

Ruling regarding dealing in paper money

Shaykh Aboo `Abd-al-Mu`iz `Alee Farkous al-Qoobee

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allaah, the Most Merciful, the Bestower of Mercy

Question: What is the ruling concerning dealing in paper money?

Shaykh Aboo `Abd-al-Mu`iz `Alee Farkous al-Qoobee (May Allaah the Most High preserve him): All praise is due to Allaah, the Lord of the Worlds. Peace and blessing be upon whom Allaah sent as a mercy to the Worlds, upon his Family, his Companions and his Brothers till the Day of Resurrection.

Know that the reason that makes paper currencies illicit is the same as that of gold and silver, as they are means of evaluation. Money has not a designed value in itself, but its value is according to what it represents; it is not an aim in itself. Aboo Haamid Al-Ghazaalee (May Allaah have mercy on him) said: "Whoever uses usury in dealing in money, then he is ungrateful to Allaah's grace and is unjust, as money is created to be a means not an end in itself, so if it is taken as an object of trade, then it is not used for the destined purpose"¹.

Paper currencies are then, a measure of the money, it is not wanted in itself, but it is a means by which we get goods and satisfy our needs; so, it belongs to the means by which we provide for our needs and reach our purposes, but we do not take intrinsically advantage of them. Ibn Taymeeyah (May Allaah have mercy on him) says in this regard: "The purpose of gold, silver or money is to make them as norms by which we evaluate goods. The aim is not to take advantage of them, if some money (or gold or silver) is sold in return of other money for a fixed time limit, it would be of the trade that contradicts the aim of being a unit by which goods are evaluated"².

Hereupon, trading in things which are units of measurement of goods and sales is not appropriate, in addition to harming people and undermining their transactions. Moreover, "The harm should be removed" as it is stated in jurisprudence rules, in accordance with the Prophet's (peace and blessings of Allaah be upon him) saying: "**There should be neither harming nor reciprocating harm**"³. When mentioning the harms of such trading, Ibn Al-

¹ "Ihya' `Uloom Ad-Deen" of Al-Ghazaalee (4/92).

² "Majmoo` Al-Fataawa" of Ibn Taymeeyah (29/471-472).

³ Reported by Ibn Maajah, chapter of "Judgments" (hadeeth 2430), Ahmad (hadeeth 23462) and Al-Baihaquee (hadeeth 12224), from the hadeeth of `Ubaada Ibn As-Saamit (May Allaah be pleased with him). This hadeeth is judged authentic by Al-Albaanee in "Al-Irwaa'" (896), in "As-Silsilah As-Saheehah" (250) and "In Ghayat Al-Maraam" (254).

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Qayyim (May Allaah have mercy on him) said: “The ruler should forbid what spoils and falsifies people’s money, he also should forbid to make of money articles of commerce, as they introduce of corruption what only Allaah knows. Rather, it is obligatory that this money should be capitals which will be used for trade, not as goods; and if the ruler forbids a currency, it will be forbidden to mingle it with that allowed in dealings”⁴.

As for the other usurious kinds which are mentioned in the hadeeth of `Ubaada Ibn As-Saamit (*May Allaah be pleased with him*) like wheat, barley, dates, salt and what is associated with them, it is permissible to deal in them as they are not monetary units. They are however, exposed goods, and it is permissible to take profit of goods, contrarily to monetary units, which are permissible to be used as a means to sell and buy goods, but it is not permissible to be used as goods, only in cases of necessity and with the condition of being in the same assembly if their kinds⁵ are different and that the exchange will be according to the exchange rate of the same day which is mostly the general known exchange rate.

The perfect knowledge belongs to Allaah. Our last prayer is all praise is due to Allaah, the Lord of the Worlds. Peace and blessing be upon our Prophet, his Family, his Companions and Brothers till the Day of Resurrection.

Algiers, Dhu Al-Hijja 17th, 1426H.

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⁴ “At-Turuq Al-Hukmiyya” of Ibn Al-Qayyim (219-220).

⁵ It means the various known moneys like dinar, dollar, euro...etc.