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UNHCR ZAKAT COLLECTION AND DISTRIBUTION

MUSA FURBER

Contents

Subject

Executive Summary

I. Background

II. Fatwas

III. Recommendations

IV. Conclusion

Appendix. Excerpts

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UNHCR ZAKAT COLLECTION AND DISTRIBUTION

Subject. The distribution of Muslim alms through UNHCR.

Executive Summary. Muslims make up the majority of today's 15.1 million refugees. UNHCR has consulted with Tabah Foundation concerning using zakat as a source of aid. Several specialists in Islamic law confirmed that zakat is a viable source provided that it meets certain conditions.

UNHCR is the official international body for looking after the world's 15.1 million refugees. There is a chronic need for additional funding. Since Muslims are a significant portion of the world's refugees, it makes sense to look to the Muslim community as a potential source of funding. In 2008, it was estimated that Muslims donate between \$20 billion and \$200 billion annually, including voluntary sadaqat and obligatory zakat. In contrast to voluntary sadaqat, there are several conditions related to collecting and distributing obligatory zakat. UNHCR sought advice through Tabah Foundation of Abu Dhabi, UAE.

After consulting with several of today's leading Islamic legal scholars and institutes, Tabah concluded that UNHCR can collect and distribute zakat provided that they fulfill the basic requirements of one of the legal schools. Tabah recommends the Hanafi school as its conditions will be easiest to meet in the given context.

UNHCR must be aware of two primary conditions. The first is that zakat can only be given to the categories mentioned in Quran 9:60 – in particular: Muslims who are poor and needy, in debt, or whose journeys have been interrupted by lack of funds. The second is that zakat funds cannot be used to cover expenses or wages.

Although zakat is effectively limited to Muslims, its availability contributes to the total amount of aid available, so everyone still benefits. When there are \$50 of non-zakat funds to distribute to 25 Muslims and 25 non-Muslims, everyone receives \$1. When there are also \$50 of zakat, every individual receives \$2.

UNHCR needs to gain the trust of the Muslim Community. Towards this end, Tabah recommends that UNHCR documents its zakat collection and distribution process, and solicit endorsements from recognized Islamic scholars and institutes. It also recommends that

UNHCR periodically reports on the amount of funds received and distributed, and show the impact of those funds. Once these are in place, Tabah also recommends that UNHCR expands the zakat program to cover other Islamic financial instruments.

I. BACKGROUND

According to UNHCR's mid-year trends for 2015, approximately 15.1 million individuals meet their criteria for being counted as refugees. Ten countries account for 76% of those refugees: the Syrian Arab Republic (4.2 million), Afghanistan (2.6 million), Somalia (1.1 million), South Sudan (744,100), Sudan (640,900), Democratic Republic of the Congo (535,300), Central African Republic (470,600), Myanmar (458,400), Eritrea (383,900), and Iraq (377,700).¹ Many of these nations have Muslim-majority populations, and Muslims are a significant segment of refugee populations.

Relief agencies are in chronic need of additional funding sources to meet refugee needs. Since Muslims are a significant portion of the world's refugees, it makes sense to look to the Muslim community as a potential source of funding. In 2008, it was estimated that Muslims donate between \$20 billion and \$200 billion annually.² This estimate includes voluntary charity ("sadaqah") and obligatory alms ("zakat").

Voluntary Charity (sadaqah). Muslims are encouraged to give voluntary charity. This type of charity is often referred to by the Arabic word "*ṣadaqah*." The main restriction placed on this type of charity is that it cannot be intended to facilitate anything that Islamic law deems unlawful. Voluntary charity can be given to non-Muslims and individuals who are affluent.

Obligatory Alms (zakat). Muslims are required to pay an obligatory alms tax known by its Arabic name "*zakāt*." Zakat is taken from specific sources of wealth and given to specific categories of recipients. Evidence for this obligation is found in the Quran, including verses "...And perform the prayer and give zakat..." (Quran 2:43, 2:100); and "Take, [O, Muhammad], from their wealth a charity by which you purify them and cause them increase" (Quran 9:103). Additional evidence is found in Prophetic narrations, such as when the Prophet ﷺ commanded Mu'adh bin Jabal his delegate to govern Yemen: "Inform them that Allah has made a charity obligatory upon them, that is collected from their rich and given back to their poor."³ Another Prophetic narration mentions that zakat is the fourth of Islam's five pillars: "Islam is built upon five pillars: testifying that there is no deity except for Allah and that Muḥammad is the Messenger of Allah ﷺ, establishing prayer, offering zakat, performing the Hajj Pilgrimage, and fasting Ramadan."⁴

1. UNHCR, "Mid-Year Trends 2015" (Geneva, UNHCR: 2015), pp4–6. Accessed January 19, 2016.

<http://www.unhcr.org/56701b969.html>

2. Ian Wilhelm, "New Group Meets to Promote Muslim Charity Worldwide," *The Chronicle of Philanthropy*, March 24, 2008. Accessed January 19, 2016.

