



The first and second questions of Fatwa no. 3630:

Q 1,2: Is Riba (usury/interest) in any form unlawful for both parties, (the creditor and the debtor) or is this ruling confined only to the lender? If the debtor is not to blame, is this conditional upon a person's need and poverty or not? If it is permissible in case of need, what about those who are not in dire need and still want to take a loan from a bank dealing with Riba for a yearly interest where they could invest the money and achieve more profits than the stipulated interest,

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for example 50% a year? Hence, the profit achieved is the difference between the interest and the profit of investment which is 35% in this case. Is this permissible or not

A: Riba is Haram (prohibited) wherever it exists and whatever form it takes. It is Haram for both the lender and the borrower; rich or poor. Both are guilty of sin and indeed both of them are cursed. Whoever assists in this, a writer, a witness, etc. are also cursed, because of the general meaning of the Ayahs (Qur'anic verses) and sound Hadith indicating the prohibition of Riba. Allah (may He be Exalted) stated: ﴿ "Those who consume Ribâ will not stand (on the Day of Resurrection) except like the standing of a person beaten by Satan leading him to insanity. That is because they say: 'Trading is only like Ribâ,' whereas Allah has permitted trading and forbidden Ribâ. So whosoever receives an admonition from his Lord and stops eating Ribâ, shall not be punished for the past; his case is for Allah (to judge); but whoever returns (to Ribâ), such are the dwellers of the Fire, they will abide therein." ﴾ ﴿ "Allâh will destroy Ribâ (usury) and will give increase for Sadaqât (deeds of charity, alms, etc.) And Allâh likes not the disbelievers, sinners." ﴾ It is also narrated by `Ubadah Ibn Al-Samit (may Allah be pleased with him) that the Prophet (peace be upon him)

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stated: ﴿ "Gold is to be paid for by gold, silver by silver, barley by barley, dates by dates, like by like, payment being made hand to hand. He who makes an addition to it, or asked for an addition, in fact deals in usury [Riba]." ﴾ narrated by Muslim in his Sahih. Similarly, Abu Sa`id Al-Khudry (may Allah be pleased with him) narrated that the Prophet (peace be upon him) said: ﴿ Do not sell gold for gold, except like for like, and do not increase one part over another part; and do not sell silver for silver except like for like, and do not increase one part over another part, and of these, (gold and silver), do not sell something present for something to be later delivered. ﴾ Related by Al-Bukhari and Muslim. It is also narrated by Imam Ahmad and Al-Bukhari that the Prophet (peace be upon him) said: ﴿ Gold is to be paid for by gold, silver by silver, wheat by wheat, barley by barley, dates by dates, salt by salt, like by like, payment being made hand to hand. He who made an addition to it, or asked for an

addition, in fact dealt in usury. The receiver and the giver are equally guilty. ﴿It has been authentically narrated on the authority of Jabir Ibn `Abdullah (may Allah be pleased with both) that he said:

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﴿ "The Messenger of Allah (peace be upon him) cursed the one who consumes Riba, the one who pays it, the one who writes it down, and the two who witness it. He said they are all the same." ﴾Related by Muslim.

The banknote in the present time has replaced the gold and silver currency of the past. As such, it takes the same ruling. Subsequently, it is incumbent upon every Muslim to suffice with that which Allah makes Halal (Lawful) and refrain from that which He makes Haram (prohibited). Allah gives many ways of ease for Muslims to earn their living lawfully, that the poor may be hired by others for labor or investing in another's trade by way of Mudarabah (giving an amount of money to trade with in return for a share in the profit) to get half the profits or a similar percentage, but not from the capital itself or a fixed dirhams of profits. Whoever is unable to work and is poor is allowed to ask for help and is entitled to Zakah (obligatory charity) and social security.

Secondly, the Muslim, rich or poor, is not allowed to take a loan from a bank at 5% or 15 %, or more or less, because that is Riba and is a major sin. Allah has made it so that one has no need of this because of the ways that He has prescribed, such as a means of earning Halal income by working as an employee for company owners, or as a civil servant in permissible work, or by dealing with the money of another on a profit-sharing basis.

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

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