

# Giving and Receiving Charitable Donations within the Law

Hajj Ahmad Thomson

18 Shaban 1431 – 31 July 2010

Regents Park Mosque & Islamic Cultural Centre

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The metaphor of those who spend their wealth,  
desiring the pleasure of Allah and firmness for themselves,  
is that of a garden on a hillside.  
When heavy rain falls on it, it doubles its produce;  
and if heavy rain does not fall, there is dew.  
Allah sees what you do.

(*Qur'an* : 2.264)

## Voluntary Charitable Giving in the context of the Shari'a

It is part and parcel of being a human being to want to help those who are less well off than ourselves. Even those who do not believe in Allah and the final reckoning on the Last Day instinctively give if they are able when faced with someone else's need. Muslims are perhaps more fully aware that in fact *sadaqa* (charitable giving) will benefit the giver in this world, in the grave and on the Day of Judgement – so they are inclined to give *sadaqa* not only desiring the pleasure of Allah, but also because it is a wise investment which will benefit the giver in both worlds:

The metaphor of those who spend their wealth,  
in the Way of Allah  
is that of a grain which produces seven ears;  
in every ear there are a hundred grains.  
Allah gives such multiplied increase to whomever He wills.  
Allah is All-Encompassing, All-Knowing.

Those who spend their wealth in the Way of Allah,  
and then do not follow what they have spent  
by demands for gratitude or insulting words  
will have their reward with their Lord.  
They will feel no fear and will know no sorrow.

(*Qur'an* : 2.260-261)

It was the practice of the Prophet Muhammad, may Allah bless him and grant him peace, and of his household and his companions, to give freely without fear of not having enough provision left for their own needs :

Yahya related to me from Malik that he heard that a beggar asked ‘A’isha, the wife of the Prophet, may Allah bless him and grant him peace, for something while she was fasting and there was only a loaf of bread in her house. She said to her female *mawla* (freed slave who remains part of the family), “Give it to him.” The *mawla* protested, “You will not have anything to break your fast with.” ‘A’isha repeated, “Give it to him,” so she did so. When evening came, the people of a house or a man who did not usually give to them, gave them a sheep and some food to go with it. ‘A’isha, *umm al-muminin* (mother of the believers), called her *mawla* and said, “Eat from this. This is better than your loaf of bread.” (*Al-Muwatta* of Imam Malik: 58.1.5)

Yahya related to me from Malik from Nafi‘ from ‘Abdullah ibn ‘Umar that the Messenger of Allah, may Allah bless him and grant him peace, said from the *mimbar* when mentioning *sadaqa* and refraining from asking, “The upper hand is better than the lower hand. The upper hand is the one which expends, and the lower one is the one which asks.” (*Al-Muwatta* of Imam Malik: 58.2.8)

Yahya related to me from Malik from Kubayb ibn ‘Abd ar-Rahman al-Ansari from Hafsa ibn ‘Asim that either Abu Sa‘id al-Khudri or Abu Hurayra said, “The Messenger of Allah, may Allah bless him and grant him peace, said, “There are seven whom Allah will shade in His shade on the day on which there is no shade except His shade: a just imam, a youth who grows up worshipping Allah, a man whose heart is attached to the mosque when he leaves it until he returns to it, two men who love each other in Allah and meet for that and part for that, a man who remembers Allah when he is alone and his eyes overflow with tears, a man who refuses the approaches of a noble, beautiful woman, saying “I fear Allah,” and a man who gives *sadaqa* and conceals it so that his left hand does not know what his right hand gives.”” (*Al-Muwatta* of Imam Malik: 51.5.14)

### **Obligatory Charitable Giving in the context of the Shari’a**

As well as voluntary charitable giving, one of the five pillars of Islam is the *zakat*, an obligatory tax payable on the produce of ploughed land, on livestock, and on gold and silver above a certain limit (*nisab*) which is re-distributed amongst eight kinds of beneficiaries – especially the poor:

Yahya related to me from Zayd ibn Aslam from ‘Ata ibn Yasar that the Messenger of Allah, may Allah bless him and grant him peace, said, “Zakat is not permissible for someone who is not in need except for five: some one fighting in the way of Allah, some one who collects zakat, some one who has suffered (financial) loss (at the hands of debtors), someone who

buys it with his own money, and some one who has a poor neighbour who receives some *zakat* and gives some as a present to the one who is not in need.” (*Al-Muwatta* of Imam Malik: 17.17.30)

