

RIBA (USURY, INTEREST)

The Meaning of *Riba*

Riba comes from an Arabic word which means to grow. In Islamic jurisprudence, it means to give a loan with a condition to be repaid more than loaned.

For example, if a person were to give a loan of 10 lbs of sugar with a condition for a return of 12 lbs of sugar, it would be considered *riba* and *haraam*. In the same way, if a person were to give a loan of U.S.A. \$10 with a condition for a return of U.S.A. \$11, it would be considered *riba* and *haraam*.

However, if a person were to give a loan of 10 lbs of sugar with a condition for a return of 12 lbs of raisins or to give a loan of U.S.A. \$10 with a condition for a return of 12 Canadian Dollars, then it would be lawful.

***Riba* in the Qur'an**

There are numerous verses in the Holy Qur'an disapproving of taking interest and the awaiting punishment in the Hereafter. It is sufficient to quote only one Ayah of the Holy Qur'an:

"O you who believe! Do not devour usury, making it double and redouble and be careful of (your duty to) Allah, that you may be successful. And guard yourself against the fire that has been prepared for the unbelievers.

(Surah Āli- 'Imran 3:130-131)

It means that the fury of the fire that is prepared for those who take interest will be just as intense as the fire prepared for the unbelievers.

Is Trading and Usury One and the Same?

There is nothing comparable between interest and trade. There is equity in business transactions because there is a mutual agreement between the two parties and both stand to gain or lose. In trading, a seller sells an article to

the buyer at a price mutually acceptable to both, and the matter ends there. But taking interest is a clear-cut case of exploitation. A person with surplus money, which he does not need, lends it to someone who is in dire need. The needy person agrees to pay interest which he can ill afford; not because it is acceptable to him but because of his compelling situation.

The main difference between trade and interest is that risk is involved in the former but not the latter. So any investment in which risk is involved is allowed but wherever the returns are guaranteed for one party but not the other, then the investment is not allowed.

Two Types of Interest

In Islamic Laws, interest (*Riba*) is of two types:

1. Interest in Business and Trade

The subject has been adequately covered in Paper No. 22 - *TIJARAH* - Trade in Islam.

2. Interest in Loan

It is *haram* to charge interest from a Muslim in loan. But charging interest from a non-Muslim in loan has been allowed.

Charging interest is allowed between father and children, and between husband and wife.

In the *Shari'a al-qarzu 'l-hasan* (a good loan) is giving a loan without the condition of interest. This act is considered a very good deed in Islam. Many *ahadith* say that the reward for giving charity is multiplied ten times whereas the reward for giving an interest-free loan is multiplied eighteen times.

Giving such a loan is considered like giving a loan to Almighty Allah who is going to pay it back with compound interest: "*Who will give a good loan to Allah so that He will multiply it for him manifold?, and to Him you shall return.*" (2:245)

Interest on Loan from A Financial Institution

It is sufficient to quote the questions answered by Sayyid Muhammad Rizvi on the subject of Loan and interest from a Financial Institution which are given hereunder:

ORIGINAL QUESTION:

Is the paying of interest on credit cards, loans etc. *haram* and also is taking interest *haram*?

I would like my question to be answered by Ayatullah Sistani's guidelines.

ORIGINAL ANSWER:

Our *Mujtahidin* have technically separated the issue of taking a loan from the issue of paying interest on it. They say that taking a loan is permissible but paying the interest is *haram*. If the loan agreement contains the clause of interest charges, the *Mujtahidin* say that "the loan agreement is okay but the condition of interest is invalid." That means that religiously you are not under any obligation to pay the interest.

I have written to Ayatullah Sistani about taking a loan in which one knows that he will end up paying the interest: is it a sin to pay interest in such a case which one has imposed on oneself?

His answer was that it is not considered a sin, because technically, he considers the charging of interest by the creditor as unjust and usurpation.

FOLLOW-UP QUESTION #1:

"His answer was that it is not considered a sin, because technically, he considers the charging of interest by the creditor as unjust and usurpation."

Please clarify the above statement.

