

111785 - Ruling on subscribing to the Petro-Rabigh company

the question

What is the ruling on subscribing to the Petro-Rabigh company?.

Detailed answer

This company's activities include oil refining and petro-chemical manufacturing, which are permissible activities, but this company has taken out riba-based loans, and it puts its money in riba-based banks.

Based on that, this company comes under the heading of "mixed companies" whose work is basically permissible, but they engage in haraam transactions, such as riba and so on. Most contemporary scholars are of the view that it is haraam to buy shares in this type of company. This was stated in a fatwa by the scholars of the Standing Committee for Issuing Fatwas in the Land of the Two Holy Mosques. A statement to that effect was also issued by the Islamic Fiqh Council of the Organization of the Islamic Conference, and the Islamic Fiqh Council of the Muslim World League.

See also the answer to question no. [112445](#).

Shaykh Muhammad ibn Sa'ood al-'Usaymi was asked about buying shares in this company, Petro-Rabigh.

He replied:

I have studied the finances of this company, and undoubtedly the activities of the company are important for the country and its economy, but unfortunately it has taken out huge loans with interest (riba), and has put a large part of its income in riba-based banks. Based on that, I do not think that it is permissible to subscribe to it.

I pray to Allaah to make it easy for those in charge to find legitimate shar'i ways of turning these haraam transactions into shar'i transactions, especially since it seems, from getting in touch

with some of those who are in charge of the company, that a number of them are keen to do that.

And Allaah knows best. May Allaah send blessing and peace upon our Prophet Muhammad and all his family and companions. End quote.

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