As well as purifying the heart from attachment to the wealth of this world and providing a practical means of re-distributing wealth and helping the needy, paying the *zakat* has long term benefits in both worlds:

The men and women of the *muminun* (the believers),  
are friends of one another.  
They command what is right and forbid what is wrong,  
and establish *salat* (the prayer) and pay *zakat*,  
and obey Allah and His Messenger.  
They are the people on whom Allah will have mercy.  
Allah is Almighty, All-Wise.

Allah has promised the men and women of the *muminun*  
Gardens with rivers flowing under them,  
remaining in them timelessly, for ever,  
and fine dwellings in the Gardens of Eden.  
And Allah's good pleasure is even greater.  
That is the great victory.

(*Qur'an* : 9.72-73)

In the absence of properly appointed *zakat* collectors in Europe and America, many Muslim charities have assumed the role of collecting and distributing the *zakat*, which for the purposes of English law is regarded as charitable giving.

### **Charitable Giving in the context of English Law**

Muslims living in the United Kingdom are obliged to respect and comply with the law of the land – which shares many common characteristics and principles with the Shari'a, especially as regards the law governing charities (part of which is in fact derived from the Shari'a). Since the law of the land is mainly secular, however, although it recognises the right of its citizens to believe in God and in His revealed guidance, it does not necessarily share that belief. It would be interesting, for example, to conduct research on how many lawyers and members of the judiciary believe that they will be brought to account for their actions on the Last Day – and how such belief or lack of such belief governs their behaviour and decision-making processes.

Certainly the perceived need for monitoring financial transactions is regarded as far more necessary by those who are unaware that a real time record is already constantly being kept and updated. For anyone who is aware that Allah sees what we do and that the recording angels record what we intend and what we do, there may not seem to be any additional need for 'transparent' financial accounting practices or CCTV. Muslims know that each one of us will be presented with a very complete record on the Last Day – and that each one of us we will have to account for our actions and intentions. This makes us careful in how we behave.

In Arabic this inward awareness of the Presence of Allah is called *taqwa*.

Not everyone possesses such awareness and accordingly safeguards are needed.

While Allah obliges us to pay the *zakat* where applicable and encourages us to give freely and secretly without calculation or showing off, most of the laws which govern giving and receiving charitable donations have been framed by those who do not know that Allah sees what we do in order to regulate those who do not know that Allah sees what we do. Consequently there is no reference in these laws to our accountability to Allah, *subhanahu wa ta'ala* – there are only references to our accountability to Her Majesty's Revenue and Customs (HMRC), to a Local Authority, to the Charity Commission and (if our organisation is a limited company) to Companies House.

In recent years, a heightened accountability to the Home Office and the Director of Public Prosecutions (DPP) – and ultimately to the US Treasury Department – has been introduced.

The trustees of Muslim charities either established in the UK or operating in the UK – and also those who make charitable donations to these charities – are obliged to ensure that as well as being pleasing to Allah and His Messenger, blessings and peace be on him, they must also ensure that they comply with the requirements of the law of the land, no matter how necessary or unnecessary these requirements may be perceived to be.

We will therefore examine each of these different modes of legal accountability, from the perspectives of both giving and receiving – bearing in mind, please, that what follows is a broad outline which does not constitute formal 'legal advice'. Anyone seeking legal advice concerning his or her particular situation or circumstances should seek the services of a properly qualified lawyer.

### **Accountability to HMRC**

On the whole, the HMRC is benevolent to taxpayers who give charitable donations. Registered companies' donations to registered charities are 100% tax deductible. Thus some registered charities share a link to a registered company which donates all of its profits to the charity. This means that the registered company does not have to pay income tax – and since donations to registered charities are not treated as taxable income, this means that the registered charity does not have to pay income tax either.

