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SINDH ORDINANCE NO.X OF 2010
THE SINDH ZAKAT AND USHR ORDINANCE, 2010.

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SINDH ORDINANCE NO.X OF 2010

THE SINDH ZAKAT AND USHR ORDINANCE, 2010.

[7th December, 2010]

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

Preamble.

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 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;

AND WHEREAS Shariah enjoins all Muslims who are sahib-e-nisab to pay, and Government 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 Government;

AND WHEREAS the Provincial Assembly is not in session and the Governor is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 128 of the Constitution of the Islamic Republic of Pakistan, the Governor is pleased to make and promulgate the following Ordinance:-

CHAPTER-I
PRELIMINARY

Short title, extent, application and commencement.

1. (1) This Ordinance may be called the Sindh Zakat and Ushr Ordinance, 2010.

(2) It extends to the whole Province of Sindh, but as regards payment and recovery of Zakat and Ushr applies only to Muslim citizens of the Province 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 owner ship of which is held by such citizen and 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:

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, an Oath Commissioner, a notary public, or any other person authorized to administer Oath, in the presence of two witnesses who identify him, to the effect that he is Muslim and a follower of one of the recognized fiqhs, which he shall specify in the declaration, and that this 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 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 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 Sadaqah or Khairat in the name of Allah as a manifestation of the unity of the Ummah and claims refund, on the basis of declaration as aforesaid filed by him within the period specified in the 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.*

(3) The Federal Shariat Court may, on the application of any person, decide the question whether a declaration such as is referred to in the first or second proviso to sub-section (3) made by any person is valid according to the fiqh he professes to follow; and, if the Federal Shariat Court decides that the declaration is not valid, such person shall, without prejudice to any other action that may be taken against him under any other law, be liable to pay Zakat or Ushr, as the case may be, in the manner laid down in this Ordinance.

(4) It shall come into force at once.

2. In this Ordinance, unless there is any thing repugnant in the subject or context - **Definitions.**

(i) **"annuity"** means the sum payable periodically, according to the annuity policy conditions to an annuitant during his life-time, or for a fixed number of years, as the case may be, and includes the scheme of postal annuities as notified by Government;

(ii) **"assets"** means assets liable to Zakat as provided in this Ordinance;

(iii) **"atiyyat"** means voluntary donations to the Zakat Fund, otherwise than on account of Zakat and Ushr and includes Sadaqat-e-nafilahs;

(iv) **'Chief Administrator'** means the person appointed as such under section 13 and includes an officer authorized by him to exercise or perform any power or function of the Chief Administrator under this Ordinance;

(v) **"company"** means a company defined under the Companies Ordinance,1984;

(vi) **"Council"** means the Sindh Zakat Council constituted under section 12;

(vii) **"Deducting Agency**" means a bank, post office or other institution referred to in the sixth column of the First Schedule;

(viii) **"Deduction Date**" means, in respect of the assets mentioned in the First Schedule, the date or dates on which Zakat is to be deducted at source and which is or are specified in the fifth column of that Schedule;

(ix) **"District Committee**" means a Committee constituted under section 14;

(x) **"Government"** means the Government of Sindh;

(xi) **"Government Security**" has the same meaning as in the Securities Act, 1920;

(xii) "i**nstitution**" means deeni madaris, educational, vocational and social welfare institutions, public hospitals, charitable institutions and other institutions providing health care;

(xiii) **"insurer**" means the State Life Insurance Corporation of Pakistan or Postal Life Insurance;

(xiv) **"Local Committee**" means a Committee constituted under section 16;

(xv) **"locality"** means the area within the jurisdiction of Local Committee;

(xvi) **"maturity value**" means the sum payable, according to stipulated conditions, on survival of the life assured to the specified age or to the end of the term of the Policy;

(xvii) "**nisab"** in relation to assets liable to Zakat except agricultural produce and animals fed free in pastures, means 612.32 grams of Silver, or cash or gold, or goods for trade, or any assets liable to Zakat under Shariah, the aggregate value of which is equal to the value of 612.32 grams of silver, as notified by the Chief Administrator for each Zakat year or, in the case of a

person whose assets liable to Zakat consist only of gold, 87.48 grams of gold;

(xviii) "**prescribed"** means prescribed by rules;

(xix) **"produce**" means gross agriculture, horticultural or forest produce;

(xx) **"Provident Fund"** has the same meaning as in the Provident Funds Act, 1925;

(xxi) **"recognized Provident Fund**" means a Provident Fund recognized as such by the competent authority under the Income Tax Ordinance,2001;

(xxii) **"return**" means income, howsoever described, accruing on an asset;

(xxiii) **"rules**" means rules made under this Ordinance;

(xxiv) **"sahib-e-nisab**" means a person who owns or possesses assets not less than nisab but does not include -

(a) Government or a local authority;

(b) a statutory corporation, a company or other enterprise, owned wholly, directly or in-directly, by Government, a local authority, or a corporation owned by Government, either singly or jointly with one or more;

(c) a subsidiary of a statutory corporation, a company or other enterprise referred to in sub-clause (b) and wholly owned by it;

(d) the National Investment (Unit) Trust;

(e) the Investment Corporation of Pakistan and its Mutual Fund;

(f) a recognized Provident Fund;

(g) any Unit Fund maintained by the Defence Services including the Civil Armed Forces;

(h) a Zakat Fund;

(i) an institution, fund, trust, endowment or society -

(a) registered as a charitable organization under the Societies Registration Act, 1860, or as company under the Companies Ordinance, 1984 or registered or approved as a charitable or social welfare organization under any other law for the time being in force; and

(b) approved by the Central Board of Revenue for the purpose of section 61 of the Income Tax Ordinance,2001;

(j) a deeni madarsa registered as such under the Societies Registration Act,1860;

(k) a mosque;

(l) an orphanage registered as such under the law relating to orphanages;

(m) a Workers Participation Fund, established under the Companies Profits (Workers Participation) Act, 1968; or

(n) amount of a party to suit or case kept with or under the orders of a Court pending decision of the suit or case;

(xxv) **"Security"** means any stock, share, script, debenture, bond pre-organization certificate, or instrument commonly known as Security;

(xxvi) **"share"** means a share in the share capital of a company or in any body corporate established by or under a Federal Law or a Provincial Law, and includes stock;

(xxvii) **"sub-division"** means a sub-division of the district as notified by Government;

(xxviii) **"surrender value"** means the sum payable by an

insurer on cancellation of a life-insurance policy or annuity, according to stipulated terms and conditions, at any time before maturity benefits become available;

(xxix) **"survival benefit"** means the amount payable according to life-insurance policy conditions, during the currency of a policy, on survival of the life assured to the specified date as stipulated in the policy;

(xxx) **"Taluka Committee or Town Committee"** means a taluka committee or town committee constituted under section 15;

(xxxi) **"Valuation Date"** means –

(a) in respect of assets liable to Zakat, the first day of the Zakat year; and

(b) in respect of produce liable to Ushr, such date or dates as may be prescribed or as may be notified by the Chief Administrator within his jurisdiction; for the evaluation of the assets or the produce for the purposes of this Ordinance;

(xxxii) **"Zakat Fund"** means a Fund established under section 7; and

(xxxiii) **"Zakat year"** means year according to the Hijra calendar for which Zakat is chargeable, commencing on the first day of Ramadan-ul-Mubarak and ending with the last day of the following Sha'ban-ul-Mozzam.

