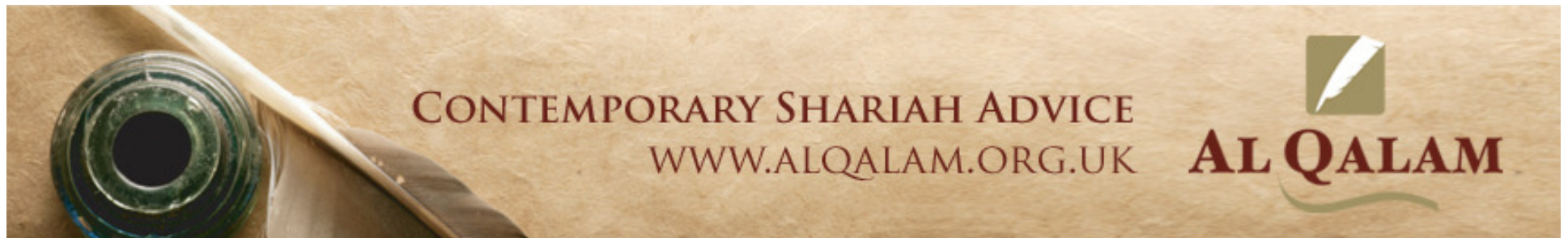


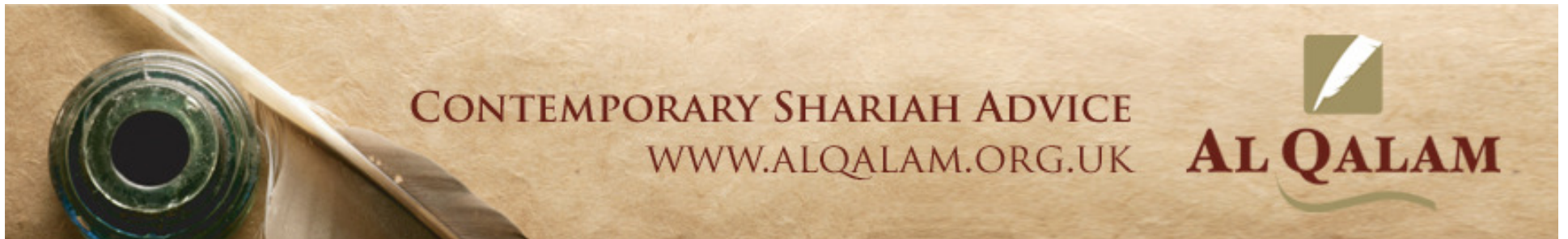
The Prohibition of Riba in The Holy Qur'an & Hadith



Definition of Riba

- Lexical: الزيادة excess, increase or addition
- Legal: فضلٌ خالٍ عن عوضٍ شرط لأحد العاقلين excess

compensation without due consideration
made conditional for either party to a
contract



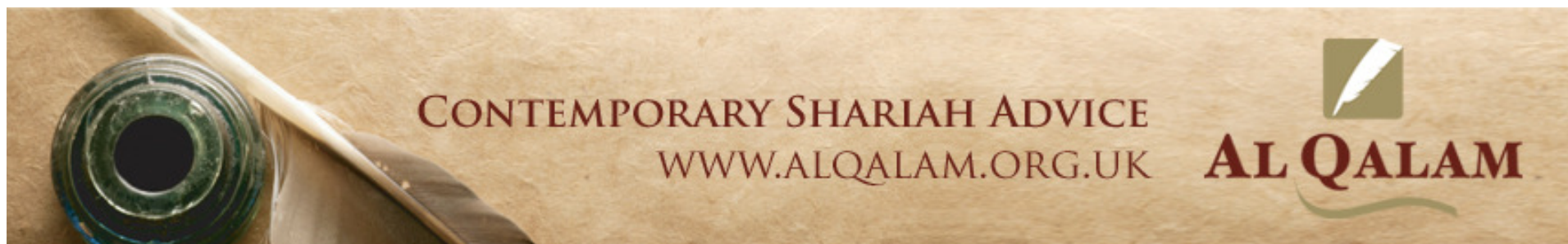
2 Types of Riba

1. Riba al-Nase'ah – ربا النسيئة

- To charge a specified increase or profit on a specific amount lent for a given period
- Also known as:
 - Riba al-Jahiliyyah
 - Riba al-Qur'an