<https://philanthropy.com/article/New-Group-Meets-to-Promote/163185>

3. Muḥammad bin Ismā'īl al-Bukhārī, *Al-Jāmi' al-ṣaḥīḥ al-mukhtaṣar min umūr rasūl iLLāh ﷺ wa sunanihi wa ayyāmihi (Ṣaḥīḥ al-Bukhārī)* ("Bukhārī"), ed. Muḥammad Zuhayr bin Nāsir al-Nāsir (Dār Tawq al-Najāh, 1422), 1331; Muslim bin al-Ḥajjāj, *Al-Musnad al-ṣaḥīḥ al-mukhtaṣar bi-naql al-'adl 'an al-'adl ilā rasūl Allāh ﷺ* ("Muslim"), ed. Muḥammad Fu'ād Abd al-Bāqī (Beirut: Dār Iḥyā' al-Turāth, n.d.), 19.

4. Bukhārī, 8; Muslim, 16.

The specific sources of wealth include livestock, savings, trade goods, crops, and minerals. The categories of eligible recipients for zakat are mentioned in the Quran: “Alms are only for the poor and the needy, and those who collect them [zakat], those whose hearts are to be reconciled, captives, debtors, in the cause of Allah, and wayfarers...” (Quran 9:60). Refugees can fall within the categories of poor and needy. Refugees who have incurred loans can also fall within the category of debtors.

A person who must pay zakat can either identify its recipients and then distribute it to them personally, or appoint an agent to distribute it on his behalf. It is also possible to give the zakat to the local Muslim authority for them to then distribute to eligible recipients.

A comprehensive discussion on the specific sources of wealth and their conditions, and the various categories of eligible recipients are detailed and not necessarily germane to this brief. Readers interested in details should consult a scholar of Islamic law.

The Need for a Legal Clarification. While Islamic law places few restrictions on voluntary charity (sadaqah), there are more restrictions on zakat. Thus, UNHCR wanted to ensure that they could collect and distribute zakat in a manner harmonious with Islamic law.

II. FATWAS

Muslims are required to know the ethico-legal ruling of an act before engaging in it. Muslims often know rulings for the most common, basic situations they encounter in their daily lives. For uncommon deeds, mistakes, and more complex intra-personal situations, they often consult legal experts (muftis) for legal and ethical advice (fatwas). Although these legal experts can operate independently, many countries with large Muslim populations have formal institutions and individuals responsible for assisting the religious community through the provision of legal guidance or fatwa. A fatwa is a non-binding legal opinion offered by an individual (known as a mufti) who has been trained to apply Islamic law to individual cases and then authorized by other muftis to do so. A prior study by Tabah Foundation found that the most significant factor in having confidence in legal rulings is that the ruling comes from a known, reputable mufti or fatwa institute. Although textual evidence and reasoning, and citing legal texts also engender high degrees of confidence, they all trace the ruling coming from known, reputable source for legal rulings.⁵

Given the sensitivity of the matter and the need for confident answers, the Tabah Foundation’s chairman Habib Ali al-Jifri sent queries to several of the leading muftis and fatwa centers. His query included the following questions: Is it legally permissible to give zakat to UNHCR for delivery to victims, refugees and displaced individuals in the region, such as in Syria, Iraq, and Yemen? Under what conditions is it permissible, and what is its lawful procedure?

Sheikh Abdullah Bin Bayyah, Sheikh Ali Gomaa, the Fatwa Council of Tareem, and the General Secretariat of the Senior Scholars’ Council of Morocco, and Dar al-Ifta al-Missriyyah

5. Musa Furber, “Elements of a Fatwa & Their Contribution to Confidence in Its Validity,” *Tabah Analytical Brief* no. 14 (Abu Dhabi: Tabah Foundation, 2012), 4.

responded to his query.⁶

Sheikh Abdullah bin Bayyah is an instructor at King Abdulaziz University in Jeddah. He was the deputy head of the Union of Muslim Scholars. Before this, he served as a judge at the High Court of the Islamic Republic of Mauritania and was the Head of Shariah Affairs at its Ministry of Justice. He currently serves as the president of the Forum for Promoting Peace in Muslim Societies.⁷

In his fatwa, Sheikh Abdullah bin Bayyah states that UNHCR would be considered the agent of the individual owing zakat, and that there is no problem so long as the principal believes that the agent will deliver the zakat to deserving recipients.

