

112037 - Ruling on what gold retailers do of taking the gold from the wholesalers and paying for it in instalments

the question

I work in the field of buying and selling gold. We buy from the importers in bulk and pay them in instalments. Is this way permissible or not as it is the way all gold traders operate?.

Detailed answer

If the situation is as described with regard to buying and selling worked gold, then dealing with it in this manner is haraam if the price which is paid in instalments for worked gold is in currency, either gold or silver, or cash that is now used in their stead, because this is riba al-nasa' (i.e., riba paid for delay in payment). This transaction combines riba al-fadl (i.e., riba paid when wealth exchanged is of the same type but the quantity is different) with riba al-nasa' if the payment is made in the same type of wealth as what is bought, e.g. if both are gold but their weights differ, and payment is made in instalments.

And Allah is the Source of strength. May Allah send blessings and peace upon our Prophet Muhammad and his family and companions. End quote.

Standing Committee for Academic Research and Issuing Fatwas

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