



The second question of Fatwa No. (17939)

Q: Two parties of a contract - the first party being a creditor

(Part No : 14, Page No: 179)

and the second party being an owner of agricultural land (a farm) - agree that the owner of the land receives a sum of money (i.e. several thousand) in return for giving the creditor as a mortgage a plot of arable land whose extent and boundaries are defined. The first party (the creditor) pays rent to the owner of the land, tills, fertilizes, irrigates and performs all other cultivation-related tasks. He thus takes its crops and revenues and the land remains in his possession till the owner repays the debt, bearing in mind that it is based on mutual agreement and consent of the two parties. I adjure you by Allah to inform me whether such a transaction is Halal (lawful) or Haram (prohibited). May Allah make you a support for Muslims in clarifying religious matters.

A: The above-mentioned transaction is impermissible. In fact, it is a loan yielding interest which is Riba (usury). Actually, their mutually agreeing on it does not render it permissible. What is considered is only the Shar'`y (Islamic legal) validity of a contract not merely mutual agreement and consent on a prohibited transaction, and Allah knows best. May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family, and Companions!

Permanent Committee for Scholarly Research and Ifta'

Member	Member	Member	Member	The Chairman
Bakr Abu Zayd	`Abdul-`Aziz Al Al-Shaykh	Salih Al-Fawzan	`Abdullah ibn Ghudayyan	`Abdul-`Aziz ibn `Abdullah ibn Baz