393945 - Ruling on pharmaceutical companies giving pharmacies medicines for free if they purchase a specific amount

the question

Regarding the sales representative who sells to pharmacies only, there are offers for all types of medicines, whereby if the pharmacist orders ten pieces of a particular medicine, he will be given two for free, and the number of free items will vary from one company to another. Sometimes there is competition in this regard, whereby the representative will try to give additional free items to the pharmacist so that he will order from him. What is the ruling on that?

Detailed answer

Firstly:

There is nothing wrong with pharmaceutical companies offering discounts on the price of medicines to pharmacies, or offering free medicines when the pharmacy purchases a specific amount, by way of encouraging the pharmacies to buy from them.

Ibn Rushd said: Some scholars are of the view, based on their interpretation of this report of Ibn al-Qasim and similar reports, that one or two of the merchants in the marketplace do not have the right to sell goods more cheaply than the other merchants, because that harming them. Among those who hold this view are Abu Muhammad ‘Abd al-Wahhab ibn Nasr al-Baghdadi, but this view is clearly wrong, because no one should be blamed for being easy-going in selling and lowering prices; rather he is to be thanked for that, if he does it for the sake of people, and he will be rewarded for that if he does it for the sake of Allah."(A*l-Bayan wa’l-Tahsil* 9/306).

Secondly:

From a juristic (fiqhi) perspective regarding the gifts that salesmen offer for marketing purposes, we have previously explained that the best of what has been said concerning that from a juristic perspective is one of two scenarios:

The first scenario is that it is a pure gift that the seller gives to encourage the purchaser to buy his product, and the buyer accepts it as such – that is, as a gift – and the price does not change as a result.

The second scenario is that it is part of the sales deal, and is subject to the general rulings on buying and selling.

We have previously mentioned these two ways of looking at it, and explained that the second one is the better way to look at this issue, in the answer to question no. 385767.

For more information, please see also the answer to question no. 194359 .

Thirdly:

The sales rep has no right to do that without the permission of his company, because he is in a position of trust regarding the pharmaceutical products that he has in his possession, and the way in which he handles them is subject to permission.

Ibn Qudamah (may Allah have mercy on him) said: The proxy does not have the right to dispose of anything except in accordance with what is dictated by the permission given by the one who appointed him, either based on what he said to him or based on what is acceptable according to custom, because his handling of it is based on the permission of the owner, so it is limited to what he has permitted. What he has permitted is known sometimes by what he said, and sometimes by what is customary."(A*l-Mughni* 5/251).

And Allah knows best.