

FATAWA MISCELLANEOUS 2013-2015

From: Esam, OnIslam.net Fatwa desk

Sent: Wednesday, February 22, 2012

Question: can Sukuk finance government budget?

From: Tarek – Egypt

As-Salamu `Alaykum, Dr. Monzer. We recently read that Egypt was considering issuing around \$2 billion worth of Sukuk to help fund its development projects and bridge the gap in its currency reserves. This option was announced by Dr. Hussein Mamid around one week ago according to this report:

<http://www.onislam.net/english/news/africa/455802-egypt-turns-to-sukuk-to-save-economy.html>

My question is I understand that Sukuk could be used to finance private sector projects on a profit sharing basis, but can Sukuk be used to finance a country's budget deficit and not be considered a form of usury (Riba) from the point of view of Islamic Law?

And how does Sukuk work exactly that makes it different from traditional interest-based finance?

Jazaka Allah Khair

My Answer

Final word to this question: Sukuk have advantage over treasury bills in that they can only be issued for real projects not simply to cover deficit. They have a ceiling which related to real economic activity in the economy.

Of course if you take the opinion of the "some scholars" this advantage is lost because you take existing assets and issue Sukuk on them once and again and they are already there meaning there is no new real economic activity.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Mashaly

Sent: Sunday, October 31, 2012

Question: network marketing

Dear Dr. Monzer Kahf

I am asking about a Network Marketing company Quest International, they have a binary plan, to join the company and be a Representative a person must buy one or more of its products like Watches, Jewelry, Vacation packages, Wellness and Energy products.....etc. For a Representative to be able to earn commissions he must have 2 persons buying a product as direct referrals to him one on his left and one on his right. When he has 3 on the left and 3 on the right direct and indirect he earns 250 USD and it continues this way, is it Halal ? And what if someone is joining for the commissions and not the product ? And for more details about the compensation plan please refer to the attachment. Wa gazak Allah ana Khair.

For more info : <http://www.qnet.net/>

Best Regards,

Mashaly

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Mashaly

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

I have given my opinion on this kind of trade many times on Islam on line and on my website.

There are several points that make this kind of trade to me not acceptable from the point of view as I understand Shari'ah:

Sale of golden items must be with immediate delivery of both price and item at the time of contract. This is not done.

Their prices are highly inflated. They are not fair prices.

The commission system may be permissible for customers your bring but it should not apply down the chain, what did you do for the others?

There must be full transparency in the commission and prices.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Muhammad

Sent: Saturday, December 29, 2012

Question: Trading carbon credits

AOA,

I have attached a file on carbon credits for your information. kindly give fatwa on carbon credits and its trading. regards,

Muhammad

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Muhammad

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

I know what is carbon credit and how do they deal on it. but I don't give Answer to a question on the basis on my knowledge or on the basis of attachments or websites.

If you want to ask me a question please write it down in the email and I will try to answer you according to what I know and the question you ask.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Dear Mr. Monzer Kahf,

AOA,

Thank you for email. I had send info on carbon credits just for help. I want to ask the following:

Question: What is view of Shari'ah on carbon credits? Is trading of carbon credits Shari'ah

compliant? regards,
Muhammad

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Muhammad

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

You were asked to describe the transaction. You did not

If you mean the sale and purchase of parts of the quota right to pollute the air by carbon-based gases exhausted from industries as described in the quotas of the Kyoto Protocol then My answer is: IT IS HARAM TO SELL THIS QUOTA AND HARAM TO BUY AND IT IS IMMORAL TO ALLOW IT IN ANY COUNTRY. The objective of this quotas is to reduce pollution not to allow a given amount of pollution.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Fouda

Sent: Friday, March 22, 2013

Question: Adjustment of markup in Murabahah

Assalam Alaykum Wa Rahmatu Allah Wa Barakatuh

Dear Dr. Monzer,

I found the attached "fatwa" while I was surfing in one of the version of Al-Azhar magazine. The inquirer is asking -as you will read- that due to the deterioration in currencies and inflation, is it possible to agree within the terms and conditions of the Murabahah contract to add a term to review the Murabahah markup/rate of return regularly by independent 3rd party accepted by both contracting parties, with maximum defined range which is 2%? In order to compensate the increasing rate of inflation...etc.

As you may see, the answer was affirming the possibility of having such treatment within the Murabahah contract due to necessity and to preserve the general interest of both contracting parties.

In my humble view, this is not right as it violates the nature of the Murabahah contract that has fixed pre-agreed return. Instead, the contract can be done from the beginning as Ijarah ending-with-ownership while the rent rate can be linked to the central bank interest rate or whatever.

Is there any way to revise a Murabahah contract after concluding it due to severe economic situation like inflation or currency change out of war -like Iraq- in order to compensate or mitigate such severe impact, as an implication of Shari'ah Objectives.

Sorry for any inconvenience caused. Best Regard,

Fouda

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Fouda

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Thank you for bringing this to my attention.

I fully agree with you that this Fatwa is incorrect as it contradict the essence of sale which require full knowledge at the time of contract of price and object.

This Fatwa opens a very dangerous Pandora box instability in contracts and more conflict between transactors. Suppose the inflation rate became high to a level that cannot be afforded by the buyer (notice that incomes don't usually increase at the level of inflation) such increases will be disastrous for him! besides the Fatwa talks about price of the goods, suppose prices changes without inflation, does the buyer go back to change the return on such contracts, also where is the justice with those who pay cash? Etc.

You did not mention any date on this fatwa, it is wrong! It does not take into consideration all the implications that may arise out of it.

The alternative that you suggest is correct of course. We all know that Murabahah does not suit for long term installments, it is ok for short and medium term up to a max 4 to 5 years. Ijarah is definitely better for long term. In it you can change the rate of return as time goes by.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Esam, OnIslam.net

Sent: Tuesday, April 16, 2013

Question: Under debts and not able to save

As-Salamu `Alaykum. My name is Rowda. I have a very important question regarding my Rizq. I have loans and in debt of student loans about 20, 000 dollars for a program that I took but did not complete because it was not for me. I made a lot of mistakes in my life not saving my money properly and spending extravagantly. I am in a serious financial problem; my income went down drastically to the point where I have no money in my bank account. I've been looking for a job now about 9 months and I can't seem to get a job.

