

Interest (Riba) & Gambling

TYPES

DEFINITION

CONDEMNATION IN QURAN AND SUNNAH



Riba

❖ Literal meaning of Riba is to “Increase” .

For defining it technically, first we have to know that there are two types of Usury:

- 1) Riba-an-Nasiyah / Riba-al-Jahiliya / Riba-al-Quran
- 2) Riba-al-Fadl / Riba-al-Hadees

Riba-al-Jahiliya

Every loan/debt that brings a benefit with conditions or with mutual understanding is usury.

It is known as Riba-al-Jahiliya , because when Islam spread its message, this interest has been prevalent ever since.

As per Cambridge “ the money that is charged, esp. by a bank, when you borrow money, or money that is paid to you for the use of your money”

Riba

Riba-al-Fadl

Excess taken in exchange of specific commodities which are homogeneous

Hadith prohibiting Riba-al-Fadl:

“sell gold in exchange of equivalent gold
sell silver in exchange of equivalent silver
sell dates in exchange of equivalent dates
sell wheat in exchange of equivalent wheat
sell salt in exchange of equivalent salt
sell barley in exchange of equivalent barley”

Classification of Riba

Present day Islamic scholars on Riba-al-Fadl

if two characteristics i.e. weight and use as medium of exchange is present then the following transactions are not allowed:

a deferred sale of goods having weight and homogeneous nature

a sale of unequal goods having weight and homogeneous nature

Condemnation in Quran and sunnah

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ذَلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ
الرِّبَا وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا

“ Those who devour interest become like the one whom Satan has bewitched and maddened by his touch. They have been condemned to this condition because they say trade is just like interest, whereas Allah has made trade lawful and interest unlawful.”

Condemnation in Quran and sunnah

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ
فَإِنْ لَمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِنَ اللَّهِ وَرَسُولِهِ وَإِنْ تُبْتُمْ فَلَكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ

“ O believers fear Allah and give up that interest which is still due to you if you are true believers; but if you do not do so then you are warned of the declaration of war against you by Allah and His Messenger. If, however, you repent even now (and forgo interest), you are entitled to your principal; do not wrong, and no wrong will be done to you”.

Condemnation in Quran and sunnah

لَعَنَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ أَكِلَ الرَّبَا وَمُؤَكِّلَهُ وَكَاتِبَهُ وَشَاهِدِيهِ وَقَالَ هُمْ سَوَاءٌ.

The Prophet ﷺ have cursed those who charge interest, those who pay it, those who write documents pertaining thereto, those who keep the accounts of such matters and those who sign as witness. He said that they are all equal in this crime.

الربا ثلاثة وسبعون باباً، أيسرها أن ينكح أمّه،

“The ill affects of interest are of 73 kinds, the last intense of these is like someone committing adultery with his mother.”

Difference between interest and Trade

| Trade | Interest |
|--------------------------------------|---|
| Its is Halal | It is Haram |
| exchange of an item for a price | it is an increase over the price/money |
| Profit in trade is versus effort | Profit in interest is versus time |
| Seller takes the risk of his product | Creditor don't take the risk of his money |
| Selling satisfies people's needs | usury exploits them |

Note 1: Difference between cash sale and credit sale, legitimate way for credit sale.

Note 2: Legitimate and illegitimate of a contract depends upon process not on the intention and result

Gambling

- Literal meaning of Gambling is “to bet on an uncertain outcome” (Merriam-Webster)
- Technical meaning of Gambling is “the betting or staking of something of value, with consciousness of risk and hope of gain, on the outcome of a game, a contest, or an uncertain event whose result may be determined by chance or accident or have an unexpected result by reason of the bettor's miscalculation.” (Britannica)
- As per Shariah perspective we can say:

The definition of Gambling is that in which the ownership of a property is depends on the condition that its existence and non-existence are equal on both sides. And on this basis both sides of bearing net profit or net ransom are equal.(Maarif-ul-quran)

Four elements of Gambling

As per above definition a contract of gambling having four elements:

1. A contract should be between two or more than two parties, so if only one party promises to give something and the other party does not promise to give anything, the matter would not be called gambling.

for example, if one person says to the other that we race if If you win, I will give you that much money, but if I win, you are not obligated to do anything, so this situation is not included in gambling.