CHAPTER-II
ZAKAT

Charge and collection of Zakat.

3. (1) Subject to the other provisions of this Ordinance, Zakat in respect of assets mentioned in the First Schedule shall be charged and collected by the Government of Sindh, on compulsory basis, for each Zakat year, at the rates and in the manner specified therein and as may be prescribed, from every person who is on the Valuation Date and for whole of the preceding Zakat year been, sahib-e-nisab, and who owns or possesses such assets on the Valuation Dates:

Provided that where an asset mentioned in the First Schedule has been assigned by the person owning or possessing it, in favour of another person, Zakat in respect of that asset shall be charged and collected on compulsory basis as if the asset had not been so assigned:

Provided further that, if an asset was owned or possessed by a person on the Valuation Date but is owned or possessed by some other person on the Deduction Date, the Zakat on such asset shall be charged and collected from such other person on behalf of the person owning or possessing it on the Valuation Date:

Provided further that, if a person proves in the prescribed manner to the satisfaction of the Local Committee of the locality where he ordinarily resides that he was not a sahib-e-nisab on the Valuation Date or was not in ownership or possession of assets of the value of nisab for the whole of the preceding Zakat year, Zakat shall not be so charged and collected from him, or if collected shall be refunded to him in the prescribed manner:

Provided further that, no Zakat shall be charged and collected from the assets of a person who died on or before the Deduction Date:

Provided further that, no Zakat shall be charged or collected on compulsory basis in respect of any of the assets mentioned in the First schedule which -

(a) have been acquired against payment in foreign currency; or

(b) are maintained in foreign currency and the return on which and the value on encashment, redemption or withdrawal of which, is payable in foreign currency:

Provided further that Government may, by notification in the official gazette, exempt any class of bonds or certificates issued by the Federal Government, Provincial Government or a statutory corporation, a company or other enterprises, owned, directly or indirectly by the Federal Government, a Provincial Government, a Local Authority or a corporation owned by the Federal Government or a Provincial Government, and located in Sindh either singly or jointly with one or more from deduction

of Zakat on compulsory basis.

(2) In determining the amount to be collected as Zakat on compulsory basis, the value of an asset on which Zakat is deductible at source may be reduced, to the extent and in the manner prescribed, only on account of debts which have been -

(a) primarily secured by that asset;

(b) used for the creation of an asset on which Zakat is deductible at source; and

(c) obtained from the Deducting Agency having custody of the asset securing the debt and of the asset created under clause (b).

(3) Where a person from whom Zakat has been deducted at source -

(a) proves that -

(i) he is not a Muslim, or

(ii) he is not a citizen of Pakistan; or

(iii) the amount deducted from him is more than what is due under this Ordinance, either on account of an error apparent from the record, or on account of reduction provided for in sub section (2) not having been duly allowed to him, or

(iv) he falls under any of the exclusions given in sub-clauses (a) to (n) of clause (xxiv) of section 2, or

(b) proves, as laid down in the third proviso to sub-section (1), that he is not a sahib-e-nisab or was not in ownership or possession of nisab for the whole of the preceding Zakat year, or

(c) files a declaration such as is referred to in the second proviso to sub-section (3) of section 1, which has not been challenged in the Federal Shariat Court under sub-section (4) of that section and claims refund, the

amount so deducted or, as the case may be, the amount so deducted in excess shall be refunded to him in the prescribed manner.

(4) Where the recovery of Zakat deductible at source, in respect of any of the assets mentioned in the First Schedule, falls into arrears, the Chief Administrator may forward to the Collector of the district concerned a duly signed certificate specifying the amount of arrears due and the particulars of the person from whom due, and the Collector shall, on receipt of such certificate, proceed to recover the amount so specified, as if it were arrears of land revenue.

(5) A sahib-e-nisab may pay either to a Zakat Fund or directly to those eligible under Shariah to receive Zakat so much of the Zakat due under Shariah as is not deductible at source under this Ordinance, for example, that due in respect of assets mentioned in the Second Schedule.

(6) Any amount deducted at source by the Deducting Agency from any person shall be treated as payment of Zakat on behalf of such person or, in the case of a person referred to in sub-section (3) of section 1, as contribution to Zakat Fund or sadaqah or khairat in the name of Allah, as the case may be, on the part of that person.

Secrecy of Information:

4. Any information furnished or collected in connection with the deduction of Zakat at source under this Ordinance shall be treated as secret and shall not be used for any other purpose, including the assessment or collection of any tax.

CHAPTER-III
USHR

Charge and collection of Ushr.-

5. (1) Subject to the other provisions of this Ordinance, there shall be charged and collected, on compulsory basis, in such manner as is laid down in section 6, and as may be prescribed, from every land-owner, grantee, allotee, lessee, lease-holder or land-holder (other than a person excluded from the definition of sahib-e-nisab) Ushr at the rate of five percent of his share of the produce, as on the Valuation Date:

Provided that if any plot of land is used principally for growing one crop and a small portion thereof, not exceeding one-forth of an acre, is used for growing another crop, Ushr shall not be charged in respect of the produce of such small portion.

Explanation:- In this section and section 6 "land-owner", "grantee", "allotee", "lessee", "lease-holder" and "land-holder", shall have the same meaning as in the laws relating to land administration and "land-holder" includes a person in possession of any plot of land who has grown a crop on such plot.

(2) An individual land-owner, grantee, allotee, lessee, lease-holder or land-holder shall be exempt from the compulsory levy of Ushr if -

(a) he is eligible under shariah to receive Zakat ; or

(b) the produce from his land is less than five wasqs (=948 Kilograms) of wheat, or its equivalent in value in the case of other crops liable to Ushr.

(3) The currency equivalent of five wasqs of wheat in value shall be such as may be notified for each Zakat year by the Chief Administrator.

(4) Ushr shall be the first charge on the produce.

(5) Ushr shall be collected in cash:

Provided that where the produce consists of wheat or paddy, Ushrs at the option of the Council may be collected in kind.

(6) A sahib-e-nisab may pay either to the Local Zakat Fund or directly to those eligible under Shariah to receive Zakat, so much of the Ushr due under Shariah as is not compulsorily realizable under this Ordinance, for example, in respect of item 9 of the Second Schedule.

Mode of assessment and collection of Ushr.

6. (1) The Revenue Department shall assess and collect Ushr in respect of land-owner, grantee, allotee, lessee, lease-holder or land-holder in the prescribed manner, and maintain the record containing such information for a crop season as may be required for the purposes of this Ordinance.