I am not getting any financial assistance from anyone. My family doesn't want to help me. I have been begging and pleading to Allah and I have been praying my prayers. But my condition is not getting better.

What can I do in my situation to better my financial problem? How can I save money and pay off my loans without being in a financial squeeze? If you can, please, answer my question back to my email as I can't attend the webinar tomorrow. I am in desperate need if you can possibly give me some advice in how to make some end means on paying my bills if I have no income coming in?

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Rowda

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Honestly speaking I can't give you any advice! You just need to be more responsible. Nothing more. Try to change your habits of dealing with everything around you. Make a drastic change. Move to another city, find a manual job like a taxi driver or a cleaner in a building to make you feel that earning is hard to get and must be also hard to spend. This is the way you can save, change your mentality and attitude and surrounding.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Sent: Monday, April 29, 2013

Question: Investment opportunity on Ijarah or Murabahah

As discussed, my investment club currently have an investment proposal on our table.

The proposal came from another company intending to buy a Volvo truck and rent it out to be bringing monthly return using DM

In this kind of investment, the monthly return is not fixed hence might not be able to determine how long for the asset to bring inn return that will be sufficient to pay our equity and profit.

This mean that the company will have to pay us from another source different from the return generated by the asset, is this allowed under DM?

Another option we are thinking is to use Murabahah (cost plus), in which my investment club completely finance the asset, but my investment club does not have enough fund to finance the asset.

Based on this, we taught of partnering (in a separate contract) with the owner of the SAME company to finance the asset for the company, then add our profit and expect the company to pay back over a period of time. Is this allowed Islamically?

Above all, we would like you to advise us on the best approach that is Islamic considering the fact that we do not have enough fund to solely finance the asset and the owner will not mind to partner with us to finance the asset for his company, but the two arrangement will come under separate contract.

May Almighty Allah Guide us aright (Ameen)

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Isah

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

If this is a project that you belief is economically good for your objective (here you should be very careful that you have done necessary study about the project ability to generate desirable income above its cost), you can select either of three routes, all are permissible. 1) buy the truck on installments, the price will normally be above cash price. This is permissible, then from its return you can pay the monthly installment. This is a kind of cost plus. You can buy it all or partner with any other person/company; 2) lease purchase it. i.e., you buy a small part now and lease the rest with a promise to buy a small part each time you make a payment. your monthly payment then consists of two parts; one part is rent and one part for purchasing an additional small proportion of the truck, this continues until the price is paid up completely. 3) you can buy a part of the truck and create a partnership with the owner to invest it together on profit

and loss basis, each month you divide the profit between the owners in proportion of capital distribution. You can add an option to buy the remaining part of the truck whenever you can accumulate any amount to do so.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Sent: Saturday, May 18, 2013

Salam Ustazna, Here is one more question:

Question: Economic inequality

From: Manuelo

I do have a question about this economic inequality in this country of mine.

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Manuelo

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Your question is too general that it cannot be answered as it is, please be specific so that I can answer your question.

The Islamic system does not penalize high net worth individuals and requires taking care of the low income or low net worth persons.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Esam, OnIslam.net

Sent: Tuesday, June 11, 2013

Question: Writing A Guide to Purchasing Decisions

Salam Alaykum Dr. Kahf,

I am a student working in a Property Development branch of the government. I work for a team that manages assets, primarily buildings and land.

One of my tasks is to write a manual on how to use a Microsoft Excel tool to determine which properties are most suitable to develop. The issue here is that the calculator deals with interest, and comparing which buildings cost the least to develop with the best value. It also determines if it is cheaper to own a building or to lease it (in both cases, data on the interest is used in the calculation)

I have not written the calculations themselves, and all data regarding the interest rate and building cost are pulled from another site.

My worry here is that writing this guide will be considered the same as helping a financial transaction that involves interest.

Please help,

Aaron

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br.

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Using interest in project evaluation is permissible. It is not Haram at all. We must realize that we live in an economies overridden by interest. If we were in an Islamic economy there would be no interest to use as a benchmark. This use in evaluation is not Haram at all, what is Haram to to contract a loan/debt for interest in any form. As long as your company and your work in it does not involve any interest-based contract.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Esam, OnIslam.net

Sent: Wednesday, July 31, 2013

Question: Lessee opened a bar in my rented house

Salam Ustazna,

Could you kindly reply to the following question from Ali?

Assalam Alaykum. I have question that is: I have a house and I rented it to a Christian man where he opened a bar. Moreover, I provide him with power which he uses for fridge to make bear cold and he pays me money every month. So, is this money halal or haram? May Allah bless you.

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Ali

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

If you rented him without any conditions, knowing that he is not Muslim (or a Muslim who sells or manufacture bear), which limit his use of the house, also if you gave him a power of attorney on the house without restricting the use of the property you are then a part of sale and manufacturing. Our beloved Prophet, pbuh, informed us that ten functions are prohibited with regard to alcoholic drinks one on them is selling it and another is manufacturing it. besides sale of liquor makes its price also Haram and your part of the price is also Haram. You must give it to Muslim charity for distribution to poor and needy. If part of the house is used for his residence, the rent of that part is not Haram although he may drink inside it because a residence is rented for living in it and drinking is only incidental.

If you rented for residence and he violates the condition you must prevent him from that even through courts but the rent is not Haram until the use of the house is rectified.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Mohamed

Sent: Sunday, August 04, 2013

Question: buying a business

Assalam Alaykum wa Rahmatu Allah

I'm a dentist in USA, and Alhamdu le Allah, I'm working fine and has been working for someone for 5 years, I started to think to buying a business "a clinic" of my own, but I have to take a loan for that from the bank is that permissible? Thank You

Mohamed

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Mohamed

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

I believe this is Haram. I know the need for it but I also know that as a dentist you will find better contract such as lease purchase for all the machines and lease an office. Bo buy an already existing business there are contracts based on installment payments even at a higher than the cash price, many retiring dentist prefer it over cash sale for the purpose of reducing capital tax. There is no necessity for taking an interest loan.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Assalam Alaykum

Thank you for your answer, but I think you got the wrong picture or misunderstand the issue When I buy a practice I don't mean the real estate itself, I mean the patients charts and goodwill, so if the practice is already existing and owned by another dentist, what I'm paying for is the patients charts so say the goodwill worth 500k Now for all the dental supplies we do lease, and most dentist lease their space, only few get the opportunities to buy the condo, which is better for stability So now, I'm looking at this clinic, the charts alone is 500k so I need to take a loan for that, I'll lease the instruments and he might sell the condo to me as well for 425k Please advise Let me know if I need to clarify anything Thank you.

