



AMANAH
ADVISORS

In the Name of Allah, The Most Kind and The Most Merciful

Zakat Compliance Certificate

For GiveDirectly's Yemen Cash Relief Zakat Campaign

28 February 2023 – 27 February 2024

This certificate constitutes a pronouncement by Amanah Advisors regarding the Yemen Zakat Campaign offered by GiveDirectly. Amanah Advisors have reviewed and advised on the Zakat collection, management and distribution by GiveDirectly, and have reviewed the following documents:

1. Accounting Policies
2. Organisational Policies
3. Payments flows

We confirm that we have reviewed the above documents, policies, and have reviewed the end-to-end process of payment flows, and can **confirm that it aligns with the principles of Zakat in our opinion.**

The Zakat Policy which GiveDirectly has agreed to abide by is in Schedule 1. No Zakat funds will be used for administration, and GiveDirectly has a 100% Zakat cash payment policy, where the entire Zakat will be paid to Muslims in cash.

This certificate is valid until 27 February 2024, and will only be renewed upon successful completion of the Zakat audit.

Although this certificate endorses the documentation and processes, proper implementation in accordance with what has been reviewed and discussed is the sole responsibility of GiveDirectly. Zakat payers must also do their own due diligence before paying Zakat. This certificate is not advice and Amanah Advisors do not bear any liability or responsibility to any adverse outcome.

To Allah belongs all praise.

Mufti Faraz Adam
Executive Director, Amanah Advisors

Registered office:
16 Leicester Road
Blaby, Leicester
United Kingdom LE8 4GQ

admin@amanahadvisors.com
amanahadvisors.com

Limited Company Registered in England and Wales.
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Schedule 1: Approved Zakat Policy

Definitions

Muslim	Some who believes in the core tenets of the Islamic faith.
Nisab	The threshold of net wealth which Zakat beneficiaries must be below to qualify to receive Zakat.
Restricted	Funds given to a charity for a specific purpose of which conditions have been imposed as to its use.
Sadaqa	A voluntary donation.
Sharia	Islamic governance framework and code of conduct.
Wakil	An agent and representative.
Zakat	An obligatory 2.5% payment of qualifying net wealth made by paid by eligible Muslims annually.

1. Introducing Zakat and Sadaqa

- 1.1 Zakat is one of the five pillars of Islam and an integral part of the Islamic faith.
- 1.2 Zakat is an annual payment paid by Muslims for the benefit of Muslims.
- 1.3 Zakat can only be paid to qualifying people to receive Zakat. Zakat cannot be used for anything and everything, and it is not the same as charity or donations.
- 1.4 Sadaqa is a voluntary donation which can be used for any good cause and can be paid to support anyone.

2. Purpose of this Policy

- 2.1 The purpose of this Zakat policy is to state the principles that GiveDirectly will adopt and abide by in their Zakat collection and distribution.

3. Scope

- 3.1 The scope of this policy applies to everyone involved in the Zakat collection, management, and distribution process, whether at a non-executives or executive level, whether paid or voluntary, including field teams distributing Zakat.

4. Collection Rules

- 4.1 Payers of Zakat should have a clear option to earmark a payment as Zakat on the payment channels.
- 4.2 GiveDirectly should keep Zakat in a segregated account bank distinguished from other funds. As a last resort and for operational reasons, GiveDirectly may use one bank account to collect all funds, but it is a must to keep track of Zakat funds. This will be audited with much scrutiny.
- 4.3 Zakat funds must be kept in an interest-free bank account.

5. Governance

- 5.1 Give Directly acts as a *Wakil* (distribution agent) for the Zakat payers.
- 5.2 By virtue of being a *Wakil*, the funds held by the collecting entity are owned by the payers from a Sharia perspective.
- 5.3 The funds held by the collecting entity are held on trust, and therefore they are bound to operate on the terms that they have collected these funds from the payers.
- 5.4 In the unlikely event of misconduct, negligence or breach of terms, the agent is bound to indemnify the payers of the full amount paid from the time of misconduct.
- 5.5 Zakat funds cannot be used to cover any expenses of GiveDirectly in any part of the distribution of Zakat.

6. Distribution and Delivery

- 6.1 GiveDirectly will distribute Zakat within one year of collection. The Zakat account must be cleared annually.
- 6.2 GiveDirectly will only distribute Zakat in cash.
- 6.3 GiveDirectly cannot stipulate any benefit or services from beneficiaries of Zakat.
- 6.4 GiveDirectly will only use Zakat funds for the campaign they were collected for.
- 6.5 GiveDirectly will not use Zakat to cover charges and fees for Zakat transfers and payments.

7. Eligible recipients

- 7.1 GiveDirectly will only distribute Zakat to poor Muslim beneficiaries.
- 7.2 A Muslim will be deemed to be eligible when their net Zakatable assets are below the silver Nisab threshold. The silver Nisab threshold is equivalent to 612.36 grams of silver. This will be determined by converting the value of 612.36 grams of silver to USD and ensuring that the recipients have net Zakatable assets below this threshold.
- 7.3 GiveDirectly will not collect or distribute Zakat for a campaign until the campaign and the particulars of the campaign have been reviewed and approved by the Zakat advisor.
- 7.4 Zakat will not be distributed to:
 - A person not eligible for Zakat according to this policy.
 - A non-Muslim.
 - Running expenses and overheads of buildings and facilities.
 - Construction or maintenance costs.
 - The family of the Prophet Muhammad (peace be upon him).

8. Zakat Management

- 8.1 GiveDirectly will conduct an annual Zakat training for all staff involved with Zakat.

- 8.2 Everyone involved in the Zakat collection and distribution chain must adhere to this Zakat Policy.
- 8.3 A Zakat advisor must review, approve, and certify any new programme or campaign.

9. Policy Responsibility

- 9.1 GiveDirectly's management is accountable for ensuring those reporting to them are made aware of and understand this policy and are given acceptable and regular training on it.

10. Review

- 10.1 The Zakat Policy will be reviewed annually in accordance with legal and organisation requirements.