



285694 - He has money that he put into a business partnership with his brother, and he has some savings; how should he pay zakah on his wealth?

the question

I formed a business partnership with my brother, and I have some saved money, which is separate from the business. Should I add the two sums of money together and pay zakah on the total? Or should I give zakah for each separately? In the event that I take money from my savings and put it in the business for a few months, then take it back, would it be regarded as a kind of debt that my brother and I owe? May Allah bless you.

Detailed answer

Praise be to Allah.

If the saved money does not reach the nisab (minimum threshold at which zakah becomes due) except by adding it to your share of the company's money, then the way to determine the date when its zakah becomes due is to work it out in conjunction with the date on which zakah is due on your capital in the company. Thus the due date for zakah on all of your wealth (the savings and the money you put into the business) will be one date, counted from the day that your wealth reached the nisab.

So when the year has passed and the zakah becomes due, you should give zakah on the saved wealth, then work out the profits of the company and pay zakah on your share of the capital plus the profits.

If the saved wealth reaches the nisab on its own, then it will have a separate due date, when you should pay zakah on it when one full hijri year has passed. The year for reckoning payment of zakah on the capital that you put into the business starts from the time when you took possession of that wealth, and you should give zakah on it and on the profits earned at the end of that year.



Al-Bahooti (may Allah have mercy on him) said in ar-Rawd al-Murbi' (3/172, 173):

A person may add what he acquires of wealth to wealth that he already has, that has reached the nisab, of the same type of wealth or similar, then he should pay zakah on each of them when its due date comes (after one year has passed). End quote.

Ibn Qasim (may Allah have mercy on him) said in his Hashiyah:

That is, everyone should pay zakah on what he has of wealth that reaches the nisab, when the due date comes, and he should also pay zakah on acquired wealth when the due date comes.

So if he has in his possession two hundred dirhams, and six months have passed since he acquired it, then he acquires another hundred dirhams, through inheritance or as a gift, he should pay zakah on the nisab after another six months, and pay zakah on what he acquired through inheritance or as a gift when one year has passed since acquiring it.

Ibn Qundus said: If he has forty sheep, and there are a few months left before zakah becomes due on them, and he buys or is given one hundred sheep, he does not have to give zakah (on the new sheep) until one full year has passed since he acquired them. End quote.

Al-Wazeer said: The scholars are agreed that no zakah is due on wealth that is newly acquired, until one full year has passed since its acquisition, like any other wealth. End quote.

Secondly:

With regard to the wealth that you took from your savings and put into the business, it seems that your intention was to lend it to the company.

Based on that, this wealth was a loan from you to the company of which you own half, and your brother owns the other half.

The scholars stated that if two partners lend money to the company, each of them is responsible for half of it, and is liable for the other half.



In other words, of this money that you lent to the company, half is still in your possession; in fact, all you did was transfer your own money from one place to another (from your savings to the business).

A man cannot lend his own money to himself, so in fact you do not owe anything to anyone.

The other half of the money is a loan from you to your brother, and you are liable for it.

It says in Kashshaf al- Qina' (3/526), with regard to the partnership that is based on two partners buying on credit the goods that they want to trade in:

Each of them is a proxy and a guarantor for the other, because the partnership is based on acting on behalf of one another and being a guarantor for one another. End quote.

Shaykh Muhammad ibn 'Uthaymeen (may Allah have mercy on him) said:

What is mentioned about each of them being a proxy for the other, even if they do not state it clearly, is because this partnership means that each of them may act on behalf of the other, as a proxy for his partner.

What is mentioned about each of them being a guarantor for the other is because each of them is liable. So long as the seller sold to both of them on credit, this means that he believed that each of them should bear the credit on behalf of the other. So if one of them flees, for example, after forming the partnership, and the other is left, then the one who sold to both of them may regard the one who did not flee as liable and may ask him to pay up.

If he says: We are partners, and my partner who fled bears half of the responsibility for the debt, then the answer is: But each of you is the proxy and guarantor of the other. End quote.

Ash-Sharh al-Mumti' (9/431).

So your brother owes you half of the money (that you lent to the company), and this does not affect his paying zakah on his share of the company, because the most correct scholarly view is that that does not waive zakah, meaning that the creditor should add the debt that he is owed by



others to what he has of wealth, and give zakah on all of his wealth. He should do that every year, if the one who owes him is well-off and willing to pay, as we have explained previously in the answer to question no. [125854](#).

But this money that you lent to your brother is like newly-acquired wealth, so its year should be worked out separately, and should start from the time when it was acquired, and its zakah should not be paid with the rest of the company's zakah when it is due.

Based on that:

Your payment of zakah on this loan that you gave to the company will come under two considerations:

1. Half of this loan is still in your possession, as explained above, so you must give zakah on this half as well as zakah on all your wealth.
2. With regard to the other half, you should give zakah on it too, on the grounds that it is like a debt that is owed by someone who is well-off and willing to pay, and you are liable for it. But if the company is going through financial troubles, or you cannot take this money back from the company, then no zakah is due on the other half until you take it back, then you should start counting a separate year for it, from the day that you take it back.

See question no. [125854](#) for information on how to pay zakah on debts.

But if this money that you put into the company was not a loan – rather it was new capital that you put into the company and you will have an increased share of the profits as a result –

if this is the case, then you should give zakah on it, and add to it the profit that you made on it, unless you have already spent it before the end of the year, in which case no zakah is due on it.

However, it should be noted that if you took something from your savings and put it into the company, then the date on which zakah becomes due on it and on any profits is the same as the due date for zakah on your savings. So zakah on the capital and the profits should be worked out at the same time as when zakah becomes due on your savings.



See the answer to question no. [161816](#) .

And Allah knows best.