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The eighth question of Fatwa no. 16402

**Q 8: What is the difference between paying by installments and Tawarruq?**

**A:** Installment sale is to sell a commodity with a deferred price that is to be paid by installments; whereas, Tawarruq is to buy a commodity with a deferred price to sell it in the market to someone other than the creditor and to benefit from its price. When the term is due, the person should pay its creditor the deferred price with which he bought the commodity. Paying by installments is permissible and saying that it is impermissible is a weak and unsubstantiated view. There is a disagreement about Tawarruq and the soundest view is that it is permissible.

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

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