Private individuals can have their donations to registered charities taken into account when filing their tax returns. As regards private donations made by individuals, if they are taxpayers, the charity can claim the basic rate tax which the individual has paid in respect of his donated income by way of the Gift Aid scheme. If a donor is a higher rate tax payer, he or she can claim the difference between the higher rate of tax (40 per cent) and the basic rate of tax (20 per cent) on the total (gross) value of his or her donation to the charity

In other words, although the HMRC requires full disclosure as regards earned income, both private individuals and registered businesses are encouraged to make charitable donations – which in turn benefit the recipient charities and accordingly their beneficiaries. Although the justice of or need for some taxes may be questioned, there is no doubt that as regards charitable giving and receiving, the accountability to the HMRC is on the whole benign.

### **Accountability to a Local Authority**

As regards the payment of rates, a registered charity is entitled to a mandatory 80% reduction in rates which would otherwise be payable on any premises which the charity uses or owns. It is entitled to apply for a discretionary reduction of the other 20%. In practice, many charities which provide services to the local community enjoy a close working relationship with their local authority. The charity helps to provide services to the local community which the local authority is under a duty to provide – and in recognition of this co-operation the local authority provides not only a full 100% rates rebate, but also funding for some of the various educational and social projects provided by the charity.

There was a time, some thirty years ago, where local authorities and newly established Muslim charities sometimes regarded each other with a certain degree of suspicion – due to a lack of understanding of each other, but nowadays, after having established a good working relationship, local authorities and local charities are usually more focused on helping each other to help their local community.

Many local charities often have a small shop which either sells items in furtherance of its objects (for example books and CDs/DVDs on Islam, prayer mats and *ihrams*) or perfumes and refreshments, with any profits being given to the charity. Although charities are not permitted by charity law to be engaged in ‘business activities’ as such, as a general rule such shops are permitted to operate as long as they do not occupy more than 10% of the charity’s premises and/or as long as a shop’s profits do not constitute more than 10% of the charity’s income.

As with HMRC, although the level of local business rates may be questioned, there is no doubt that as regards charitable giving and receiving, the accountability to the Local Authority is on the whole benign and mutually beneficial.

### **Accountability to the Charity Commission**

Those who donate to charities are not accountable to the Charity Commission – while those registered charities which accept donations most certainly are! As well as being obliged to provide an annual report, registered charities are under a legal duty to keep full accounts – and to provide an annual statement of account to the Charity Commission which should conform with the Commission’s statement of recommended practice (SORP) – including having the accounts either independently examined or audited where certain gross income thresholds have been exceeded.

As a general rule, charities should keep a detailed record of all donations which they receive. Where possible, they should issue receipts. As regards collections made in mosques at the time of the *jumu'a* or via collecting boxes – where it is impossible to record every single donation and provide a receipt – the trustees should ensure that they have a robust system for counting and checking the total of what has been collected or contributed. Preferably there should be at least three trustworthy people involved, so that totals can be checked and so that there is little danger of anyone being tempted to help themselves to any of the proceeds.

Many mosques tend to bank all cash donations, so that there is a clear paper trail of all the charity's income. Although this is not legally required, it is prudent, especially in the current climate where Muslim charities can be accused of 'supporting terrorism' on the flimsiest of evidence and then be required to account for every penny received and spent – and have whatever cannot be accounted for confiscated on the mere suspicion that it 'might' be linked to criminal or terrorist activities.

This form of legalised highway appropriation is sanctioned by the application of a combination of the Terrorism Act 2000, the Terrorism Act 2006, the Proceeds of Crime Act 2002, the The Magistrates' Courts (Detention and Forfeiture of Cash) Rules 2002, the Prevention of Terrorism Act 2005, the Counter-Terrorism Act 2008 and the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 – as amended.

As regards expenditure, registered charities should ensure that all expenditure is not only recorded, but also made in furtherance of the charity's objects. If, for example, a charity's objects are limited to assisting beneficiaries in a particular way, or within a particular geographical area, then the trustees must ensure that funds are not expended to benefit people in ways not envisaged by their stated objects, or who live outside that particular area. For this reason, trustees should ensure that they are not limited unnecessarily by the wording of the objects clause in their governing instrument.

