

Islam Question & Answer

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21218 - Is it permissible to buy a company on condition that one pay off its debts?

the question

Is it permissible to buy a company that owes money, on condition that the purchaser take on these debts?

Detailed answer

Praise be to Allaah.

That is permissible if he takes on the debts in return for taking possession of that company, whether he pays a sum of money to its owner or he takes possession in return for taking on the debts only, such as saying, "I will buy this company for 500,000 and pay 300,000 to you in cash and take on 200,000 that the company owes to people