My Answer:

No I did not misunderstand it. this is exactly what I meant. Notice that some dentist owns their machines too and some lease them. it is the business that is very often sold on installment because of tax purposes and all new dentist do that (buy on installment)

From: Hossam

Sent: Wednesday, October 23, 2013

Question: options in health and accidents insurance

Salamu Alaykum Dr Monzer

May Allah reward you for your assistance.

I have two questions

- My company offers a "Flexible Spending Account" plan (here <http://en.wikipedia.org/wiki/Flexible_spending_account>). Here is how the plan works. The

employee estimates their medical spending during the year (say \$1000). Then the plan deducts 1000/12 amount from their paycheck every month (so that by the end of the year they would have paid all \$1000). During the year, the employee is allowed to spend from this \$1000 towards their medical expenses. The benefit of the plan is that the \$1000 is tax deductible. That is, the employee does not pay taxes - a saving of potentially 30-40% ... However, if the employee ends up spending less than the \$1000, then this money is not refunded back to the employee (they lose this money to the government) ... To overcome this, usually the employee can identify an amount that they feel comfortable they will spend during the year. If the employee spends more than that amount, this is acceptable, but will be a normal taxable payment. Is this acceptable Islamically ?

It seems there is nothing Haram in this arrangement. If I were in this company I don't like to take because it seems kind of complicated and too much interference in my own liberty

- My company also offers an "Accidental Death Insurance" (more info here <http://en.wikipedia.org/wiki/Accidental_death_and_dismemberment_insurance>). Basically the employee pays a small amount every month (say \$10). If during the course of one's employment, the person dies, then the family is paid a lump sum amount. This amount is usually related to the employee's yearly income (say one year' salary). Is this an acceptable insurance policy ?

This is permissible in America if needed, but for this price and in a group insurance it seems a little expensive!

May Allah reward you

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Hossam

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Hossam

Sent: Monday, December 23, 2013

Question: Organ donation

Salamu Alaykum Dr Monzer

I realize this is not an economic question but in case you are able to help:

is it OK to sign my name as an organ donor in the driver license ? this means that if I have a deadly accident, that they can use my organs for other people.

please let me know

thanks

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Hussam

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Yes, it is permissible except for the sex organs. Benefiting another person, Muslim or not Muslim alike, is rewardable by Allah.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Musa

Sent: Wednesday, December 25, 2013

Question: Taking A Loan from Haram Wealth.

Assalam Alaykum dearest brother.

I'd like to ask you for your knowledgeable view upon my situation.

I live with my mother in the UK and have been living away for nearly 10 years before coming back to live with her. I was in difficulty financially so I asked my mother if I could stay with her to get myself sorted and she agreed.

My work experience is not great and there are many gaps in it. I haven't really focused before on anything, and that is why the sort of jobs I've done in the past have paid minimum wage and were always lower ranked type positions. My education is college level, not university. But generally, my academic background is not great.

I now need to look for some work. My mother rents two of her rooms out in her property and I get a portion of the rent which allows me to get by month to month, but there is a major problem! I recently learnt that all her wealth is haram and not just some of it!

I hate to admit this to you, but her haram wealth has been acquired by lying, deceiving, cheating, fraud and even the stealing of clothes for which she used to refund back to the store and obtain the money! We know she worked in a couple of betting agencies back in the late 70's and 80's, but we were very young then. We also know she has constantly moved her money from bank to bank for the purpose of acquiring interest investment.

The house I grew up in (where I am now) was bought with haram money! Therefore, I'm assuming the money that I get from her every month is haram too? This is really hurting me!

So this is my situation. I haven't a job as yet. My work history and education is, to a degree, disjointed and I live with somebody who doesn't care about whether something is haram or halal. No shame whatsoever.

My mother has a lot of money brother. I sometimes wonder whether she could have made all this money by haram means, as it's so much, but as she has a secretive and ambiguous personality who lies incredibly, it's easy to doubt! May Allah forgive her!

My question is:

would it be allowed to ask her and then accept a non-interest loan from her wealth, so that I could buy a cheap property to live in or make a profit from the property? It would give me a head start in life and would allow me to address my education and it would help in business. I don't like the idea, but it seems like the only way for now. Am I considered one who falls under necessity, even though she has provided a roof over my head, but I don't feel 100% secure with her, i.e. I need stability.

There are Islamic banks here in London, but as I am not working and earning substantial amounts of money, my mother is my only hope.

Please would you shed some light dearest brother.

JazakAllah Khair.

Musa.

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Musa

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

First do not be too harsh on your mother. She may in fact be a lot better than you describe and most of what you said should not be accepted without hard evidence.

If you are sure her wealth is all Haram, then go and work on your own and struggle hard to do better. Take the advice from the example of Tariq bin Ziad, the leaser who opened Spain when he burnt all the ships which carried him and his army to the European side of the Mediterranean sea and told his troop: here you have no way back you must either succeed or die.

Go and work on your own without a loan from anyone. If her money is all Haram, it is also Haram to take it from her and to accept to be nourished from it especially that you are adult.

If her money is not Haram you may take a loan from her and accept food from her too.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Sent: Saturday, March 29, 2014

Question: Expatriate doing Business in Saudi Arabia.

Assalam Alaykum Monzer,

I have contacted you 1 year back for a doubt on an Islamic Fatwa.

I am an IT professional from India working in Saudi Arabia and have another doubt.

Is it permissible to do business in Saudi Arabia as the government is against the business done by expatriates. Most of the expatriates keep a Saudi Kafeel as an owner of the shop and do business in the back end. And the sponsor will be given some amount of money monthly.

My question is whether we are allowed to do such business in Islam and is the income earned halal ?

And moreover we cannot transfer this money earned through banks. I have to find some other setup to transfer money. This is very common among the expatriates here.

I would like to know the Islamic views on this. Thanks,

Ahffan

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. AHFFAN

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Preventing expatriate from making business in a country is a choice that some government take. This has no Shari'ah stand, it is a purely civil matter which has no Shari'ah implications.

