

Answer to Question

Ruling on Financial and Commercial Transactions Over the Internet

To Saed Khatib

(Translated)

Question:

Assalamu alaikum wa Rahmatullah wa Barakatahu,

What is the ruling on trading, for example, buying a dinar, oil, gold, etc. with dollars at a time of cheapness, then selling it at a time of high prices to make a profit, knowing that all of this is available on the Internet, and he can transfer the money to the bank and withdraw it whenever he wants?

A second question: Is it required when exchanging currencies to receive it in person or is it sufficient to receive it online without hand?

- I will add to the question: If he buys oil, is it necessary for him to possess it and receive it, and if he sells it without possessing it?

Knowing that if he buys oil, iron, gold or money, he cannot receive it unless he converts it to dollars and receives it as dollars. So if you buy oil, you cannot receive it as oil, but it is converted to dollars.

It was also stated in the book, Economic System that it is not permissible to sell it to it at all, and this includes what he owns but has not received, which requires possession for the completion of the sale, which is measured, weighed, and counted. As for what does not require possession for the completion of its ownership, which is not measured, weighed, or counted, such as an animal, a house, land, and the like, then it is permissible for the seller to sell it before receiving it.

The question is: How do I judge whether something is measured, weighed, or counted or not? He mentioned an example of something that is not measured, such as an animal or a house, but an animal like a sheep in our country when we buy it, we weigh it and it is sold according to its weight, if it appears to be weighed. Likewise, a house is called an apartment or two apartments, if it is counted, how do I consider them not counted or weighed?

Answer:

Wa Assalamu alaikum wa Rahmatullah wa Barakatahu,

Regarding the subject of trading, we have previously answered a question similar to yours, and I have excerpted from it what is related to your question:

[As for the answer to the first question, which is online trading, it is as follows:

1- Regarding oil, the question is not clear:

Do you want to fill your car at a gas station with an electronic card and give it to the gas station official who will fill your car with gasoline? If that is the case, then it is permissible because if the withdrawal of the price from your account is delayed for a day or two, then it is permissible to buy this commodity on credit without interest, as you received the commodity (gasoline for your car) and he took the price immediately or after a day or two. If the reality is like this, then there is nothing wrong with that.

However, if the intended purpose of trading is to buy a limited quantity of oil and then sell it before receiving it, then this is not permissible because receiving it is a condition for selling these commodities. Abu Dawud narrated on the authority of Zaid bin Thabit who said: «فَإِنَّ رَسُولَ اللَّهِ ﷺ نَهَى أَنْ تُبَاعَ السِّلَعُ حَيْثُ تُبْتَاعُ حَتَّى يَخُوزَهَا التَّجَارُ إِلَى رَحَالِهِمْ» **Allah's Messenger (ﷺ) forbade that commodities to be sold in the place where they were bought, till the traders take them to their dwellings**". That is, these goods are not sold except after they are possessed and received. So, taking possession is a condition for the validity of their sale unless there is a specific text regarding a particular good, then it is permissible and not others, and this is not mentioned here... Accordingly, selling that quantity of oil without taking possession of it is not permissible according to Islamic law.

But if you mean to be a partner in an oil well by paying money via an electronic card over the Internet, then this is not permissible because oil wells are public property and do not have private ownership.

But if you mean something else, then clarify it.

2- Trading in gold and silver:

As for gold and silver, selling and buying them for each other or for cash must be done hand to hand, as in the hadith narrated by Al-Bukhari and Abu Dawud on the authority of Omar: **“Gold for silver is usury except hand to hand,”** meaning hand to hand. Therefore, buying gold for silver or for cash is not valid except by hand to hand.

And because after we have learned how to trade online, the exchange does not happen immediately, but rather it may take hours or days, therefore it is not permissible to buy gold and silver with an electronic card via the Internet unless the card is deducted from the account immediately when buying gold or silver, i.e. hand to hand, so do not receive the gold or silver except at the time the amount is deducted from your account. And since there is no immediate exchange in trading online, but rather after a day or two, then it is not permissible.

3- Trading in stocks and bonds is forbidden because stocks belong to joint-stock companies that are invalid according to Islamic law, and because bonds are linked to usury. We have detailed the subject of joint-stock companies in the book, *The Economic System*, as well as in *The Turbulence of the Stock Markets* other books. We have mentioned in the booklet, *The Turbulence of the Stock Markets*, a summary of the matter as follows:

“As for the Shari'ah rule pertaining to the dealing in these shares and in securities, whether buying or selling, it is forbidden. This is because these shares are those of a company that is unlawful according to Shari'ah. They are in fact certificates of bills which contain mixed sums from a lawful capital and unlawful profits made from an unlawful transaction. Each bill represents the value of a share, and this share represents part of the assets that belong to the unlawful company. These assets have been mixed with an unlawful transaction which Shari'ah has prohibited. Thus, it is illicit money, whose buying and selling becomes unlawful, and dealing in such money is also illicit. This is also the case for bonds, in which money is invested with interest, and so is the case for bank shares and similar, since they all contain sums of illicit money; thus their buying and selling is unlawful, because the money contained in them is illicit.” END QUOTE.

4- Trading paper currencies on the Internet, such as the dollar and the euro, is forbidden because there is no hand-to-hand exchange, which is necessary in exchanging money. Hand-to-hand exchange, as it applies to gold and silver, also applies to paper money on the grounds of currency, i.e. using them as prices and wages. We mentioned the following in the Answer to Question on 11/07/2004:

[Dealing with paper currencies

Yes, what applies to gold and silver in terms of usury and other monetary rulings applies to them. This is because the realization of the reason (cash, i.e. its use as prices and wages) in these papers makes them take the rulings of money.

