

****APPENDIX 1 Detailed Explanation of the Eight Zakat-Eligible Categories****
(As per Surah At-Tawbah 9:60)

This Appendix provides detailed guidance on the eight categories of Zakat recipients identified in the Qur'an. These explanations support consistent application, compliance, and transparency in ICNA Canada's Zakat administration.

1. THE POOR (AL-FUQARA)

Definition:

Individuals or households who lack sufficient means to meet their basic necessities of life and whose net assets fall below the Nisab threshold.

Key Characteristics:

- No stable income or extremely insufficient income
- Inability to meet essential needs such as food, shelter, clothing, or healthcare
- Assets and savings below Nisab after accounting for immediate liabilities

Application:

Zakat may be provided as cash assistance, essential goods, or basic services that directly benefit the recipient and restore dignity.

2. THE NEEDY (AL-MASAKIN)

Definition:

Individuals who may have some income or resources but remain in hardship and are unable to adequately meet basic living needs.

Key Characteristics:

- Partial or unstable income
- Living at or near poverty despite employment or assistance
- Vulnerable to financial shocks (inflation, medical expenses, job loss)

Application:

Zakat assistance may supplement income, stabilize livelihoods, or address urgent needs.

3. ZAKAT ADMINISTRATORS (AL- 'AMILINA 'ALAYHA)

Definition:

Authorized individuals appointed to collect, safeguard, manage, assess, and distribute Zakat.

Key Characteristics:

- Officially assigned Zakat-related responsibilities
- Compensation permitted regardless of personal financial status

- Work must be directly related to Zakat administration

Application:

Zakat may be used to cover necessary and reasonable costs of Zakat administration, subject to ICNA Canada's **maximum 10% cap**, internal controls, and audit oversight.

4. THOSE WHOSE HEARTS ARE TO BE RECONCILED (AL-MU'ALLAFATU QULUBUHUM)

Definition:

Individuals whose support serves a legitimate Shariah objective of strengthening, reconciling, or stabilizing their relationship with Islam or the Muslim community.

Key Characteristics:

- New Muslims or individuals inclined toward Islam
- Persons whose support may prevent harm or strengthen communal harmony
- Determination requires scholarly guidance and contextual assessment

Application:

Zakat use under this category is subject to careful review and alignment with Islamic objectives and organizational policies.

5. FREEING THOSE IN BONDAGE (FIR-RIQAB)

Definition:

Efforts to free individuals from bondage, captivity, or comparable forms of coercive control, as understood within contemporary lawful contexts.

Key Characteristics:

- Victims of human trafficking, unlawful detention, or forced exploitation
- Situations analogous to classical bondage, as determined by scholars

Application:

Zakat may support lawful efforts that directly lead to freedom, protection, or rehabilitation of affected individuals.

6. THOSE IN DEBT (AL-GHARIMIN)

Definition:

Individuals burdened by legitimate debts incurred for permissible needs and unable to repay without hardship.

Key Characteristics:

- Debt incurred for essential living needs, medical care, or lawful obligations
- Inability to repay without compromising necessities

- Excludes debts from sinful or fraudulent activities

Application:

Zakat may be used to settle or reduce qualifying debts to restore financial stability.

7. IN THE CAUSE OF ALLAH (FI SABILILLAH)

Definition:

Eligible causes that serve the broader objectives of Islam and the welfare of the Muslim community, as defined by qualified scholarly interpretation.

Key Characteristics:

- Must serve a legitimate Islamic purpose
- Must ultimately benefit Zakat-eligible individuals or causes
- Requires careful structuring to ensure Zakat eligibility is met

Application:

Zakat under this category is allocated only where clear Shariah justification exists and where direct or indirect benefit to eligible recipients is demonstrable.

8. THE WAYFARER (IBN AS-SABIL)

Definition:

A traveler who is stranded or cut off from financial resources and unable to meet basic needs or return safely home.

Key Characteristics:

- Lack of access to personal funds despite potential wealth elsewhere
- Temporary but urgent need due to travel disruption

Application:

Zakat may be used to provide immediate assistance for food, shelter, transport, or safe return.

GENERAL CONDITIONS APPLICABLE TO ALL CATEGORIES

- Recipients must meet **Islamic eligibility criteria**
- Zakat cannot be given to the donor's direct dependents
- Dignity, confidentiality, and rights of recipients must be preserved
- Eligibility assessments must be documented and verifiable
- Zakat distributions must comply with **Canadian charitable law** and ICNA Canada's internal controls

End of Appendix 1