Government may impose such measures. You may also violate it as it has no Shari'ah value. It is

like setting speed limit at 80 kilometer or 85 per hour. It is permissible to set it at any suitable point, and permissible to impose fines on violators. It is also permissible to violate and escape the fine provided one does not make any lie in any report, instead of lies one may use words which are not definite or clear. In brief: it is permissible to make this law and to violate it. it is also permissible to impose fines on violators and permissible to use means and ways to escape such fines.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Ibrahim

Sent: Friday, April 11, 2014

Question: Settlement of business dispute

Assalam Alaykum Dr. Monzer,

I purchased a bedroom for my daughter form a furniture store. It was not delivered complete. I had to wait almost for more than one month to receive the bed. When I finally received the whole set, it had some defects. Over 8 months the furniture company ordered the parts and made appointments sending a repair technician and for three times they order wrong parts. I complained to customer service and asked for a solution. They offered me the following: option #1: to send me new pieces of furniture to replace the defected ones with the option to keep the defected pieces if I wish, option #2: to give me back \$200 from the original price and keep the pieces with their defects. Am I allowed to go with any of these options according to Shari'ah. Also, am I allowed to ask them for some sort of compensation for the frustration, delay in delivery and inconvenience of having to schedule several appointments (almost five or more appointments) over the past year dealing with this issue? I talked to them and about this and they promised they will send me some sort of a gift card to their store. I am not sure if it is allowed to take that gift card.

Jazaka Allah Khayran

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Ibrahim

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

All that you mentioned is permissible. It is permissible to ask for compensation of the anxiety, the trouble the lost time, the frustration, etc. as long as it is settled by agreement between the two parties consensually.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Amadu

Sent: Sunday, April 20, 2014

Question: Compensation Calculation Based on Interest

ASSALAM ALAYKUM WA RAHMATU ALLAH WA BARAKATUH

Dr. Kahf I pray that you are doing well and further pray for Allah's blessings on you, your family, and loved ones.

My father had a contract that was delayed by our government initially and then subsequently re-awarded to an international firm. Due to this we are about to go to court.

Because Islamic Finance is not recognized in my country, we have had to use the accepted mode of calculating compensation which is interest based. My dad insists that I help him with the calculations and though I am doing it, I am not sure what the status of such an action is and I am thus fearful.

Please advise.

BarakaLaahu fiik.

Amadu, Ghana

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Adamu

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

If you believe that this is right and correct and your father deserve compensation, it doesn't matter how the compensation is calculated and under what laws you acquire it. in this case you may help in defending it.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: ola

Sent: Saturday, April 26, 2014

Question: Trevo: full dynamics, goods offered, business model, chain structure, compensation

Assalam Alaykum Wa Rahmatullah Wa Barakatuh,

Sir, I thank Allah for blessing our Ummah with a resource person and pray that Allah keep you beneath His banner of Grace.

Please I would like to make a very big request regarding a multi-level Marketing company that I just joined TREVO AFRICA CONCEPT LTD.

Their product is actually useful and lifesaving based on testimonies from Muslim brothers and others who used it personally though the product is kind of expensive.

Also, the company have been redeeming all their promises and my down lines are doing well both those who are consuming the product without inviting to it.

I want to seek your utmost indulgence and assistance by going through the attached compensation plan of the company and advise thereupon whether to continue or back out.

Jazakum Allahu Khairan

Ola

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Ola

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

I believe that this business model is not Shari'ah compliant on three grounds: first, it is in reality founded on excessive pricing of the object of sale. Second, this six and eight layers of commissions have no moral justification at all. There cannot be a moral justification for a person whom you have no relation with at all down the line, that you gain commission as a result of his efforts, and third, there is an implicit deceiving in inviting a person to enroll while you really are the main beneficiary from what he buys at high prices. Such invitation morally requires disclosure that the price is inflated and that 40% of it goes to the inviter himself!

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Sir,

Assalam Alaykum WarahmotuLahi Wa Barakatuh

I appreciate all your time and efforts towards guiding brethren towards what his lawful, may Allah reward abundantly.

Please I would like to shed more light on some grey areas which you have highlighted:

* As regards the Pricing of the product (TREVO) is a unique food supplement produced solely by this same company and sold directly by the company at a uniform price in dollars to all customers or at discounted rate to marketers. Only the company knows the cost of production as such knows what price to sell.

* On the issue of the commission gained on down lines (generation 1 to eight) without efforts, part of my down lines are my wife, my aunt, my friends, and the friends of my relatives most of whom I have spoken to personally on the benefits and strategies on how they can improve on this business. some of my second generations I have to buy the product for them and then deliver to their door steps at no extra cost except commission paid to me by the company, long phone calls at my expense just to make sure they are doing well on the business. I also have plans to organize seminar for all my down lines which I have told some of them about it. these are my personal efforts to make sure they are not left alone.

* There are two ways of dealing with the company; either as a final consumer who wants to register with the company as a retailer but will consume the product by himself because he will be buying it at a discounted rate OR as a retailer who will be consuming the product, selling the product to other end users and also be inviting others to be a retailer and inviter like him.

* About deceiving someone to buy at high price, or not given full disclosure about 40% going to the inviter. I usually give as much as possible information (disclosure) to my invitees about my benefits (commission on their registration and subsequent purchases by them) if they join which will also be their benefits when they also invite others.

* I usually give as much as possible information (disclosure) to my invitee about my benefits (commission on their registration and subsequent purchases by them) if they join which will also be their benefits when they also invite others.

* In Nigerian Currency: retail price of a bottle of the product is sold for =N12,000 (everywhere/fixed price), registration with 3 bottles = N36,000 (discount of N2000), subsequently, the registered member will purchase same 3 bottles at the rate of N23,400.

* Initial registration covers = 3 bottles of the product, a website business management

system, carrier nylon bags and resource material about the product and compensation plan.

Thanks a lot for your time and concern.

Jazakum Allahu Khairan

My answer:

This info does not change my Fatwa on it, I am afraid you are becoming too emotional about it. I advise you to avoid it. the whole thing may even be phony, there are several such companies which came and disappeared over the last 20 years.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: shahat

Sent: Monday, June 02, 2014

Question: Query about predictions of the mathematical models used in economics

Dear Sir,

Assalam Alaykum. Hope you are doing great.

Sir, I have completed my bachelor degree in economics. I went on doing a master degree in a field of economics from one of the top schools in Europe. I have become really confused about something and I think you are right person to answer my question.