Dr Sheikh Ali Gomaa is the former Grand Mufti of the Arab Republic of Egypt and professor of Islamic jurisprudence at Al-Azhar University. He is currently a member of Al-Azhar's senior scholars council.⁸

In his fatwa, Sheikh Ali states it is permissible according to Islamic law for non-Muslims to distribute zakat to its eligible recipients. They are not themselves considered as eligible to receive zakat under the category of zakat workers that is mentioned in Quran 9:60, so their wages and other operational costs must come from outside the zakat funds.

The Fatwa Council of Tareem is located in Hadramaut, Yemen. Hadramaut has been a major center for scholarship for over a millennium and has produced many of the world's leading Shāfi'ī scholars.

The Council's fatwa begins by asserting that zakat must be given to the categories mentioned in Quran 9:60, and that only Muslims are eligible recipients of zakat. The fatwa then clarifies that zakat is distributed by the regional Muslim authorities or their representative, the individual responsible for the property subject to zakat, or that individual's agent. An organization that distributes zakat it is considered a type of agency and is subject to conditions that apply to agents. A principal who has a non-Muslim agent must identify the recipient for the zakat, make an intention that it be given to that recipient, and know that the intended recipient was eligible when taking possession of the zakat. These conditions are not required when using a Muslim agent. Therefore, the Council recommends that UNHCR appoint Muslims for receiving and distributing zakat. These additional conditions are not required for other stages of the operation.

The fatwa then states that UNHCR cannot use any of the zakat funds to cover its operating expenses or wages, as the category of zakat collectors is limited to workers who have been appointed by Muslim authorities. Even then, it is only for appointed collectors and distributors who are Muslim, morally upright, and knowledgeable in zakat laws. Thus, neither the agency

6. Please see <http://www.unhcrzakatfatwa.com> for the full text of their responses.

7. Ibid., 82–83.

8. Abdallah Schleifer, ed., *The Muslim 500: The World's 500 Most Influential Muslims*, 2014/15 (Amann, Jordan: Royal Islamic Strategic Studies Centre, 2015), 68–69.

nor its zakat collectors are entitled to take a portion of their intake. Instead, operating expenses and wages must be covered by other sources of funding or by volunteering.

The fatwa closes with pointing out that there is a variance amongst scholars whether zakat funds must be distributed locally or can be sent to other regions. (We will return to this point later.)

The Senior Scholars' Council of Morocco is the highest official religious authority in Morocco, which includes a fatwa council. Their fatwa mentions the basic obligations related to giving zakat to particular individuals similar to what was mentioned in the other fatwas. It mentions that the default is that the person owing zakat distribute it personally and that it be distributed to eligible recipients in its locality. It then mentions that it is permissible to distribute it through an intermediary, and that it is permitted to send the zakat to another locale – especially when that other locale has greater need. Their conclusion was that the refugees mentioned in the original inquiry are eligible for zakat, and that it is permissible to distribute one's zakat to them through UNHCR.

Dar al-Ifta al-Missriyyah is one of Egypt's centers for Islamic legal research. It was established in 1895 CE and is considered one of the earliest modern fatwa producing institutes. Dar al-Ifta's fatwa begins by covering several preparatory issues – giving definitions, arguments for various opinions, and their preferences – and closes with their answer to Habib Ali al-Jifri's specific question. During the preparatory points, Dar al-Ifta affirms their preferences that it is permissible to transport zakat to another land and to give zakat to a single individual. They observe that Islamic law sometimes makes distinctions between natural persons and legal persons. They argue that UNHCR is a legal person and that the opinions that place additional restrictions on distributing zakat through non-Muslims apply to natural persons – not legal persons. Dar al-Ifta considers it permissible to give zakat to refugees provided that they fall within one of the eight categories. Concerning the specific question: Dar al-Ifta concludes that it is permissible for an individual to appoint UNHCR as his agent for distributing and delivering zakat to refugees and displaced peoples – provided that the recipients fulfill the necessary conditions (i.e., that they are Muslims who are poor, needy or one of the other categories of individuals that Islamic Law considers legal recipients of zakat). UNHCR cannot take any portion of the zakat in exchange for the services they provide. Additionally, safeguards must be put in place to ensure that UNHCR complies with all of the above. Each page of the fatwa is stamped and signed by Majdī Muḥammad 'Āshūr and Aḥmad Mumduḥ; the final page of the fatwa is signed by Grand Mufti Shawki Ibrahim Allam.

