



The third question of Fatwa no. 2171:

Q 3: Is it permissible to trade my old car for a new one and pay the difference in value to the owner of the new car? In our country the owner of an old car goes to the automotive company and informs the dealers of his wish. Thereupon, the dealers evaluate both cars and after that the said person is required to pay the difference in value to take the new car, taking into consideration that they do not buy the old car unless the person purchases the new one from them. Is this kind of transaction valid or not?

A: If the case as you mentioned, you are permitted to give your old car to the company in return for a new one after paying the difference in value. This is not to be considered as two sales in one transaction, rather selling a car for another one by estimating the difference in value. This is not

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a form of Riba (usury/interest), because cars are not usurious goods.

May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family, and Companions!

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