(2) In the case of lease, the liability of the lessor and lessee to pay Ushr shall be equitably apportioned between them by the

Taluka Mukhtiarkar.

(3) An assessee aggrieved by the assessment under sub-section (1), or as the case may be, a lessor or lessee aggrieved by the apportionment under sub-section (2), may, within thirty days of the announcement of assessment or, as the case may be, apportionment by the Revenue Department, apply in the prescribed form and manner to the Deputy District Officer (Revenue) for a revision of the assessment or apportionment:

Provided that no such application shall be admitted unless the applicant has deposited into the District Zakat Fund not less than fifty percent of his liability as assessed or apportioned by the Revenue Department.

(4) The Deputy District Officer (Revenue) may, at any time, either of his own motion or on the application of an adult Muslim residing within his jurisdiction, make an order enhancing the liability assessed under sub-section (1) or apportioned under sub-section (2):

Provided that no such order shall be made unless the person likely to be affected has been given an opportunity of showing cause against it and of being heard.

(5) The Deputy District Officer (Revenue) to whom an application is made under sub-section (3) or sub-section (4), or who takes up a matter under sub-section (4) of his own motion, shall give his decision within a period not exceeding one month counted from the date on which he receives the application or, as the case may be, so takes up the matter; and such decision shall be final and shall not be questioned before any court or other authority.

(6) The demand as determined under sub-section (1), or, as the case may be, under sub-section (4) or sub-section (5), shall be paid by the assessee and collected by Revenue Department in such manner as may be prescribed and deposited into the District Zakat Fund.

(7) Where the recovery of Ushr compulsorily realizable under this Ordinance falls into arrears, the Mukhtiarkar shall proceed to recover the amount so specified as if it were arrears of land revenue.

CHAPTER-IV

SINDH ORDINANCE NO.X OF 2010

THE SINDH ZAKAT AND USHR ORDINANCE, 2010.

ZAKAT FUNDS

7. There shall be established the following Zakat Funds, namely - **Establishment of Zakat Funds:**

(a) A Sindh Zakat Fund to which shall be credited -

(i) the Zakat deducted at source;

(ii) the Zakat paid into it voluntarily including voluntary contribution made by Federal Government, Provincial Government, Pakistani citizens and other persons residing abroad;

(iii) the transfers, if any, from the District Zakat Fund;

(iv) the transfers, if any, from the Local Zakat Fund; and

(v) the grants atiyyat and any other receipts as at (ii) including transfer of un-spent balances available in Central Zakat Fund.

(b) a District Zakat Fund for each District which shall be credited -

(i) the transfers to it from the Sindh Zakat Fund;

(ii) the proceeds of Ushr to be deposited in the Personal Ledger Accounts of District Zakat Fund;

(iii) the Zakat paid into it voluntarily;

(iv) the transfers if any from the Local Zakat Fund; and

(v) the grants, atiyyat and any other receipts, and

(c) a Local Zakat Fund for each Local Zakat Committee to which shall be credited -

(i) the Zakat paid into it voluntarily;

(ii) the transfers to it from the District Zakat Fund;

(iii) the transfer to it from the Sindh Zakat Fund; and

(iv) the grants, attiyat and any other receipts.

8. The moneys in Zakat Fund shall be utilized for the following purposes, namely - **Utilization of Zakat Fund.**

(a) assistance to the needy, the indigent and the poor particularly orphans and widows, the handicapped and the disabled, eligible to receive Zakat under Shariah for their subsistence or rehabilitation, either directly or indirectly through deeni madaris or educational, vocational or social intuitions, public hospitals, charitable institutions and other institution providing health care:

Provided that the lists of the individuals to be assisted directly and of the institutions through which assistance is to be given from a Zakat Fund shall be prepared and maintained in such form and manner as may be prescribed;

(b) assistance to the needy persons affected or rendered homeless due to natural calamities like floods and earth quakes and for their rehabilitation;

(c) expenditure on the collection, disbursement and administration of Zakat and Ushr:

Provided that -

(i) the expenditure on the administrative organization of a Chief Administrator, the Council and a District Committee shall be met by Government:

Provided further that where expenditure on the administrative organization of a District Committee is not fully met by Government due to paucity of funds during a financial year, the Council may provide supplementary funds not exceeding two percent from within the limit specified in clause (ii); and

(ii) the funds not exceeding ten percent

approved in the budget shall be retained in the Sindh Zakat Fund to meet such additional expenditure of Sindh Zakat Fund to meet such additional expenditure of a Local Committee as may be approved by the Council:

Provided that the banking services and the services connected with the assessment, collection or disbursement of Zakat and Ushr realizable on compulsory basis under this Ordinance shall be rendered free of charge, except that the Chief Administrator, in regard to Ushr, may authorize payment of remuneration for any specified services;

(d) investment in any non-interest bearing instruments as is permitted under shariah;

(e) any other purpose permitted by Shariah; and

(f) honorarium shall be paid to all Chairmen and the amount shall be decided by the Council.

Disbursement from Zakat Fund.

9. (1) The Council may from the Sindh Zakat Fund make disbursements and transfer funds to the Personal Ledger Accounts to the District Zakat Fund on the basis of population in such form and manner as may be prescribed and as would help in ensuring satisfaction of the needs of the needy and the poor throughout its jurisdiction as far as possible, on a uniform basis.

(2) A District Committee may make disbursements and transfer funds through Cross Cheques from District Zakat Fund to a Local Zakat Fund or to an institution or incur other administrative expenditure subject to such conditions as may be prescribed and may, whenever directed by the Council transfer any funds surplus to its needs to the Sindh Zakat Fund.

(3) A Local Committee may disburse or incur expenditure from the Local Zakat Fund through Cross Cheques as may be prescribed:

Provided that a Local Committee may, if so required by, the Council or the District Committee, transfer any funds surplus to its needs from the Local Zakat Fund to the Sindh

Zakat Fund, or as the case may be, District Zakat Fund surplus to its needs:

Provided further that the Council or a District Committee shall disburse Zakat through a Bank or a Post Office or any other financial institutions as may be determined by the Council in such form and manner as may be prescribed.

Accounts:

10. (1) The accounts of the Sindh Zakat Fund, a District Zakat Fund and a Local Zakat Fund shall be maintained and operated, respectively, by the Chief Administrator, the District Committee and the Local Committee, in such form and manner as may be prescribed.

(2) The records of the accounts of the Sindh Zakat Fund shall be preserved for such period, and shall be made available for audit or inspection to such persons or agencies, and in such manner, as may be prescribed.

Audit.

11. (1) To carry out audit of the Sindh Zakat Fund annually or at shorter intervals, the Council shall request the Local Fund Audit to conduct the audit.

(2) To carry out audit of a District Zakat Fund annually or at shorter intervals, the Council shall request the Local Fund Audit to conduct the audit.