Summary of the Fatwas. These fatwas mention three essential points:

1. UNHCR can collect and redistribute zakat on behalf of Muslims.
2. Zakat funds must be given to the categories mentioned in Quran 9:60.
3. Zakat funds must not be used to cover expenses or wages.

So in answer to Habib Ali's original query: It is permissible to give zakat to UNHCR for distribution to victims, refugees and displaced individuals in the region, such as in Syria,

Iraq, and Yemen. In such a case, UNHCR is considered an agent. The entirety of the collected zakat must be distributed to eligible recipients mentioned in Quran 9:60. None of it can be used to cover operations or wages; those must be covered by other sources.

III. RECOMMENDATIONS

The following observations and recommendations are offered in hopes of advancing the development of a practical solution.

Obligatory Alms as a Supplementary Aid Source Can Benefit All. Sadaqah (voluntary charity) and zakat (obligatory alms) are both potential sources of aid for UNHCR. Zakat should be seen as a supplementary source of funding and not a sole or primary source.

Voluntary charity can directly benefit Muslims and non-Muslims alike as it can be given to anyone so long as it is not with the intention of facilitating a violation of Islamic law. This is in contrast to zakat which can only be given to particular categories of Muslims. Although Muslims are the sole potential recipients of zakat, non-Muslims still benefit indirectly so long as there are other sources of funding since funds earmarked for one group of people reduces the load on other sources. For example, suppose that there are 20 needy non-Muslims and 20 needy Muslims. When 40 shares of aid from general funds are distributed equally, each receives 1 share. When we also have 40 shares from zakat funds, each receives 2 shares (40 shares from general funds to the 20 non-Muslims, 40 shares from zakat funds to the Muslims).

Trust and Transparency. UNHCR's success in collecting zakat will depend on their ability to earn the Muslim community's trust. They can do this by proving that their collection and distribution of obligatory alms discharges an individual's religious obligation. Publishing proof that all obligatory alms are distributed to eligible Muslims without any loss should be considered essential in earning this trust. It is essential that UNHCR can prove that operating expenses and wages associated with obligatory alms came from other sources, such as voluntary charity (*ṣadaqah*), an endowment (*waqf*), or one of its other funding sources.

Scope of Zakat-Related Legal Issues. Laws related to zakat cover a wide range of topics. Some of these topics are related to determining zakat obligations; how zakat is collected; and how it is distributed. It is recommended that UNHCR concentrate on collection and distribution and delegate the creation of zakat-related materials to experts in Islamic law.

Accounts. Zakat funds should be placed in their own account in an Islamic bank or an interest-free account. If this is not possible, care must be taken to ensure that no interest is distributed as zakat. Rather, any accrued interest should be spent on general infrastructure and operational costs that are not related directly to Muslims.

Service Charges and Currency Fluctuations. Online transactions, transfers, and currency conversions often incur service charges of one form or another. These service charges must not be taken from the zakat since zakat cannot be used to cover operational expenses, and in order to ensure that a zakat donor has discharged his obligation. There may be an argument to be made that currency transfer and conversion charges are intrinsic parts of international

donations and are thus either insignificant or excused. However, this argument would be difficult to make for the losses incurred through additional transfers and conversions. Additionally, currency fluctuations may also lead to differences between collected and distributed funds. These differences can be covered through other funds.

Sadaqah. Zakat and sadaqah donations must be recorded separately since sadaqah distribution requirements differ.

Potential Difficulties and Obstacles. Although it would be best to avoid delving into scholarly variances, I feel that it is unavoidable here since some of those variances will present difficulties and problems for international zakat collection and distribution. The fatwas presented above address a questions related to the potential for UNHCR collecting and distributing zakat, there are many other details that must be known and addressed in order to implement a lawful procedure. The muftis were asked about lawful procedures, but there is only so much they can answer without knowing specific details of UNHCR's operations. The fatwas mentioned some of the more important variances, but there is still a need to mention others.