My question is the following:

I know Astrology is forbidden in our religion as through this future is predicted. Now in economics we develop mathematical models and those models also predict. Of course we take those theoretical predictions to data using econometrics and sometimes the predictions don't hold and we go back to the theory to see what we missed.

Also, sometimes we also use econometrics only to forecast economic variables. You definitely know these stuff far better than me with a PhD from Utah under your belt.

Are mathematical modeling of the economy and the predictions we get from the models allowed in our religion? Is it the same as knowing the future from the stars as in Astrology or through Jinn? Could you please give reference from the scripture for your answers? I am planning to do a PhD in economics in a top school and I could not study for the last few weeks for this confusion of mine. I am really suffering a lot mentally and can't concentrate on anything.

I looked into a website for the fatwa where I found a somewhat similar question on if weather forecasting falls under Astrology and thus forbidden in our religion. The scholar replied that weather forecasting does not fall under Astrology as people use scientific method and experience to predict weather and it's not the same as fortune-telling.

I am really sorry for the very long email and thanks in advance.

Shahat

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Shahat

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Scientific forecasting is founded on educated guess. This is not astrology or seeking help from

Jinn. Most of the forecasting models are very helpful in policy making. This is something to the benefit of humanity. This is definitely permissible.

The Prophet, pbuh, made such an estimation of the number of enemies in the battle of Badr on the basis of info he collected from different people. that helped him plan and prepare his soldiers. In a better way.

Go ahead and excel in economic forecasting and modeling so that you can help the economies of the Muslim countries

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Esam, OnIslam.net

Sent: Thursday, June 05, 2014

Question: Network Communication Companies

Salam Ustazna,

Here is one more question:

Assalam Alaykum. I m a Nigerian. In my country we have different network communication companies like MTN, Glo, and others. These companies used to give people access to buy recharge card on loan i.e. buying credit on loan.

My question is that they use to remove 10 percent out of the money or borrowed from them whenever someone recharges. Is this permissible in Islam? Or what can we call this? Is it considered as paying interest in Islam?

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br.

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

If I read your question right it is as follows: when you recharge on credit (giving you time to pay, what time you did not say) the debit you for say 1000 Nira and give you credit on the phone Nira 900.

If it is this way, this 100 is definitely Riba and therefore prohibited to enter into this transaction. The credit on your phone is a kind of advance payment for phone calls whose actual cost is not yet known, it will be known and charged at time of actual use. In other way the deal is debt for debt with 10% difference. This is exactly what Riba is.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Sharafe

Sent: Friday, June 06, 2014

Question: Asking about Source of Money

Salam,

A good friend of mine is looking to take on a ~\$14M construction project; he doesn't have

enough funds to finance it all himself and he's avoided Riba thus far and has no intention to fall into it. He's wondering: if he gets investors on board, is there any obligation on him to ascertain the source of their funds? There are a number of people who may choose to invest significant sums of money; however, some of them may get their money as interest-based loans from banks and he's uncomfortable having their names on the land title etc. Allah make the halal sufficient for us and make us independent of all but Him!

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Sharafe

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

I believe that asking a person or a Muslim about source of his money is not only wrong but it makes an invasion of other people's privacy which is not permissible in Islam. We deal with all people in good faith and they are not accused unless we have a clear evidence that the specific property/money given, as a price or as an investment is in the hand of the giver illegally. Of course if we are required by law (as in the case of money laundering laws) we should obey the law. Asking or checking about source of money is a pure interference in other person's business and aggression on respected privacy. Shari'ah does not accept it or allow it.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Samira

Sent: Sunday, September 28, 2014

Question: Setting a price for option to buy additional quantity

Dear Dr. Kahf,

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Hope this email finds you well.

I wonder if you might help me out with this. In the second paragraph of the " Purchase and Sale" clause of the appended document, is the fixing of the sale price at 20 Riyal is appropriate from a Shari'ah perspective? I understand that this is not a sale transaction neither is a promise to sell but rather an option left for the buyer's and the seller's discretion to carry out should any of them so decides, therefore, there should not be an issue. When the parties decide to carry out the option they will get into signing a new contract for the stipulated price that was fixed earlier

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Sr. Samira

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

It seems to me a sale at QAR 20. It is compliant.

The option for another 90 and up to 180 is at a price determined later according to the evaluation as agreed. It seems is permissible to as a sale at market according to Hanbali school.

Wa Allah A'lam
Wa Alhamdu Lillahi Rabb al Alamin
Wassalam
Prof. Dr. Monzer Kahf

From: sharif
Sent: Wednesday, October 01, 2014

Question: Charging a colleague for hours covering him, buying a house

Assalam Alaykum,

Just want to ask you that when I am doing an extra shift in my own hospital, the other locum doctor told me that he is not that well & he advise me that if I let him go home for few hours then he would pay me some money from his locum money. I did some work for him when I was free of my work. Is it ok to take that money as per Islamic law ?

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Sharif

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

If you work for him you can take money from him, but why don't you make it in the open and he takes leave for these hours and you formally step in with the record and be paid by the hospital?

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Thanks for the reply, I meant to say that We both were on call & we were doing locums & during that he went 4 hrs. early saying that if I cover his work he will pay me certain amount, I want to know whether is it ok to take that extra money or not ? Jazakallah
sharif

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. SHARIF

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

If you are on call together and you did not put additional hours for him why should you charge him? friend always help each other in such cases not on payment basis. But if he wants to escape responsibility out of laziness or genuine desire to earn without putting the necessary effort you should not help him do that.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

Asak,

Jazakallah Khair for the reply.

Can I trouble you with another question. I am planning to buy a property to live in UK, where I live currently. Is it ok to go for mortgage from any bank or just Islamic bank of Britain as they say it is rent we pay as installments but still they have fixed rate of calculation of that ?

Sharif

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Sharif

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

The idea is not to promote any Islamic bank but to abide by the prohibition of Riba. Riba is Haram and made so with very strong emphasis in the Qur'an and the Sunnah. Islamic banks usually offer either Ijarah to own or Murabahah, both are permissible. If you don't qualify for finance from an Islamic bank, you may take other if your family strongly need the house for children raising, upbringing and schooling, etc. But if you can fulfill the conditions of Islamic banks you should not go to others as much as you can.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Anoop

Sent: Monday, June 08, 2015

Question: I gave a loan to a friend and he bought wine

Thanks for the answer. I have another question in my mind. I recently gave some money to a Christian friend. After giving only he told me that he is going to the wine shop. After coming back he gave me the money back. Am I allowed to use this money? I am thinking that I bought wine for him and he gave me some money in return.

