

The Rules of Selling and Buying

Obligatory and Recommended Business Transactions

Issue 722: It is obligatory upon every Muslim to learn the rules of business transactions to the extent of his need. It is obligatory upon the scholars ('Ulamaa') to teach these rules to the people.

Issue 723: To earn, work, labor and strive in the way of business, agriculture and vocation and things similar to that is obligatory upon he who does not possess the expenses (of maintenance) of his wife and children. Likewise, it is obligatory to preserve the order of Islamic society and secure its needs. In other than these situations, earning and labor is emphatically recommended, in particular, to assist the poor and for the comfort of dependents.

Issue 724: It is recommended that the seller make no distinction between buyers in the price of a commodity nor be difficult nor swear (an oath). When the buyer regrets (the purchase) and seeks to cancel the transaction, (the seller should) accept the cancellation.

Disliked (Makrooh) Business Relations

Most Jurist (Fuqahaa') hold the opinion in the dislike of the business transactions which will be mentioned and the best thing is to avoid them:

- Money Changing (Suraafah) and all that involves people with the consumption of interest and its activities or miscellaneous unlawful activities.
- Selling Shrouds (Kafan) in the situation of it being an established occupation and profession in itself.
- Business dealings with the vile people and the owner of doubtful properties in their affairs although the properties are apparently lawful.
- Execution of business transactions between the beginning of Fajr and sunrise.

- When someone has come forward to buy something and before the transaction is complete, it is necessary that someone else does not interfere in this transaction. This is what is termed as someone interfering in bartering and it is one of the disliked acts.

Unlawful and Invalid Transactions

Issue 726: Transactions in the following instances are invalid.

- 1) Selling and purchase of a source of Najaasah (Aynun-Najaasah). Intended by Najaasah is whatever is inherently Najis (impure), according to obligatory precaution (like urine, stool and blood). Based on this, the selling and buying of fertilizer is objectionable. However, there is nothing preventing benefiting from it. As for the sale of blood and purchase of blood in our times, which is used to save the injured and sick, then, it is permissible. Likewise is the sale of guard dogs and hunting dogs.
- 2) The sale and purchase of usurped things except when its owner has endorsed the transaction.
- 3) The sale and purchase of things that have unlawful advantage like the instruments of gambling and similar examples.
- 4) The sale and purchase of something that has no value in the common perception although it may possess a value with specific individuals, like many insects.
- 5) Transactions in which there is interest (Ribaa).

- 6) The sale and purchase of counterfeited and adulterated commodities when the purchaser is unaware of its state, like selling milk mixed with water or oil mixed with fat or something else. This action is called cheating (Ghashsh) and it is a major sin.

It has been reported that the Messenger of Allah, Blessings be upon him and his family said: “He who cheats a Muslim or harms him or deceives him is not from us.”

Issue 727: There is no objection in selling the Mutanajjis (commodity). The Mutanajjis commodity is that which has contacted Najaasah (impurity) and it is possible to purify it or use it, like fruits, fabric and carpets. However, when the purchaser intends to use it for eating, or acts that have purity (Tahaarah) conditional for them, it is obligatory to inform (the purchaser) to avoid it.

Issue 728: When something pure becomes impure with that which it is not possible to purify, like oil, if it is used only for eating, then, its sale is invalid and unlawful. As for when it has other uses not having purity condition in them, then, its sale is proper (like impure petroleum).

Issue 729: Edible commodities and its likeness imported from non-Islamic countries, when their impurity is not certain and incontestable, there is not objection in their sale and purchase. Like when it is likely that milk and cheese and oil is prepared and produced by means of an automated process without

hands being entered into it.

Issue 730: The sale and purchase of meats and fats supplied from non-Islamic lands or taken from the hand of a non-Muslim is invalid. Likewise are hides (leathers) according to precaution. However, there is no objection when it is known that it is from animals slaughtered in a legal manner or under the supervision of Muslims.

Issue 731: There is no objection in selling and purchasing meats and fats taken from the hand of Muslims. However, when it is known that the Muslim has taken from the hand of a non-Muslim or it is supplied from a non-Muslim country and he has not investigated the method of its slaughter whether it is slaughtered in a legal manner or not, then, its sale and purchase is invalid and unlawful (the ruling of hides is as such, according to precaution). When it is taken from a Muslim, its appearance indicating upon his restriction and obligation to the law, or it is likely that he has investigated it, then, the transaction is proper.

Issue 732: The sale and purchase of all types of intoxicants is unlawful and invalid.

Issue 733: The sale and purchase of usurped (Ghasbi) property is unlawful and invalid. It is obligatory upon the seller to return the price to the purchaser. However, it is not correct that the purchaser should return that usurped thing to other than its owner. When he does not know its owner it is obligatory that he act in accordance with the view of the Religious Authority and his opinion.