Therefore, buying usurious items with these papers applies to what was mentioned in the hadith (hand to hand), i.e. it is not a debt.

The subject is as follows:

The Messenger (saw) says: **مَثَلًا، وَالْمِلْحُ بِالْمِلْحِ، وَالتَّمْرُ بِالتَّمْرِ، وَالشَّعِيرُ بِالشَّعِيرِ، وَالْبُرُّ بِالْبُرِّ، وَالْفِضَّةُ بِالْفِضَّةِ، إِذَا كَانَ يَدًا يَدًا بِيَدٍ»** **Gold is to be paid for by gold, silver by silver, wheat by wheat, barley by barley, dates by dates, and salt by salt, like for like and equal for equal, payment being made on the spot. If these classes differ, sell as you wish if payment is made on the spot.”** (Narrated by Al-Bukhari and Muslim on the authority of Ubadah bin Al-Samit, may Allah be pleased with him.)

The text is clear when these usurious (riba) categories differ, that the sale is as you wish, i.e. like for like is not a condition, but the exchange is a condition. The word "categories" was mentioned generally in all usurious categories, i.e. the six, and nothing is excluded from it except by a text, and where there is no text, the ruling is that wheat is permissible for barley or wheat for gold, or barley for silver, or dates for salt, or dates for gold, or salt for silver... etc. No matter how different the exchange values and prices are, but hand to hand, i.e. it is not a debt. And what applies to gold and silver applies to paper money by virtue of the common cause (cash, i.e. its use as a price and wages).] End.

By studying how this online trading in buying and selling gold is done, it became clear that the collection or settlement is delayed for a day or two... from the date of the contract, and this is contrary to the agreed-upon condition of exchange, which the Prophet (saw) stipulated in his saying: “Hand in hand.” Al-Bukhari narrated on the authority of Al-Bara' bin Azib, who said: We asked the Prophet (saw) about that, and he said: **«مَا كَانَ يَدًا يَدًا فَخَذُوهُ وَمَا كَانَ نَسِيئَةً فَذَرُوهُ»** **“Take what was from hand to hand and**

leave what was on credit.” Muslim narrated on the authority of Malik ibn Aws ibn al-Hadathan that he said: I came and said: Who is exchanging dirhams? Talhah ibn Ubaydullah said while he was with Umar ibn al-Khattab: Show us your gold, then come to us when our servant comes and we will give you your money. Umar ibn al-Khattab said: No, by Allah, you must either give him his money or return his gold to him, for the Messenger of Allah (saw) said: «الْوَرِقُ بِالذَّهَبِ رِبًا إِلَّا هَاءَ وَهَاءَ...» **“Gold and silver are usury, except for this and that...”**

Accordingly, it is not permissible to trade the euro, dollar, and other forms of currency over the Internet because there is no immediate exchange)] **End quote.**

Regarding your question about measured, counted, and weighed items, we have previously answered a similar question as follows:

Answer to Question on 12/02/2006, which stated:

[Counted, weighed and measured are according to the reality of the sale of goods.

... Look at the market and see how this commodity is sold? Is it sold by number, meaning is it called in the market each grain for so much or each one for so much? Is it sold by weight, so is it called each kilo for so much? Or is it called each meter for so much? Or each saa' (type of dry measurement) for so much...?

If this is the case, the description of counted, weight or measure applies to it, whether it is a description of one or more, meaning that the commodity can be described as weighed and counted...

Examples: wheat, barley... by weight and measure.

Bananas, oranges... by weight and by number (in some countries it is sold by number)

Cloth... by measure (yard, meter)

...and determining its description when seizing these things is important to eliminate ignorance. When someone tells me that I have 100 kilograms of wheat, it is not enough to determine the description. Rather, the type of wheat must be specified so that the weight eliminates ignorance, and so it is with the measured and counted.

But is the animal sold by number, so that it is called out saying each camel for a thousand, or is it sold by the buyer seeing it and looking at it and saying this camel is not worth a thousand and then choosing the second camel? Is each camel like the other such that the sale is by number?

Then, are the houses sold by number, weight, or volume? In other words, does a man who has ten houses call out and say, “A house is for a thousand,” or is any house bought by seeing it, and it is different from the other...

Therefore, it is said that the animal and the house are not sold by measure, weight or number. You may say that some people sell their animals by weight, but this is not the case for every animal. He may sell a certain sheep by weight, but he does not sell every sheep, nor does he sell every animal, so he does not sell a cow by weight... as it is not said to me, you have a hundred kilos of animals (of course, meaning that they are alive).

Likewise, you may say that some people sell houses by the meter, but this does not apply to every house. Rather, a meter in this house is ten, and in that house it is twenty, and so on. So, the precise description of it is not by measurement, so it is not said to me, you have a house of one hundred meters...

And so....] **End.**

I hope this is sufficient, and Allah Knows Best and is Most Wise.

Your brother,

Ata Bin Khalil Abu Al-Rashtah

11 Rabi` al-Akhir 1446 AH

Corresponding to 14/10/2024 CE

The link to the answer from the Ameer's Facebook page:

<https://www.facebook.com/AtaabuAlrashtah.A.HT/posts/122127009638447297>