As regards those mosques and Islamic centres which have collection boxes, it is important to have more than one clearly labelled collecting box to facilitate collections for different purposes – for example, a box for *zakat*, a box for the maintenance and upkeep of the charity's premises, a box for the objects of the charity and a box for any particular appeal – to help the victims of a recent earthquake or a flood for example. In this way, it becomes easier for the trustees to honour the specific intentions of those who give – and to ensure that *zakat* is not treated as if it is *sadaqa*.

In order to ensure that different funds do not become mixed up, it often helps to have a dedicated bank account for each main purpose, as well as a general administration account.

A good governing instrument will include a clause which states that where funds have been collected or donated for a particular purpose, and where that purpose has been fulfilled, then in the event of there being any surplus funds left over, any

such surplus can be expended in furtherance of the charity's objects as the trustees in their absolute discretion see fit. In the absence of such a clause, the trustees would be obliged to return the surplus to the original donor(s) or to apply to the Charity Commission to have the funds applied *cy-près*.

Some trustees are in a quandary as to what to do with any interest that may have accrued on funds held in the charity's bank accounts, since this is *haram* money. One approach is to have treasurer's accounts which pay very little interest, if any, on current balances and which do not levy account charges as long as the account is in credit.

Another complimentary approach is to have a separate dedicated account into which any interest which accrues is transferred. The money in this 'interest only' account can then be used to pay bank charges – in effect using the *haram* to pay for the *haram*.

As regards investing any unused funds in a *halal* way, the trustees are free to invest in property (which can either be leased or rented, or refurbished and resold) or in gold dinars and silver dirhams – which unlike paper, plastic or digital money have intrinsic value.

As regards any *zakat* which the trustees collect, there is an additional duty which is not stipulated by the law of the land. It is the duty to Allah, *subhanahu wa ta'ala*, to only expend it for the purposes stipulated in the Qur'an:

Zakat is for:

the poor,  
the destitute,  
those who collect it,  
reconciling people's hearts,  
freeing slaves,  
those in debt,  
spending in the Way of Allah,  
and travellers.

It is a legal obligation from Allah.

Allah is All-Knowing, All-Wise.

(Qur'an : 9.60)

In the modern context, it is prudent to distribute the *zakat* to those in need – the *fugara* (the poor) and the *masakin* (the destitute) since this expenditure clearly falls within the definition of what English law deems to be exclusively charitable. The *fugara* are those who are unable to support themselves fully. The *masakin* are those who do not know where their next meal is coming from. *Zakat* should initially be distributed amongst those in need in the local community. If there is any left over it can be distributed further afield – and if the stated objects of the charity permit it, even abroad.

It is said that the reason why the *zakat* on wealth is one fortieth is because in every 1,000 people, there are 25 who are not able to support themselves without help – and Allah knows best.

There is one of the eight categories of those entitled to *zakat* about which trustees should exercise particular care : “spending in the way of Allah”. All the classical commentaries on the Qur’an are agreed that this refers to helping people fighting *jihad fi sabili’llah*. In today’s world there are many different groups of Muslims who claim to be doing this, most if not all of whom are legally defined as terrorists. Suffice it to say *firstly*, that certain conditions have to be met before a fight can truly be described as a *jihad fi sabili’llah* – and *secondly*, the legal penalties for supporting terrorism are severe and to be avoided.

Although the manner in which the law is applied effectively condones support for the armed Zionist colonial endeavour in Palestine, supporting any other “side” in any armed conflict is definitely not regarded as an exclusively charitable activity for the purposes of English charity law and must be avoided by all trustees, prudent or not.

Bearing the above in mind, trustees must ensure especially that the delivery of any humanitarian aid which is distributed abroad must be closely monitored. There must be a clear paper trail, otherwise the aid is liable to arbitrary confiscation. Funds must be expended for the purposes for which they were donated. The actual beneficiaries must correspond to the intended beneficiaries. Agents and employees must be trustworthy and able to account fully for the funds and resources which they have been entrusted to distribute. If such sufficient precautionary measures are not taken by the trustees, the charity is in danger of losing its charitable status, its funds are in danger of being frozen – and its trustees are exposed to the possibility of being accused of financial mismanagement or even of supporting terrorism, even though they may be innocent on both counts.

Charities who seek to relieve the hardship of the widows and orphans of Gaza, for example, are accused of indirectly supporting Hamas because, it is argued by their critics, as the democratically elected government of Gaza, it is the members of Hamas who should be providing this relief!

