

112175 - Ruling on working as an accountant in companies, institutions and factories

the question

What is the Islamic ruling on working as a legal accountant? Please give a detailed answer.

Detailed answer

The job of legal accountant is not free of some things that go against sharee'ah, for example:

1. Cooperating in sin and transgression. That includes writing accounts for companies, factories and institutions that buy, sell and manufacture things that Allah has forbidden, such as makers of alcohol and tobacco, and tourist hotels which approve of and encourage immoral actions.

Allah says (interpretation of the meaning):

“Help you one another in Al.Birr and At.Taqwa (virtue, righteousness and piety); but do not help one another in sin and transgression” [al-Maa'idah 5:2]

2. Recording and documenting riba. There is hardly any company or institution that does not have riba-based loans in its accounts, or riba-based accounts in the bank. The job of the accountant has to do with recording and watching these accounts. The Messenger of Allah (peace and blessings of Allah be upon him) cursed the one who consumes riba and the one who pays it, the one who writes it down and the two who witness it, and he said: they are all the same. Narrated by Muslim (1598).

The fatwas of the scholars mention one or both of these issues when giving the ruling on the job of accountant, unless the work is free of anything that goes against sharee'ah, in which case it is permissible.

There follow a number of fatwas from the scholars giving the ruling on this job.

(i)

The scholars of the Standing Committee for Issuing Fatwas were asked:

In the office of a legal accountant, we check the financial statements of institutions and companies, based on the company's books, with the aim of submitting the results at the end of the financial year in the form of budgets and reports about the company's financial situation, to be presented through the institution to a government department or bank, or to the zakaah and income departments. During the year we also keep watch on the finances of the institution to guard against tampering and embezzlement. I have a number of questions which I hope that you can answer:

(a)

In some cases, I may see details of their accounts and dealings with the banks. These accounts show debt i.e., the companies are required to produce them in order to get a loan from this bank or as the result of withdrawing more than they have in their account, which results in the bank charging interest for that, i.e. riba. The nature of our work involves showing this account with the others in the budget. That is based on the company's books and bank accounts, and we cannot exclude it from the rest of the accounts. It has to be shown in order for the budget to be regarded as showing the real situation of the company. Is there any sin on us in that, and are we regarded as those who witness riba?

(b)

What is the ruling on preparing these budgets for these companies, as the office knows that they are going to be submitted to the bank in order to get a loan, but the office submits them to the company and the owner of the company submits them to the bank?

(c)

We did a study for a company based on a request from an organization that deals with commercial disputes, on the dealings of the company with the bank. This is based on bank statements submitted by the bank to the company. We showed the assets of the company without commission and their assets with commission. It was presented to the company so that

they could submit it to the organization. , the company was given only a little of that interest. Is it permissible to do such studies for our office? Please note that we have done two studies like this.

They replied:

It is not permissible for you to be an accountant because of what you have mentioned in your question, because that involves cooperating in sin and transgression. End quote.

Shaykh ‘Abd al-‘Azeez ibn Baaz, Shaykh ‘Abd al-Razzaaq ‘Afeefi, Shaykh ‘Abd-Allah ibn Ghadyaan.

Fataawa al-Lajnah al-Daa’imah (15/20-22)

(ii)

They were also asked:

I work for a man who deals in poultry feed, but he borrows money from the bank in order to do business, in return for interest that is agreed upon, and I work as an accountant. As part of my work I record the transactions with the bank and the bank interest that we have to pay according to the contract. What is the Islamic ruling on my work?

They replied:

This work is not permissible for you, because it involves cooperating in sin and transgression, and the one who works in that field is included in the hadeeth of the Messenger of Allah (peace and blessings of Allah be upon him), who cursed the one who consumes riba and the one who pays it, the one who writes it down and the two who witness it. Narrated by Muslim in his Saheeh. End quote.

Fataawa al-Lajnah al-Daa’imah (15/11, 12)

(iii)

Shaykh ‘Abd al-‘Azeez ibn Baaz (may Allah have mercy on him) was asked:

I am an accountant in a commercial company, and this company is compelled to take riba-based loans from the bank. I get a copy of the loan contract to prove what the company owes. Am I regarded as a sinner just because I keep a record of the contract without being involved in it.

They replied:

It is not permissible to cooperate with the company mentioned in riba-based transactions, because the Messenger (peace and blessings of Allah be upon him) cursed the one who consumes riba and the one who pays it, the one who writes it down and the two who witness it, and he said: they are all the same. Narrated by Muslim, and because of the general meaning of the words of Allah (interpretation of the meaning):

“but do not help one another in sin and transgression” [al-Maa'idah 5:2]. End quote.

Fataawa al-Shaykh Ibn Baaz (19/190).

See also the fatwa of Shaykh Muhammad ibn Saalih al-'Uthaymeen (may Allah have mercy on him) concerning this job, in the answer to question no. [11315](#).

For more details please see the answer to question no. [103181](#).

And Allah knows best.