



WHAT IS HIBAH?

Hibah can be translated simply as 'gift'.

If a Muslim wishes to give away something they own, or any amount of money, to someone else (a person or organization such as a charity) then they may do so by immediately transferring the legal title and possession Of the gift itself to the recipient Of the gift (known as the 'donee').

The other way to make a gift is for the person making the gift (the 'donor') to execute a document known as a Deed Of Gift, declaring the gift to the donee. In this scenario, however, the legal title and possession Of the gift may not pass to the donee immediately.

WHAT ARE THE RULES CONCERNING HIBAH?

- For a Hibah to be valid, clearly the donor has to have legal title to the subject of the gift, and must also have legal capacity to give that property away to the donee.
- A minor or person who lacks mental capacity cannot make a Hibah, and neither can someone who is under undue pressure, or is forced to do so.
- The Offer Of the gift to the donee must be clearly expressed in the Hibah, as well as an accurate description Of the subject Of the gift and the terms (if any) on which it is given. In addition, it should state that the gift is made without any consideration (the legal term for reward, payment or expectation of payment) from the donee.
- The Hibah may be revoked at any point providing the subject of the gift has not been handed over to the donee, according to scholars from the Hanbali, Maliki and Shafie schools of Muslim law.
- In order to revoke a Hibah, the donor must carry out one of the following tasks as a Kaffarah (type of religious penalty):
 - Give food to 10 poor people Of a type that the donor usually consumes;
 - Give clothing to poor people;
 - Perform a 3-day fast.

If you need further clarifications on this, please reach out to us
contact@fiduciaryservicesltd.com