### **Accountability to Companies House**

Where a registered charity is also a registered company, the director trustees must ensure that the requirements of company law are fulfilled, especially as regards submitting an annual report and annual accounts. They, or the charity’s administrators, should be aware of the changes introduced by the Companies Act 2006 which are applicable to their charity, many of which have only been applicable since the 1st October 2009.

There has, for the last two years or so, been the possibility of a new legal structure becoming available for charities – the Charitable Incorporated Organisation (CIO),



which would enable a charity to be recognised as having its own legal identity, and with limited liability for the trustees – but without having to be registered as a company with Companies House.

The introduction of this new legal structure requires enabling legislation, which up to now has been delayed by various circumstances, including the recent change in government. Until it receives coalition ignition, this option will continue to remain no more than the possibility which up to now we have been assured every summer will be available ‘next spring’. If and when it is possible for an existing charity to convert to a CIO structure, this will be the time for trustees to consider, after seeking professional advice, whether or not this is a step which they should take.

### **Accountability to the Home Office and the DPP**

In the wake of the 9/11 attacks in America and the 7/7 bombings in the UK – and as a result of the Gulf war, the invasion of Iraq, the invasion of Afghanistan and more recently the ritual roasting alive of Palestinian men, women and children in Gaza in December 2008/January 2009 by means of white sulphur and napalm – all of which military activities combined have resulted in over a million civilian deaths – the former head of MI5, Eliza Manningham-Buller, confirmed to the Chilcot inquiry on the 20 July 2010 that the terrorist threat to Britain has increased significantly.

Although government spokespersons may blandly assert that state terrorism does not exist because it is not included in their definitions of what constitutes terrorism, civilians who have been terrorised in the course of indiscriminate military operations and who have survived to tell the tale assert otherwise – and even distant observers who have not been directly affected can nevertheless be angered and radicalised at what they see on their screens, especially if they are then accused of being terrorists simply for criticising the slaughter being inflicted further afield by their accusers. An unfortunate consequence in some cases is that they may go one step further and start imitating, albeit on a far smaller scale, the indiscriminate slaughter being perpetrated by their accusers.

During the last 9 years a raft of counter-terrorism laws have been introduced, leading some observers to conclude that the recent prevent strategy appears to have been designed to prevent Islam rather than terrorism, with every Muslim being ‘under suspicion’ of supporting or glorifying terrorism in one way or another, even if at a subliminal, unconscious level.

This situation has not been helped by the tabloid media who have been reckless and relentless in linking law-abiding Muslims to terrorism. This media onslaught has severely disrupted the activities of bona fide charities, whose trustees despise the unlawful use of violence to achieve political ends – a description which in fact applies equally to invasions initiated in order to bring about regime change (Iraq and Afghanistan), or the colonisation by force of someone else’s land (Palestine).

During the last ten years there have probably been more successful defamation actions by charity trustees (who must bring the action in person, not in the name of the charity, if the charity is not a registered limited company) than successful trials by tabloid. Two sample statements made in open court are appended to this presentation [Idris Atcha & 3 Others v Express Newspapers LTL 19/04/2010 and Ibrahim Hewitt & 5 Others v Express Newspapers LTL 23/07/2010].

It only requires one newspaper article which accuses a charity of being involved in some way in the support of terrorism to instigate an inquiry by the Charity Commission. Fortunately the fact that the Charity Commission is in a position to conduct an independent inquiry is in fact a protection for those charities whose trustees are subjected to unwarranted and inaccurate attacks.

For example the Islamic Shaksiyyah Foundation (ISF) was recently branded as being part of “a conveyor-belt to terrorism” because of its alleged links to Hizb ut-Tahrir, a political organisation – which if it did in fact advocate the use of violence to achieve its political ends would be a proscribed organisation under the anti-terrorism legislation, with its UK leadership incarcerated. As a result of this article, the then leader of the opposition asked from behind the cloak of parliamentary privilege, “how can the Government have an anti-extremist fund that results in a Labour local authority handing out money to extremists?” ( <http://www.publications.parliament.uk/pa/cm200910/cmhansrd/cm091125/debtext/91125-0003.htm#09112522000125> ). Naturally a Charity Commission inquiry ensued.