2. Riba al-Fadhl – ربا الجاهلية

- Excess that is taken in the exchange of homogenous (متجانس) commodities and is encountered in their hand to hand purchase and sale
- Also known as:
 - Riba al-Bey'
 - Riba al-Hadith



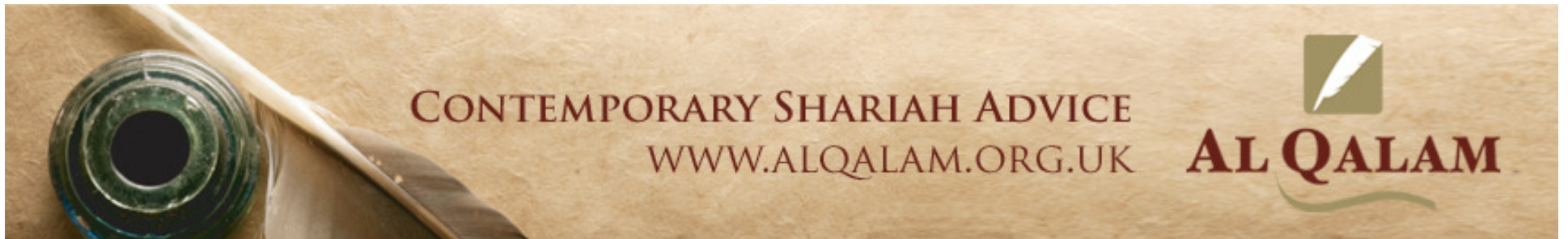
Historical Analysis - Verse 1

وَمَا آتَيْتُمْ مِّنْ رَبِّاٍّ لِّرَبُّوٍ فِى أَمْوَالِ النَّاسِ فَلَا يَرْبُو عِنْدَ اللَّهِ وَمَا آتَيْتُمْ مِّنْ
زَكَاةٍ تُرِيدُونَ وَجْهَ اللَّهِ فَأُولَٰئِكَ هُمُ الْمُضْعِفُونَ (39) [الروم]

And that which you give in riba for increase through the property of [other] people, will have no increase with Allah. But that which you give in charity seeking the countenance of Allah, it is these who will get a recompense multiplied.

[30:39]

- Revealed in Makkah
- Not prohibitive in nature
- According to the majority of exegetes, refers to the gift that is extended to another with the intention that the latter will return it with a better gift



Historical Analysis - Verse 2

وَأَخَذِهِمُ الرِّبَا وَقَدْ نُهُوا عَنْهُ وَأَكْلِهِمْ أَمْوَالَ النَّاسِ بِالْبَاطِلِ وَأَعْتَدْنَا
لِلْكَافِرِينَ مِنْهُمْ عَذَابًا أَلِيمًا (161) [النساء]

That they took riba, though they were forbidden ...

[4:161]

- Enumeration of the iniquity and wickedness of the Jews
- Exact time of revelation is uncertain
- Context indicates before 4th year AH as most Jews had by the departed Madinah
- According to al-Tabari – refers to predetermined excess taken upon the lending of a specified amount for a specified period
- Not explicitly prohibitive for Muslims
- Prohibition for Muslims is inferred, otherwise Jews would not be blameworthy