If I must give the money in charity, am I supposed to give it to the mosque? Or can I give in charity through my credit card? I have doubt whether it will spoil my credit card account because I am paying the card after the money reaches the one who is meant to receive the charity. Thanks

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br.

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

You gave money to a friend and he returned it to you; this is the story. Why do you add what he did or what he did not? And why do you question what other people do? That is not any of your business.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam
Prof. Dr. Monzer Kahf

From: Habib

Sent: Monday, July 13, 2015

Question: Micro Maqasid of finance contracts in Shari'ah

Dear Br. Dr. Monzer,

Assalam Alaykum. I hope and pray you are well and in high spirits during the blessed month of Ramadan.

If I recollect it correctly, in one of your writings you indicate that micro-maqasid in contracts are achieved when the stipulations of the contract are fulfilled. I was wondering if there are any references (other than yours) that supports this assertion. The other issue is that if what you mention is true, then is the implication that when certain stipulations are not fulfilled, then the contract does not fulfill micro-maqasid. This may, however, be contradictory to some who assert that some stipulations can be relaxed on the basis of maqasid.

As usual your response will be highly appreciated. Thanks and best regards,

Habib

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Prof Habib

Assalam Alaykum wa Rahmatu Allah wa Barakatuh and Eid Mubarak

It is always nice to hear from you even when it expressed a misunderstanding!

What violates Shari'ah is not any stipulation but any stipulation that obstruct the objective of the contract. this is called Muqtada al Aqd مقتضى العقد. example: sale with a condition of no delivery or marriage with no consummation/intimacy. I argue that Tawarruq violates Muqtada al Aqd because although there may be delivery but delivery in sale is intended to obtain the commodity in reality for use, or similar purposes, Tawarruq has an untrue delivery, formal only. Rejection of any violation of Muqtada al Aqd is unanimous, you find it in all elementary Fiqh books.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Habib

Dear Br. Prof. Monzer,

Walaikum Assalam wrt wbt. Thanks for your prompt response and clarification. I think that while for a simple sale contract the Muqtada al Aqd is relatively easier to understand, it may not be so for other contracts such as Mudarabah or Ju'alah or more complex contracts used in Islamic finance. Another issue may be that how can one decide what the Muqtada al Aqd are in different contracts as there is no consensus on them (as far as I know).

I also take this opportunity to wish you and your family Eid Mubarak.

Wassalam,

Habib

My Answer:

No Brother, Muqtada al Aqd is the obvious thing from it. In Mudarabah it is making profit and in Ju'alah it is achieving a job, etc. it is the main objective from it that is immediately implied by the contract. like in Mudarabah a condition of not handing the money to Mudarib is not valid.

From: zaki

Sent: Monday, July 20, 2015

Question: Trading Domain Names

Assalam Alaykum Dear Dr Monzer Kahf,

I am Zaki from India

I have question on Islamic finance related thing, I request for your answer.

Is Buying Expired Domain Name for low price and selling for very high price (100+ times of purchase price), Halal or Haram ?

is it allowed to change the price based on who the buyer is (small company with small budget vs. big company with big budget)

Domain Name will be available for as low as 3\$ to 20\$, is it allow to buy them and then sell for a very high price of up to

1k\$ to 10k\$ and even higher. (which is more than 100+ times the actual amount paid for purchasing the Domain Name)

Few angles to look into this are.

1- Its not 100% guaranteed that the Domain Name will sell, there may be some interested buyer but not guaranteed, Is it not like gambling, if we buy 200 Domain Name and try our luck, as if 2-3 names out of those 200 names are sold, it's enough to make good profit

2- Selling price may be decided based on the who is the buyer, sometimes small company if they want the domain name, we can think of selling them for lesser price, in some cases if very big company wants the domain name selling if for very high price, is it allowed to change the price based on who is buying

3- Domain Name can be purchased for 1 year to 10 years, one have to renew the domain name every year paying almost the same price 5\$-20\$ to continue the ownership, it's not like onetime payment to own it lifelong.(that's why Question starts with buying expired domain name, if previous owner does not renew the name, it become available for general public to register)

4- Not limited to expired domain name but also Buying new Domain Names also which is trending (new words, new product names etc.) example Selfie etc.. the Domain Names which were never registered up to now or expired.

5- Sometimes Domain Name has to purchase from auction, which will be higher than normal price of 5-20\$, in auction it can range from 50\$ to 10,000\$ +, so in this case profit margin will be little less, if it's sold later.

JazakAllah Khair

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Zaki

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

I don't see anything prohibited in buying such domain names and trading them although I don't

like it as it is not a real trade that have any benefit to people and humanity. It is based on holding things from them rather than giving them things, i.e., because you hold it you are paid high price. . .

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Munzirun

Sent: Tuesday, August 04, 2015

Subject: Saving money from company expense allowance

sir may Allah bless u, I want ask about the Islamic ruling of the money I reserved when I was sent somewhere to live in expensive hotel but I chose to go by less expensive just to reserve some money for my personal benefit, so what is the Islamic ruling behind that. thank you

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Munzirun

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

It depends on the basis on which you got the money.

If you are given the service of a hotel and given an amount to pay for it, the saved part belongs to the employer. If you are assigned a given amount (as a per diem) for hotel expenses, you may use it as you like. For instance you may live with a relative or friend and still get that money, it is yours.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Sharafe

Sent: Thursday, August 20, 2015

Subject: Source of Wealth

As-Salamu Alaykum wa Rahmatullah wa Barakatuh Dr. Kahf,

I pray you and your loved ones are excellent.

1) We are being asked to bid on a construction project and the client wants us to deal with her bank directly - providing them relevant information so they may provide her with the funds in stages for the project. We are not comfortable doing this since we do not want to be part of facilitating a Riba-based arrangement. Can you comment on the legal ruling about this?

2) Also, we are being told that:

The legal limit is: if we know that specific wealth is illicit, we're not allowed to take it.

If we are unsure, you can assume it is licit.