Having conducted its own independent, non-media based, scare-monger free inquiry, the Charity Commission concluded (§23) as follows: “The Commission’s assessment of the purposes and activities of the Charity is that these are acceptable for a charity advancing education within a religious ethos.”

As regards its guidance for all charities, the Charity Commission made it clear (§39) that: “The advancement of education, in a charity law context, does not have to be value free and completely impartial. Education can be based on broad values that are uncontroversial and which would be generally supported by objective and informed people. Education can also be provided in a religious context and about religious beliefs. However, the advancement of education cannot be used to promote a political or a predetermined point of view.”

And (§40) that : “In addition, it is a fundamental principle that all charities must remain independent from party politics and cannot support a political party or political ideals. This is because political parties have a full spectrum of policies, which may change. Support for a political party encompasses support of all their policies, many of which will be outside of a charity’s objectives.”

And (§41) that : “Charity trustees are entitled to be members of political parties but they are not permitted to use a charity to achieve party political aims. Charity trustees need to ensure that the charity’s reputation and independence is protected. Furthermore, the expressing of strongly controversial or partisan views on a particular

subject may be seen to compromise a charity's integrity, purposes or activities. In certain circumstances, this could make it inappropriate and in practice prevent the individual, or individuals concerned, from acting as a trustee."

[ [http://www.charitycommission.gov.uk/Library/rcr\\_isf.pdf](http://www.charitycommission.gov.uk/Library/rcr_isf.pdf) ]

There is neither time nor space to consider the current anti-terrorism legislation in detail here. Suffice it to say that while being careful to ensure that their activities cannot reasonably be construed as supporting or glorifying terrorism – whether inflicted by individuals, or groups, or governments – charity trustees should be aware that there are legal remedies for defamation (although not against Members of Parliament) and that the Charity Commission as an independent regulatory body is not committed to giving Muslim charities a hard time, but simply to ensuring that all charities operate within the law and are not involved in political activities – unless of course these activities can be demonstrated to be in furtherance of the charity's approved objects, for example lobbying Parliament to secure UK Muslim communities' ECHR Article 9 rights by providing a legal remedy if they are violated.

The Charity Commission provides protection against the misuse of "free" speech in the form of false allegations, because it is independent, its duties are regulatory and it is not required to submit to the demands of political expediency.

### **Accountability to the US Treasury Department**

Not all charity trustees are aware of their (hidden) accountability to the US Treasury Department – unless and until that is, they find themselves 'designated' by the US Treasury Department. The following explanation of what designation involves is to be found on the US Treasury Department website :

#### **Designations**

Designations are an important resource in TFI's prosecution of the war on financial terror. With them, TFI is able to freeze the assets of individuals and groups who seek out to commit terrorist acts, as well as those entities who attempt to support them. When examining individuals or organizations for potential designation, the United States works in conjunction with authorities from several other nations, and with international organizations, such as the European Union and the United Nations.

One of the primary designation tools available to TFI is Executive Order 13224 (E.O. 13224), which was signed by the president on September 23, 2001. Under E.O. 13224, individuals and entities can be designated if they meet one of five sets of criteria, summarized below:

foreign individuals or entities listed in the Annex to E.O. 13224 (E.O. 13224, 1(a));

foreign individuals or entities that "have committed or ... pose a significant risk of committing acts of terrorism that threaten the security of U.S. na-

tionals or the national security, foreign policy, or economy” of the United States (E.O. 13224, 1(b));

individuals or entities that either are “owned or controlled by” or “act for or on behalf of” those parties already designated under sub-sections 1(a), 1(b), 1(c), or 1(d)(i) of E.O. 13224 (E.O. 13224, 1(c));

individuals or entities that “assist in, sponsor, or provide financial, material, or technological support for, or financial or other services to or in support of” such acts of terrorism or those parties already designated under E.O. 13224 (E.O. 13224, 1(d)(i));

individuals or entities that are “otherwise associated” with those parties already designated under sub-sections 1(a), 1(b), 1(c), or 1(d)(i), of E.O. 13224 (E.O. 13224, 1(d)(ii)).

