learn that one euro is equivalent to twenty pounds, for example, then you should work out the value of the two thousand euros in Egyptian pounds, which is 40,000 Egyptian pounds. Then you should add to that the 6000 pounds that you have in your country. Thus the total of your wealth is 46,000 Egyptian pounds, and you should pay 2.5% of that.

So what you must do is give zakaah on all of your wealth; in this case you should pay 1150 Egyptian pounds.

The basic principle is that the zakaah on any wealth should be given in the land in which the wealth is.

But it is well-known that the Muslims in your country – Egypt – are in greater need of this zakaah, and the poor among them are more numerous, especially if you have relatives among them.

So it is prescribed for you to transfer your zakaah to Egypt and distribute it among the poor in your country and your needy relatives, because that serves a clear interest.

See also the answer to question no. 145096

And Allah knows best.

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