

179122 - Dealing with a multilevel marketing company

the question

One of my friends invited me to join a global company that offers web design and hosting services. This company allocates 50% of the money paid by its customers as commission to those who invited the customers; the 50% is distributed to five people, on five levels, so the share of the person who invited me is 10%, and the one who invited him also gets 10%, and so on until the 50% is distributed. The rest of the money goes to the company in return for the website, bandwidth and the domain name that the customer paid for. Additional information: the system of payment is via credit card, and payment of commission is by means of a certified cheque from an American company.

My question is: is it permissible to get involved in this company, and is the commission that I may earn after recommending the company to new customers permissible?

Detailed answer

In several answers we have already stated that it is haraam to deal with multilevel marketing schemes (or “pyramid schemes”) that charge a fee for joining or stipulate that one must buy a certain product in order to be able to engage in marketing and take commission, because that involves ambiguity and gambling, and because in this case the item or product is not what is sought; rather the aim is to join the marketing scheme in hopes of getting a lot of commission.

The reason why it is gambling is that the participant pays a joining fee or pays the price of the product in the hope of being able to attract customers and get commission, which may or may not happen, hence this is gambling.

With regard to permissible brokerage or agency services, that does not involve stipulating a condition that a joining fee must be paid or an item must be purchased before agreeing to act as a broker or agent.

Please see the answers to questions no. [42579](#), [40263](#) and [45898](#)

And Allah knows best.