[ <http://www.ustreas.gov/offices/enforcement/designations.shtml> ]

‘Proof’ of such involvement in alleged acts of terrorism can be as substantial and convincing as the satellite images of an empty building which were presented to the United Nations Security Council on the 05 February 2003 by former American Secretary of State Colin Luther Powell as part of the proof that Saddam Hussain possessed weapons of mass destruction which could be deployed within 45 minutes.

Of course the main targets of the US Treasury designation strategy are the funders and supporters of those cunning and ruthless terrorists who somehow managed to install sufficient quantities of nano-thermite high explosive in the twin WTC towers prior to their being hit by two aircraft on the 11 September 2001 – in order to melt the joints of the steel girders which supported them; to bring Building 7 down in a skilfully controlled demolition without even having to fly an aircraft into it; and to jettison into thin air well before the point of impact the wings and tail section of the aircraft which flew into the Pentagon while managing to fly it on an unerring level course at high speed only a few feet above the ground as it approached its target!

Once a charity has been designated by the US Treasury, there is very little that can be done to have the charity removed from the black list. Since the Charity Commission is in communication with the US Treasury, however, and perhaps because of the special relationship between the US and the UK, a charity registered in England and Wales is unlikely to be designated by the US Treasury unless the Charity Commission is in agreement with this step being taken.

## **Conclusion**

It is important for Muslim charity trustees to have *taqwa* of Allah and love for His Messenger, blessings and peace be on him – then they will be both scrupulous and free in their charitable acts and activities. It is also important that they comply with the law governing charities, that they keep excellent and complete financial accounts and that as much as possible they avoid the possibility of even being accused of supporting or glorifying terrorism, let alone being involved in such illegal activities.

**IN THE HIGH COURT OF JUSTICE**

**Claim no: HQ10D00710**

**QUEEN'S BENCH DIVISION**

**B E T W E E N : -**

**(1) IDRIS ATCHA  
(2) MOHAMMED IDRIS  
(3) ZAKER PATEL  
(4) MUHAMMAD AHMAD SEEDAT**

**Claimants**

**and**

**EXPRESS NEWSPAPERS**

**Defendant**

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**STATEMENT IN OPEN COURT**

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*luke Staiano*

**The Claimants' Solicitor**

My Lord, I appear for the Claimants in this libel action, Idris Atcha, Mohammed Idris, Zaker Patel and Muhammad Ahmad Seedat.

The Claimants are the four trustees of the Amanat Charity Trust, a charitable organisation which has the working name of, and is commonly known as, the Ummah Welfare Trust.

The Charity, which has its head office in Bolton but operates throughout the world, has an annual charitable expenditure of around £4.5m, employing around 20 people and with a further 70 volunteers. Its major area of charitable work and expenditure is on emergency relief in developing countries. The Claimants have each worked extremely hard for many years and without any financial or other material reward to build Ummah Welfare Trust into a highly respected and significant charity, providing relief to many people across the world who are in the greatest need.

The Defendant is the publisher of the Sunday Express and the website [www.express.co.uk](http://www.express.co.uk).

The Defendant published an article on its website from 27 December 2009 until 19 January 2010 entitled "Jet Bomb Ordered by 9/11 Spiritual Leader". The article carried a series of false and defamatory allegations about the Charity.

It alleged a link between the Charity and Anwar al Awlaki, the Al Qaeda commander who is said to have been the spiritual leader of those responsible for the terrorist attacks in the United States on 11 September 2001 and who apparently ordered the attempt to blow up an aeroplane over the United States on Christmas Day 2009. The article claimed that al Awlaki is one of the Charity's "favourite speakers".

In fact, the Charity does not have any connections with Anwar al Awlaki and the Claimants have never met him and do not support or condone his extremist views or objectives. The Charity has never hosted a speech or sermon by al Awlaki nor has it invited him to speak at any of the Charity's events.

Secondly, the article alleged that the Charity accepted donations from the Islamic society of University College London in order to advance an extremist and terrorist agenda of the kind supported by Anwar al Awlaki.

In fact, while the Charity has accepted donations from the UCL Islamic Society, as with every donation received by the Charity, these donations were applied by the Claimants to relief work of an entirely charitable nature and were not accepted in furtherance of any extremist or terrorist agenda.

