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The Zakatability of AI: A Dual Analysis from Sharia and Saudi Law

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Abstract

The rapid integration of artificial intelligence (AI) into financial ecosystems necessitates a reexamination of zakat frameworks under both Islamic jurisprudence and Saudi reg-ulatory systems. This study bridges a critical scholarly gap by systematically analyzing the classification of AI systems and their outputs as either zakatable assets or obligated entities. Employing a tripartite methodology that combines textual analysis of classical fiqh, legal review of Saudi Arabia's Zakat Regulations of 1445 H. (2024), and applied jurisprudential reasoning, the research demonstrates how sharia's inherent flexibility through mechanisms like qiyās (analogical reasoning) contrasts with Saudi law's cur-rent reliance on natural/legal personhood requirements. The findings reveal that Islamic jurisprudence theoretically accommodates AI through two potential pathways: the current owner-attribution model (treating outputs as 'urūd al-tijārah) and a future direct liability model (should AI gain legal personhood, drawing on waqf precedents), which means that zakat obligations apply equally to AI-generated wealth regardless of legal personhood status. However, Saudi regulations require specific amendments to address practical challenges of valuation, residency determination, and ownership attribution for autonomous systems. The research contributes original theoretical frameworks for classifying emerging technologies under Islamic law principles and identifies specific regulatory modifications needed to address autonomous systems. These findings have immediate implications for policymakers navigating technological disruption, while opening new avenues for research into algorithmic ownership and digital asset gov-ernance under Islamic law.

Keywords: Artificial Intelligence, AI; Zakat, Zakah, Saudi Arabia, ZATCA, Sharia, Islamic Law

Introduction

The rapid integration of artificial intelligence (AI) systems into commercial and financial ecosystems raises unprecedented jurisprudential and legal questions regarding their classification and zakat (and tax) treatment as a wealth item subject to zakat under Islamic law and their treatment under Saudi Arabia's contemporary zakat regime. Classical fiqh scholarship categorized zakatable assets as tangible property, currency, or livestock (Al-Zuhayli, 2001; Ibn Qudamah, 1968), and provided abstract rules governing endless types of assets, including modern intangible assets. However, AI's intangible, algorithmic nature—and its outputs—disrupts these traditional categories, necessitating a reevaluation of zakat frameworks. Likewise, Saudi Arabia's Zakat Regulation of 1445 (Zakat Regulations of 1445, 2024) does not explicitly address AI systems and outputs, leaving room for ijtihad (independent legal reasoning) to determine whether AI systems could be classified as zakat payers or zakatable assets as 'urudh al-tijarah (merchandise for trade). This article bridges this gap through a three-way analysis:

1. Revisiting sharia principles—examining juristic conditions for zakatability (i.e., requirements for zakat payers and zakatable assets) and their applicability to AI.

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2. Assessing Saudi zakat collection regime—analyzing the Zakat Regulations of 1445 to identify ambiguities regarding AI's classification as a zakat payer or part of the zakat base.

3. Proposing a normative framework—applying these principles to AI systems and outputs to derive their zakat treatment.

By synthesizing fiqh doctrines with Saudi regulatory realities, this article aims to advance a coherent approach to AI's zakat obligations, ensuring alignment with both Islamic equity objectives and the Kingdom's fiscal modernization efforts.

Research Problem and Questions

The emerging AI systems and their outputs challenge the current zakat frameworks, operating outside the traditional boundaries due to their intangible, autonomous, and dynamic nature. This issue creates a critical research problem: examining the applicability of sharia rules and legal basis to AI systems and outputs regarding zakat. This research problem requires answering the following three questions:

1. Zakat Payer Status: Can an AI system be classified as a zakat payer under Islamic law and Saudi's Zakat Regulations?

This question examines whether AI, as an independent revenue-generating entity, meets the figh conditions for zakat liability, including legal personhood (dhimmah) or ownership attribution (milkiyyah), and how Saudi law interprets such classifications.

