45726 - Is Brokerage Haram in Islam?

the question

What is the ruling on brokerage? Is the money earned by the broker or middleman halal?

Summary of answer

Brokerage (samsarah) refers to mediation between the seller and the buyer. A number of scholars have stated that it is permissible to work as a broker and to receive payment for it.

Detailed answer

Praise be to Allah.

What is brokerage?

Brokerage (samsarah) refers to mediation between the seller and the buyer. The broker is the one who mediates between the seller and the buyer to bring about a sale, and he guides the buyer to the product and he guides the seller on prices." (Al-Mawsu'ah al-Fiqhiyyah, 10/151)

People have a great need for brokers, because many people do not know how to bargain when buying and selling; others are not able to closely examine the things they buy to find out if there are any faults in them; and others do not have time to engage directly in buying and selling themselves.

Hence brokerage is useful work which benefits the seller, the buyer and the broker.

Conditions of a broker in Islam

- It is essential for the broker to be experienced in the area where he is mediating between sellers and buyers, so that no one will be harmed by his claim to have knowledge and

experience that he does not have.

- He must also be trustworthy and honest, and he should not favour one of them at the expense of the other; rather he must point out any faults in the goods as well as any good qualities, in an honest and truthful manner, and not deceive either the seller or the buyer.

Is brokerage haram in Islam?

A number of scholars have stated that it is permissible to work as a broker and to receive payment for it .

Imam Malik (may Allah have mercy on him) was asked about the payment of a broker and he said: “There is nothing wrong with it.” (Al-Mudawwanah, 3/466)

Imam al-Bukhari said in his Sahih:

“Chapter on the wages of a broker: Ibn Sirin, ‘Ata, Ibrahim and al-Hasan did not see anything wrong with the wages of a broker.”

Ibn 'Abbas said: “There is nothing wrong with saying, “Sell this garment and whatever there is above such and such a price is yours.”

Ibn Sirin said: “If he says, “Sell if for such and such and whatever profit there is, is yours , or is shared between you and me,” there is nothing wrong with that.”

The Prophet (peace and blessings of Allah be upon him) said: “The Muslims are bound by their conditions.”" (Al-Bukhari)

Ibn Qudamah said in al-Mughni (8/42):

“It is permissible to hire a broker to buy clothes for you. Ibn Sirin, ‘Ata and al-Nakha’i said that this is allowed.

It is permissible to hire him for a stated period, such as hiring him for ten days, during which he is to buy for you, because the time is defined and the work is defined… If the work is specified but

the time is not, but he says that he will have a certain amount for each thousand dirhams, that is also valid.

If he says that he is hiring him to sell certain clothes for him, that is valid, as was stated by al-Shafi'i, because that is permissible and it is permissible to delegate someone to do that and it is permissible to hire him for that, like selling clothes."

The Standing Committee was asked about the owner of a bookshop who worked as an agent for some companies in marketing their products, where they send him a sample which he shows to the traders in the marketplace, and sells it at the company's price in return for a commission agreed upon with the company. Is there any sin involved in that?

They replied:

"If the situation is as described, it is permissible for you to take that commission , and there is no sin on you." (Fatawa al-Lajnah al-Daimah, 13/125)

Shaykh Ibn Baz was asked about the ruling on looking for a store or apartment to rent in return for a payment given by the one on whose behalf you are looking.

He replied:

"There is nothing wrong with that. You have to try hard to find a suitable place that the person wants to rent. If you help him in that and find him a suitable place, and you help him to reach an agreement on the rent with the landlord, there is nothing wrong with this, in sha Allah, subject to the condition that there is no betrayal or cheating, and it is done in an honest manner. If you are sincere and fulfil the trust in finding what is wanted without any deceit or wrongdoing either towards him or towards the property owner, then you have done well in sha Allah." (Fatawa al-Shaykh Ibn Baz, 19/358)

And Allah knows best.