



Fatwa no. 17317:

Q: A charitable institution in Saudi Arabia accepts donations from people, whether individuals, companies or banks. They deposit the money in one of the national banks, so that the bank invests this money to their own interest, while the institution did not ask for this, and does not take anything in return for this. The institution

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asked the bank to donate a fixed sum of money, which is 3 million Riyals, on a yearly basis, in return for keeping the 60 million Saudi Riyals. They agreed to this, and they were committed to paying this sum of money every year, even if the donations are more or less.

Are these 3 millions donated by the bank considered Riba (usury)? Given that the bank owner might stop the donations if all the money is withdrawn from the bank. Please advise, may Allah reward you.

A: Depositing the money of an institution in a bank, provided that the bank donates to it is considered Riba, because it takes the same ruling as a loan in which interest is stipulated; the reason for donation is depositing the money there; and the bank will stop the donations if the deposited money is withdrawn.

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

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