2. Asset Classification: Is an AI system itself a zakatable asset under Islamic wealth principles and Saudi law?

Here, the analysis focuses on whether AI system qualifies as zakatable māl.

3. Output Liability: Do the outputs generated by AI systems (e.g., text, code, or financial predictions) constitute zakatable wealth under sharia and Saudi law?

This question assesses whether AI-generated outputs aligns with classical concepts of zakatable assets, especially when decoupled from direct human labor.

By addressing these questions, the study aims to bridge the gap between Islamic equity objectives—such as wealth redistribution and poverty alleviation—and the regulatory realities of AI-driven economies, proposing actionable guidelines for policymakers and Islamic financial institutions.

Literature Review

Recent scholarship on AI in Islamic finance has primarily focused on two trends: its operational utility in zakat administration and its ethical implications under shariah principles. Studies like Laylo (2023) highlight AI's role in enhancing transparency and efficiency in zakat distribution, while Hemmet (2023) emphasizes the need to align AI with maqasid al-shariah (sharia objectives) and istikhlaf (human stewardship). However, these works often treat AI merely as a tool, overlooking its potential classification as a zakatable asset. Meanwhile, debates on AI's legal personhood in legal contexts (Brown, 2021; Novelli et al., 2025) propose models like "functional personhood". The Saudi regulatory context further complicates this issue in light of the lack of clear guidelines on AI's taxation status, leaving a gap between classical fiqh principles and modern technological advancements.

This article contributes to the literature by addressing these gaps through a systematic analysis of AI's zakatability under classical criteria. Unlike prior works that focus narrowly on operational efficiency or abstract ethics, this research reframes AI as a zakatable asset rather than an agent.

Methodology

This article employs a descriptive and analytical methodology grounded in Islamic jurisprudence (fiqh) and Saudi law to evaluate the zakatability of AI systems and its outputs. The methodology consists of three phases:

1. Textual analysis of classical fiqh: Examining primary juristic sources to identify the sharia definition of māl and conditions for zakatable assets and zakat payers.

2. Legal review of Saudi Zakat Regulations: Analyzing the Zakat Regulations of 1445 (2024) and supplementary guidelines from the Zakat, Tax and Customs Authority (ZATCA) to assess definitions of taxable entities and assets, along with ambiguities regarding AI systems and outputs.

3. Application of the fiqh/legal reasoning: testing AI systems and outputs against classical and regulatory criteria, and proposing analogies (qiyas) where direct rulings are absent.

Data is drawn from two tiers of sources: primary sources, including classical and modern fiqh texts and Saudi Arabia's codified zakat regulations, and from secondary sources comprising peer-reviewed articles on AI and zakat and ZATCA resources. This approach ensures fidelity to sharia principles while addressing modern regulatory challenges, offering a framework for policymakers and Islamic scholars.

Findings

1. The article confirms that Islamic law imposes three essential conditions for zakat obligation: the payer's Muslim identity, their full ownership and control over the wealth, and the wealth's fulfillment of growth potential (nama'), exemption from basic needs, attainment of minimum threshold (nisab), and completion of a lunar year (hawl). These classical requirements serve as the basis for evaluating AI zakatability.

2. Islamic jurisprudence theoretically accommodates AI's legal personhood by permitting the concept of an independent financial liability (dhimma) for non-human entities, as no explicit theological prohibition exists. This contrasts with Saudi Arabia's current regulatory stance, which is silent regarding AI legal personhood and consequently excludes it from zakat obligation (taklif) under existing framework.

3. While Saudi Zakat Regulations could undergo limited textual modifications to recognize AI's legal personhood for zakat and taxation purposes, such adaptation would generate complex challenges in application.

4. A clear divergence emerges between Islamic jurisprudence's adaptive principles and Saudi law's conservative position. Fiqh demonstrates inherent flexibility through mechanisms like qiyas (analogical reasoning) to address novel assets, whereas Saudi regulations maintain rigidity despite AI's expanding economic role.

