

Islam Question & Answer

General Supervisor:
Shaykh Muhammad Saalih al-Munajjid

1507 - Accepting interest does not make it permissible

the question

Asalamun aikum shaikh

As we know interest is haram in Islam but can u please tell me why is it haram. I have some money but I don't know how to invest the money there is someone who knows how to manage this money if I gave him my money and fix some amount for him as interest we both agree on this and we are both pleased with this decision is it still haram if yes than can u please explain it for me.

Aassalaumu alikum

Detailed answer

Praise be to Allaah.

Riba (which means adding something extra to certain products, like selling gold for gold, or by not receiving something when a contract is signed, or paying extra in return for extension of a loan) is haraam because Allaah - who rules as He wills - has forbidden it. No one can ask Him about what He does; He is the One Who will ask people about what they did, on the Day of Resurrection. Allaah has explained that riba is haraam, and warned those who do not give it up, in the aayaat (interpretation of the meaning):

"O you who believe! Be afraid of Allaah and give up what remains (due to you) from riba (usury) (from now onward), if you are (really) believers.

And if you do not do it, then take a notice of war from Allaah and His Messenger . . ."

[al-Baqarah 2:278-279]

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One of the most important points to remember about Islamic shareeah - and this is one of the major differences between Shareeah and earthly jaahili laws - is that mutual consent to commit a haraam deed does not make it halaal. If a man and a woman agree to commit zinaa (fornication or adultery), it does not become halaal. If a businessman agrees with the bank to deposit a sum of money in the bank and take interest on it, or to take out a loan and pay interest on it, that does not make such transactions halaal. Things that are haraam will remain so until the Day of Judgement.

Man is ignorant and inclined to do wrong. He may not even know what is in his own interests or in the interests of others, so he may do things that harm himself or others.

You state in your question that you want to give some money to a person to invest it, in return for something. There is nothing wrong with that if it is done in accordance with shareeah, which includes a contract of silent partnership - i.e., you give money to someone to do business on your behalf, in return for a agreed percentage of the profits.

According to shareeah, a contract of silent partnership includes the following:

- The one who receives the money for investment is not permitted to guarantee the capital and is not expected to repay it except in cases of recklessness or negligence.
- In the event of loss, the investor loses his capital and the one who took the money loses the time and effort invested.

May Allaah help you and us to earn a halaal income. May Allaah bless our Prophet Muhammad .