

**Khutba**  
**14.05.10**  
**English**  
**Riba (usury or interest)**

Dear Muslims,

The literal meaning of interest or Al-RIBA as it is used in the Arabic language means to excess or increase. In the Islamic terminology interest means effortless profit or that profit which comes free from compensation or that extra earning obtained that is free of exchange

Many Quranic verses and hadith text have indicated the prohibition of Riba:

***“Those who devour usury will not stand except as stands one whom the Satan by his touch has driven to madness. That is because they say, "trade is like usury", but Allah has permitted trade and has forbidden usury \* Allah will deprive usury of all blessing, and will give increase for deeds of charity, for he does not love any ungrateful sinner” Al-Baqarah 275-276.***

***"Oh you who believe! Devour not usury doubled and multiplied; but fear Allah that you may prosper." Aal-Imran 130.***

Jabir ibn 'Abdallah reported that the Prophet, may peace be on him, cursed the receiver and the payer of *riba*, the one who records it and the two witnesses to the transaction and said: ***"They are all alike [in guilt]."*** **Narrated by Muslim.**

Abu Huraira reported that the Messenger of Allah said: (*"Avoid the seven great destructive sins."* The people enquire, "O Allah's Apostle! What are they? "He said, *"To join others in worship along with Allah, to practice sorcery, to kill the life which Allah has forbidden except for a just cause, (according to Islamic law), to eat up Riba (usury), to eat up an orphan's wealth, to give back to the enemy and fleeing from the battlefield at the time of fighting, and to accuse, chaste women, who never even think of anything touching chastity and are good believers)* **Narrated by Al-Bukhari and Muslim.**

Abu Hurairah reported that the Messenger of Allah said: (*Usury has got seventy divisions. The easiest division of them is a man marrying his mother*) **Narrated by Ibn Majah**

Abdullah bin Hanzalah (who was washed by the angels) reported that the Messenger of Allah said: *A dirham of usury that a man devours and he knows is greater than 36 fornications)* **Narrated by Muslim.**

*(There are seventy-three types of riba, the least of which is as abhorrent as a man having intercourse with his own mother and worst of which is [violating] a Muslim's honour and sanctity.)* **Narrated by Al-Hakim**

The strict prohibition of interest in Islam is a result of its deep concern for the moral, social, and economic welfare of mankind. Muslim scholars have sound arguments explaining the wisdom of this prohibition, and recent studies have confirmed their opinions, with some additions and extensions of their arguments.

We confine ourselves to what Imam al-Razi says in his *tafsir* of the Qur'an:

**First:** The taking of interest implies appropriating another person's property without giving him anything in exchange, because one who lends one *dirham* for two *dirhams* gets the extra *dirham* for nothing. Now, a man's property is for (the purpose of) fulfilling his needs and it has great sanctity, according to the hadith, "*A man's property is as sacred as his blood.*" (Reported by Abu Na'eem) This means that taking it from him without giving him something in exchange is *haram*.

**Second:** Dependence on interest prevents people from working to earn money, since the person with little money can earn an extra more money through interest, either in advance or at a later date, without working for it. The value of work will consequently be reduced in his estimation, and he will not bother to take the trouble of running a business or risking his money in trade or industry. This will lead to depriving people of benefits, and the business of the world cannot go on without industries, trade and commerce, building and construction, all of which need capital at risk. This, from an economic point of view, is unquestionably a weighty argument.

**Third:** Permitting the taking of interest discourages people from doing good to one another, as is required by Islam. If interest is prohibited in a society, people will lend to each other with good will, expecting back no more than what they have loaned, while if interest is made permissible the needy person will be required to pay back more on loans (than he has borrowed), weakening his feelings of good will and friendliness toward the lender. (This is the moral aspect of the prohibition of interest.)

**Fourth:** The lender is very likely to be wealthy and the borrower poor. If interest is allowed, the rich will exploit the poor, and this is against the spirit of mercy and charity. (This is the social aspect of the prohibition of interest.)

Thus, in a society in which interest is lawful, the strong benefit from the suffering of the weak. As a result, the rich become richer and the poor poorer, this in turn results in, creating socio-economic classes in the society. Naturally, this generates envy and hatred among the poor toward the rich, and contempt and callousness among the rich toward the poor. Conflicts arise, the socio-economic fabric is rent, revolutions are born, and social order is threatened. Recent history amply illustrates the dangers to the peace and stability of nations inherent in interest-based economies."