5. The article identifies a need to reconcile algorithmic control to align with the sharia full ownership and control requirement on zakatable assets. This reconciliation would facilitate

considering AI systems as zakat payers and attributing the generated assets to its ownership.

Discussion

Termenology and Starting Points

Definition of Artificial Intelligence (AI)

AI is an emerging technology that has been receiving growing attention on global and national levels. Internationally, according to article 3 paragraph 1 of the EU regulation on harmonised rules on AI, "AI system' means a machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments" (EU AI Act, 2024). Furthermore, the OECD defines an AI system as "a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. AI systems are designed to operate with varying levels of autonomy;" and AI actors as "those who play an active role in the AI system lifecycle, including organisations and individuals that deploy or operate AI"(Recommendation of the Council on Artificial Intelligence, 2019).

On the Saudi national level, the Saudi Data & AI Authority (SDAIA) defines AI as follows: "a computer science field that focuses on building systems capable of performing tasks that usually require human intelligence, such as learning, reasoning, and self-development" (SDAIA, 2024). SDAIA (2024) also defines Generative AI (GenAI) as "a type of AI that can create new content, such as text, images, audio, video, and code."

The definitions from the EU, OECD, and Saudi Arabia's SDAIA collectively underscore AI's two disruptive traits that demand reexamining zakat frameworks: (1) the level of operational independence, where AI systems function autonomously (EU AI Act, 2024; Recommendation of the Council on Artificial Intelligence, 2019), challenging classical notions of human-centric wealth control (tasarruf) and complicating ownership attribution (mulkiyyah)—a prerequisite for zakat liability; and (2) generative capacity, where AI creates new outputs (text, code, etc.) (SDAIA, 2024), blurring jurisprudential distinctions between human labor and capital-derived wealth. These features expose a critical gap: Saudi Arabia's Zakat Regulations of 1445 (2024) remain silent on autonomous, generative systems despite their economic role, thereby justifying this article's inquiry into AI's zakatability under sharia and Saudi law.

Definition and Overview of Zakat

Sharia:

Sharia scholars define zakat as the determined share prescribed by Sharia of specific items of wealth to be distributed among deserving categories in a prescribed manner (Alghfaily, 2008, p. 43). Islamic finance scholars further characterize it as "a financial obligation collected forcibly by the state—without direct benefit to the payer—based on the payer's capacity, allocated to Quranic beneficiaries (Q. 9:60), and instrumental to Islamic public finance policy (Anaya, 1995, p. 21). As both a worship act ('ibadah) and socioeconomic instrument, zakat necessitates interdisciplinary study, particularly across sharia and legal domains (Alholiby, 2023).

Zakat, one of Islam's five pillars, is rooted in the Quran (e.g., Q. 2:43, 2:110) and Sunnah. The Quran mandates its payment (e.g., King Saud University, n.d., Verse 2:43, 2.83, 2:110, 24:56,

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58:13, 73:20), enumerates exclusive zakat beneficiaries (King Saud University, n.d., Verse 9:60), and delegates collection authority to the state (al-Qurtubī, 1964, Volume 8, p. 243), while the Sunnah details zakatable items and rates (e.g., *Sunan Abu Dawud*, 2008, para. 1572). Moreover, zakat establishes a major socioeconomic program for social solidarity, redistributing wealth between different classes in the community (Alghfaily, 2008, p. 55). From this perspective, and to achieve the objectives of the zakat system, the idea of studying the subjection of AI systems and their outputs to zakat was born.

To later assess AI's zakat status, three foundational concepts are outlined: first, criteria for zakat payer, second, the definition of money (māl), and third, conditions of zakatabale items.

First, the zakat payer must be a Muslim possessing wealth meeting specific criteria (alkasani, 1420, Volume 2, p. 4; Ibn Qudamah, 1968, Volume 2, p. 688). Second, the sharia concept of māl (wealth) encompasses anything that holds value among people and is permissible (halāl) to benefit from in times of choice and abundance (al-'Abbādī, 2000, p. 179). This abstract yet precise definition provides the theoretical basis for considering AI systems and their outputs as potential māl potentially subject to zakat. The definition captures endless types of assets, including rights and benefits, as long as they have value among people, and their use is legitimate.

