30842 - Saving system in Aramco and attitude towards the various fatwas concerning it

the question

We are a group of Saudi Aramco employees, and we are worried, like any other Muslim, about the legitimacy of the wealth we acquire. Recently we have become very confused, to an extent which only Allaah knows. Perhaps you know something about the savings system in Saudi Aramco. (The company is encouraging me to save with them by giving me a bonus when I am laid off or when I leave the company.
The bonus is a percentage of my contribution based on how long I have been with the company, for example:
If my total contribution is 100,000 riyals, and I have been with the company for 10 years, my remuneration from the company will be 100,000 riyals.
If the length of time I have been with the company is 7 years, then my remuneration will be only 70% of 100,000, which is 70,000 riyals).
What we knew previously was that this system is haraam according to sharee'ah, based on the ruling of the Standing Committee for Issuing Fatwas, but now we have heard a fatwa from Shaykh 'Abd-Allaah ibn Munayyi' (may Allaah preserve him), stating that this savings scheme is permissible. This has made us confused, and we do not know whether to follow the Committee or Shaykh al-Munayyi', because he is specialized in the field of economics.

Detailed answer

Praise be to Allah.

Firstly:

The savings scheme used in the Aramco company is a haraam system. It is blatant riba (usury, interest) because it is a loan that brings a benefit. If a person pays in 100,000 riyals, to take it back after a period of ten years, or seven, or whatever, with an added payment of 100,000 riyals,

or 70,000, or even one riyal, then he has engaged in blatant riba, which is haraam according to scholarly consensus.

Imam Ibn Qudaamah (may Allaah have mercy on him) said: “Every loan which is given subject to the condition than an increased amount be paid back is haraam, with no difference of opinion (among the scholars). Ibn al-Mundhir said: There is consensus that if the lender stipulates that the borrower must pay extra or give him a gift, and the money is lent on that basis, then his taking the extra amount is riba. It was narrated that Ubayy ibn Ka’b, Ibn ‘Abbaas and Ibn Mas’ood forbade loans that bring benefit.

Al-Mughni, 6/436.

It does not matter that the company calls this transaction a savings plan or investment scheme or mudaarabah (silent partnership), because every investment that guarantees one’s capital is a loan, even if people call it something else. What counts is what a thing actually is, not what it is called.

With regard to the kinds of investments or savings that are acceptable in Islam, they are based on certain conditions, the most important of which are as follows:

1 – The money should come from you, and the labour or work should come from the other party; there is nothing wrong with the other party putting in money as well as work.

2 – The area of investment should be clearly defined, since most of these companies invest the money by putting it in riba-based banks, or in projects that are not permissible.

3 – Both parties should agree on the percentage of profits allocated to each, which should not come from the capital, so you get 50% or 10% of the profits, for example.

4 – The person who is doing business on your behalf should not guarantee your capital. In the event of loss – so long as it is not caused by negligence – you will lose your capital and he will lose his labour.

If the capital is guaranteed, then this transaction is a loan which must be paid off with no extra amount added. If an extra amount is stipulated, then this is riba.
We ask Allaah to keep us safe from riba and its evil and dangers, and to make us independent by means of that which He has permitted so that we will feel no need of that which He has forbidden.

The point is that the Aramco savings scheme is haraam, because it guarantees the capital and because the profit is a set percentage of the capital. So it is a loan with interest, as well as the fact that the investor does not know where his money will be invested.

The Standing Committee pointed out that the claim that what is given to the employee is a reward or bonus from the company is false, because it is only given to those who save with this plan. If it was really a reward or bonus it would be given to all employees.