Issue 734: When it was the intent of the purchaser from the beginning not to pay the price of the commodity which he has purchased, there is an objection (to this transaction). Likewise it is when (the purchaser's) initial intention was to pay the amount in unlawful money. However, when this was not his intention initially and he only gave the price of the commodity from unlawful property afterward, the transaction is proper, however, it is obligatory that he gives (the price) from lawful property a second time.

Issue 735: The sale and purchase of instruments of entertainment (Lahw), amusement (La'b) and corruption is unlawful and invalid except that it be an instrument shared (between lawful and unlawful) or a instrument of exercise and similar things to that, then, its sale is permitted.

Issue 736: When that which has a lawful benefit is sold to someone who will definitely use it for the unlawful (for example, selling grapes to the manufacturer of wines), the transaction is invalid.

Issue 737: The manufacture, sale and purchase of images are objectionable. The precaution is to abandon it. However, there is no objection in the sale and purchase of soap and similar things that are manufactured in the form of an image or embossed patterns.

Issue 738: The sale and purchase of things that are obtained by means of gambling or theft or an invalid transaction is unlawful and invalid. It is not allowed to utilize it. When someone purchases it, it is

obligatory upon him to return it the original owner, if he is aware of him. When he is not aware of the original owner, he acts in accordance with whatever the Religious Authority has ordered (him to do).

Issue 739: Consuming interest (Ribaa) is unlawful and it is of two types:

First, the interest in loans whose discussion will come in the section of loans, with the permission of Allah, the Exalted.

Second, interest in transactions. It is to sell a commodity of a particular type, customarily sold by weight or volume, in return for a greater quantity of the same commodity. For example that a Mann (dry measure) of wheat is sold in exchange for one and a half Mann of wheat, although one of them be a better kind than the other. Numerous Islamic narrations have been reported censuring interest and it is counted as one of the very great sins.

Issue 740: Consuming interest is not unlawful in the following instances:

- 1) The Muslims taking interest (meaning excess) from non-Muslims.
- 2) Interest between the father and son.
- 3) Interest between the husband and wife.

The Conditions of The Seller And Purchaser

Issue 741: Conditional in the two parties (the seller and purchaser) are what follows:

- 1) Maturity (Buloogh)
- 2) Sanity ('Aql)
- 3) That they not be restricted in utilizing the property (like the one under the supervision of the ruling of the Religious Authority due to bankruptcy and similar things).
- 4) That they be serious regarding their transactions. Therefore, there is no effect for he who jokingly says: I will sell you my property.
- 5) That they not be compelled to execute the transaction.
- 6) That the property exchanged is owned by them or they are a representative (Wakeel) of the original owner or both or one of them is a guardian of a minor.

Conditions of the two Exchanged Items (The Payment and the

Commodity)

Issue 742: A number of matters are conditional in the commodity (Muthman) that is being sold and the thing which is taken in return for the commodity as an exchange (Thaman):

- 1) It is obligatory that the quantity (of both) is known by means of weight, volume or number.
- 2) That the two (the seller and buyer) are capable of being taking the commodity and payment into possession. According to this, it is not proper to sell an animal that has fled from its owner.
- 3) That the particular affective qualities are specified for the value of the two exchanged items ('Iwadhain) and for the interest of people to conducting business with them (meaning, the commodity and payment).
- 4) That the rights of the individuals other than the two parties (the seller and buyer) should not be connected to the two exchanged items. According to this, it is not allowed to sell something that a person has pawned (Rahn—meaning something given as security) without the person's permission. As such, it is permissible for the seller to give in exchange for cash a benefit of his possessions, like someone who buys a carpet, then, he authorizes the use of his house for the seller as an exchange for the carpet that he purchased.

Issue 743: It is not proper to sell or purchase the commodity without seeing which is (commonly) sold or purchased by sight, like a house, car, many kinds of rugs and carpets.

The Wording (Seeghah) of a Sale

Issue 744: It is permissible for the two parties to execute the wording of a sales agreement in whatever language they are both proficient in. Based on this, if the seller translates the following Seeghah: (I am selling this commodity for such and such amount) and the purchaser translates the following Seeghah: (I accept) in Persian or another language, for example, the transaction is proper. It is likewise, when this meaning is given in another phraseology.

When the purchaser is only given the commodity for another with the intention of a sale, and the other person takes it also with the intention of purchase, it is sufficient (with the conditions that are present for every transaction).

Issue 745: Recording the records of business transactions, whether in an official register or something other than that stands in the place of the verbal Seeghah.

Issue 746: It is obligatory that the two parties (the seller and purchaser) intend to establish (a business transaction) at the time of executing the Seeghah of a sale. This means that their intent in verbalizing (the Seeghah) is the expression of consent (Ijaab) and acceptance (Qabool) and (the consent and

acceptance) is selling and buying. Thus, whenever the active giving and taking stands in the place of the verbal Seeghah, it is obligatory that the (two parties) intend the establishment of (the existing nonverbal arrangement) meaning the establishment of the sale and purchase.