Third, for an item of wealth to be subject to zakat, it must fulfill a set of cumulative conditions: (1) Muslim ownership; (2) complete owner control; (3) growth potential or derivation from growth; (4) surplus beyond basic needs; (5) value reaching the niṣāb threshold (equals 595 grams of silver at the hawl day); and (6) possession for one lunar year (hawl) (al-Nawawi, N.D., Volume 5, pp. 339–356; alkasani, 1420, Volume 2, pp. 9–40). These criteria aim to balance religious obligation with economic policy, exempting subsistence wealth while mobilizing surplus for redistribution in society. However, it is crucial to make the following results clear based on those conditions:

1. Personal-use assets remain exempt from zakat and the threshold (niṣāb) calculations, ensuring that (non-growing) wealth does not erode by the yearly zakat.

2. Actual growth effort is unnecessary to trigger zakat, growth capability is sufficient (Al-Zarqa, 1984, p. 98).

3. Zakat abstract rules keep the framework's adaptable to accommodate modern asset types and forms of investment (Al-Zarqa, 1984, p. 100).

Particularly relevant to AI systems and their outputs are zakat's treatment of currency, gold, silver (2.5% rate) and business inventory ('urudh al-tijarah). The former's analogy to fiat currency and the latter's application to trade-intended assets provide crucial frameworks for analyzing AI's zakat status. These categories, combined with the conditions above, establish the jurisprudential basis for examining AI through Islamic wealth principles.

Saudi Law:

Saudi Arabia has developed a unique zakat regime that synthesizes Islamic jurisprudential principles with modern administrative structures. Since the foundation of the modern Saudi state, the government has asserted its role as the collector and distributor of zakat (Alholiby, 2023), creating a system where religious obligations intersect with state fiscal policy. The ZATCA, reestablished under the ZATCA Statute, serves as the regulatory body overseeing this compulsory wealth redistribution mechanism (ZATCA Statute, 2021, Article 3).

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Addressing the zakat rules regarding specific zakat payers that practice commercial activities (ZATCA, 2024, p. 7), the current zakat regulations do aim to govern the collection of zakat from individuals. Accordingly, the regulations do not include provisions on zakat for them. Furthermore, the current zakat regulations adopt an expansive definition of taxable entities. It characterizes a person as "any natural or legal person," and a zakat payer as any person who is subject to the regulations of 1445, 2024, Article 1). This wide formulation encompasses all types of persons, traditional commercial enterprises and theoretically modern organizational forms, including potentially autonomous AI systems. However, Article 3 specifically enumerates liable zakat payers, primarily Saudi and GCC-resident businesses and certain individuals, imposing zakat on the calculated zakat base. The regulations' deliberate use of broad terminology—particularly "any person" conducting "any activity for profit" and similarly in calculating the zakat base rules—creates interpretive flexibility that may accommodate emerging technologies like AI systems as either zakat payers or zakatable assets.

AI Zakatability

AI as a Zakat Payer (Mukallaf)

This subsection examines whether sharia principles and Saudi law could classify AI systems as zakat payers (mukallaf). Central to this inquiry is ownership—a prerequisite for zakat liability—specifically whether AI can own what it generates under existing jurisprudential and legal frameworks.

Sharia:

The question of whether an AI system can qualify as a mukallaf (zakat-obligated entity) under sharia requires examining two preliminary considerations. First, Islamic jurisprudence has recognized the concept of non-human legal persons possessing independent financial liability (dhimma māliyya), as evidenced in classical treatments of waqfs (endowments) and commercial partnerships (al-Jurayd, 2006). This establishes that legal personhood in sharia is not contingent upon natural humans. Second, extending this principle to AI systems faces no inherent doctrinal prohibition. While some might object on grounds that AI cannot satisfy the Islam requirement for mukallaf status, this concern is resolved through attribution to human owners—a mechanism paralleled in waqf jurisprudence where the Islamic character of an endowment derives from its founder rather than the entity itself (al-Jurayd, 2006).