Here we will review some examples of Riba:

- 1- Taking loans with interest.
- 2- The 'Aynah Transaction. It is when a product is sold to a person for a deferred price (i.e. a raised price to be paid later), then that same product is bought back from him at current value less than the deferred price for which it was given to him. So when the time comes in which the deferred payment is due, he pays his creditor in full. This is what is known as an Al-'Aynah Transaction. It is called 'aynah (i.e. derivate of 'ayn = same) because the same product that was sold is returned back to its owner. This is *Haraam* because it is deceiving someone into interest (Riba)., Abu Dawood (3462) narrated that Ibn 'Umar said: *I heard the Messenger of Allah (peace and blessings of Allah be upon him) say: "When you engage in 'aynah transactions (a kind of transaction intended to circumvent the prohibition on riba or usury), and you take hold of the tails of oxen and you are content with agriculture (at the time when jihad is obligatory), and you give up jihad, then Allah will send upon you humiliation that will not be dispelled until you return to your religion,*

3- Riba in loans just as they used to do during the time of Jahiliyyah (the time before islam). For instance, when the time to pay a loan comes, the creditor would say to the debtor, "Either pay now, or the loan will incur interest." If the debtor asks for deferment of the loan, the creditor would require interest and this would occur year after year until the little capital becomes multiplied many times.

4- Riba An-Nasi'ah : It may occur in different ways:

**The First:** One sells one kind for the same kind, getting a superior quality of it for inferior quality of the same kind. For example, selling gold for gold, wheat for wheat, or dates for dates. This is due to what Al-Bukhari and Muslim reported that Bilal, may Allah be pleased with him, brought some dates called Barni to the Prophet (PBUH) and the Prophet (PBUH) asked him:

*"Where did you get this from, O Bilal?"*

He replied, **"We had some dates of inferior quality, so I sold two Sa' of it for one Sa' (of superior quality of dates) so that it may be given to the Prophet (PBUH) for food."** Thereupon the Prophet (PBUH) said:

*"O! (This is) the essence of Riba, (this is) the essence of Riba, so do not do so. However, if you want to buy (a superior quality of dates), then sell (the inferior quality of dates) in another transaction and buy (the superior quality of dates) with its price."* **Narrated by Al-Bukhari and Muslim**

**The Second:** Selling one kind of item for a different kind, for example, selling gold for silver or wheat for dates, when one item is present and the other is absent. This is due to the Messenger of Allah's statement:

*"Do not sell from it (gold or silver) what is not present at the moment of exchange for (gold or silver) what is present."*

And his statement: *"Sell gold for silver if payment is made on the spot."*

And his saying: *"Selling of gold for silver is Riba unless it is from hand to hand, present, at the time of the sale."* **Narrated by Al-Bukhari and Muslim**

**The Third:** Selling one kind for the same kind in equal amounts, but one of them is absent and financed on credit. For example, selling gold for gold or dates for dates, equal in amount and in kind, although one kind is absent.

This is due to the Prophet's statement: *"Selling of wheat for wheat is Riba unless it is from hand to hand, present at the time of sale."* **Narrated by Al-Bukhari and Muslim**

5- Getting the salary in advance and baying amount of money in turn.

6- Replacing old gold with a new one and paying the difference. The right way is to sell the old one and get the money and then use it to buy a new one.

7- Putting amount of money in a bank and getting interest for that money.

8- Getting benefits from recommending or approving peoples. Prophet Mohamed (PBUH) said: *(whoever makes a recommendation for his brother but accepts a gift offered by him has entered riba through a large gate)* **Narrated by Abu-Dawood.**

Dear Muslims,

Riba is a big sin that we urgently need to repent from, if we are committing it. Do not be deceived by the pleasure and prosperity you will get by earning money but rather remember punishment at the Judgment day, which is very hard and eternal. Al-Bukhari recorded that Samurah bin Jundub said in the long Hadith about the dream that the Prophet had: *(We reached a river -the narrator said, "I thought he said that the river was as red as blood"- and found that a man was swimming in the river, and on its bank there was another man standing*

*with a large collection of stones next to him. The man in the river would swim, then come to the man who had collected the stones and open his mouth, and the other man would throw a stone in his mouth)* The explanation of this dream was that the person in the river was one who consumed Riba.

In another *hadith* narrated by Al-Bukhari the prophet said: *(The person who will receive the least punishment among the people of Hell on the Day Resurrection will be a man, a smoldering ember will be placed under the arch of his foot. His brains will boil because of it).*

So, fear Allah, avoid Riba and repent from sins to survive the punishment in the Judgment day.