



LAWS OF TRANSACTION

JURISPRUDENCE

LEVEL 5

Objectives >>>

Students should:

- Understand the Islamic recommendations for work
- Understand the main types of business which is not allowed in Islam
- Understand some examples of business practices forbidden by Islam
- Understand that Islam strictly forbids usury
- Discuss the issue of 'interest' in today's finance world and how this relates to Islamic laws

Lesson 1: Working in Permissible Businesses

In these lessons, we will be discussing issues related to work and business in Islam.

ISLAMIC URGES US TO WORK!

The first issue to discuss is that Islam encourages all people to work, unless they are somehow unable. Anyone who can, is expected to work, and we are encouraged to establish ourselves in a financial sense as well, and keep a balance between the spiritual and material life. This point is indicated by the Holy Qur'an, wherein the following people are praised:

“Men whom neither trade nor sale diverts them from the Remembrance of Allah” (24:37)

Here, the Holy Qur'an implicitly praises those who actually have a business and who still take time out to pray.

Further to this, Imam 'Ali (as) says:

“Attend business, because will make you needless of what is in people's hands.”

Islam recommends that we make a decent living. This means we should not become greedy in seeking wealth, and to not become workaholics. It also means we should not cheat, bribe or do things like lie to receive welfare payments illegitimately. In addition, we should never engage in any ḥarām acts when doing business- it is better to lose money than to something ḥarām to gain it.

IMPERMISSIBLE BUSINESSES

While Islam strongly encourages us to work, there are some types of business which are strictly forbidden. Here, we will discuss the main types of these business. Included in this lesson are some jurisprudential questions and answers which are included to further elucidate the points in the lessons. These are quoted directly from the website of Ayatollah Sistāni.

INTOXICATING DRINKS

Any transaction related to alcohol is haram. The seller, maker and transporter of wine are all cursed by God, and we have to make sure we have nothing to do with any alcoholic products.

Question: Is it permissible to work in a restaurant where intoxicating drinks are served, if the worker does not himself serve them; nevertheless, sometimes he would be washing the cutlery [in which the drinks were served]?

Answer: If washing the cutlery used for the intoxicating drinks is considered as a first step in drinking the liquor and serving it to the customers, it is forbidden.

A Muslim is not allowed to serve intoxicating drinks to anyone at all, even to those who believe it is lawful to them. He is not [even] allowed to wash the dishes or give them to others, if that washing and giving is part of the drinking of intoxicants. A Muslim is not allowed to hire himself out for selling or serving intoxicating drinks or for washing the dishes for that purpose, just as it is not allowed for him to take the wages for this work, as it is unlawful. As for the “extreme need” justification used by some people for this kind of work, it is an unacceptable justification.

Question: Is it permissible to invest in companies who deal in part, in intoxicating drinks without the possibility of separating one’s investment from that of the others in that line of production?

Answer: It is not permissible to participate or deal in the production of intoxicating drinks

Question: A Muslim calligrapher is approached for preparing a billboard promoting intoxicating drinks, or for an all-night dance party, or for a restaurant that serves pork. Is it permissible for him to accept these jobs?

Answer: It is not permissible because it involves advertising indecent acts and promoting immorality.

Question: During some nights the clubs are filled with their non-Muslim customers who usually get drunk, and come out looking for restaurants to eat their meal. Is it permissible for a Muslim to work in such restaurants to serve permissible food to drunkards and sober customers alike? Is it a sin, if that permissible food helps in decreasing the effect of intoxication or other similar effect?

Answer: On its merits, there is no problem in this.

AL-MĪTAH

- *al-mītah* is any animal that is not slaughtered in an Islamic manner. Wealth gained through selling the meat, skin or other products from such an animal is ḥarām in general.
- We cannot sell any types of *mītah* to Muslims under any circumstances. Again, this includes the meat, fat and skin (and the leather made from it) of that animal.
 - Wool is not included in this rule.
- If the *mītah* is Najis (for example a cow not slaughtered in an Islamic way) then we cannot sell it, even if it is to a non-Muslim.
 - If we are working for example at a shop which sells these things, we cannot be directly involved in selling these products (i.e. working at the check-out counter). He can however serve or prepare these things (except pig products)
- If the *mītah* is not najis (for example non-ḥalāl seafood such as calamari) then we can sell it only to those who deem it ḥalāl

Question: Can a Muslim serve (not sell) non-halal meat to non-Muslims?

Answer: A Muslim is allowed to serve meat of an animal that was not slaughtered according to Islamic laws to those who consider it lawful like Christians, Jews, and others. Similarly, it is permissible for him to work in preparing and cooking that meat. The money that he receives in return for that work can be legitimized by the rule of tanāzul (withdrawing your exclusive right from that meat). It is not permissible for a Muslim to sell pork

to those who believe it is lawful for them among the Christians and others. Based on obligatory precaution, one should not even serve that meat to them.