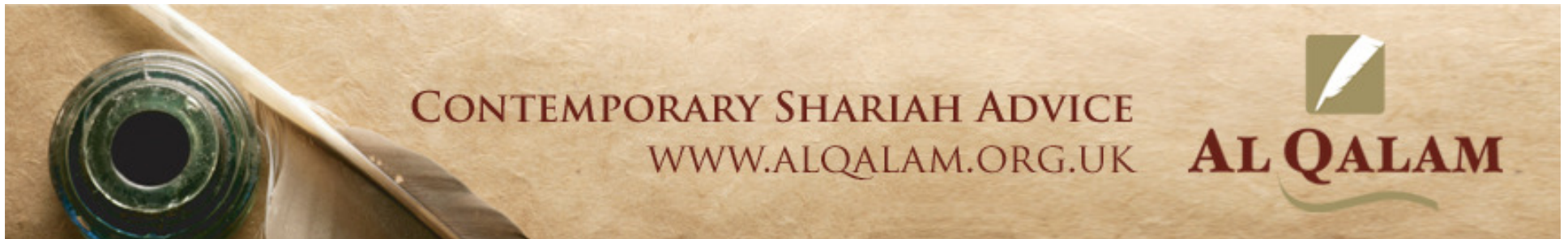
Historical Analysis - Verse 3

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا الرِّبَا أَضْعَافًا مُّضَاعَفَةً وَاتَّقُوا اللَّهَ لَعَلَّكُمْ تُفْلِحُونَ (130) [آل عمران]

O you who believe! Devour not usury, doubled and multiplied; but fear Allah, that you may prosper.

[3:130]

- According to Ibn Hajar – revealed in 2AH as preceding and succeeding verses are about the Battle of Uhud
- Prevented Muslims from usurious loans to equip their armies in response to the action of the pagans
- Explicit prohibition of compound interest
- Qualification is not exclusive but rather suggestive of prevalent practice

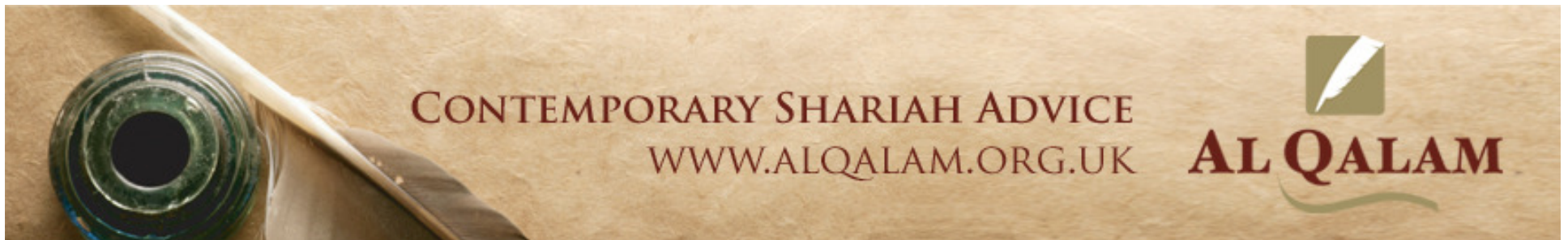


Historical Analysis - Verses 4 & 5

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ذَلِكَ بِأَنَّهُمْ
قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا فَمَنْ جَاءَهُ مَوْعِظَةٌ مِّنْ رَبِّهِ فَانْتَهَى
فَلَهُ مَا سَلَفَ وَأَمْرُهُ إِلَى اللَّهِ وَمَنْ عَادَ فَأُولَٰئِكَ أَصْحَابُ النَّارِ هُمْ فِيهَا خَالِدُونَ (275)
يَمْحَقُ اللَّهُ الرِّبَا وَيَرْبِّي الصَّدَقَاتِ وَاللَّهُ لَا يُحِبُّ كُلَّ كَفَّارٍ أَثِيمٍ (276) [البقرة]