(3) To carry out audit of the Local Zakat Fund within a district annually or at shorter intervals, the District Committee shall request the Local Fund Audit to conduct audit of the Local Fund.

(4) The audit performed by Local Fund Audit under sub-sections (1), (2) and (3) shall include propriety audit.

(5) The annual report of the Local Fund Audit on the Sindh Zakat Fund shall be laid before the Provincial Assembly and that on a District Zakat Fund or a Local Zakat Fund before the District Council concerned established under the law relating to local government.

(6) Nothing in this section shall be deemed to prevent -

(a) the Council from getting audited any of the District or Local Zakat Fund within its jurisdiction; or

(b) a District or Local Committee from getting its own Local Zakat Fund audited.

(7) Notwithstanding anything contained in the preceding sub-sections, the Auditor General shall conduct annual audit of the Sindh Zakat Fund, District Zakat Fund and Local Zakat Fund including the accounts of a Deducting Agency or an institution receiving Zakat.

CHAPTER-V
ORGANIZATION AND ADMINISTRATION

Sindh Zakat Council:

12. (1) Government shall, by notification in the official gazette, establish a Sindh Zakat Council, to exercise general superintendence and control over matters relating to Zakat and Ushr, particularly the Zakat Funds in the Province and the maintenance of their accounts, in accordance with the policy guidelines given by the Council.

(2) The Council shall consist of -

(a) a Chairman;

(b) five persons, of whom three shall be Ulema, to be nominated by Government;

(c) two women, who shall not be less than thirty five years of age, to be nominated by Government;

(d) the Secretary Finance Department;

(e) the Secretary Local Government Department;

(f) the Secretary Health Department;

(g) the Secretary Education Department;

(h) the Secretary Social Welfare Department;

(i) the Secretary Zakat and Ushr Department; and

(j) the Chief Administrator, who shall also be the Secretary of Council.

(3) Government shall appoint a retired Judge of the High Court as Chairman of the Council.

(4) The Chairman and members of the Council, other than ex-officio members, shall hold office for a term of three years, and shall be eligible for re-appointment for another term.

(5) The Chairman or, as the case may be, a member, not being ex-officio member may, by writing under his hand, addressed to Chief Minister, resign his office:

Provided that he shall continue to hold office until his resignation is accepted by the Chief Minister.

(6) Any vacancy in the office of Chairman or member, other than an ex-officio member, shall be filled by nomination, in accordance with sub- sections (2) and (3).

(7) The Chairman or the member nominated under sub-section (6) shall hold office for unexpired term of his predecessor.

Chief Administrator.

13. (1) For carrying out the purposes of this Ordinance, there shall be appointed a Chief Administrator by Government on such terms and conditions as it may determine.

(2) The Chief Administrator shall act under the general superintendence and control of the Council and perform as the Chief Executive of the Council, such functions as are assigned to him by or under this Ordinance.

District Zakat and Ushr Committee.

14. (1) The Council shall constitute a District and Ushr Committee in each District:

Provided that in Karachi City District, there shall be five District Zakat and Ushr Committees.

(2) The District Committee shall, subject to such guidelines as may be given by the Council -

(a) oversee, generally, the functioning of administrative organization of Zakat and, more particularly, the assessment of Ushr and atiyyat and the disbursement and utilization of the moneys in the District Zakat Fund and the Local Zakat Fund;

(b) for the purpose mentioned in clause (a), make plans for the district, in such form and manner as may be prescribed;

(c) prepare and maintain accounts of the District Zakat Fund in such form and manner as may be prescribed;

(d) compile accounts of the Local Zakat Fund, for the district, in such form and manner as may be prescribed;

(e) arrange, in the prescribed manner, audit of the Local Zakat Fund in the district; and

(f) tender to the Council advice on any matter specified by it.

(3) The District Committee shall consist of -

(a) a Chairman, who shall be non-official, the District Officer (Revenue), District Officer (Health) and District Officer (Education) of the district and two women from within the district who shall not be less than thirty five years of age and one non-official member from each Taulka or sub-division in the district:

Provided that, where the number of Talukas in a district is less than five, the number of members other than the Chairman and the women members shall be raised to seven:

Provided further that, in any district where there is a District Social Welfare Officer appointed by Government, the District Committee may co-opt him as a member of the Committee, ex-officio;

(b) the District Zakat Officer, who shall also be the Secretary of the Committee;

(4) The Chairman and member shall be nominated by the Council after receiving nominations:

Provided that the Chairman and members of the District Committee shall be the persons who are

of good moral character and are not commonly known as persons who violate Islamic Injunctions and are of financial integrity and do not engage in any anti-social activity.

(5) The District Committee so constituted shall be duly notified by the Council.

(6) The Chairman and members of the District Committee, not being an ex-officio member, shall hold office for a term of three years or during the pleasure of the Council and no Chairman and member shall be eligible for re-appointment after two consecutive terms:

Provided that in the event of delay in the constitution of the new Committee under sub-section (3), the Council may ask the District Committee to continue to function for a period not exceeding six months after the expiry of the term of its office.

(7) The Chairman or a member, not being an ex-officio member may, by writing under his hand addressed to the Council, resign his office.

(8) Subject to sub-section (7), the Chairman or, as the case may be, a member shall continue to hold office until his resignation is accepted by the Council.

(9) Any vacancy in the office of Chairman or member, other than an ex-officio member, shall be filled by the nomination in accordance with sub-section (4) of a person qualified to hold the office.

(10) The Chairman or member nominated under sub-section (9) shall hold office for the unexpired term of his predecessor.

(11) The District Committee shall hold meetings of the Committee at least once in every three months.

Taluka Zakat and Ushr Committee or Town Zakat and Ushr Committee:

15. (1) There shall be constituted -

(a) a Taluka Zakat and Ushr Committee in each Taluka: and

(b) a Town Zakat and Ushr Committee in each town of Karachi City District Government, Karachi.

(2) The Taluka Committee or Town Committee shall, subject to such guidelines as may be given by the Council or the District Committee -

(a) oversee assessment of Ushr and collection of Zakat, Ushr and atiyyat, and the disbursement and utilization of the moneys in the Local Zakat Fund, by the Local Committees in the Taluka or Town Committee;

(b) for the purposes mentioned in clause (a), make plans for the Taluka or Town Committee, as the case may be, in such form and manner as may be prescribed;

(c) compile accounts of the Local Zakat Fund for the Taluka or Town Committee, as the case may be, in such form and manner as may be prescribed; and

(d) tender to the District Committee advice on any matter connected with the collection, disbursement or utilization of Zakat or Ushr.

