298030 - The company gives him an accommodation allowance to stay in the hotel, and he benefits from differences in currency prices

the question

I want to know how sound is the way in which I work out my expenses for work. I work for a European company and do work abroad, in Africa. When I write down my expenses, I have to include hotel expenses. Before I travel for work, they give me an allowance in euros to pay hotel costs. The hotel accepts local currency and euros. The price for one night's stay is 130,000 francs = 213 euros if I pay in euros, because the official exchange rate is 1 euro = 610 francs in the hotel, so if I pay in francs, the cost of one night's stay is 130,000 francs = 191 euros; the exchange rate in the bureau de change is 1 euro = 610 frances. So I exchange euros for francs at the bureau de change, then I pay the hotel in the local currency, not in euros, so I can keep the difference between the exchange rates in the hotel and in the bureau de change. Then I show my expenses sheet to the company as if I paid euros for the hotel where I stayed, in which the exchange rate is higher than in the bureau de change outside, and I keep the difference. Is this permissible?

Detailed answer

If the company gives you a set amount for your travel expenses or for your stay in the hotel, and it leaves you to spend it as you want, and does not ask you for bills to show how you spend it, then this money is your property and you can do with it whatever you wish.

But if the company gives it to you so that you can take from it your actual costs, then it is not yours in an absolute sense; rather it is yours to use for a purpose, and you are like a trustee; it is not permissible for you to take anything from it except the amount that you have spent. So if one night in the hotel costs you 191 euros, you do not have the right to record it as 213 euros.

Whatever you get of profits or reductions in the exchange rate, or gifts from the hotel, or anything else, you must inform the company of it. That is because you are an agent who is trusted with the company's money, and any profits or gains made by the agent belong to the party who appointed him.

Al-'Allaamah Muhammad Mawlood al-Mauritaani said in Nazm al-Kafaaf:

If there is any increase, it goes to the one who appointed the agent; it does not go to the agent who has not been fair.

See also the answers to questions no. 177706 and 147027.

And Allah knows best.