The decisive factor for zakat obligation on AI systems remains the ownership of zakatable wealth (māl), a condition demonstrably applicable to AI-generated outputs. When an AI system produces valuable, assets meeting the sharia definition of māl, and when those assets are owned by Muslim individuals or entities fulfilling nisāb and hawl requirements, the conventional obstacles to zakat liability dissolve. This analysis suggests that while AI systems lack independent religious responsibility (taklīf—being subject to Islam obligations), their functional role as wealth-generating mechanisms creates derivative zakat obligations for their owners—an extension of classical principles governing composite entities like companies. This theoretical permissibility in sharia finds practical significance in Saudi Arabia, when it meets the expansive definition of zakat payers under Article 1 of the Zakat Regulations of 1445.

Saudi Law:

The question of whether AI systems can qualify as zakat payers under Saudi law calls for an

examination of legal personhood—a concept granting entities the capacity to hold rights and assume obligations (Novelli et al., 2025, p. 2). While modern legal systems traditionally reserve this status for humans and certain entities like corporations (Novelli et al., 2025, p. 2), the rise of AI has sparked debate about expanding this framework. Proponents argue that AI's autonomous decision-making and learning capabilities approximate aspects of natural personhood (Lovell, 2024, p. 25), while opponents emphasize AI's dependence on human developers and the practical challenges of assigning liability (Brown, 2021, p. 8; Gunkel & Wales, 2021, p. 479). A middle ground emerges in scholarship suggesting tailored legal personhood models for AI (Van Den Hoven Van Genderen, 2018, p. 39). A growing body of literature examines AI's potential as a taxpayer, analyzing its autonomous economic agency, wealth-generation capabilities, and technical capacity for fiscal compliance (Kovacev, 2020, p. 5; Oberson, 2021).

Under Saudi Arabia's current legal framework, AI systems lack recognition as legal persons and consequently cannot be zakat payers (mukallaf). The Zakat Regulations of 1445 limit this status to natural or legal persons, excluding AI systems. This exclusion operates at three levels: the definition of "person," the requirement to "practice profit-generating activities" (which presupposes legal capacity), and the enumerated categories of zakat payers in Article 3 (Zakat Regulations of 1445, 2024, Articles 1 & 3). Theoretically, future amendments could extend legal personhood to AI at least for tax and zakat purposes, however, practical obstacles would arise in asset and income attribution (AI system or owner) and residency determination rules (Articles 4–5)—challenges requiring substantive legal reforms beyond mere drafting language.

Notably, as Table 1 below illustrates, this current legal position contrasts with sharia's theoretical flexibility. As previously established, Islamic jurisprudence's recognition of non-human juridical persons (e.g., waqfs) and its focus on functional wealth ownership create space for AI's inclusion within zakat frameworks. This gap between jurisprudential possibility and legal reality invites reevaluation of how zakat frameworks adapt to technological disruption.

According to	Criterion for Zakat Payer	Applicability	Comments
Sharia	Muslim	Yes	This criterion is satisfied by Muslim ownership of the AI system
	Owning Māl	Yes	Assets generated by AI systems fulfill the conditions of māl
	Ownership	Yes	Sharia does not mind bestowing legal personhood and therefore, the capability to own
Saudi Law ¹	Definition of 'Person'	No	Yet, Saudi law doesn't grant AI systems legal personhood
	Definition of 'Zakat Payer'	No	An AI system currently is not a 'Person'
	Article 3 (Zakat Payers)	No	None of the zakat payer categories listed in the article applies to AI systems

Table 1. AI Systems as Zakat Payers – Sharia vs. Saudi Law.

Specifically the Zakat Regulations of 1445.