(a) Transporting Zakat. The Fatwa Council of Tareem brought up one of these variances when it mentioned the issue of whether zakat funds must be distributed locally or can be sent to other regions. The Shāfi'ī school restricts individuals from transporting zakat to another locale,⁹ as does the Ḥanbalī school.¹⁰ The more evident opinion within the Shāfi'ī school of law is that it is impermissible for individuals to transport obligatory alms outside the region where the wealth is located so long as there are eligible recipients in its locale. However, many scholars within the Shāfi'ī school and throughout its history do permit its transport. One late Shāfi'ī texts states that it is best for individuals to ask the local governor or judge for permission to transport zakat outside the locality, or to follow the other opinion in the school which does allow for its transport – and which agrees with the majority of scholars.¹¹ The Maliki and Hanafi schools both allow for zakat to be distributed to another locale, especially when given to one's relatives in another locale or when the other locale has greater need.¹²

(b) Giving to Non-Muslims. There is scholarly consensus that the recipient must be Muslim. The only exception to this is that the Maliki and Hanbali schools allow zakat to be given to non-Muslims under the category of “those whose hearts are to be reconciled.” However that category does not apply here as it is associated with proselytizing. One of the reasons for this restriction is the hadith mentioned earlier where the Prophet ﷺ ordered that zakat is “collected from their rich and given back to their poor,” where “their” restricts zakat distribution to Muslims – just as it restricts the obligation to pay zakat to Muslims.¹³

9. Zakariyyā al-Anṣārī, *Asnā al-Maṭālib* (Beirut: Dār al-Kutub al-‘Ilmiyyah, n.d.) 1:403; al-Damirī, *Al-Najm al-Wahhāj fī Sharḥ al-Minhāj* (Jeddah: Dār al-Minhāj, 2004/1425) 4:469; Ibn Hajar al-‘Asqalānī, *Tuḥfat al-Muḥtāj* (Beirut: Dār Iḥyā’ al-Turāth al-‘Arabī, 1983), 7:172; Shams al-Dīn al-Shirbīnī, *Mughnī al-Muḥtāj* (Beirut: Dār al-Kutub al-‘Ilmiyyah, 1994/1415), 4:191. Shams al-Dīn al-Ramli, *Nihāyat al-Muḥtāj ilā Sharḥ al-Minhāj* (Beirut: Dār al-Fikr, 1984/1404), 6:167.

10. al-Buhūtī, *Kashshāf al-Qinā’* (Beirut: Dār al-Kutub al-‘Ilmiyyah, n.d.), 2:263.

11. Sa‘īd bin Muḥammad Bā‘aliy Bā‘ishn, *Bushrā al-Karīm* (Jeddah: Dār al-Minhāj, 2004), 1:534.

12. Ibn ‘Ābidīn, *Radd al-Muḥtār* (Beirut: Dār al-Fikr, 1412/1992), 2:353. al-Ḥaṭṭāb, *Mawāhib al-Jalīl*, 2:357–59.

13. Ibn ‘Ābidīn, *Radd al-Muḥtār*, 2:351; Muḥammad bin ‘Abd Allāh al-Khurashī, *Sharḥ Mukhtaṣar Khalīl* (Beirut: Dār al-Fikr li-l-Ṭibā‘ah, n.d.), 2:213; Muḥya al-Dīn bin Sharaf al-Nawawī, *Al-Majmū‘ Sharḥ*

(c) Distributing Zakat Through an Agent or Intermediary. Another point of variance concerns the conditions for distributing zakat through an agent or intermediary. According to the Maliki school, it is valid to distribute zakat through an intermediary provided that one trusts the intermediary and is confident that the zakat will indeed be given to an eligible recipient.¹⁴ According to the Shāfi‘ī school, it is valid to appoint an agent to distribute one’s zakat.¹⁵ However, zakat cannot be distributed through a non-Muslim agent unless the zakat donor identifies who is to receive the zakat. The fatwas mentioned above alluded to these variances. As for the schools that were not mentioned in the fatwas: the Ḥanafī school allows zakat to be distributed through a non-Muslim intermediary¹⁶ even if the donor has not specified a recipient;¹⁷ while the Ḥanbalī school allows zakat to be distributed through trustworthy Muslim agents, it does not allow it to be distributed through non-Muslim agents.^{18, 19}

(d) Distribution Across And Within the Categories of Zakat Recipients. Although this was not mentioned in any of the fatwas, another issue that an international zakat distribution agency must negotiate is whether they must distribute zakat to all categories of recipients, and to how many recipients within each category. The Hanafi school holds that zakat can be given to a single individual.²⁰ The Maliki school holds similar view,²¹ as does the Ḥanbalī school.²² The Shāfi‘ī school holds that – with the exception of zakat workers – zakat must be distributed equally to whichever of the categories are present. The zakat given to each category must be distributed to at least three of its members; it does not have to be equal, though it is recommended.²³

Zakat Collection and Distribution Contexts. UNHCR plans to collect zakat through the Internet using credit card and other online payment services (like PayPal). With cooperation with banks, distributing zakat through UNHCR can be an ATM payment option. There is also precedent for using regional and country-specific zakat-collection partners.

al-Muhadhdhab (Beirut: Dār al-Fikr, n.d.), 6:228; Muwaffaq al-Dīn Ibn Qudāmah, *Al-Mughnī* (Cairo: Maktabat al-Qāhirah, 1388/1968), 2:487 §1774; Wahbah al-Zuhaylī, *Al-Fiqh al-Islāmī wa Addīlatuhu* (Damascus: Dār al-Fikr, n.d.), 3:1966.