Question: It is permissible to sell wild non-halal animals?

Answer: It is permissible to sell wild animals whose meat is forbidden like tiger, hyena, fox, elephant, lion, bear, and other similar animals like cat and whale if there is any legitimate benefit which makes them valuable in the market (even if in view of only some experts of that field). Non-hunting dogs and pigs are exempt from this rule.

PIG PRODUCTS

- It is ḥarām to eat products derived from pigs. Pig products are not only ḥarām to eat, but are also najis.
- It is impermissible to sell pig products, even to non-Muslims, because they are najis. We should not engage in any business involving pig products. Our Imams have said:

“When Allah makes something forbidden, he also makes profit from it forbidden”

Question: Is it permissible for a Muslim to sell pork to those who believe it is permissible for them like the Ahlul Kitāb?

Answer: It is not permissible to deal in pork at all.

Question: Is it permissible to work at a store that sells pork in the sense that the Muslim supervisor asks one of his employees to give pork to the customer?

Answer: It is not permissible to sell pork, even to those who consider it lawful, be it directly or through an intermediary. As for handling pork for those who consider it lawful, there is problem in it; however, based on obligatory precaution, one should refrain from it.

Question: A printer in the West prints the menus of restaurants. Such menus include pork. Is this allowed? Is he allowed to print the advertisements for pubs and establishments that provide forbidden entertainment knowing well that his business will be affected, if he does not print these kinds of materials?

Answer: It is not permissible for him to do that even if it affects his business.

DOGS

- Dogs are najis in themselves. Therefore, we cannot engage in business related to dogs.
- The definite exception to this is a hunting-dog. We are allowed to keep such a dog and the prey the dog catches does not become najis even though it is touched by the dog.
- Shepherd dogs and guard dogs are also allowed according to some scholars. If we need such dogs, we should keep them outside the house.

Imam al-Ṣādiq (as) was asked about the profit gained from selling a non-hunting dog. He (as) said: “this is forbidden, but profit from selling a hunting-dog is okay.”

GAMBLING

Gambling is one of the mortal sins in Islam, and so being involved in any business that includes gambling is impermissible. This prohibition is clearly expressed in the Qur’an, and the term used to describe gambling is ‘*al-maysir*’ (literally: easy loss).

- All forms of betting are impermissible, this includes betting on sporting matches, online poker, poker machines, TAB, and so on.
- Furthermore, working in a casino, helping to create a gambling website or being a bookie are all disallowed.
- Selling or buys instruments or equipment which would solely be used for the purposes of gambling (e.g. poker cards) is impermissible.

Question: Can a Muslim buy lottery tickets?

Answer: It is not permissible for a Muslim to buy tickets of chance (including lottery), if he buys them with the intention of luckily winning the prize. It is permissible for him to buy the lottery tickets if he buys it with the intention of participating in a charitable cause that is accepted Islamically like building hospitals, orphanages, etc., but not with the intention of winning the prize. However, this hypothetical situation is extremely difficult to occur in non-Muslim countries that consider certain activities that are forbidden in Islam to be of a charitable nature according to their own understanding. In both the cases [of “a” and “b” if a Muslim wins the lottery], it is permissible to receive the prize from a non-Muslim [person or company].

Question: Is it allowed for a mature and responsible Muslim to encourage a child to buy a lottery ticket and then ask him to present it to himself as a gift? Is it permissible for him to ask an Ahlul Kitāb person to buy the ticket [for him] with the intention of winning the prize?

Answer: The prohibition is not lifted by any of those [loop holes] because the rule of causing or delegating [the act of buying the lottery ticket] is like doing it directly.

Question: Is it permissible to buy, say, honey, which has on it a lottery ticket with the intention of winning the probable prize at the time of buying?

Answer: It is permissible, if the entire price is for the honey and not for the probable prize.

SCULPTURES AND DRAWINGS

Drawings which are created for ḥarām purposes are impermissible to create.

When it comes to sculptures, some scholars deem it impermissible to create a sculpture of any living being. Others limit this to sculptures which would be used for worship or other impermissible acts. In general though, a Muslim cannot create a cross that will be venerated by Christians or an idol that would be worshipped by Buddhists.

IMPERMISSIBLE ENTERTAINMENT

We have discussed this issue in other lessons. The main point to review is that selling any music or song which is not permissible in Islam is ḥarām. Just as we are not allowed to listen to these types of songs and music, we are also not allowed to sell the instruments, CDs, DVDs or other products related to them.

Question: Can a Muslim work in a place of entertainment?

Answer: It is not permissible to work in places of entertainment and other similar places of debauchery if that work would cause one to drift towards unlawful acts.