(3) The Taluka Committee or Town Committee shall consist of the Deputy District Officer (Revenue), two women members who shall not be less than thirty five years of age and six members to be elected, in the prescribed manner, by the Chairmen of the Local Committees of the, Taluka or Town committee, from amongst themselves:

Provided that, if there are more than two Taluka or Town Committees within the jurisdiction of a Deputy District Officer (Revenue), he shall be a member of only such of the Committees as the Council may specify and the Council may nominate the Nekmard of the Taluka concerned, as the case may be, to be the member of any other of the said Taluka or Town Committee:

Provided further that, the two women members shall be nominated by the District Committee in consultation with the Chairman of the Taluka or town committee concerned.

(4) The members of the Committee shall elect one of their

members to be the Chairman of the Committee; and, if two or more persons secure an equal number of votes, the result of the election shall be determined by drawing lots.

(5) The Taluka or Town Committee so constituted shall be duly notified by the District Committee concerned.

(6) The Chairman and members of a Taluka Committee or Town Committee, not being an ex-officio member, shall hold office for a term of three years and shall be eligible for re-election.

(7) The Chairman or a member, not being an ex-officio member, may by writing under his hand addressed to the Taluka Committee or as the case may be, to the Town Committee, resign his office.

(8) Subject to sub-section (7), the Chairman or a member shall continue to hold office until his resignation is accepted by the Taluka Committee, or as the case may be, Town Committee.

(9) Any vacancy in the office of Chairman or member, other than an ex-officio member, shall be filled by the election, in accordance with sub-section (3), or, as the case may be, sub-section (4) of a person qualified to hold the office.

(10) The Chairman or member elected under sub-section (9) shall hold office for the un-expired term of his predecessor.

Local Zakat and Ushr Committee.

16. (1) A Local Zakat and Ushr Committee shall be constituted for -

(a) each revenue estate in settled rural area;

(b) each Deh or village in non-settled rural area; and

(c) each ward in urban area:

Provided that, if in the opinion of the Council, the population of a revenue estate, Deh or village is too large, or too small, to have one local Zakat and Ushr Committee, such revenue estate, Deh or village may, if too large, be divided into two or more localities, or if too small, grouped with any other revenue estate, Deh or village to form one locality, and where a revenue estate, Deh or village is so divided or grouped after

the constitution of a local committee that it covers a population of ten thousand persons the Council may make such consequential orders as may be necessary for the purpose of this Ordinance.

Explanation:- In this sub-section -

(a) "urban area" means area within the local limits of a City District Government or Cantonment Board or Town;

(b) " rural area" means area other than urban area;

(c) "settled rural area" means rural area for which revenue settlement record exists;

(d) "non-settled rural area" means rural area other than settled rural area; and

(e) "ward" means a distinct and compact locality the population of which does not exceed ten thousand persons approximately.

(2) The Local Committees shall, subject to such guidelines as may be given by the Council and the District Committee -

(a) determine Istehqaq separately for -

(i) subsistence allowance;

(ii) rehabilitation, either directly or indirectly thorough deeni madaris, educational, vocational and social welfare institutions;

(iii) treatment through public hospitals, charitable institutions and other institutions providing health care; and

(iv) any other purpose as may be permitted by Shariah;

(b) collect voluntarily Zakat, Ushr and atiyyat and deposit the moneys in the District Zakat Fund;

(c) prepare and maintain accounts of the Local Zakat Fund in such form and manner as may be

prescribed; and

(d) tender to the District Committee advice on any matter connected with collection, disbursement and utilization of Zakat, Ushr and attiyyat.

(3) The Local Committee shall consist of nine members, of whom two shall be Muslim women who are not less than thirty five years of age, selected by the residents of the locality in the manner specified in sub-section (4).

(4) The District Committee shall constitute a team of three or more persons including at least one gazetted officer, one aalim-e-deen and one member of the District Committee to organize a public gathering of the adult Muslims, teachers and ulema residents of a locality and call upon them to select, in the prescribed manner, seven adult Muslims residing in that locality who possess Secondary School Certificate and are known to be pious and who offer five times prayer daily and have sound moral and financial integrity and not engaged in anti-social activity:

Provided that where in a district the number of Local Committees is so large that the members of the District Committees, cannot be put on all the teams constituted for the selection of members of Local Committees in the District, the District Committee, may, at its discretion, nominate any other non-official person of the district to represent it on the said team:

Provided further that the team constituted by the District Committee shall organize a separate gathering of the adult Muslim female residents of the locality and call upon them to select, in the prescribed manner, two Muslim women residing in that locality who are known to be pious and who enjoy their trust to be members of the Local Committee.

(5) The members of a Local Committee shall elect one of their members, being a person who possesses Secondary School Certificate, to be the Chairman of the Local Committee, and if two or more persons secure an equal number of votes, the result of the election shall be determined by drawing lots.

(6) The Local Committee so constituted shall be duly notified by the District Committee concerned.

(7) Any adult Muslim resident of a locality who is aggrieved by the conduct or the result of the proceedings for the selection of the members, or the election of the Chairman, of the Local Committee concerned may prefer an appeal to the District Committee:

Provided that the District Committee shall not grant any injunction or make any interim order, including a stay order, during the period an appeal is pending.

(8) The District Committee to which an appeal under sub-section(7) is preferred shall decide the appeal with in such times as may be prescribed and the decision of the District Committee shall be final and shall not be called in question before any Court or other authority.

(9) The Chairman and members of the Local Committee shall hold office for a term of three years and shall be eligible for re-election or re-selection as the case may be:

Provided that the District Committee may, in consultation with Government, remove a Chairman or a member of the Local Committee from his office and nominate another person as Chairman or, as the case may be, a member for the un-expired term of his predecessor:

Provided further that a Chairman shall not be eligible to hold office for more than two consecutive terms of three years each:

Provided also that the District Committee may, in the event of delay in the constitution of the new Local Committee, ask a Local Committee to continue to function for a period not exceeding six months after the expiry of term of its office.

(10) The Chairman or a member may, by writing under his hand addressed to the District Committee, resign his office.

(11) Subject to sub-section (1), the Chairman or, as the case may be, a member shall continue to hold office until his resignation is accepted by the District Committee.

(12) Any vacancy in the office of Chairman or member shall

be filled by election or selection of a person qualified to hold the office, in accordance with the provisions of sub-section (4) or, as the case may be, sub-section (7).

(13) The Chairman, or the member elected or selected, as the case may be, under sub-section (12), shall hold office for the un-expired term of his predecessor.

Vacancy etc., not to invalidate acts or proceedings.

17. Notwithstanding anything contained in this Ordinance, no act or proceeding of a Council or Committee established or constituted under this Ordinance shall be invalid by reason only of the existence of a vacancy in, or defect in the constitution of, such Council or Committee.

Members of Council and other Committees to be Muslims.

18. All the members of the Council and other Committees shall be Muslim and where the holder of an office cannot become a member by reason of his not being a Muslim, Government in case of Council and Council in the case of District Committees shall nominate a Muslim official in his place.

Person to preside at meetings in the absence of Chairman.

