



THE ZAKAT AND USHR ORDINANCE, 1980



CONTENTS

PREAMBLE.

CHAPTER I. PRELIMINARY

1. Short title, extent, application, commencement and application.
2. Definitions.

CHAPTER II. ZAKAT

3. Charge and Collection of Zakat.
4. Secrecy of information.

CHAPTER III. USHR

5. Charge and collection of ushr.
6. Mode of assessment and collection of ushr.

CHAPTER IV. ZAKAT FUNDS

7. Establishment of Zakat Funds.
8. Utilization of Zakat Funds.
9. Disbursement from Zakat Funds.
10. Accounts.
11. Audit

CHAPTER V. ORGANIZATION AND ADMINISTRATION

12. Central Zakat Council.
13. Administrator General.
14. Provincial Zakat Council.
15. Chief Administrator.
16. District Zakat and Ushr Committee
17. Tehsil, Taluqa or Sub divisional Zakat and Ushr Committee
18. Local Zakat and Ushr Committee
19. Vacancy etc., not to invalidate acts or proceedings
20. Person to preside at meetings in the absence of Chairman

- 21. Power of supersession and removal
- 21 A. Vote of no confidence
- 22. Administrative organization.
- 23. Certain persons to be public servants

**CHAPTER VI.
MISCELLANEOUS**

- 24. Exemption
- 25. Certain tax concessions
- 26. Power to make rules
- 27. Power to call for information and issue directions
- 28. Indemnity and bar of jurisdiction
- 29. Removal of difficulties
- 29 A. Dissolution and reconstitution of committee
- 30. Repeal

**FIRST SCHEDULE.
Assets subject to compulsory levy zakat through deductin-at-source for
credit to the central zakat fund**

**SCHEDULE.
Second schedule**

THE ZAKAT AND USHR ORDINANCE, 1980

¹ORDINANCE No.XVIII OF 1980

[20th June, 1980]

An Ordinance to make provisions relating to the assessment collection and disbursement of Zakat and Ushr

WHEREAS it is necessary to make provisions relating to the assessment, collection and disbursement of *Zakat* and *Ushr* and matters connected therewith or incidental thereto;

AND WHEREAS Pakistan, Being an Islamic State, must provide for the implementation of Islamic precepts;

AND WHEREAS the Constitution of the Islamic Republic of Pakistan lays down that the Muslims of Pakistan shall be enabled to order their lives in the individual and collective spheres, in accordance with the tenets of Islam ;

AND WHEREAS *Zakat*, including *Ushr*, is one of the fundamental pillars (*arkan*) of Islam;

AND WHEREAS the prime objective of the collection of *Zakat* and *Ushr* and disbursements therefrom, is to assist the needy, the indigent and the poor ;

AND WHEREAS the rates of *Zakat* and *Ushr*, as also the purposes for the utilization of *Zakat* and *Ushr*, are specified in Shariah;

¹ This Ordinance has been applied to the Provincially Administered Tribal Areas of the Province of Baluchistan, see Notification No. S.O. (TAX-3/46/79, dated 5-7-1980, see Gaz., of Baluchistan. Ext., dated 5-7-1980 (Issue No. 152).

This Ordinance (The Zakat and Ushr Ordinance) has been applied to the Provincially Administered Tribal Areas of the N.W.F.P., by Notification No. Legis : 1(9)/70, vol, IV, dated 9-10-1980, see N.w.f.P.Gaz., Ext., dated, 13-10-1980, page 212

This Ordinance has been applied to the Northern Areas, vide S.R.O.951 (1)/91, dated 23-9-1991, see Gaz., of P., 1991. Ext. Pt. II, p. 2462.

AND WHEREAS Shariah enjoins all Muslims who are *Sahib-e-nisab* to pay, and the State to arrange for the proper collection, disbursement and utilization of *Zakat* and *Ushr*, and also allows such Muslims to disburse for the purposes authorized by Shariah the part thereof not collected by the State;

AND WHEREAS the Constitution also provides, in Article 31, that the State shall endeavour as respects the Muslims of Pakistan, to secure, *inter alia*, the proper organisation of *Zakat*,

AND WHEREAS the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the proclamation of the fifth day of July, 1977, read with the Laws (Continuance in Force) Order 1977 (*C. M. L. A. Order No. 1 of 1977*), and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance :-

CHAPTER I

PRELIMINARY

1. Short title, extent, application and commencement.-(1) This Ordinance may be called the *Zakat and Ushr Ordinance, 1980*.

(2) It extends to the whole of Pakistan, but ¹[as regards payment and recovery of *Zakat* and *Ushr*] applies only to Muslim citizens of Pakistan and a company, or other association of persons, or body of individuals, whether incorporated or not, majority of the shares of which is owned, or the beneficial ownership of which is held, by such citizens.

²[2A) The Federal Government may, by notification in the official Gazette, direct that this Ordinance shall also apply to any other territories or areas specified in the notification, subject to such exceptions and modification as may be so specified].

¹ Ins. by the *Zakat and Ushr (Amdt.) Ordinance, 1980 (52 of 1980)*, s. 2.

² Ins. by the *Finance Act, 1990 (7 of 1990)*, s.8.

(3) In respect of a person who may believe that the whole or any part of the recoveries effected from him in the manner laid down in this Ordinance are not according to his belief, such recoveries shall nevertheless be made, but shall be deemed to be contribution to Zakat Fund on the part of that person ¹[:]

²[Provided that—

- (a) no Zakat or Ushr shall be charged or collected on compulsory basis in respect of the assets or the produce of a person who, not less than thirty days preceding the Valuation Date in the case of Zakat, and at any time before the Valuation Date in the case of Ushr, files with the Deducting Agency, or with the Local Committee in the case of Ushr, a declaration, or an attested copy thereof, in the prescribed form, sworn by him before a magistrate, on Oath Commissioner, a notary public, or any other person authorised to administer oath, in the presence of two witnesses who identify him, to the effect that he is a Muslim and a follower of one of the recognised *fiqhs* which he shall specify in the declaration, and that his faith and the said *fiqh* do not oblige him to pay the whole or any part of Zakat or Ushr in the manner laid down in this Ordinance ; and
- (b) a declaration, or an attested copy thereof, filed as aforesaid in one Zakat year, whether before or after the commencement of the Zakat and Ushr (Third Amendment) Ordinance, 1983, shall continue to be valid for so long as—
 - (i) the declaration or copy, and the asset liable to Zakat to which it relates, remain in the custody of the Deducting Agency ; or
 - (ii) the person filing the declaration or copy continues to hold, in respect of the land to the produce of which it relates, the same status as he held at the time of filing the declaration, and the declaration or copy remains in the custody of the Local Committee.] ;

Provided further that where for any reason Zakat or Ushr is collected on compulsory basis from such a person and he does not wish to leave it in the Zakat Fund as *saddaqah* or *khairat* in the name of Allah as a manifestation of the unity of the Ummah and claims refund, on the basis of a declaration as aforesaid filed by him within the period specified in first proviso or within such further period as may be prescribed, the amount so collected shall be refunded to him in the prescribed manner.]

Explanation.— In this Ordinance, reference to Zakat deductible at source or to Ushr realizable on compulsory basis shall be construed to imply a reference to contributions to Zakat Fund also.

¹Subs. by the Zakat and Ushr (Amdt.) Ordinance 1980, (52 of 1980), s. 2. for the full-stop.

²Provisos which was previously added *ibid.*, has been subs. by the Zakat and Ushr (Third Amendment) Ordinance, 1983 (26 of 1983), s. 2.