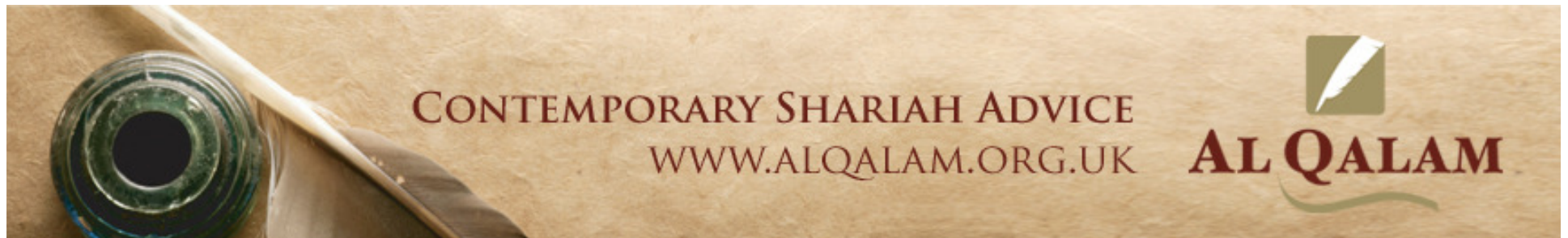
Those who devour riba will not stand except as stands one the Satan has driven to madness by his touch. That is because they have said: "Trade is but like riba." but Allah has permitted trade and forbidden riba. So, whosoever after receiving admonition from his Lord desists, he shall be pardoned for the past, and his case is for Allah (to judge); but one who reverts (to the offence), those are the companions of the fire. They will abide therein (for ever). Allah destroys riba and gives increase for deeds of charity, for Allah loves not any ungrateful/non-believing sinner.

[2:275-276]



Historical Analysis - Verses 4 & 5

- Those engaged in riba are consumed by greed leaving them 'intoxicated' thereby which will be mirrored on the Day of Judgement
- Consequence of their mocking justification – both earned a profit
- Obviously erroneous similitude was not countered on the basis of reason
- Prohibition was not retrospective



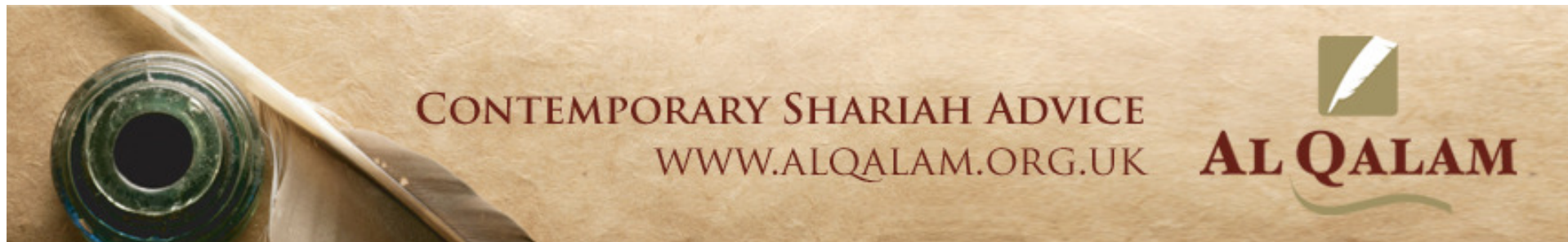
Historical Analysis - Verses 6 & 7

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنتُمْ مُؤْمِنِينَ
(278) فَإِنْ لَمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِنَ اللَّهِ وَرَسُولِهِ وَإِنْ تُبْتُمْ فَلَكُمْ
رُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ (279) [البقرة]

O you who believe! Fear Allah, and give up what remains of your demand for riba, if you are indeed believers. If you do it not, take notice of war from Allah and His Messenger. But if you repent you shall have your capital sums. Deal not unjustly, and you shall not be dealt with unjustly.

[2:278-279]

- Dispute between Banu 'Amr b, 'Umeyr of Banu Thaqif [who embraced Islam in 9AH] and Banu Mughirah over vast outstanding claims of interest earned prior to prohibition.



