

106284 - Zakaah on currencies if they are collected as a hobby

the question

I have a hobby of collecting currency from different countries, and I have been keeping them for more than 4 years. I heard that I have to pay zakaah, but I have not paid any zakaah up till now. Please note that the total value is approximately one thousand. How should I pay zakaah on this currency?.

Detailed answer

It is not clear from your question whether you are collecting old currencies or modern currencies that people still use.

Currency must be one of two things:

1 - Either the currencies that you collect are old, and are no longer used. These are of two types:

(i) Currency of gold or silver, on which zakaah must be paid if it reaches the nisaab by itself or you have other gold or silver which when added to this reaches the nisaab, so you should pay zakaah on it every year. The nisaab for gold is 85 grams and the nisaab for silver is 595 grams.

(ii) Currency that is not of gold or silver, but it is no longer in use. No zakaah is due on this because it is no longer of any value.

2 - Or the currencies that you collect are currencies that are still in use. Zakaah is due on these

whether they are of gold or silver, or they are bank notes or coins, if it reaches the nisaab. The nisaab for gold and silver has been explained previously; as for the nisaab of cash, it is when the cash reaches the value of the nisaab of gold or silver, whichever is less.

Shaykh Ibn 'Uthaymeen (may Allaah have mercy on him) was asked: I have a relative who used to have a hobby of collecting foreign currency but now he has stopped. Should he pay zakaah on it or not? If some time has passed and this currency is no longer in use, what is the ruling?

He replied:

If he did that as a kind of trade, i.e., to earn money from it, and he bought this currency for 10 then sold it for 20, then they are trade goods. Their value should be worked out at the end of the year and he should pay one-quarter of one-tenth. But if it was just a hobby and he kept them, then if they still had any monetary value, then he should pay zakaah on their monetary value, but if they were no longer used, then he does not have to pay anything on them. End quote.

Based on this, if the currencies that you have are of gold or silver, or they are still in use, then zakaah must be paid on them, and you have to work out their value for every year that has passed and pay zakaah, at a rate of one-quarter of one-tenth.

And Allaah knows best.