2. The contracting parties stake their property. Therefore, if the contracting parties do not stake their property, but a third party who is not involved in this contract spends his money, then this matter is not gambling.

for example, Zayd says to Amr and Bakr that you both run. I will give a reward of 1000 rupees to whoever wins, so this is not gambling.

Four elements of Gambling

3. The possession of another's property depends on an uncertain event which may or may not occur.

Therefore, if the acquisition of another's property is depends on a certain and definite event, then that situation will not enter into gambling.

Like a person saying to another at night that if tomorrow the sun rises from the east, you will pay me a thousand rupees, but if it rises from the west, I will give you a thousand rupees. It is obvious that the rising of the sun from the east is a certain and definite event, so this situation is not included in gambling.

Four elements of Gambling

4. The staked property may be lost without compensation or another's property may be acquired without compensation.

So if a person gets the real value of his wealth and then gets a reward, it is not gambling.

For example, if a person buys something at its "genuine price" and a prize ticket comes out in it, due to which he wins a prize, this is not gambling, but on the contrary, if the thing is "genuine". If the price of the thing was not bought for the price, but because of the announcement of the reward, the price of the thing was increased, in that case, that case will enter into gambling.

This fourth condition dictates many of the "reward schemes" that commercial companies issue to promote their products.

Therefore, if the commercial companies within these schemes demand the same market price of their products which would have been demanded even if there was no reward scheme, then that situation does not enter into gambling.

Two types of Gambling

1. The first type is that none of the parties participating in the gambling actually pays money, but each party only bets a certain amount of money as a bet between two or more people that such and such an event will happen (e.g. Pakistan team wins in cricket) the winning side will get so much money (eg Rs. 1000) from the loser.
2. The second type is that each party actually deposits the money.

Condemnation in Quran and sunnah

يَا أَيُّهَا الَّذِينَ آمَنُوا إِنَّمَا الْخَمْرُ وَالْبَيْسِرُ وَالْأَنْصَابُ وَالْأَزْلَامُ رِجْسٌ مِّنْ عَمَلِ الشَّيْطَانِ فَاجْتَنِبُوهُ لَعَلَّكُمْ تُفْلِحُونَ. إِنَّمَا يُرِيدُ الشَّيْطَانُ أَنْ يُوقِعَ بَيْنَكُمْ الْعَدَاوَةَ وَالْبَغْضَاءَ فِي الْخَمْرِ وَالْبَيْسِرِ وَيَصُدَّكُمْ عَنْ ذِكْرِ اللَّهِ وَعَنِ الصَّلَاةِ فَهَلْ أَنْتُمْ مُنْتَهُونَ
(مائدة)

O you who believe! Wine, gambling, altars and divining arrows are filth, made up by Satan. Therefore, refrain from it, so that you may be successful. Satan wishes only to plant enmity and malice between you through wine and gambling, and to prevent you from the remembrance of Allah and from Salāh. Would you, then, abstain?

Condemnation in Quran and sunnah

«من حلف فقال في حلفه: واللات والعزى، فليقل: لا إله إلا الله، ومن قال لصاحبه: تعال أقامرك، فليتصدق».

“Whoever swears an oath and says in his oath: By Al-Lat and Al-Uzza, he should have to say: There is no god but God, and whoever says to his friend: Come, I will gamble with you, he should have to give alms.”

قال رسول الله صلى الله عليه وسلم: من لعب بالنردشير، فكأنما صبغ يده في لحم خنزير ودمه

He who played Chaucer was as if he had put his hand into swine's flesh and blood

Some common practices of Gambling

1. lottery
2. Some Video games
3. Bet on winning cricket team
4. Scratch card lottery
5. Some Charities
6. Night cricket/football tournaments etc.
7. Some mobile applications.

❑ Note: Explanation regarding “Insurance policies” (in the manner of Gambling and interest)