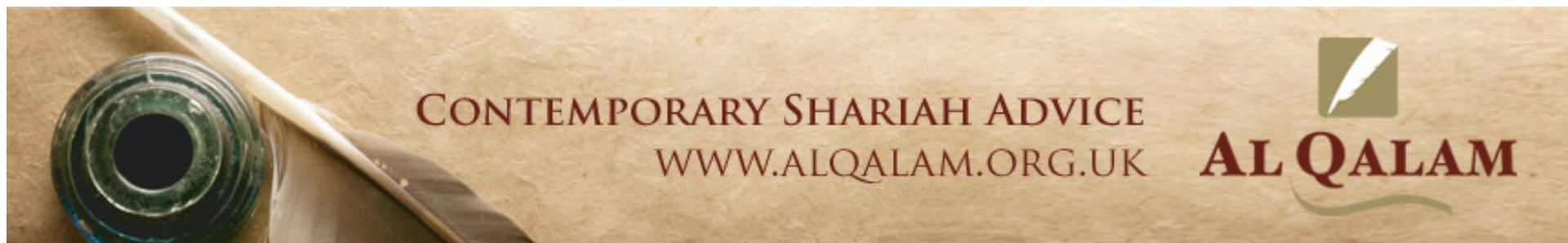
Prohibition of Riba in Hadith

عن أبي هريرة رضي الله عنه عن النبي صلّى الله عليه وآله قال: اجتنبوا السبع الموبقات. قالوا: يا رسول الله! وما هن؟ قال: الشرك بالله والسحر وقتل النفس التي حرم الله إلا بالحق وأكل الربا وأكل مال اليتيم والتولي يوم الزحف وقذف المحصنات الغافلات المؤمنات. رواه البخاري ومسلم وأبو داود والنسائي.

Abu Hurayrah رضي الله عنه reports that the Prophet صلّى الله عليه وآله said:

“Refrain from seven deadly things: The companions asked him: What are these? He said: To associate partners with Allah, sorcery; to kill a soul without valid reason in the eyes of Allah; to devour interest; to devour the property of the orphan; to flee from the battlefield; and to falsely implicate chaste, innocent, believing women of vulgarity.”

[Bukhari, Muslim, Abu Dawud, Nasai]



Prohibition of Riba in Hadith

عن جابر بن عبد الله رضي الله عنه قال: لعن رسول الله صلی اللہ علیہ وسلم آكل الربا و موكله و كاتبه و شاهديه.
وقال: هم سواء. رواه مسلم والترمذی وأحمد.

Jabir b. Abdullah رضي الله عنه reports that the Prophet صلی اللہ علیہ وسلم cursed the receiver of interest and the payer thereof, the one who records it and the two witnesses thereof. He said: "They are all alike [in guilt]."

[Muslim, Tirmidhi, Ahmad]



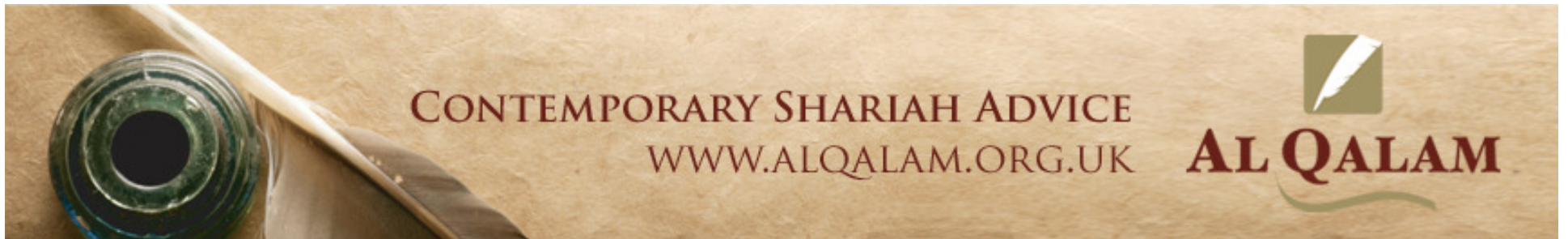
Prohibition of Riba in Hadith

عن عبد الله حدثنا أبو بكر بن إسحاق عن النبي صلى الله عليه وسلم قال:
الربا ثلاثة وسبعون بابا، أيسرها مثل أن ينكح الرجل أمه.

In another hadith it says: الربا سبعون جزءاً أيسرها

[Ibn Majah]

'Riba has 73 doors or 70 grades, least serious is equivalent to committing adultery with his own mother'.