If there is mixed licit and illicit money, we can assume we are taking from the portion that is licit.

Of course Ihsan entails greater caution, so basically leaving anything doubtful for what is not

doubtful.

Our concern is that the vast majority of folks taking on construction projects do so via Riba-financing. So is it impermissible for us to manage these projects for our clients (e.g. construct and take money for a \$1M facility that is financed via Riba)?

In that case we would need to screen clients up front to avoid finding out later.

Please advise, Allah reward you.

Sharafe

My answer:

I DID NOT REALLY GET EXACTLY WHAT IS THE QUESTION. PLEASE BE SPECIFIC AND GIVE AN EXAMPLE.

Monzer

From: Sharafe

Salam,

Sorry.

1. A lady is getting a Riba-loan from a bank to build a house; the bank needs information about the project and the lady wants her contractor to provide the information to the bank directly - is the contractor complicit in facilitating a Riba-based contract?

No, in Riba what is Haram are the four functions mentioned in the Hadith: taking, giving, writing and be a witness. Legal review of a draft contract for instance is part of writing. Sending info is not or guiding to a cheaper provider are not part of writing.

2. Even if the contractor does not have any dealings with the bank, is it permissible for this contractor to build a home for this lady knowing full well that 90% of the money to build the house is from a Riba-based contract with the bank?

Does this make sense?

Yes it is permissible and it makes sense. Each person to stop at own limit and must not poke one's nose in other people's affairs. You are selling a home to a woman, where does she get the money or what she is going to do with it is not a matter of your business that is rather poking your nose in her business. But selling or constructing a home to a person and the home is designed tis a way that it can only be used as a brothel is Haram so is constructing a bar that can only be used for liquor (keep in mind that bars in homes can be used for liquor or juices) same is manufacturing glassed with the word bear on them? these are not permissible.

Allah reward you.

-Sharafe

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Sharafe

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Please see my answers below your questions

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Sharafe

Salam,

Jazaka Allah Khayran and thank you for shedding light on this.

So I may learn more:

The rules around the source of money, in this case it seems, don't apply.

So is there anything around the 'source of money' being haram? For example, if a person stole money, or sold liquor for a living, and the seller knew the money was stolen or that the money was from selling liquor, in that case would it be impermissible to sell to them or work for them?

Barak Allah feek.

Sharafe

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. sharafe

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Accepting a property in exchange and contributory contracts has three conditions:

1. What you give must be permissible, whether you give a physical property or a service,
2. What you get in exchange or as a Tabarru' must be itself also permissible, e.g., you must not accept Khamr in an exchange or as a gift.
3. What you get must be owned by the counterparty. This is the issue of the source. Theft or coercion do not make a property owned by a person, therefore we cannot accept a property that is in the hand of the counterparty through theft or coercion.

On the other hand, taking money through a consensual contract creates a form of ownership although that money is still Haram for its earner. The examples are money taken as Riba, money earned by a prostitute, or money obtained in exchange of khamr or pork. These are Haram for the earners but they are not Haram for other persons to receive them in exchange or gift contracts. As they have a sense of ownership established by the fact that they were obtained through a consensual contract that transfers ownership, although it is haram. This is the reason for not finding anything in our Fiqh heritage that we must not sell bread to a prostitute although it was known there were prostitutes at all times.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Sharafe

Salam, Monzer,

A serious student of knowledge who has studied in Ash-sham for a few years and continues to study from Canada said, ""I really appreciated the Shaykh's answer, and was wondering if he can please provide some references and/or resources where I can find discussion of these issues? Barak Allah feek,

Sharafe

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala

Aalihi wa Sahbihi Ajma'in

Dear Br. Sharafe

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

The distinction between 'Aqd fasid and 'Aqd batil exists in the Hanafi school in a clear manner you find it in all intermediate Hanafi book and of course in the Hashiet Ibn 'Abidin. A Fasid contract transfers ownership although it is still Haram to earn through it as in Riba based loan. the idea of accepting a property in exchange or gift without regard to how it is earned by the giver is common in all four schools which means they also accept that distinction as known in the Hanafi and the idea of non-boycotting such earners is also common in all schools, it is the nature of our religion; we do not judge people and we leave their judgment to their Lord. The Law (Shari'ah) does not allow any punishment to be undertaken by individuals (only by governments) and does not allow any punishment not specifically mentioned in the law (and there is no punishment called boycott a sinful person).

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: anoop

Sent: Thursday, August 27, 2015

Question: Prayers

Salam,

I want to know about the hadith that it may become an unsolvable problem if we pray against ourselves. I am taking psychiatric medicines and undergoing counseling also. But I am not sure whether I have illness. I used to pray for the highest position in paradise years ago. One night I doubted that I am dajjal and saw each of my previous actions as sinful. I thought what I prayed for the highest position is sinful because Prophet Muhammad must get the highest rank. I thought I am not guided and wanted Allah to show me the right path. I wanted to show the readiness to pray for hell and I prayed that I must get the lowest position in hell and that I must be guided. I suddenly realized that what I prayed then also is wrong and suddenly prayed that I must never be punished. This was in 2003. The next day I thought angels are praying against my prayers. I wanted to solve this problem. So I prayed something like 'Please accept the opposite of all my prayers.' or the opposite of this prayer. Suddenly I negated it.

I don't remember the exact prayers or the order of the prayers.

My counselor told me I had good intention, psychological issues and ignorance. So she is saying I have excuse. But she is not sure and want me to ask a scholar. Please tell me I have excuse for this and how can I know whether it has become an unsolvable problem. I have repented for these after one or two years though I was again depressed.

I have prayed against many people when I am angry. I have prayed against my parents and brothers. I have prayed for them to be in hell. This Ramadan I made salat al-hajah to admit me, my brothers, parents and grandparents to jannatul firdous all the last ten nights before subh. I also recite things like syedulistighfar, ayatulkursi, amanarrasulu and muwadathaini every night and syedulistighfar in the morning. These kind of things are the only hope I have. Still as I have prayed against my prayers and as these are also prayers, I sometimes think whether it has become an unsolvable problem. Praying against my family also is dangerous. Please respond.

Jazaka Allah Khair

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Brother Anoop

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

I don't know what to tell you because I am not an expert in prayers and Duaa. I am in the finance area.

