

# Zakat Guide

for Shareholders  
and Investors of  
Gulf Investment House

## 2009

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 section 1 and 2 below, and the supporting notes are in conformity with the rules of Islamic Shari'a as directed by the Board.

Ramadan 1430 H  
August 2009

## 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 rate is 2.5% for Hijri calendar 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, 2008 is KD 0.0013 (1.3 fils).



## Calculation of GIH Zakat

(in Kuwaiti Dinar)	31 Dec. 2007	31 Dec. 2006	31 Dec. 2005
Total Zakat Amount	1,454,176	1,882,174	1,703,342
Zakat paid on Reserves and Retained Earnings	(569,132)	(408,012)	(212,223)
Net Zakat Amount	885,044	1,414,162	1,491,119
Outstanding No. of Shares	400,777,160	400,817,160	369,185,600
Zakat due per share (KD)	0.0022	0.0035	0.0040

## Zakat on investments through Gulf Investment House

### (A) Subsidiaries and Associated Companies

- **Khaleej Development Co.(Bahrain)**

A listed company, therefore, if shares are held for investment purposes, then shareholder should pay Zakat of U.S \$ 0.020 (2.00 cent) (KD 0.0058 or 5.80 fils) as of Dec. 31,2008.

- **Arkan Al-Kuwait Real-Estate Co.(Kuwait)**

A listed company, therefore, if shares are held for investment purposes, then shareholder should pay Zakat of KD 0.0007 (0.7 fils) as of October 31, 2008.

- **Amar Finance and Leasing Co.(Kuwait)**

Unlisted company, based on the Zakat pool of Amar's net assets; the Zakat per share as of Dec. 31, 2008 is KD 0.0024 (2.40 fils).

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

Unlisted company. The Company is totally paying the annual Zakat on behalf of investors. Therefore, shareholders are not required to pay Zakat on their shares.

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

Unlisted company, therefore, based on the Zakat pool of Mada'in's net asset: the Zakat per share as of Dec. 31, 2008 is AED 0.026 which is equal to KD 0.0020 (2.00 fils).

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

Unlisted company, therefore, based on the Zakat pool of Capivest's net assets; the Zakat per share as of Dec.31, 2008 is U.S \$ 0.0128 (1.28 cent) ( KD 0.0037 or 3.70 fils).

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

Unlisted company, therefore, based on the Zakat pool of Afkar's net assets; the Zakat per share as of Dec.31, 2008 is KD 0.0025 or 2.5 fils.

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

Unlisted company, therefore, based on the Zakat pool of Majan's net assets; the Zakat per share as of Dec.31, 2008 is RO 0.0254 (25.40 baisa) ( KD 0.0181 or 18.10 fils).

## **(B) Zakat on Private Equity Investments**

- **Halcore Group, Inc.**

Unlisted company, therefore, based on the Zakat pool of Halcore's net assets; there is no Zakat on the company's shares as of June 30, 2008.

- **Stronghaven, Inc.**

Unlisted company, therefore, based on the Zakat pool of Stronghaven's net assets; the Zakat per share as of June 30, 2008 is U.S \$ 0.221 (22.10 cent) (KD 0.063 or 63 fils).

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

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

Currently, the funds have been invested in developing lands and medical office buildings, therefore, these participations 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.

\*From Q3 2008- Q2 2009, the Care Fund investors received capital redemption plus 4 cash distributions for the quarters ending on Sep. 08, Dec. 08, Mar.09 and Jun.09 consequently. Therefore, investor should include the Capital plus income received to their Zakat assets.



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

Currently, the funds have been invested in developing lands and medical office buildings, therefore, these participations are not subject to Zakat until such investments produce income\* or to be sold, just then, each investor should pay Zakat on amount received as income or capital gain in which to be added to his Zakat assets.

\*From Q3 2008- Q2 2009, the Care Fund investors received 4 cash distributions for the quarters ending on Sep. 08, Dec. 08, Mar.09 and Jun.09 consequently. Therefore, investor should include the income received to their Zakat assets.

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

Amounts invested in this fund should be treated as investments made for the purpose of generating capital gains; therefore, the investors should add the market value of this investment to their total assets subject to Zakat.