19. (1) If the office of Chairman of Council or a Committee established or constituted under this Ordinance is for the time being vacant, or the Chairman is absent from a meeting of the Council or Committee, the meetings thereof or, as the case may be, the meeting from which the Chairman is absent, shall be presided at -

(a) in the case of the Council, by the Chief Administrator;

(b) in the case of a District Committee, by the District Officer (Revenue);

(c) in the case of Local Committee, by the member elected by the members present:

Provided that in case of temporary disability of the Chairman, District Committee, the District Coordination Officer shall perform the functions of the Chairman, District Committee.

Power of supersession and removal.

20. (1) If the Council, in the case of a District Committee and the District Committee in the case of a Local Committee is of the opinion that a Committee constituted under this Ordinance -

(a) is unable to discharge or persistently fails in discharging its duties; or

(b) is unable to administer its affairs; or

(c) acts in a manner contrary to public interest; or

(d) otherwise exceeds or abuses its powers;

(e) has a majority of members who are not pious Muslims or who are engaged in anti-social activity, the Council or, as the case may be, the District Committee may, by a notification, declare the concerned Committee to be superseded for such period not exceeding one year as may be specified in the notification:

Provided that the period of supersession may, if the Council or the District Committee considers it necessary to do so, be extended, beyond a period of one year.

(2) When a declaration is made under sub-section (1) in respect of a Committee -

(a) the persons holding office as Chairman and members of the Committee to which the resolution relates shall cease to hold office;

(b) all functions of the District Committee shall, during the period of supersession, be performed by an Administrator appointed by the Council and in the case of Local Committee such functions shall be performed by the Administrator appointed by the Distinct Committee; and

(c) before the expiry of the period of supersession, elections shall be held and selection or nomination made in accordance with the provisions of this Ordinance to reconstitute the Committee.

(3) If Council, in the case of District Committee, and the District Committee in the case of Local Committee, is of the opinion that the Chairman or a member of a Committee constituted under this Ordinance -

(a) was at the time of his selection, election or

nomination –

(i) not a pious Muslim;

(ii) not an adult;

(iii) not a resident of the area within the jurisdiction of the Committee;

(iv) an un-discharged insolvent;

(v) not of sound mind;

(vi) engaged in anti-social activity; or

(b) has been, during the period of three years preceding the date of his selection, election or nomination -

(i) ordered to execute a bond under sections 108, 109 or 110 of the Code of Criminal Procedure, 1898; or

(ii) convicted for an offence involving moral turpitude; or

(iii) declared goonda under the law relating to the control of goondas;

(c) has, after his selection, election or nomination, incurred any of the dis-qualification referred to in sub-clauses (i), (iii), (iv), (v), or (vi) of clause (a), or sub-clauses (i), (ii), or (iii) of clause (b);

(d) has, without reasonable excuse, absented himself from three consecutive meetings of the Committee;

(e) has been guilty of abuse of power or of misconduct in the discharge of his duties as Chairman or member, or been responsible for any loss or misapplication, misappropriation, or misuse of any money or property of the Committee; or

(f) has become physically disabled or unable on any count from performing functions as Chairman or member; and

(g) the Council, in the case of District Committee, and the District Committee, in the case of Local Committee may, by a resolution, remove such Chairman or member from office.

(4) If, after such inquiry as may be considered necessary, the Council, in the case of a District Committee, or the District Committee in the case of Local Committee, is of the opinion that the Chairman or a member of Committee or an employee assigned to work with a Committee or an institution receiving Zakat Fund under this Ordinance, was guilty of misconduct in the discharge of his duties, or is responsible for the loss, misapplication or misuse of Zakat Funds, the Council or, as the case may be, the District Committee shall initiate criminal proceeding against such Chairman, member, person or institution.

Explanation:- For the purpose of clause (e) of sub-section (3) and sub-section (4), the expression "misconduct" means bribery, corruption, jobbery, favoritism, nepotism, willful mal-administration or willful diversion of funds and shall include and attempt or abetment of such misconduct.

(5) When the Chairman or member of a Committee is removed from, or otherwise ceases to hold office, the vacancy in the office of such Chairman or member shall be filled within such time as the Council may determine by the election, selection or nomination, as the case may be, in accordance with the provisions of this Ordinance, of a person qualified to hold the office.

(6) The Chairman or member elected, selected or nominated under sub-section (5) shall hold office for the un-expired term of his predecessor.

(7) The Council may delegate to the Chief Administrator all or any of its powers and functions under the preceding provisions of this section in respect of a District Committee or a Local Committee.

(8) The Chairman or a member of a Committee superseded under sub-section (1) or a Chairman or member removed from office under sub-section (3) may, within such time and in such form and manner, as may be prescribed, apply to the Council for a review of its decision; and the decision of the Council in such review given, after giving to the applicant an opportunity

of being heard, shall be final and shall not be called in question before any Court or other authority.

Vote of no-confidence.

21. (1) Where in case of a Local Committee, the District Committee, after such enquiry as it may deem fit is of the opinion that the members of that Committee no longer have confidence in the Chairman, the District Committee may in the prescribed manner remove the Chairman from his office.

(2) Where in the case of a member of a Local Committee, or of a Local Committee as a whole, the District Committee after such enquiry as it may deem fit, is of the opinion that the adult Muslim residents of the locality no longer have confidence in the member, or in the committee as a whole, the District Committee may, in the prescribed manner, remove the member from his office or dissolve the Committee as a whole.

(3) The vacancy in the office of Chairman or member or members so caused shall be notified by the District Committee and shall be filled in accordance with the provisions of this Ordinance.

Administrative Organization.

22. The administrative organization under this Ordinance shall be through a department to be known as Chief Administrator, or a part of a Department of Government and may include such organizations as are performing social security and other complementary functions and that of a Chief Administrator.

Certain persons to be public servants.

23. Every person engaged in, or employed for, the administration of this Ordinance shall be deemed to be a public servant with in the meaning of section 21 of the Pakistan Penal Code.

Explanation:- For the purposes of this section, the Chairman and members of the District Committee and Local Committee shall be the persons engaged in the administration of this Ordinance.

CHAPTER VI
MISCELLANEOUS

Exemption.

24. Government may, in consultation with the Council of Islamic Ideology, exempt, by notification in the official Gazette, any specified class of cases or persons from payment of compulsory levy of Zakat or Ushr.

Power to make

25. Government may, by notification in the official Gazette,

make rules for carrying out the purposes of this Ordinance. **rules.**

26. The Council, Chief Administrator, a District Committee, or a Local Committee, may, within its or his jurisdiction, call for such information or record from, and issue such directions to the concerned persons or agencies as may be necessary for the performance of its or his functions under this Ordinance. **Power to call for information and issue directions.**

27. (1) No suit, prosecution or other legal proceeding shall lie against any person for anything in good faith done or intended to be done under this Ordinance or any rule. **Indemnity and bar of jurisdiction.**

(2) No court shall call in question, or permit to be called in question, anything done or any action taken under this Ordinance or any rule.

