



Fatwa no. 18752

Q: Our institution has several bank accounts. One of them is for end-of-service allowances. This bank gives interest to the depositors with different percentages that vary according to the size and terms of the deposit. The bank also offers small loans, financial training programs, and participates in developmental projects with the depositor. In this way the institution receives more than three hundred thousand Riyals a year. This revenue may increase if it continues. What should we do regarding this matter in the present and the future? Please keep in mind that the bank benefits from the deposit more than the depositors. If we leave the interest, the bank would benefit even more. However, does the institution deserve to take this money to compensate any of its losses or should it be spent on the needy? .

A: It is not permissible to deposit money in usurious banks except when necessary. It is only permissible if a Muslim is forced to deposit his money in order to protect it. However, it is prohibited

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to take any interest. The points you mentioned in the question that the bank gives the institution different amounts of interest shows that this is purely Riba (usury/interest) which is prohibited in the Qur'an and the Sunnah. It is not permissible to take this interest as it is prohibited by Allah (may He be Exalted) and His Messenger (peace be upon him). Therefore, neither the institution nor the individuals should take this money. Instead, it should be distributed among the poor.

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

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