Finally, the article alleged that the Charity has aided the cause of terrorism through connections with groups alleged to be linked to the terrorist organisation, Hamas.

In fact, the Charity has never funded nor had any links with Hamas or any other terrorist organisation. The same applies to the Claimants. The aid distributed by the Charity and the Claimants has always been applied to wholly charitable purposes.

By reason of the publication of the words complained of, the Claimants have suffered serious damage to their reputations and severe distress and embarrassment.

My Lord, the Defendant now accepts that the defamatory words are false and should not have been published. It has agreed to join in the reading of this statement, withdrawing

publicly the false allegations and apologising to the Claimants for the severe hurt and distress caused to them by the publication.

As a mark of regret, the Defendant has agreed to pay the Claimants a substantial sum in damages, which the Claimants propose to apply to the Charity's funds. In these circumstances, the Claimants are satisfied that they have been vindicated and accordingly are content to let the matter rest.

The Defendant's Solicitor

Zot Norden

My Lord, on behalf of the Defendant, I confirm what has been said by my friend. The Defendant offers its sincere apologies to the Claimants and is pleased to set the record straight.


The Claimant's Solicitor

My Lord, I ask for leave to withdraw the record.

Signed .....  


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London  
EC4A 3AE

Solicitors for the Claimants

Signed .....  


Davenport Lyons  
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Solicitors for the Defendant

**IN THE HIGH COURT OF JUSTICE**

**QUEEN'S BENCH DIVISION**

**B E T W E E N :**

**(1) IBRAHIM HEWITT  
(2) ESSAM MUSTAFA  
(3) SHAHAN HUSAIN  
(4) GHASSAN FAOUR  
(5) ISMAIL GINWALLA  
(6) MOHAMMED RAFIQ VINDHANI**

**Claimants**

**and**

**EXPRESS NEWSPAPERS**

**Defendant**

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**STATEMENT IN OPEN COURT**

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**The Claimants' Solicitor**

My Lord, I appear for the Claimants in this libel action, Ibrahim Hewitt, Essam Mustafa, Shahan Husain, Ghassan Faour, Ismail Ginwalla and Mohammed Rafiq Vindhani.

The Claimants are the trustees of the Palestinian Relief and Development Fund, commonly and publicly known as Interpal.

Interpal is a long established charity, registered in the United Kingdom with the Charity Commission. It is a non-profit organisation that works with international funding partners and partners on the ground to provide relief and development aid to Palestinians in need; it assists in the provision of essential humanitarian relief, education, health and medical services and community development.

The Defendant is the publisher of the Sunday Express and the website [www.express.co.uk](http://www.express.co.uk).



The Defendant published an article on its website from 27 December 2009 until 15 January 2010 entitled "Jet Bomb Ordered by 9/11 Spiritual Leader". The article concerned the terrorist attempt to blow up an aeroplane over the United States on Christmas Day 2009 and the purported links to the Yemen-based cleric and alleged Al Qaeda commander Anwar al Awlaki. In this context, the article stated that Interpal was " Hamas-supporting". As such, the article would have been wrongly understood to mean that the Claimants provided support for Hamas, notwithstanding Hamas is deemed a terrorist organisation, and thereby were aiding terrorism.

In fact, neither the Claimants nor Interpal support Hamas. It would not enjoy its charitable status in this country if it supported Hamas. Under UK terrorism legislation Interpal would be banned were it found to have any such links.

By reason of the publication of the words complained of, the Claimants have suffered damage to their reputations and distress and embarrassment.

My Lord, the Defendant now accepts that the defamatory words are incorrect and should not have been published. It has agreed to join in the reading of this statement, withdrawing publicly the allegations and apologising to the Claimants for the hurt and distress caused to them by the publication.

As a mark of regret, the Defendant has agreed to pay a substantial sum in damages to the Claimants, which the Claimants propose to apply to Interpal's funds and charitable purposes.

#### **The Defendant's Counsel**

My Lord, on behalf of the Defendant, I confirm what has been said by my friend. The Defendant offers its sincere apologies to the Claimants and is pleased to set the record straight.

#### **The Claimants' Solicitor**

My Lord, the Claimants are satisfied that they have been vindicated and accordingly are content to let the matter rest.