

112120 - Ruling on buying shares in the Chemanol company

the question

What is the ruling on buying shares in the Chemanol company?.

Detailed answer

The Chemanol company manufactures and markets formaldehyde and its derivatives, and materials for improving concrete, which is work that is basically permissible, but it also has some riba-based dealings, which puts this company in the category of “mixed companies”, which are those whose activities are basically permissible but they engage in some haraam transactions. Most contemporary scholars have issued fatwas stating that it is haraam to buy shares in this type of company, and that the shareholder will be a partner in the sin of those haraam transactions.

This has been discussed in the answer to question no.

[112445](#).

Shaykh Dr. Muhammad al-'Usaymi was asked: What is the ruling on buying shares in the Chemanol company?

He replied:

, and blessings and peace be upon the

Messenger of Allaah. To proceed:

The activities of this company involve chemical manufacturing, which is a permissible activity. But from reading the company's prospectus it is clear that it has some bank dealing which include haraam riba-based loans.

As the financial dealings of the company include bank loans and other dealings, I do not think it is permissible to buy shares in it.

I advise this company and others to fear Allaah and to fear the pain of His wrath, for this world is fleeting and transient, and everyone in the company who is responsible for the riba-based loans and dealings will stand before his Lord and will be asked about all that, and upon him will be the sin of those who bought shares in the company. Allaah has blessed us with many means of Islamic finance that are available from the commercial banks in Saudi, so no one has any excuse. End quote.

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And Allaah knows best.