(3) No court shall grant any injunction or make any order, nor shall any court entertain any proceedings, in relation to anything done or intended to be done or any action taken or intended to be taken under this Ordinance or any rule.

28. (1) All existing District Zakat and Ushr Committees, Town Zakat and Ushr Committees and Local Zakat and Ushr Committees shall stand dissolved and ceases to function on a date as may be notified by Government. **Dissolution and constitution of Committees:**

(2) On dissolution of Committees under sub-section (1), the new Committees shall be constituted under the provisions of this Ordinance within time frame as may be notified by Government.

29. (1) The provisions of the Zakat and Ushr Ordinance,1980, applicable to the Province of Sindh, are hereby repealed. **Repeal.**

(2) Notwithstanding the repeal of the provisions under sub-section (1), the rules framed and notifications and orders issued under the Zakat and Ushr Ordinance,1980 in respect of the Province of Sindh shall continue to remain in force until altered, repealed or amended by the competent authority.

30. The Government may make such provisions as may be necessary to remove any difficulty in carrying out the purposes of this Ordinance. **Removal of difficulties.**

FIRST SCHEDULE

(See sections 2 and 3)

ASSETS SUBJECT TO COMPULSORY LEVY OF ZAKAT THROUGH DEDUCTION-AT-SOURCE FOR CREDIT TO THE ZAKAT FUND

	ASSETS	RATE AND BASIS FOR COMPUTING THE AMOUNT TO BE DEDUCTED AS ZAKAT	THE DEDUCTION DATE	THE DEDUCTING AGENCY
1.	2.	3.	4.	5.
1	Savings Bank accounts and similar accounts by whatever name described with the Banks operating in Province of Sindh, Post Offices, National Savings Centres and Financial institutions keeping such accounts.	2.5% of the amount standing to the credit of an account at the commencement of the day on the Valuation Date (No deduction shall be made in case the amount standing to the credit of an account does not exceed the amount notified by the Chief Administrator)	As notified by the Chief Administrator for the Zakat year.	The Bank, Office, Centre or institution as the case may be, keeping the account.
2	Notice Deposit Receipts and accounts and similar receipts and accounts by whatever name described with the banks operating in Province of Sindh, post offices, National Savings Centres and financial institutions issuing such receipts and keeping such accounts.	2.5% of the face value of a receipt or the amount standing to the credit of an account. as the case may be, at the commencement of the day on the Valuation Date, in each Zakat year.	The date on which the first return is paid or the date of encashment or with drawal, whichever be earlier in the Zakat year.	The bank, office, Centre or institution, as the case may be, issuing the receipt or keeping the account and responsible for paying the return or the amount en-cashed or withdrawn.
3	Fixed Deposit Receipts and accounts and similar receipts and accounts and certificates (e.g. Khas, Deposit Certificates), by whatever name described, issued by the banks operating in Province of Sindh, post offices, National Savings Centres and financial	2.5% of the face value of a receipt or a certificate, or the amount standing to the credit of an account, as the case may be, as at the commencement of the day on the Valuation Date, in each Zakat year.	The date on which the first return is paid, or the date of encashment or redemption or with drawal, whichever be earlier in the Zakat year.	The bank, office, Centres or institutions, as the case may be, issuing the receipt or certificate or keeping the account, and responsible for paying

	institutions, on which return is receivable by the holder periodically or is received earlier than maturity or withdrawal.			the return or encashment or redemption or with drawal.
4	Savings or deposit certificates (e.g. Defense Savings Certificates, National Deposit Certificates), receipts and accounts by whatever name described, issued or kept by the banks operating in Province of Sindh, Post Offices, National Savings Centres, financial institutions, companies and statutory corporations on which return is receivable and is received, by the holder, only on maturity or encashment.	2.5% of the payable value of certificates or receipts or the amount standing to the credit of an account, as the case may be, as on the Valuation Date.	The date on which the maturity value is paid, or of encashment or withdrawal.	The bank, office, center, company, or corporation, as the case may be, responsible for paying the return or the amount withdrawn, or redeeming en-cashing the certificates or receipts.
5	Units of the National Investment (Unit) Trust.	2.5% of the face value or repurchase value of the units whichever be lower, as on the Valuation Date, in each Zakat year.	The date on which the first return or the repurchase value is paid whichever be earlier in the Zakat year.	The Trustee of the National Investment (Unit) Trust or its authorized agent paying the return on, or the repurchase value of, the Units.
6.	I.C.P. Mutual Fund Certificates	2.5% of the face value, or the market value based on the closing rate at he Karachi Stock Exchange, Whichever be lower as on the Valuation Date, in each Zakat year.	The date on which the first return is paid in the Zakat year.	The Investment Corporation of Pakistan.
7.	Government securities (other than prize bonds and certificates mentioned at serial number 3 and 4) on which return is receivable by the holder periodically.	2.5% of the face value of the Government securities as on Valuation Date, in each Zakat year.	The date on which the first return is paid or the date of encashment or redemption, whichever be earlier in the Zakat year.	The bank, office or institution, as the case may be, responsible for paying the return or en-cashing or redeeming the security.

8.	Securities including shares and debentures (other than those mentioned at serial number 5, 6 and 7 above), of companies or statutory corporations (excluding those held in the name of a company or a statutory corporation), on which return is payable periodically or otherwise, and is paid.	If listed on the stock exchange, 2.5% of the paid up value, or the market value based on the closing rate at the Karachi Stock Exchange, whichever be lower as on the Valuation Date, in each Zakat year. If not listed on the stock exchange 2.5% of the paid-up value on the Valuation Date, in each Zakat year.	The date on which the first return is paid, or the date of encashment redemption whichever be earlier in the Zakat year.	The corporation, company or institution, as the case may be, responsible for paying the return or encashing or redeeming the security.
9	Annuities.	2.5% of the amount of annuity benefit in each Zakat year and, in case of surrender, 2.5% of the surrender value on the Valuation Date, as the case may be.	The date of first payment of the annuity benefit and of the surrender value.	The insurer or the bank keeping and the amount in the form of an annuity.
10	Life insurance policies.	2.5% of the surrender value as on the advance, Date in the Zakat year in which the policy matures or its survival benefit or surrender value is paid, as the case may be.	The date of payment of (maturity value) or of survival benefit or of surrender value.	The insurer.
11	Provident funds.	In case of non-refundable advance, 2.5% of the amount drawn or, in case of final settlement, 2.5% of the balance standing to the credit of the subscriber as on the Valuation Date, excluding in both cases the employer's contribution and the return accrued thereon.	The date of payment of the advance or of the balance.	The authority, officer or institution making payment of the advance or of the balance.

Note_____1. Deduction at source exceeding two and one-half per cent of the value of an asset specified in this Schedule shall not be made in respect of that asset within the same Zakat year.