14. Shams al-Dīn al-Ṭarāblusī, *Mawāhib al-Jalīl* (Beirut: Dār al-Fikr, 1992/1412), 3:353.
15. al-Anṣārī, *Asnā al-Maṭālib*, 1:360. al-Dimīrī, *Al-Najm al-Wahhāj*, 3:254; al-Rūyānī, *Baḥr al-Madhhab* (Beirut: Dār al-Kutub al-‘Ilmiyyah, 2009), 3:82. Ibn Hajar al-‘Asqalānī, *Tuḥfat al-Muḥtāj*, 3:344. Ibn al-Rif‘ah, *Kifāyat al-Nabīh fī Sharḥ al-Tanbīh* (Beirut, Dār al-Kutub al-‘Ilmiyyah, 2009), 6:102–103; al-Shirbīnī, *Mughnī al-Muḥtāj*, 2:129. al-Ramlī, *Nihāyat al-Muḥtāj*, 3:136.
16. The Ḥanafī texts mention “*dhimmī*,” that is a non-Muslim citizen of the Islamic state. A Ḥanafī scholar that I consulted confirmed that what is intended here is any non-Muslim even if they are not technically a citizen of the Islamic state.
17. Ibn ‘Ābidīn, *Radd al-Muḥtār*, 2:268–269; al-Ṭaḥṭāwī, *Hāshiyat ‘alā Marāqī al-Falāḥ* (Beirut: Dār al-Kutub al-‘Ilmiyyah, 1997/1418), 715.
18. al-Buhūṭī, *Kashshāf al-Qinā‘*, 2:261.
19. Dr Yusuf al-Qaradāwī supports the view that zakat cannot be distributed through non-Muslim intermediaries or agents. *Fiqh al-Zakāt* (Beirut: Mu’assisah al-Risālah, 1973/1393), 845–46.
20. Ibn ‘Ābidīn, *Radd al-Muḥtār*, 2:344.
21. Shams al-Dīn al-Ṭarāblusī, *Mawāhib al-Jalīl*, 2:352.
22. al-Buhūṭī, *Kashshāf al-Qinā‘*, 2:287.
23. al-Anṣārī, *Asnā al-Maṭālib*, 1:402. al-Dimīrī, *Al-Najm al-Wahhāj fī Sharḥ al-Minhāj*, 6:643; Ibn Hajar al-‘Asqalānī, *Tuḥfat al-Muḥtāj*, 7:169; al-Shirbīnī, *Mughnī al-Muḥtāj*, 4:188–89; al-Ramlī, *Nihāyat al-Muḥtāj ilā Sharḥ al-Minhāj*, 6:164.

UNHCR's common aid-distribution channels are: in person or through an ATM. UNHCR aims to safeguard individual dignity whenever possible, so it avoids methods that might be humiliating or undignified. ATMs are one means of aid-distribution that help do this.

When refugees register with UNHCR, they are asked questions about their identity, family status, dependents, and needs. They are also asked about their basic religious affiliation for the sake of vulnerability assessment and demographics. During registration, the irises of each refugee are scanned. Each iris is unique, allowing iris scans to be used as a form of identification. ATMs are equipped with iris scanners that are used to identify users and to look up the user's aid-account balances. The information collected on each refugee allows UNHCR to distribute aid to accounts matching particular criteria. The ATMs allow individual refugees to receive aid through multiple sources of funding. UNHCR can use the data that is already collected to ensure that zakat is distributed to eligible recipients. When funds are deposited to an individual's account, an SMS is sent informing them that they can collect their funds from one of the ATMs.

Refugees are required to renew their registration each year. UNHCR also makes periodic visits to refugees to check on their status and to reassess their needs as there are individuals who will not accept zakat for various reasons.

