

Usury and Interest:

The Holy Quraan says: *“Believers! Fear Allah and waive what remains outstanding of usury, if you are truly believers. If you do not, then take notice that you are at war with Allah and His Messenger (Sallallahu Alaihi Wassallam). If you repent, you may have only your principal loans, neither inflicting nor suffering injustice.”*
(2: 278, 279)

The Quraanic verse is clear in requiring a lender to get back only what he has advanced. (It takes into account all usury, regardless of the extent; whether nominal or exorbitant.) The Holy Prophet of Islam (Sallallahu Alaihi Wassallam) (Sallallahu Alaihi Wassallam) has disapproved of selling two measures of low-quality dates for one measure of high-quality dates, because he considered that as usury. He told his companions to do each transaction separately for cash, so that there is no element of usury in the deal.

Usury means an addition over and above the principal thing lent. In other words, it is excess, according to legal standard of measurement and weight, in one of two homogenous articles in which such excess is stipulated as an obligatory obligation on one of the contracting parties. Usury includes all kinds of interest whether the rate is high or low and whether the interest is or not added to the principal sum after fixed periods.

The following are, therefore, the ingredients of usurious transactions:

1. The two things of exchange between the parties must be homogenous or of same character, viz., gold for gold or corn for corn.
2. They must be unequal in measurement and weight. If gold is exchanged for gold of the same weight and quality in hand to hand transactions, it is not interest. If unequal, the excess must be interest.

3. They must not be in hand to hand transactions. If a guinea is given for one a half guinea to be paid at a future date, the excess will be considered as interest.
4. There must be stipulation or demand for the excess. If excess is paid by way of thanks and gratitude willingly and voluntarily, it will not be considered as interest.
5. The two contracting parties must be Muslims or one Muslim and another non-Muslim in *Darul-Aman* (peaceful country) or a protected non-Muslim.

Creditors using anything of debtors will add interest to the loan advanced. The relation between creditor and debtor is sacred, and any advantage, however insignificant, gained over debtors by creditors in any shape or form will be tinged with the dust of usury. The Holy Quraan declares:

1. *“Those who swallow down usury arise except as one whom the devil has prostrated by his touch does arise; that is because they say: Trading is only like usury and **Allah** has allowed trading and prohibited usury”.* (2:275)
2. *“And whatever you lay out in usury, so that it may increase in the property of men, it shall not increase with **Allah**, and whatever you give in charity desiring **Allah**’s pleasure, it is these that shall get manifold.”* (30:39)
3. *“**Allah** does not bless usury and He causes charitable deeds to prosper”.* (2:276)

Sayyiduna Jaabir reported that the Messenger of **Allah** (Sallallahu Alaihi Wassallam) cursed the devourer of usury, its payer, its scribe and its two witnesses. And he said that they are equal (in sins). (Muslim)

Sayyiduna Ubadah bin Samit reported that the Apostle of **Allah** (Sallallahu Alaihi Wassallam) said: *“Gold for gold, silver for silver, wheat for wheat, barley for barley, date for date, and salt for salt and like for like, equally in hand to hand transactions. When these kinds differ, then sell them as you wish when it is in hand to hand (transaction)”*. (Muslim) This tradition shows that except the six things enumerated above – gold, silver, wheat, barley, date and salt, all other things may be sold in unequal quantity and quality without being guilty of usurious transaction. Thus, one good slave for two black slaves may be sold irrespective of homogeneity or different character. Imam-e-A’zam Abu Hanifa holds, however, that an animal may not be sold for a promise of payment of price.

Sayyiduna Abu Hurayra reported that the Apostle of **Allah** (Sallallahu Alaihi Wassallam) said: *“Usury has got seventy divisions. The easiest division of them is a man’s marrying his mother”*. (Ibn-e-Majah)

Sayyiduna Abu Hurayra reported that Sayyiduna Rasoolullah (Sallallahu Alaihi Wassallam) said: *“I came across a people in the night in which I was taken to heaven. Their bellies are like houses wherein there are serpents which can be seen from outside their bellies. I asked, ‘O Sayyiduna Jibra’eel! Who are they?’ He said, ‘These are those who devoured usury’”*. (Ibn-e-Majah)

14.12 Interest on Bank deposits:

In interest-infected countries, interest from hostile non-Muslims or from those non-Muslims whose avowed object is to destroy the Muslims whenever opportunity arises is quite legal. What is true of non-Muslim individuals is true also of non-Muslim Banks and organisations.