Question: An electrical engineer in a European country is sometimes called to install or repair public address systems; at times those places are establishments for illicit entertainment. Is it permissible for him to engage in this work in such places with the knowledge that if he

declines the customer, it will hurt his business, in that customers will eventually leave him?

Answer: It is permissible.

Question: A printer in the West prints the menus of restaurants. Such menus include pork. Is this allowed? Is he allowed to print the advertisements for pubs and establishments that provide forbidden entertainment knowing well that his business will be affected, if he does not print these kinds of materials?

Answer: It is not permissible for him to do that even if it affects his business.

IMMORAL PRODUCTS

Islam prohibits dealing in immoral products such as pornographic material and similar products.

Question: Is it permissible to work as salesman or cashier in shops that sell pornographic magazines? Is it permissible to deal in these kinds of magazines? Is it permissible to print them?

Answer: None of these [activities] is permissible because they aim at promoting forbidden acts and propagating immorality.

Question: A person knows for sure that one day he will see a ḥarām scene on television or video. Is it then permissible to buy it?

Answer: The reason compels him not to buy.

HELPING OPPRESSORS

Assisting oppressors in their oppression is a major sin in Islam, and should be avoided in all circumstances. Thus any business which supports an oppressor somehow is forbidden in Islam. The Holy Qur'an commands:

“Help each to piety and virtue, and do not help each other to enmity and sin”

Abu Baṣīr, a companion of the Imam, asked Imam al-Bāqir (as) if he was allowed to work in the government of the ‘Abbasids. The Imam replied: “no, you cannot even sharpen their pencils. A person does not gain anything of their world, except that they take the same portion of his religion”.

Therefore, we should be very careful to take any position with oppressive governments or companies that support them. The

only exception is if that position will genuinely allow us to help the believers and stop them from being harmed.

Question: Can a Muslim buy products from a country that is war with Muslims or Islam?

Answer: It is not permissible for a Muslim to buy products of the countries that are in a state of war with Islam and Muslims, for example, Israel.

Question: Is it permissible to buy goods from companies that allocate part of their profits to supporting Israel?

Answer: We do not allow that.

Question: A Muslim who is committed to promote his religion is compelled to work in a government department in the West; this may lead to committing certain forbidden acts. He does this with the hope that he will have in future a greater influence in that department. In this way he serves his religion and considers this service more important than committing the forbidden acts. Is this permissible for him?

Answer: It is not permissible to commit a forbidden act just for future [positive] expectations.

Review Questions

1- A Muslim is:

- Is allowed to sell al-mīṭah to non-Muslims
- Is allowed to sell only al-mīṭah which is ṭāhir and only to non-Muslims
- Is allowed to sell any meat to anyone

2- A Muslim

- Is not allowed to gamble but can engage in gambling-related businesses
- Is not allowed to gamble or engage in gambling-related businesses
- Is allowed to gamble if it is online

Lesson 2: Islamic Business Practices

In continuation of our previous lesson on the rules of Islam in relation to business, here we will discuss some business practices which are forbidden in Islam. The reason for these practices being forbidden is to maintain justice and avoid exploitation.

CHEATING

Cheating, fraud or deception in a transaction or in trade makes the earning through that transaction ḥarām.

Imam al-Ṣādiq (as) says in an authentic narration:

“the one who cheats us is not one of us”.

THE CONSEQUENCES OF CHEATING

It is common sense to not cheat others, because we do not like to be cheated ourselves. In addition to this, cheating can cause a business to fail. The following narrations indicate this:

- In one example, there was a woman called Zaynab, who sold perfume. She used to come and sell perfume to the wives of the Prophet. The Prophet (saw) said to Zaynab:

“When you sell, remain righteous and do not deceive. This is more pure and protects your good for longer.”

CAN WE CHEAT NON-MUSLIMS?

Cheating is forbidden, no matter who we are dealing with. Cheating in business with non-Muslims is ḥarām, especially if the image of Islam would be tarnished by this.

Question: A Muslim works in a non-Muslim country, in a private office, or in a government office, or on contract for a specific project where he is paid by the hour. Is it permissible for him to waste some hours or work negligently or intentionally delay the job? Does he deserve the full wages?

Answer: This is not allowed; and if one does it, he is not entitled to full wages

BRIBERY

Bribery is when we pay someone an illegal fee in order to show us favour. Examples include when a person pays a bribe

so that his application for a driving lesson is accepted even though he has not passed the test, or when a person bribes a judge to rule in his favour.

Bribery is forbidden in all legal systems, and this is the case in Islam also, unless one has no choice at all. In Islam, the person giving the bribe, taking the bribe and anyone else involved in negotiations to do with bribery is sinning, and the wealth gained in this way is *ḥarām*. Taking bribes when a person is in the position of judgment is particularly bad. Imam al-Bāqir (as) said:

“taking bribes when judging is disbelief in the Almighty Allah.”