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This subsection addresses two pivotal questions: (1) Under sharia and Saudi law—given AI's lack of legal personhood—who owns AI-generated assets? and (2) Do these outputs qualify as zakatable wealth (māl)? The analysis proceeds from the premise that while AI systems cannot hold independent ownership, they and their economic outputs may still trigger zakat obligations for their human or corporate owners under existing frameworks.

Sharia:

Building upon sharia's definition of māl (wealth) as any valued and licit (halāl) asset, AI systems and AI-generated outputs qualify as māl when they: (1) hold recognizable economic value, (2) are free from prohibited elements (e.g., copyright violations or unethical use), and (3) are lawfully utilizable by their owner (mukallaf). The zakat treatment of these assets, however, hinges on their functional purpose, splitting into two categories:

1. Trade-intended assets ('urūḍ al-tijārah), such as licensing customized AI systems and selling AI-generated digital content (e.g., generated images). This category of assets is subject to zakat if owned for commercial exchange, provided they meet the requirements of Muslim ownership, niṣāb threshold, and ḥawl period. This aligns with classical treatment of merchandise (al-Bahūtī, 2008, Volume 5, p. 37; alkasani, 1420, Volume 2, p. 11).

2. Non-trade assets (basic needs assets, also known as quniyah assets), such as internal AI tools (e.g., policy-drafting AI, intra-firm knowledge chatbots), or non-monetized research outputs. This category of assets is exempt from zakat, as they constitute "retained wealth" (quniyah assets) (al-Bahūtī, 2008, Volume 4, p. 306; alkasani, 1420, Volume 2, p. 11).

This functional-purpose-based classification preserves zakat's equity objectives by subjecting circulating wealth to zakat obligations while exempting productivity tools, consistent with sharia's dual emphasis on wealth redistribution (tamwīl) and preventing undue hardship (daf' al-haraj) (al-Bahūtī, 2008, Volume 4, p. 306).

Saudi Law:

The Zakat Regulations of 1445 provide no explicit provisions for AI systems or their outputs, necessitating interpretation through existing frameworks. AI systems and AI-generated assets would likely be attributed to their owner (e.g., a Saudi-registered company) under Article 3, which subjects entities practicing profit-generating activities to zakat. For instance, a Saudi startup commercializing AI-generated content would incur zakat obligations, assuming the startup is the legal owner, while the AI itself remains a non-liable tool.

Furthermore, AI outputs bifurcate into trade and non-trade categories mirroring sharia distinctions. Commercially traded assets (e.g., licensed AI art or datasets) could qualify as 'urudh al-tijarah (business inventory) nondeductible from the zakat base (Zakat Regulations of 1445, 2024, Articles 26 & 52). Conversely, non-traded assets (e.g., internal AI tools) resemble amwāl quniyah (retained wealth), aligning with deductible fixed assets and non-commercial intangible assets (Zakat Regulations of 1445, 2024, Articles 49–50; ZATCA, 2024, p. 166).

The Regulations' silence on AI represents legislative vacuum but offer procedural flexibility. Articles 127 (special rules for counting zakat for some activities) and 128 (detailed resolutions) authorize ZATCA to issue targeted guidelines for novel transactions. Therefore, although the current framework precludes AI from direct zakat liability but indirectly captures it and its

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outputs through owner attribution. Further AI developments could lead to the issuance of guidelines on this matter.

Scenario	Condition of Zakatable Item	Applicability	Comments
	Ownership by a Certain Muslim	Yes	This condition is satisfied by Muslim ownership
	Full Ownership & Control	Yes	-
Classifying AI/AI outputs	Growth Potential/Derivation from Growth	Yes	This condition could be satisfied if held for trade
as Māl (according to sharia)	Exceeding the Basic Needs	Yes	Not being quniyah assets and being for trade
	Reaching the Threshold (Niṣāb)	Yes	Such tradable assets are subject to the gold/silver niṣāb threshold
	Possession for 1 Lunar Year (hawl)	Yes	-
Classifying AI/AI Outputs as Part of the Zakat Base (according to Saudi Law) ¹	Trade-intended assets (urudh tijarah - business inventory)	Yes	If AI and its outputs are intended for trade, they should be included in the zakat base

Table 2. AI Systems and Outputs as Zakatable Assets – Sharia vs Saudi Law.