I know a few things for sure:

1. Sayiidulistighfar is very important so Y ayatul kursi and al mu'awwathatain. Keep reciting them every morning and evening

2. There is a Hadith that inspires us to forget about the past and start anew. Repentance wipes out all that is before it except any financial rights to other people.

Please look at it this way: here I repented, I am just new, forget about all past prayers and what not, be kind to your parents and other kin.

Period and that is all

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Sharafe

Sent: Saturday, September 12, 2015

Question: Customers asking for too expensive additions

Salam,

We are working for a client that is publicly traded and basically they have a budget for capital improvement projects that if they don't use it in a given year they often don't get it renewed for the following year. For example, they are told, you have \$300,000 to spend in Fort McMurray on renovations and the like, if you don't use it all in 2015, for 2016 you may only get \$200,000.

There are many nuances here, but that's the gist of it.

So then, we have a client that is doing good worthwhile work, but then they want to expand the scope to do stuff that - as far as we can see - isn't necessary. Now we told them in person and in writing, based on what we see, the renovations they seek (in this case a parking lot repavement) are not necessary and that we feel these funds may be better used in other areas. Of course, there could be reasons we don't understand or see (for example deals with tenants...maybe the shareholders approve of such projects).

Do we err on the side of caution and avoid it, or assume the best about people and carry on with the work?

May Allah grant us knowledge, pure wealth, and save us from the corrupt in all shapes and colors.

Sharafe

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Sharafe,

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Brother, you do what the customer asks you to do as long as it is permissible. You do not decide for the customer, it is its decision not yours. This does not mean that you are prevented from advising the customer, but even with the advice you still do what he/she/it asks for as long as it is permissible in Shari'ah.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Baig

Sent: Friday, October 30, 2015

Question: Selling Plot without possession

Assalam Alaykum,

I have two plots and 1 farm-house which are under development. I am paying installment on monthly/quarterly bases.

Installment will be completed in 4-6 years ... plots have been allotted and we know the sectors and plot number on the map. but we still don't know the actual location of farm-house that we have booked as allotment will be done soon.

my question is if I can sell plots and farm-house on profit as market has been appreciated and there is lot of demand on these two project.

I would appreciate if you can response to the above query.

May Allah guides us all to the right path . Wassalam,

Baig

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Baig

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

In land as a real estate you can sell after allotment of plot and determination of its number on the map. Actual physical taking possession is not required while it is required in sale of personal properties. The difference is because the nature of the property land. For the house, which is a land plus construction, it can be sold on description for the first time (i.e., you bought it on description). now selling it before the construction begins is problematic as it raised the issue of sale of debt that does not exist yet. I rather suggest that for sale of a house you have to have it built completely then you can sell it even before the physical delivery to you by the contractor, it is then in full real existence.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: anoop

Sent: Saturday, October 17, 2015

Question: Promoting a website through point system and prizes

Salam,

I am a software Engineer who has done many websites for the company I am working for. I have a business idea which I want to ask you about. I am planning of making a website where people can ask questions and submit answers. I think of putting a point system where people get points for asking questions, answering and other actions which improve the site. Also, in order to improve traffic to the site, I am planning to give initially a small amount and afterwards a small percentage of my profit to one or more person who has the most points on a monthly basis. I want to know if this idea is halal or haram? Thanks

Anoop

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Anoop

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

I do not like to see answers encouraged by points or even open to anyone. Answers should come only from experts not from any person. Questions may be asked and encouraged by such a system.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Salem

Sent: Saturday, November 21, 2015

Question: Halal or haram, owner of furniture store pays finance companies

Assalam Alaykum

I have asked you before several questions about my business path if it's permissible or not? And you were a great help with your answers.

I have two more questions. Are credit cards that offer cash back impermissible? Also, we opened a car dealership and we aren't writing any loan contracts and Alhamdulillah it's a little struggle but will get by. We are thinking about opening a furniture store in the future. In a furniture store there is also financing institutions that furniture stores work with but they are all or at least most at a 0% finance, which I'm sure is halal. The question is the owner of the furniture store pays a certain percentage let's say 3% fee out of the sale of the product to the finance institutions then the finance company finances the customer at 0%, is the 3% fee that is paid to the finance institution from the owner considered interest?

Thank you for your time

Salem

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Salem

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

Alhamdu Lillah that he Gave you Tawfiq to make your business in full compliance with the rules of regulations of Shari'ah. this is a grace from Allah for which we should be very thankful.

The answer to both questions is no Haram InShaAllah and both are permissible.

For cash back or any other rewards by the bank to customers of credit card is permissible to give and to take. It is gifts for advertisement and to gain customers.

For the commissions given to finance institutions, it is not Haram too because it rather helps avoiding Haram. If all banks and financial institutions work on that basis we would get rid of Riba altogether. Definitely these institutions have expenses and need to survive. Suppose we offer this finance on a cooperative non-for-profit basis, don't we need to pay for expenses? We can get that from the beneficiaries, getting it from sellers may be easier and better.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf

From: Salem

Thank you for your answer and Alhamdulillah and InShaAllah, Allah keeps my business in halal. Emphasizing on the second question which I forgot to mention, furniture stores offer 0% for 6/months, 0% 12/months or whatever the term maybe but if the payments aren't paid in full by the end of the term the customer has to pay interest or a late fee, are we held responsible for what the customer has committed? Because we signed them on an optional interest contract?

Thank you for your time

Salem

My Answer:

Bismillah al Rahman al Rahim

Alhamdu Lillahi Rabb al Alamin, wa al Salatu wa al Salamu 'ala Sayyidina Muhammad, wa 'ala Aalihi wa Sahbihi Ajma'in

Dear Br. Salem

Assalam Alaykum wa Rahmatu Allah wa Barakatuh

You must not write any contract that contains

A clause imposing interest for delay after the grace period (as usually in credit cards). such a clause is permissible to accept for a Muslim because of he has the option to pay on time and he commits himself to pay on time. This makes the clause redundant for him. But issuing such a clause is still Haram because it is a Riba clause.

A Penalty for delay can be imposed in order to deter the counterparty from delaying but this penalty should be given to charity and cannot be earned by the finance provider. If the delay caused direct out-of-pocket additional expenses to the provider, he can be compensated only for that much from the fine.

Wa Allah A'lam

Wa Alhamdu Lillahi Rabb al Alamin

Wassalam

Prof. Dr. Monzer Kahf