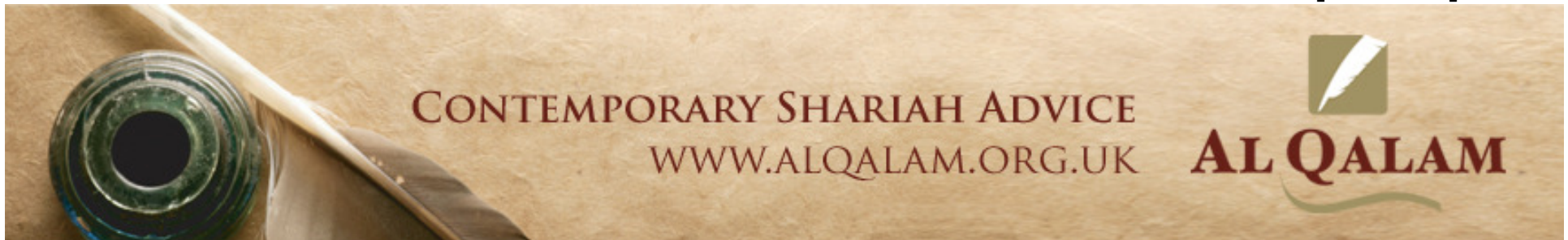


Riba al-Fadhl

عن أبي سعيد الخدري رضي الله عنه قال: قال رسول الله ﷺ: الذهب بالذهب والفضة بالفضة والبر بالبر والشعير بالشعير والتمر بالتمر والملح بالملح مثلاً بمثل يداً بيد فمن زاد واستزاد فقد أربى الآخذ والمعطى فيه سواء. رواه مسلم.

It is reported from Abu Sa'eed al-Khudari رضي الله عنه, he said: the Messenger of Allah ﷺ said: "[Exchange] gold with gold, silver with silver, wheat with wheat, barley with barley, dates with dates, salt with salt in equal quantities and spot. Anyone who increases the quantity or asks for increase indulges in riba. The receiver and payer are equal in this."

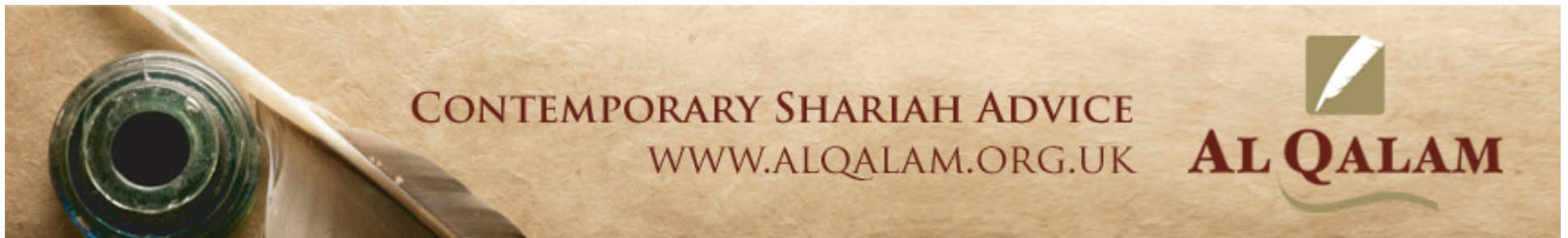
[Muslim]



عن عبادة بن الصامت قال: قال رسول الله ﷺ: الذهبُ بالذهب والفضة بالفضة والبر بالبر والشعير بالشعير والتمر بالتمر والملح بالملح مثلاً. بمثل سواءً بسواء يداً بيد. فإذا اختلفت هذه الأصناف فبيعوا كيف شئتم إذا كان يداً بيد. رواه مسلم.

It is reported from ‘Ubadah b. al-Saamit رضي الله عنه, he said: the Messenger of Allah ﷺ said: “Gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates, and salt for salt, like for like, equal for equal, and hand to hand. If these commodities differ, then you may as you wish, provided that the exchange is hand to hand.”