As the questioner mentioned, the Standing Committee for Issuing Fatwas – under the leadership of Shaykh ‘Abd al-‘Azeez ibn Baaz (may Allaah have mercy on him), with whom were Shaykh ‘Abd al-Razzaaq ‘Afeefi, Shaykh ‘Abd-Allaah ibn Ghadyaan and Shaykh ‘Abd-Allaah ibn Qa’ood, who are all leading scholars – was asked about the savings plan in the Aramco company. They replied as follows: “Participating in the Aramco savings plan is haraam, because it involves two types of riba (riba al-fadl and riba al-nasa’); it defines the rate of interest, which may be anything between five and one hundred percent of the money that is saved by the Saudi employee, in addition to the rewards that are given to the employee, to the exclusion of other employees who do not invest, as is stated in the savings plan.

Fataawa al-Lajnah al-Daa’imah, 13/510-515

Similarly Shaykh Muhammad ibn Saalih al-‘Uthaymeen and other scholars also issued fatwas stating that the Aramco savings plan is haraam.

Secondly:

If the scholars differ with regard to a shar’i ruling, the person who is seeking the fatwa should try to find out which is correct by examining the evidence quoted by both parties and following that

which he thinks is more correct. This applies if the person seeking the fatwa is a seeker of knowledge (taalib ‘ilm) who is able to determine which is more correct.

If he is not able to determine which is more correct, because he has no specialized knowledge of sharee’ah, then he must follow the view of the one whom he thinks is more knowledgeable and more trustworthy; he does not have the right to choose whichever opinion he wants.

With regard to the issue at hand, the major scholars have clearly stated that it is haraam, and they are more knowledgeable and more trustworthy than those who gave a different opinion – which is not intended to belittle the other party – so you have to avoid this savings plan, for the reasons stated above.

Shaykh Muhammad ibn ‘Uthaymeen (may Allaah have mercy on him) was asked what the Muslim’s attitude towards scholarly differences should be, He replied: “If the Muslim has enough knowledge to enable him to compare the scholarly opinions and their evidence, and to decide which is more correct, then he must do that, because Allaah has commanded us to refer disputed matters to the Qur’aan and Sunnah, as He says (interpretation of the meaning):

‘(And) if you differ in anything amongst yourselves, refer it to Allaah and His Messenger, if you believe in Allaah and in the Last Day’

[al-Nisa’ 4:59]

So he should refer the disputed matter to the Qur’aan and Sunnah, and whatever seems to him to be more correct based on the evidence, he should follow it, because what is necessary is to follow the evidence and the opinions of the scholars may be used to help one understand the evidence.

But if the Muslim does not have enough knowledge to be able to decide which scholarly view is more correct, then he must ask the scholars whose knowledge and religious commitment he trusts, and follow the fatwas that they issue to him. Allaah says (interpretation of the meaning):

“So ask the people of the Reminder if you do not know”

[al-Anbiya’ 21:43]

The scholars have stated that the madhhab of the ordinary Muslim is the madhhab of his mufti (the scholar whom he asks for a fatwa).

If the scholars’ opinions vary, then he must follow the one who is most trustworthy and most knowledgeable. This is like when a person falls sick and he looks for the most trustworthy and knowledgeable doctor because he is more likely than others to get it right. It is more important to be on the safe side in matters of religion than in worldly matters.

It is not permissible for a Muslim to select the scholarly opinion that is in accordance with his own whims and desires, if that goes against the evidence, or to seek rulings from those whom he thinks will be lenient in issuing fatwas.

Rather he must try to be on the safe side with regard to his religion, and ask scholars who are more knowledgeable and who fear Allaah more.

From Ikhtilaaf al-‘Ulama’ Asbaabuhu wa Mawqifuna minhu, p. 23. See also question no. 22652.

The Muslim must beware of seeking fatwas from those who are known to be too lenient and to go against trustworthy scholars who are more knowledgeable. The Muslim should beware of following his whims and desires and only following those fatwas which are in accordance with his own wishes and desires, for the Muslim is required to go against the desires and whims of his own self. Allaah says (interpretation of the meaning):

“But as for him who feared standing before his Lord, and restrained himself from impure evil desires and lusts.

Verily, Paradise will be his abode”

[al-Naazi’aat 79:40]

And Allaah knows best.