CLARIFICATION

For the sake of clarification, I will translate the question I wrote to Ayatullah Sistani and his answer:

Q: "In *Minhajus Salihyn* (v. 1, p. 430), you have written that taking a loan from a non-Muslim bank with the *niyyat* of *istinqadh* (that is, taking advantage of a non-Muslim's wealth which he is willingly placing at your disposal) is permissible. Now suppose that a person takes some money from a non-Muslim bank with the *niyyat* of *istinqadh* to buy a house or to invest in a business fully aware that as a result he will have to pay interest when he pays back the money to the bank --- in this case, is such a person committing a sin by paying the interest? Even though he took the money with *niyyat* of *istinqadh*, he knew that finally he will end up paying more as interest."

A. "If he takes the money from the bank not as a loan but with *niyyat* of *istinqadh*, then the extra that the bank will forcefully take from him is not considered as interest because interest is the extra payment which is a condition in loan."

FOLLOW-UP QUESTION #2:

If you have real estate mortgage with P+I payment for personal living, is it O.K.?

ANSWER:

In light of the above answer from Ayatullah Sistani, it is O.K.

FOLLOW-UP QUESTION #3:

If you are interested in real estate investment, e.g. Houses, Duplex, Commercial Properties where you will end up paying interest, is it O.K.?

ANSWER:

In light of the above with the *niyyat* of *istinqadh*, it is O.K.

FOLLOW-UP QUESTION #4:

Is it permissible for a person to work in a loan Department of a Bank or Mortgage Company or Other Lending Institution, where they collect interest on their loans and pay the salary from the loan?

ANSWER:

According to Ayatullah Sistani, if you are working in a non-Muslim Bank and your customers are non-Muslims, then working in interest related dealings is O.K. (See Minhajus Salihyn, vol. 1, p. 448)

FOLLOW-UP QUESTION #5:

Can this Loan Person get involved in processing a loan for a Liquor store or any other similar business loans? What are the limitations?

ANSWER:

When it comes to dealing with intoxicating drinks, the rules are more strict. I am not aware of any new fatwa on this issue; but as far as my reading goes, it is difficult to allow any kind of involvement in such business.

CREDIT CARDS

Use of Credit Cards

Using Credit Cards as a convenient way of shopping is permissible. However, it is *haram* to delay the payment because that entails paying of interest. (Using the concept of *istinqadh* mentioned earlier, it would be permissible to use Credit Cards as means of getting a loan).

Beware of Credit Cards

I would strongly caution our brothers and sisters against being caught in the debt through Credit Cards. If you are one of those who use the Credit Cards just as a means of convenience and pay them off by the due date, the

Financial Institutions automatically increase your credit limit in order to tempt you to overspend so that you may end up paying the interest. Beware of this temptation, and control your greed. Constantly remind yourself of the difference between "need" and "greed". Imam Ali (a.s.) is quoted to have said: "Beware of debt for it causes anxiety at nighttimes and humiliation at daytime".

GAMBLING

Gambling is the practice of playing games of chance or betting in the hope of winning money or prize.

Gambling is, perhaps, the most wide-spread evil of our times. It has countless forms and names. Chess, cards, bridge, pool, sweepstake, raffle, lottery, roulette and various other plays are just plain gambling - by whatever civilized name they may be called. And these are the standard entertainment of our times.

Objects of Gambling and Placing of Bets

The general rule for an instrument to be prohibited and to be considered an instrument of gambling is that it is made for gambling and used for it, such that the term "gambling instrument" can be applied to it. It is enough if it is regarded as an instrument (for gambling) in one particular society.

There is a universal agreement among the Mujtahidin that articles normally used in gambling should not be played with, even if there is no betting.

Chess and cards should not be indulged in even when played only for intellectual stimulation games with no intent to gamble.

According to Ayatullah Seestani, playing chess is *haram* in itself. So regardless of whether one is gambling or not, it is not allowed. In fact, he even states that playing chess on a computer (where I assume no gambling is involved) is also *haram*.

Some electronic games that appear on TV with an apparatus called "Atari" and are played with buttons for enjoyment, without placing a bet. If the

pictures that appear on the screen are pictures of the instruments of gambling, then it is not permissible to play with them using the "Atari" apparatus, otherwise, it is permissible.

Betting With Articles Not Normally Used For Gambling

To place bets with articles not usually employed in gambling is also *haram*. Archery and horse racing are exceptions to the extent that it is permissible only for those who participate in the sports to bet amongst themselves. Apart from these two games it is *Haram* to bet in any other competition.