Cash and Credit (Transactions)

Issue 747: When a commodity is sold in cash, it is permissible for the seller and purchaser to seek the payment or commodity after the transaction and to take possession (of the commodity and payment). Taking possession of a house or land and similar things is to put it at the disposal of the purchaser in manner that he is able to utilize it. Taking possession of something movable like a carpet or clothing is to place it at the disposal of the purchaser so that when he wants to transfer it to another place, he is able to do so.

Issue 748: It is obligatory that the period is known when selling or purchasing something on credit (Nasee'ah), otherwise, the transaction is invalid.

Advanced Payment (Salaf) and its Conditions

Issue 749: A sale by advance payment is that the purchaser gives the payment in cash and takes possession of the commodity after a period of time. It suffices in realizing this type of sale that the purchaser says: I am giving this money and I will take such and such amount of the commodity after six months, for example, and the seller says: I accept. Rather, even when the verbal Seeghah is not executed and the purchaser only gives a sum of money with this intention and the seller accepts this sum, the transaction is proper.

Issue 750: Six matters are conditional in the sale by advance payment:

- 1) That the qualities and particularities of the commodity which affect its value are specified. However, numerous details are not obligatory. It suffices that only the particularities are known. Due to this, if the sale by advance payment is made for the commodity in which it is not possible to specify its particularities and description (like some types of leathers and carpets, the transaction) it is invalid.
- 2) It is obligatory to give the full payment before the two parties separate. When part of the sum is given, the transaction is proper in the amount given for payment. However, it is permitted for the seller to invalidate this transaction.
- 3) It is obligatory to specify the period (of time) completely. Then, when the seller says, for example: I will hand over the commodity to you in the beginning of the harvest (and the beginning of the harvest) is not known exactly, the transaction is invalid.
- 4) The (purchaser and seller) must both specify the period of taking possession of the commodity and the time when this commodity will be available, usually.

5) The (purchaser and seller) must specify the place of taking possession of the commodity in whatever city or region that may be, according to obligatory precaution, except if this is understood from their conversation.

6) The (purchaser and seller) must specify the weight or volume (of the commodity). As for the commodity that that is traded customarily by sight, (like many of the types of carpets and rugs), then, when it is sold to the purchaser after mentioning and explaining its characteristics, there is no objection. However, it is obligatory that the disparity between the item and the description of this commodity be insignificant such that people attach no importance to it.

Instances in which it is Permissible to Cancel a Transaction

Issue 751: The two parties (the seller and purchaser) have the right to cancel a transaction in eleven situations. It is termed the right of cancellation (Khiyaarul-Faskh). They are:

- 1) As long as they (the seller and purchaser) have not parted and left the place of the transaction. (It is called Khiyaarul-Majlis).
- 2) When it becomes clear that there was fraud from one of the two sides. (It is called Khiyaarul-Ghabn).
- 3) When they (the seller and purchaser) make the condition that one of them or both of them have the right to cancel the transaction during a specific time period. (It is called Khiyaarush-Shart).
- 4) When one of the two parties cheats and deceives. Then describes his commodity with other than its (proper description). (It is called Khiyaarut-Tadlees).
- 5) When the seller or purchaser makes it conditional that the other side perform or do something or that the commodity be in a particular manner, then, the realization of this condition is not achieved. In this situation, it is permissible for the other side to cancel the transaction. (It is called Khiyaar Takhalluf Ash-Shart).
- 6) When one of the two exchanged items (the commodity or the payment) or both are defective and the other side does not have knowledge of that defect. (It is called Khiyaarul-'Ayb).
- 7) When it becomes clear that a quantity of the commodity that was sold to the purchaser was the property of another. Then, when the original owner does not consent to the transaction, it is permissible for the seller to cancel the transaction or the original owner of the property can accept the transaction and take the payment of that quantity from the (unauthorized) seller (It is called Khiyaarush-Shirkah or Khiyaaru Taba'udh As-Safqah).
- 8) When the seller sells a commodity by description that the purchaser has not seen. Then, it becomes clear that the commodity is not according to that description, in this situation it is permitted for the

purchaser to cancel the transaction. This same rule is also applicable in the instances of exchanges. (It is called Khiyaarur-Ru'yah).

- 9) When the purchaser delays the surrender of the payment for a commodity which he has purchased for three days and the seller has also not surrendered the commodity. In this situation, it is permissible for the seller to cancel the transaction (except when the purchaser had already made the delay in giving the payment conditional for a specific time period). When the commodity is lawful, like some fruits, dates and vegetables which will spoil after a day passes, then, if the payment is not surrendered by night, it is permissible for the seller to cancel the transaction. (It is called Khiyaarut-Ta'kheer).
- 10) When the commodity is an animal it is permissible for the purchaser to cancel the transaction during three days, if he desires. (It is called Khiyaarul-Hayawaan).
- 11) When it is impossible for the seller to surrender the commodity that he has sold, it is permissible for the purchaser to cancel the transaction. (It is called Khiyaaru Ta'azzur At-Tasleem).

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