IA. No Zakat shall be charged on the amount paid as premium of a life insurance policy of a person from his provident Fund and, where the proceeds of a life insurance policy of a person are credited to this Provident Fund during a Zakat year, no Zakat shall be charged on the amount received or drawn during that year as final settlement of his account in the Provident Fund or as non-refundable advances, to the extent of the proceeds so credited.

2. If the amount to be deducted at source as Zakat, in a particular case, is less than a rupee, it shall not be charged, and, if it is more than a rupee but has a fraction of a rupee, fifty paisas and more shall be treated as the next higher rupee and less than fifty paisas shall not be charged, Where the entire amount of the return of balance is to be appropriated towards Zakat, and the amount contains a fraction of a rupee, this fraction shall not be so appropriated.

3. The Deduction Date for serial number-I shall be deemed to be a public holiday, for banks only, within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881) Banks shall, however, remain open for their employees.

4. In case the amount of the first return on any of the assets specified at S.Nos.2,3 and 5 to 8 is than the Zakat due the entire amount of such return shall be appropriated towards Zakat and the unrealized balance shall be deducted from the subsequent returns paid during the same Zakat year or as the case may be, from the encashment or surrender value,

SECOND SCHEDULE

[See sections 2, 3 (5) and 5]

ITEMS NOT SUBJECT TO COMPULSORY LEVY OF ZAKAT BUT ON WHICH ZAKAT IS PAYABLE BY EVERY SAHIB-E-NISAB ACCORDING TO THE RELEVANT NISAB, ON SELF-ASSESSMENT BASIS, EITHER TO A ZAKAT FUND OR TO ANY INDIVIDUAL OR INSTITUTION ELIGIBLE, UNDER THE SHARIAH, TO RECEIVE ZAKAT

S.NO	ITEMS	RATE AND BASIS OF SELF ASSESSMENT
1	2	3
	1. Gold and silver and manufactures thereof.	2.5% of the market value as on the Valuation Date.
	2. Cash.	2.5% of the amount, as on the Valuation Date.
	3. Prize bonds.	2.5% of the face value as on the Valuation Date.
	4. Current Accounts and foreign currency accounts and to the extent not subject to compulsory levy of Zakat under the First Schedule, other accounts, certificates, receipts, Units of National Investment (Unit) Trust, ICP-Mutual Fund Certificates, Government securities, annuities, Life Insurance Policies and Provident Funds.	2.5% of the value of the asset, as on the Valuation Date.

	5. Loans receivable excepting loans receivable by banks, other financial institutions, statutory corporations and companies.	2.5% of the amount of loan receivable, as on the Valuation Date.
	6. Securities including shares and debentures, to the extent not subject to compulsory levy of Zakat under the First Schedule.	If listed on the stock exchanges, 2.5% of the market value i.e. the closing rate of the Karachi Stock Exchange as on the Valuation Date. If not listed on the stock exchange, 2.5% of the paid-up value as on the Valuation Date.
	7. Stock in trade of:-	
	(a) Commercial undertakings including dealers in real estate.	(a) 2.5% of the book value or at the option of sahib-e-nisab, the market value as on the Valuation Date.
	(b) Industrial undertakings.	(b) 2.5% of the book value or at the option of the sahib-e-nisab the market value of raw materials and finished goods as on the Valuation Date.
	(c) Precious metals and stones and manufactures thereof.	(c) 2.5% of the market value, as on the Valuation Date.
	(d) Fish and other catch or producre of the sea, except catches by indigenous techniques.	(d) 2.5% of the value, as on the Valuation Date.
	8. Agricultural or including horticultural and forest produce:	
	(a) Tenant's share.	(a) (i) 10% of the produce, as on the Valuation Date, in the barani area; and

	(b) Other than the tenant's share.	(ii) 5% of the produce, as on the Valuation Date, in the non-barani area; (b) (i) 5% over and above the compulsory 5% in the barani area, as on the Valuation Date: and (ii) One-fourth off the value of produce allowed as an allowance for expenses on production.
	9. Animals (fed free in pastures) (a) Sheep or goat.	As on the Valuation Date: (a) (i) For owners of one to 39 heads nil; (ii) For owners of 40 to 120 heads; one sheep or goat; (iii) For owners of 121 to 200 heads : two sheep or goats; (iv) For owners of 201 to 399 heads; three sheep or goats; and (v) For owners of every complete additional hundred heads: one sheep or goat.
	(b) Bovine Animals	(b) (i) For owners of one to 29 heads; nil; (ii) For owners of 30 to 39 heads: on calf between one year and two years old; (iii) For owners of 40 to 59 heads: one calf between two years and three years old; (iv) For owners of 60 to 69 heads; two calves between one year and two years old;

	(c) Camels		(v) For owners of 70 to 79 heads: one calf between one year and two years old and one between two years and three years old; (vi) For owners of 80 to 89 heads; two calves between two years and three years old; and (vii) For owners of 90 to 99 heads; three calves between one year and two years old; and. (viii) For owners of 100 and above 100 heads: as in Shariah.
		(c)	(i) For owners of one to 4 heads: nil : (ii) For owners of 5 to 24 heads: one sheep or goat for every five heads (iii) For owners of 25 to 35 heads; one she-camel between one year and two years old; (iv) For owners of 36 to 45 heads; one she-camel between two years and three years old; (v) For owners of 46 to 60 heads; one she-camel between three years and four years old; (vi) For owners of 61 to 75 heads; one she-camel between four years and five years old; (vii) For owners of 76 to 90 heads; two she-camels between two years and three years old; (viii) For owners of 91 to 120 heads; two she-camels between three years and four years old and;

		(ix) For owners of more than 120 heads; as in Shariah]. As per Shariah.
	10. Mineral Production	(a) 5% of the market value of the mineral excavated, as on the Valuation Date. (b) 5% over and above the compulsory 5% in the barani area, as on the Valuation Date.
	11. Wealth and financial assets other than those listed in schedule on which Zakat is payable according to Shariah.	(a) (i) For owners of one to 39 heads-nil; (ii) For owners of 40 to 120 heads; one sheepor goat; (iii) For owners of 121 to 200 heads; two sheepor goat; (iv) For owners of 201 to 400 heads; three sheep or goats; and (v) For owners of every complete additional hundred heads: one sheepor goat, as on the Valuation Date. (b) (i) For owners of one to 29 heads : nil. (ii) Owners of 30 to 39 heads: one year's old calf; (iii) For owners of 40 to 59 heads; two years old calf; (iv) For owners of 60 of heads and every additional 10 heads: one year old calf for each 30 heads-and two years old calf for each 40 heads as on the Valuation Date. (c) (i) For owners of one to 4 heads: nil; (ii) For owners of 5 to 25 heads: one;

		(iii) For owners of 26 to 35 heads: one, she-camel between one year and two years old; and (iv) For owners of 36 to 45 heads: one she-camel between two and three years old; and so on, as on the Valuation Date.
	12. Fish and other catch or produce of the sea, except catches by indigenous techniques.	2.5% of the value, as on the Valuation Date.