LOTTERY, RAFFLE (GAME OF CHANCE)

Lottery Tickets

These are tickets sold by companies whereby they pledge to draw the winning numbers. Any person who happen to have such numbers on his ticket will be declared the winner and should get a prize. This could take different forms.

- 1] The aim of the buyer of such a ticket could be the possibility of winning the prize. This type of transaction is *haraam* and *batil* without *ishkal*.

In other words, it is not permissible for a Muslim to buy a lottery ticket if he buys it with the intention of luckily winning the price.

- 2] Giving the money is done without expecting a return on it. That is donating it for a good cause, such as building a school or a bridge, etc. with no intention of winning a prize. If this was the case, there is no harm in it.

In other words, it is permissible for a Muslim to buy a lottery ticket if he buys it with the intention of participating in a charitable cause that is acceptable in Islam, like building a hospital, an orphanage, etc., but not with the intention of winning the prize.

It is permissible to buy, i.e. honey, which has on it a lottery ticket with the intention of winning the probable prize at the time of buying provided the entire price paid is for the honey and not for the probable prize.

MUSIC

What is Music?

In Islam music is called *Ghina*, and in Shia Ithna-Asheri *Shari'ah* is counted as one of the 'great sins'. At first, it may seem unrealistic to ban every "pleasant sound"; but there is no need to be alarmed. The *Shari'ah* has defined '*Ghind*' in a different way. In Islam, vocal music means: "Prolongation and vibration of sound with variation of the pitch to such an extent that people may say that 'he/she is singing'."

It is evident from the above definition that the *Shari'ah* does not forbid 'pleasant sounds'; but if someone recites anything with prolongation of sound and variation of pitch so much so that a common man thinks that he/she is singing, then and only then it will be '*Ghind*' and sin.

And it makes no difference whether the thing recited was the Qur'an, religious poem or love song.

Kinds of Music

Music is of two kinds.

- ❖ One of them suits the places of amusement and entertainment and thus listening to it is prohibited.
 - ❖ The other one is other than this and, therefore, is not prohibited.
1. The separating limit of lawful music from unlawful music is the latter being of suitable quality for the gatherings of amusement and of immorality.
 2. The rule of prohibited music is also being suitable for gatherings (of amusement and of immorality) and their prohibition is not lifted by

using them during the commemoration or otherwise, based on precaution.

3. The great majority types of music that are broadcast before the recitation of the Qur'an or the *Adhan* before religious programs begin or during the program are of the lawful type.
4. Musical interludes and music that precedes announcement of the news are mostly of the lawful type.
5. It is prohibited to listen to religious phrases that are composed with musical tunes that are common amongst the people of amusement and entertainment. The same ruling applies to all phrases that are not for pleasure and amusement - such as supplication or *Dhikr* - but composed with these musical tone.
6. It is permissible to listen to classical music (music that is considered serious or intellectual as opposed to such music as pop, rock or folk music) which is not suited for the gatherings of amusement and entertainment.
7. The great majority of Music that is associated with television films, popular serial programs, the aim of which is to raise the degree of excitement of the viewers in accordance with the atmosphere of the film are of the lawful types. For example, if the exhibited scene is frightening, then this music helps in prompting fear and its effect on the viewers.

General Masaels

- ❖ It is permissible to visit public places where music is being played even if it is suitable for entertainment and amusement gatherings, provided that one does not intentionally listen to it. For example, the arrival area for passengers, waiting areas for visitors, public parks, restaurants, etc. - even if the music played there is suitable for entertainment and amusement gathering - because there is no problem in hearing forbidden tunes without intending to listen to it.

- ❖ Singing (*al-ghina*) is *haraam*; doing it, listening to it, or living by it. By 'singing - *al-ghina*', is meant an amusing statement expressed in the tunes that are suitable for those who provide entertainment and amusement.
- ❖ The praises of the Prophet (s.a.w.a.) or the Ahlul-Bayt (a.s.) that are chanted with a good tune but are not in *ghina* form are okay.
- ❖ It is not permissible to recite the Holy Qur'an, supplications (*du'as*), etc. in tunes that are commensurate to entertainment and amusement gatherings.