LAW AND JUDGMENT

It is not permissible to judge, or to seek judgment based on non-Islamic laws.

Question: Is it permissible for a holder of a law degree to become a lawyer in a non-Muslim country upholding the laws of that country, and taking cases of non-Muslims since his purpose is to attract cases irrespective of their nature?

Answer: If it does not involve violation of a right or lying or other forbidden acts, there is no problem in it.

Question: Is it permissible for a holder of a law degree to become a judge in non-Muslim countries in which he acts according to their laws?

Answer: It is not permissible to administer judgement for those who are not qualified, and [it is not permissible to judge] based on non-Islamic laws.

USURY

Usury is when a lender gives a loan to a person but charges them for that loan. So a lender would lend \$1000 to a person but charge them a fee of 10% for every month that the debtor does not pay him back. This means that if the debtor does not pay the lender back for a year, he would then owe him \$2200.

Usury was very common in the Age of Ignorance, and the Holy Qur'an made it impermissible in a gradual manner, until it finally made it absolutely impermissible.

“Those who eat Riba (usury) will not stand (on the Day of Resurrection) except like the standing of a person beaten by Satan leading him to insanity. That is because they say: "Trading is only like Riba (usury)," whereas

Allah has permitted trading and forbidden Riba (usury). So whosoever receives an admonition from his Lord and stops eating Riba (usury) shall not be punished for the past; his case is for Allah (to judge); but whoever returns [to Riba (usury)], such are the dwellers of the Fire - they will abide therein.”

As we can see, in these āyāt:

- The Qur'an describes the one who takes usury is like one who is struck by Satan
- They suffer in this way because they claim there is no difference between sale and usury
- Allah advises the believers to leave usury if they are truly believers
- Allah warns people that if they do not leave usury, then they are opening themselves to warfare from Allah, the Exalted

In today's world, a clear example of usury is what loan sharks do. Loan sharks loan people who are desperate some money but charge huge interest rates, which exploit people.

When it comes to banks, there has been some discussion amongst our scholars recently about whether the loans banks give are usury or not. The discussion about this is for a higher level. However, at this stage, the interest that banks charge is still jurisprudentially considered to be usury.

When it comes to practical situations, most scholars allow a person to take a loan from a bank in a Western country even if the bank charges interest. This is because the person himself is not the one setting the condition of interest. Similarly, it is permissible to receive interest from a bank in a non-Muslim country.

QUESTIONS RELATED TO USURY AND INTEREST

In this section, we will discuss some questions and answers related to work and investment. This material is directly quoted from the website of Ayatollah Sistani.

Question: Can a Muslim deposit money into, or take a loan from a bank which charges interest?

Answer: It is permissible to deposit [money] in non-Muslim (private or state-owned) banks. If a Muslim intends to get a loan from such banks, it is necessary that

he should do so with the intention that it is a transaction without return, even if he knows that he will end up paying the capital as well as the interest. And he should not do so with the intention of getting the loan with the condition of [paying] interest.

Question: In the West, it is possible for a person to open a variety of current accounts with high or low interest rates equally without any difficulty in both the cases. Is it permissible to open accounts with high interest rate with the understanding that the person will not demand the interest, if the bank denies it to him? If it is not permissible, is there a solution that would allow them to open such an account knowing well that they, in their heart, are seeking the best interest?

Answer: They are allowed to open the account in the bank and it is [also] permissible for them to deposit in it with the condition of earning the interest, if the bank is financed by non-Muslim governments or people.

Question: Banks in the West give loans —known as mortgage— to those who do not have enough money to buy houses; this is to be paid back in [weekly or monthly] instalments with a high rate of interest. Is a Muslim allowed to use this facility? If it is not permissible, is there a solution in your view for someone who claims that he needs the mortgage to buy his own residential house and does not possess enough money to pay for it?

Answer: It is permissible to take the money from the bank that is financed by non-Muslim government or private funds but not with the intention of loan. The knowledge that the bank will sooner or later force him to pay the capital as well as the interest does not affect [the lawfulness of] his taking the money.

MISCELLANEOUS QUESTIONS

Question: Some Muslims deal in the manuscripts of the Holy Qur'ān which they import from Muslim countries. Is this permissible? If the obstacle in selling is the law that forbids selling the Qur'ān to non-Muslims, is it possible to overlook this condition so that the deal may be legitimate? If it is permissible, how do we bypass this condition?

Answer: We do not allow this since it is detrimental to the [intellectual and cultural] heritage of the Muslims and their resources.

Review Questions

1- Usury is:

- a. Permissible in Islam
- b. Impermissible in Islam
- c. Permissible in some situations

2- Cheating a non-Muslim:

- a. Is allowed
- b. Is not allowed
- c. Is allowed, only if you can get away with it

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