Specifically the Zakat Regulations of 1445.

Current Realities and Future Trajectories

Saudi Arabia's zakat regulatory framework currently lacks specific provisions for AI zakatability (CLSR, 2025), creating doctrinal uncertainty. While AI systems cannot independently satisfy ownership conditions (milkiyya tāmma), their outputs could be treated as 'urūḍ al-tijārah (merchandise) when commercially traded, triggering zakat obligations for human/corporate owners if meeting niṣāb and ḥawl requirements, even as the AI itself remains a non-zakatable tool. Moreover, analyzing the regulatory reality exposes three possible hypotheses:

1. AI as Zakat Payer (with Legal Personhood)

In this hypothesis, both sharia principles and Saudi law would subject AI to zakat obligations if granted legal personhood, as this satisfies fiqh conditions (ownership and growth) while aligning with Saudi regulatory recognition of zakat payers entities. This scenario remains theoretical under current frameworks.

2366 The Zakatability of AI: A Dual Analysis from Sharia AI as Zakatable Asset Owned by a Zakat-Obligated Person

When AI systems or outputs are owned by individuals or entities already subject to Saudi Zakat Regulations (e.g., businesses), sharia and Saudi law converge in imposing zakat. Classical criteria (growth, ownership) are met, and the owner's preexisting obligation extends to AI and AI-generated wealth.

3. AI as Asset Owned by Individuals Outside Regulatory Scope

A critical gap emerges: sharia would impose zakat on AI assets meeting classical criteria, even if owned by individuals not engaged in commercial activity. However, Saudi regulations—limited to natural/legal persons in "profit-generating activities"—do not subject such cases to compulsory zakat collection.



While AI demonstrates increasing operational autonomy (Russell & Norvig, 2022), regulatory frameworks are not keeping pace. However, zakat's principles-based approach offers two pathways forward:

1. Owner-Attribution Model (Status Quo):

Accordingly, AI outputs are treated as property of human/corporate owners; zakat is calculated through existing 'urūḍ al-tijārah rules. This approach is supported by the current Saudi Zakat Regulations of 1445.

2. Direct Liability Model (Future Potential):

In this model, AI systems are recognized as independent zakat payers. Several amendments and guidelines are required for proper applications and to minimize potential obstacles, such as valuation, residency (defining AI "presence" under Article 4), and ownership attribution rules (reconciling algorithmic control with full ownership and control requirement). This approach

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has precedent in sharia and law in corporate zakat treatment.

This binary framework demonstrates sharia zakat rules' adaptive capacity compared to conventional systems constrained by rigid personhood requirements (OECD, 2020), while leaving technical implementation questions for future regulatory and jurisprudential development.

Conclusion

This article establishes a foundational framework for applying zakat obligations to AI systems and outputs within sharia principles and Saudi regulatory contexts. Through descriptive and analytical methodology, three core findings emerge:

1. Doctrinal Clarity in Islamic Law

The research confirms sharia's capacity to address AI through its two-pillar zakat framework: mukallaf, requiring a Muslim natural/legal person owning zakatable wealth, māl, which applies to assets meeting nisāb, hawl, and growth conditions.

2. Regulatory Opportunities

While current Saudi Regulations of 1445 lack AI-specific provisions, the analysis reveals two possible scenarios for the Saudi regulator: acknowledging the owner-attribution model, which is the default framework, or adopting and developing the future direct liability model, recognizing AI systems as a legal person for zakat and tax purposes.

3. Socioeconomic Imperatives

The application of zakat on trade-intended AI systems and outputs serves to expand the zakat base to cover modern technologies and digital assets, ensuring the zakat legislation objectives, such wealth redistribution to preserve purchasing power.

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Abbreviations

The following abbreviations are used in this manuscript:

AI Artificial intelligence
EU European Union
OECD Organisation for Economic Co-operation and Development

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