UNHCR sometimes hires partners to distribute aid. This might be a good long-term solution for delivering aid in person as it allows UNHCR to have zakat distributed according to the Islamic law without themselves having to get bogged down with the details. Also, it should make it easier to ensure that only Muslims are used or employed to deliver aid without UNHCR being accused of practicing religious discrimination. (The importance of this option will become clearer in the next section.)

Negotiating Legal Variance. In light of the variances mentioned above (with the difficulties they present) and the expected aid-distribution contexts, it is recommended that zakat collection and distribution take the Hanafi school as a bare-minimum reference point (things that must or ought to be done) and, if possible, attempt to also meet the requirements of the other schools (points that should or could be done). It is better to start with one school of law since there is a requirement when issuing and reporting on opinions that we stick to the official opinion of one of the four schools of law (even though we can use other opinions for our own personal practice), and because it is not permissible to chase down lax opinions or mix schools in such a way that we construct an operation that no school would recognize as valid.²⁴

By starting with one school as a reference point, UNHCR's zakat works will be valid according to one school – which will go far towards earning trust and broad support. By also trying to meet the conditions of the other schools, they will earn even more support as it shows that Islamic Law is being respected and not circumvented.

The Hanafi school should be the starting point because its official positions are more beneficial to zakat recipients and easier to implement. The Hanafi school considers the zakat donor's

24. Ibn Hajar al-Haytamī, *Al-Fatāwā al-Fiqhiyyah al-Kubrā* (Beirut: al-Maktabah al-Islāmiyyah, n.d.), 4:325–26.

intention sufficient when distributing zakat through a non-Muslim intermediary, whereas the other schools either disallow this or place conditions that will be difficult to meet. The Hanafi school allows zakat to be transferred to another land, whereas the Shafi'i and Hanbali schools restrict it. The Hanafi school allows zakat to be given to an individual, whereas the Shāfi'i requires encompassing all categories and giving to three individuals within each one.

The Maliki school comes close. One difference is that it places conditions when using an intermediary to distribute zakat that are not mentioned in the Hanafi texts. However, this difference disappears in practice since no one seeking to discharge their obligation to pay zakat would distribute zakat through an untrusted intermediary, and entrusting zakat to UNHCR indicates that one has trust in them as a distributor.

As a starting point, the appendix includes several excerpts related to zakat collection and distribution from a basic Hanafi primer.

The conditions of the Hanafi school should be treated as minimum requirements. While it is generally better to take a stricter ruling if doing so allows an act to be valid according to the other schools, it cannot not be done at the expense of a practical valid solution.

Many Muslim refugees feel that they have been abandoned by their fellow Muslims. Informing Muslim refugees that some of their aid comes from zakat would help let them know that they have not been forgotten. It also helps UNHCR demonstrate that it is distributing zakat correctly, which contributes to earning trust. Informing each individual recipient that they are receiving zakat is not required.

It is recommended that donors are advised that UNHCR, at their discretion and on behalf of the donor, may pool their individual zakat donation with other zakat donations; and that they may use zakat funds to purchase aid packages that will be distributed as zakat recipients.²⁵ It would be useful to offer donors the option to receive periodic updates showing how their zakat is being used. These updates offer an opportunity to request additional aid.

There should be a contingency plan in the event that zakat exceeds the needs of refugees registered with UNHCR – as unlikely as this may seem.

UNHCR sometimes assists refugees who are tradesmen or craftsmen with funds to exercise their trade and work. Zakat can also be used similarly, provided that the trade and craft are considered lawful according to Islamic law. Since UNHCR must already have its own restrictions, so a scholar of Islamic law should review their restrictions and advise them if additional restrictions are needed when zakat is used in this way.

Gaining Broad Support. To gain broader support and trust, UNHCR should develop documentation clarifying why they can accept and distribute obligatory alms, that they are aware and respect the restrictions placed on zakat distribution, that all wages and operating costs are covered by other sources of funding, and how they will record and report on zakat-

25. The Hanafi scholar I consulted confirmed that these are allowed.

related activities. This documentation should be developed by a small panel of experts from UNHCR and experts in zakat law, and then sent to various Muslim scholars and institutions for their review and endorsement.

Seeking Large Donors. Zakat agencies are potential sources of zakat or as collection partners. So are affluent Muslims. UNHCR should advise potential large donors of their zakat operations to ensure that it meets their requirements and to gain their trust. Several Muslim philanthropy conferences have been held in various locations around the world. These conferences are a venue for seeking large donors.

Expanding Fund Sources. Once a viable and sound zakat collection and distribution process is put into place, it can expand to collect and distribute other obligatory expiations for missed fasts, broken oaths, and the like.

