

# Zakat Guide

for Shareholders  
and Investors of  
Gulf Investment House

## 2011

بيت الاستثمار الخليجي  
Gulf Investment House



## Fatwa and Shari'a Supervisory Board Opinion

The Fatwa and Shari'a Supervisory Board has reviewed the basis of Zakat calculation. Based on this review, the Board confirms that the explanations under sections 1 and 2 below, and the supporting notes are in conformity with the rules of Islamic Shari'a as directed by the Board.

Ramadan 1432 H  
August 2011

## Zakat on the share capital of Gulf Investment House

According to the Shari'a Fatwa & Supervisory Board's decision, GIH is required to calculate the Zakat annually; GIH has to pay Zakat on the reserves and retained earnings which remain for one complete fiscal year. Shareholders should pay the remaining amount of Zakat according to the Zakat date applicable to them on their investment in the share capital of GIH.

- **Held for Trading**

If the shareholder holds his GIH's shares for the purpose of trading and generating capital gains, the shareholder is required to pay Zakat based on the market value of his shares on the Zakat date. The Zakat could be calculated as below:

Zakat = Share Price x Number of shares x 2.5% (or 2.5775 for Gregorian calendar).

- **Income Producing**

If the shareholder holds his GIH's shares for the purpose of investment and receiving dividends, he is required to calculate the Zakat per share of GIH's net Zakat assets.

The Zakat payable on each share held during the year as of Dec. 31, 2010 is KD 0.0024 (2.4 fils).



## Calculation of GIH Zakat

(in Kuwaiti Dinar)	31 Dec. 2010	31 Dec. 2009	31 Dec. 2008
Total Zakat Amount	1,031,542	475,299	1,143,166
Zakat paid on Reserves	0	(113,362)	(611,170)
Net Zakat Amount	1,031,542	361,937	531,996
Outstanding No. of Shares	421,655,945	421,655,945	421,655,945
Zakat due per share (KD)	0.0024	0.0009	0.0013

## Zakat on investments through Gulf Investment House

### (A) Associated Companies:

- **Gulf Real-Estate Co. (Saudi Arabia)**

The Company pays Zakat on behalf of investors; shareholders are not required to pay Zakat on their shares in GRE.

- **Mada'in Real-Estate Co. (United Arab Emirates)**

Unlisted company, therefore, based on the Zakat pool of Mada'in net assets; the Zakat per share as of Dec. 31, 2010 is AED 0.0112 (equal to KD 0.0009 or 0.9 fils).

- **Capinvest (previously Khaleej Finance & Investment Co.) (Bahrain)**

Unlisted company, therefore, based on the Zakat pool of Capinvest's net assets; the Zakat per share as of Dec. 31, 2010 is USD 0.0113 (1.13 cent) (equal to KD 0.0032 or 3.2 fils).

- **Afkar Holding Co. (Kuwait)**

Afkar is an unlisted company. Therefore, if shares are held for investment purposes, the Zakat per share as on Dec. 31, 2010 will be KD 0.0025 or 2.5 fils.

- **Majan Development Co. (Oman)**

Majan is an unlisted company. Therefore, if shares are held for investment purposes, the Zakat per share as on Dec. 31, 2010 will be Omani Riyal 0.014 (14 Baisa) (equal to KD 0.0103 or 10.3 fils).

### (B) Zakat on U.S. Private Equity Investments:

- **Halcore Group**

Unlisted company, during 2010, the investment was sold; therefore, investors should include the redeemed capital plus any capital gain have been received to their Zakat assets.

- **Stronghaven Inc.**

Unlisted company, therefore, based on the Zakat pool of Stronghaven, the Zakat per share as on Dec. 31, 2010 is USD 0.16 (16 cent) (equal to KD 0.046 or 46 fils).

### (C) Zakat on Real Estate Investments:

The participations in Real Estate Investments are not subject to Zakat until such investments produce income\* or to be sold, just then, each investor should pay Zakat on amounts received as income or capital gain in which to be added to his Zakat assets.

- **The Care Fund "U.S Medical Office Buildings Fund"**

From Q3 2010 - Q2 2011, the Care Fund investors received 1 cash distribution for the quarter ending on Sep. 10. Therefore, investors should include the income received to their Zakat assets.



- **The Care Fund 2 “ U.S Medical Office Buildings Fund”**

From Q3 2010 - Q2 2011, the Care Fund 2 investors received the final capital redemption plus 2 cash distributions for the quarters ending on Sep. 10 and Dec. 10 consequently. Therefore, investors should include the Capital plus income received to their Zakat assets.

- **U.S Residential Condominium Fund II**

During 2010, the fund investors didn't receive any form of cash distributions from sold assets or rent; therefore, investors are not required to pay Zakat on their participation in the fund.

- **صندوق رعاية للمراكز الطبية (2)**

خلال الفترة من الربع الثالث 2010 إلى الربع الثاني 2011، قام الصندوق باسترداد رأس المال للمستثمرين فضلاً عن دفع توزيعات نقدية وذلك في شهري سبتمبر وديسمبر 2010، لذا على المستثمر أن يقوم بإضافة رأس المال المسترد بالإضافة إلى التوزيعات النقدية إلى موجوداته الزكوية.

- **صندوق شقق التملك السكنية الثاني**

خلال العام 2010، لم يتم استلام أية توزيعات نقدية ناتجة عن بيع الأصول أو ريع لها، لذا لا يجب على المستثمرين دفع الزكاة عن مساهماتهم في الصندوق.