[Muslim]

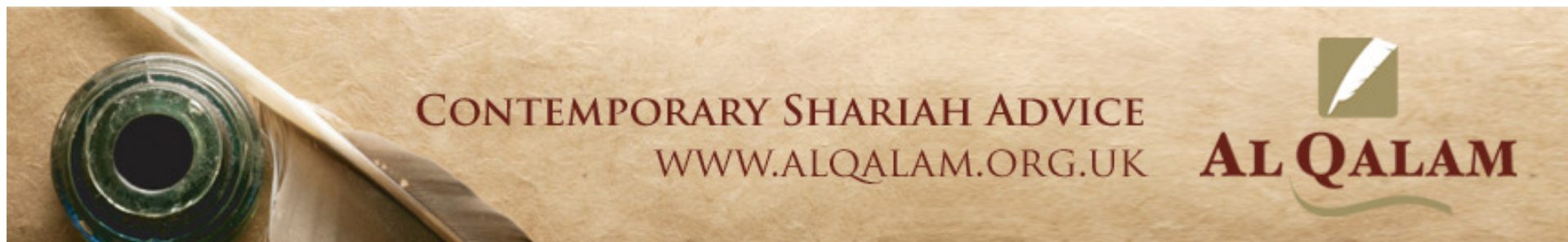


Umar رضي الله عنه is reported to have said:

ثَلَاثٌ وَدِدْتُ أَنْ رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ عَهْدَ إِلَيْنَا فِيهِنَّ عَهْدًا: الْجَدُّ
وَالْكَلَالَةُ وَأَبْوَابُ مِنْ أَبْوَابِ الرِّبَا. رَوَاهُ ابْنُ مَاجَه.

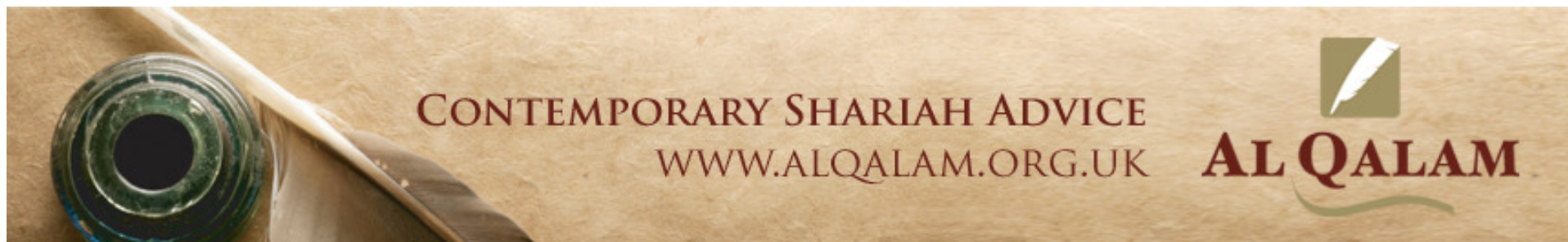
Three issues are such where I wish the Prophet صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ had explained them to us in further detail. [Two of these relate to inheritance, viz.] the grandfather and *kalaalah* [deceased who has no ascendants or descendants], and certain chapters of Riba.

[Ibn Majah]



- **6 different commodities**

1. Gold	2. Silver
3. Wheat	4. Barley
5. Dates	6. Salt
- **Hanafi**
 - Weight and genus [الوزن مع الجنس] (gold & silver)
 - Volume and genus [الكيل مع الجنس] (wheat, barley, dates & salt)
- **Shafi'ee**
 - Medium of exchange and genus [الثمنية مع الجنس] (gold & silver)
 - Edible and genus [الطعم مع الجنس] (wheat, barley, dates & salt)
- **Maaliki**
 - Medium of exchange and genus [الثمنية مع الجنس] (gold & silver)
 - Preservable and genus [الادخار مع الجنس] (also edible [الاقْتِنِيت] according to some)
- **Hanbali**
 - Same as Hanafi
 - Same as Shafi'ee
 - Edible, weight and volume



Misconceptions about Riba

1. The verses on Riba were revealed in the final days of the Prophet Mohammed (SAW)'s life and he therefore did not have time to explain them properly.
2. Interest only becomes Riba when the poor are exploited.
3. Interest is only Riba when the amount loaned is 'doubled and re-doubled' – أضعافاً مضاعفة
4. Interest is only Riba when loans are given for consumption needs, not productive needs.
5. We can justify Riba on the basis of it being a necessity of the current time and economic climate.