IV. CONCLUSION

It is legally permissible to distribute zakat (obligatory alms) through UNHCR and for them to serve as agents for delivery of zakat to victims, refugees and displaced individuals who are eligible recipients provided that certain conditions are met. One of these conditions is that zakat must be distributed to specific categories of eligible recipients. Another condition is that none of the zakat is used to cover operational expenses or wages. Rather, all of the zakat must go to eligible recipients and expense must be covered from other funds.

Zakat contributes to the total pool of aid that can be distributed to all refugees, so even those refugees who are not eligible to receive zakat directly still benefit. To succeed as a zakat distributor, UNHCR must earn the Muslim community's trust in their zakat operations. Presenting a clear process that has been endorsed by a broad range of recognized Muslim scholars and institutions will help earn this trust. Reporting on collections and distribution, and showing the positive changes those funds make for refugees will also help earn trust.

APPENDIX

EXCERPTS FROM HANAFI FIQH

(A) CONDITIONS FOR PAYING ZAKAT

In order for the act of offering zakat to be valid, the one paying the zakat is required to intend zakat concurrent giving it to the poor, his agent, or when separating the required amount [from the rest of his wealth]. It is valid even if the concurrence is formal such as if one had given without having intended it as zakat and then, while the money is held by the poor, makes an intention.

It is not a condition for the poor person receiving the zakat to know that he is receiving zakat, according to the soundest opinion. So it would be valid if one gave money something to a poor person under the guise of a gift or loan while intending it to be zakat.

If someone gives their entire wealth as charity but does not intend giving zakat, the obligation of zakat is removed.¹

(B) CATEGORIES OF ZAKAT RECIPIENTS

[The eligible recipients of zakat are:]

1. A person who is poor. He is someone who possess wealth less than a *niṣāb* (minimum amount of a zakatable property) or its equivalent value in any sort of wealth – even if he is healthy and employed.
2. A person who is destitute and helpless. He is someone who has nothing.
3. A slave who has an agreement to buy back his freedom.
4. Debtors who do not own a *niṣāb* (minimum amount) or its value in addition to their debt.
5. Those in the path Allah. They are soldiers and Pilgrims who do not have sufficient funds for reaching their destination.
6. Wayfarers. They are individuals who have wealth in their own land but do not have it with them.

1. Al-Ḥasan bin ‘Ammār al-Shurunbulālī, *Marāqī al-Falāḥ Sharḥ Nūr al-Īdāḥ wa Najāt al-Arwāḥ*, ed. ‘Abd al-Jalīl al-‘Aṭā (Damascus: Dal-al-Nu‘mān li-l-‘Ulūm, 1990/1411), 658.

7. Zakat workers are given enough to suffice them for their operation and assistants.

The person owing zakat can give it to all of the categories, or to limit to one even though the other categories are present.

It is not valid to pay zakat to a disbeliever; a wealthy man who possesses the minimum amount or who possesses its amount in any form of wealth and in excess of his basic needs; a wealthy infant; or to a descendent of the Hashimī tribe [which includes descendants of the Prophet ﷺ] and their freed slaves.

Al-Ṭahāwī preferred the permissibility of giving it to the Hashimī tribe [which includes descendants of the Prophet ﷺ]; one's parents, children, wife or slave; a slave buying back his own freedom; a partially freed slave; shrouding a deceased, or settling his debt; or the price to free a slave.

If, after performing one's due diligence, one pays zakat to an individual he thought was a valid recipient and it later becomes evident that he was not, it suffices unless it was given to one's slave or one's slave who is purchasing his freedom.

It is offensive to make someone affluent in that [one gives 200 dirhams (approximately USD \$ 315.00 or AED 1158 or JOD 223) to] a poor person has a nisab after paying his debt. But it is not offensive [if it happens] after giving each of his dependents less than a nisab's worth of what was given to him.

It is recommended [to give enough] to free recipients from needing to beg.

When zakat has been gathered after the completion of a year, it is offensive to transfer the wealth to another city, unless the person to whom it is transferred is a relative, of greater need, more righteous, or it would be more beneficial to the Muslims for the recipient to engage in teaching.

It is best to distribute it to one's closest relatives, followed by the next closest relatives, and so on. Thereafter, it is distributed to one's neighbors, then the people of one's locale, then to those in the same profession, and then to the people of his land.

Sheikh Abū Ḥafṣ (the senior, may Allah have mercy upon him) said that a man's voluntary charity is not accepted if he has needy relatives, unless he starts with them and fulfills their need.²

2. al-Shurunbulālī, *Marāqī al-Falāḥ*, 661–62.

