



LAWS OF TRANSACTION

JURISPRUDENCE

JUNIOR LEVEL

Rules of Transactions

Objectives >>>

Students should:

- Know that Islam has rules for all aspects of our lives including the economic aspects
- Understand that business is encouraged in Islam
- Understand that we are not allowed to buy and sell certain items
- Understand that participating in a ḥarām transaction in any way is not permissible
- Know some of the basic rules of transactions

One of the fundamental aspects of our lives today is that we are constantly using money to buy and sell items and services. You may get money from your parents to buy clothes, shoes or food and you may earn money to buy the things that you want like mowing the lawn or washing cars.

Islam encourages trade and transactions. In the Holy Qur'an, Allah (SWT) says:

“and Allah has allowed trading and forbidden usury”
[2:275]

Imam al-Bāqir (as) said:

"He who seeks for sustenance in this world in order to be independent of people for his needs, to provide for his family members, and to stretch affection unto his neighbours, will meet Allah, Almighty and Glorious, on the Day of Judgement while his face will be as bright as the full moon."ⁱ

It is very important that we remember that money needs to be earned. We should not, as Muslims, rely on anyone, beg for money or keep asking our parents, friends or siblings for it. We have to try to be independent of others and help our parents when we can.

As this is such an important part of our lives, Allah (SWT) in His infinite wisdom and mercy has set out certain laws to ensure the society is protected from cheating, discrimination, unfair practices, extravagance (isrāf) etc. In this lesson we shall discuss some of the basic rules of

transactions that are important for us to know and remember.

ḤARĀM TRANSACTIONSⁱⁱ

We shall briefly discuss the rules regarding transactions that are not permissible in Islam:

- It is ḥarām to buy or sell any Najis ‘ayn item (this means something which is najis in itself). This includes things like:
 - Dogs (unless they are hunting dogs)
 - Alcohol
 - Pigs
 - Animals killed in a non-Islamic way

This means that we cannot buy puppies as pets or buy food that has alcohol even if we want to give it to those who are non-Muslims.

It also means we cannot be involved in selling these things.

- It is ḥarām to buy or sell any stolen property or property taken from others by force. Sometimes we have to use common sense to know when an item is stolen such as the person we are buying from, the cost of the item (compared to the normal cost), lack of receipts or accessories etc...
- It is ḥarām to buy or sell any items that are used for ḥarām acts mostly – like gambling tools
- To cheat in any transaction is also ḥarām. This rule applies whether the other person is a Muslim or not. The Holy Prophet (saw) has said:

"If a person makes a deceitful transaction with the Muslims, or puts them to a loss, or cheats them, he is not one of my followers. And when a person cheats his fellow Muslim, Allah deprives him of Blessings in his livelihood, closes the means of his earnings, and leaves him to himself."ⁱⁱⁱ

- It is ḥarām to use money that does not belong to us or to use money without permission- We cannot purchase things from iTunes or online with our parents' credit card without supervision or permission from our parents.

DISCOURAGED TRANSACTIONS

- Buying things we do not need
- Buying things that have no benefit

- Spending more than we can afford to
- Buying more than that we need
- Not buying our needs even though we can afford to (so not being miserly in our spending)

HELPING IN A ḤARĀM TRANSACTION IS ALSO ḤARĀM

It can happen sometimes that our friends or family even may ask us to buy something for them which is not permissible for us to buy. For example, when we are at a footy match, a friend may ask us to buy them a pork sausage hot dog for instance. This is not permissible and we are assisting in a ḥarām act.^{iv}

We have to be very polite and refuse to assist in the buying and selling of ḥarām things.

Class activity

Make 4 columns on a piece of paper. In the first column write down all the things you have bought over the past 2 weeks that you can remember including food. Label the other 3 columns, Permissible, Disliked, Not permissible and put each item you have bought into one of these 3 categories with the help of your teacher.

Review Questions

Q1. My friend at school bought this brand new play station latest release game which normally costs \$200 for \$20 from a shady character who normally hangs out outside your school. He asks you if you want to buy it. What should you do?

- a. Buy it and convince yourself it is a great bargain
- b. Ask him if it is stolen or genuine and avoid buying it.
- c. Buy 5 copies and sell them each at \$50

Q2. I have an old Nintendo game that I have played with for a long time and want to sell it, should I:

- a. Sell it to someone who is young or ignorant about the latest games and convince him that it's a latest new release game and get a good price for it
- b. Advertise it honestly and sell it to anyone who will pay the best price

- c. Sell it as a new release new game and use any money I get to sponsor an orphan or give other forms of charity.

ⁱ Al-Kafi, vol. 5, p. 78

ⁱⁱ It may be prudent for teachers to browse through the basic rules of transactions to ensure that they are able to answer secondary questions related to this topic accurately. More details are available <http://www.al-islam.org/laws/transactions1.html>

ⁱⁱⁱ Cheating involves but is not limited to, overstating or exaggerating merits of an item or service, over pricing an item or service, putting impossible conditions, charging interest, being unfair in any form.

^{iv} Parents and teachers may want to discuss more relevant examples with their class.