Third question of Fatwa no. 19297

Q 3: Please enlighten us regarding the Tawarruq transaction; what is it and what is the ruling on it?

A: The Tawarruq transaction is to buy a commodity with a postponed price after which the purchaser sells the product to a third party in cash and benefits from its price. This is a permissible transaction according to the Jumhur (dominant majority of scholars).

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

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