

117416 - Should he sell land to one who he knows will use it as collateral for a riba-based loan?

the question

What is the ruling on selling a piece of land to a person who wants to use it as collateral to obtain a riba-based loan?.

Detailed answer

If it is known that this person is buying the land in order to use it as collateral to get a riba-based loan, then it is not permissible to sell it to him, so that you will not be helping him in that sin. Allaah says (interpretation of the meaning):

“Help you one another in Al-Birr and At-Taqwa (virtue, righteousness and piety); but do not help one another in sin and transgression. And fear Allaah. Verily, Allaah is Severe in punishment”

[al-Maa'idah 5:2]

The fuqaha' have stated that it is haraam to sell things that may be used to help in committing sin, such as selling grapes to one who will make wine from them, or selling weapons at times of turmoil, and so on.

Ibn Qudaamah (may Allaah have mercy on him) said: To sum up: selling juice to one who it is believed will use it to make wine is haraam.

Then he said: The same ruling applies to everything that is intended for haraam purposes, such as selling weapons to those who are waging war (against the Muslims) or to bandits, or at times of turmoil, or selling a slave woman to be a singer or to be hired out, or renting his house for alcohol to be sold in it or to be used as a church, and so on. This is haraam and the rental contract is invalid. Ibn 'Aqeel said: Ahmad (may Allaah have mercy on him) stated several issues in which he drew attention to that, and he said concerning butchers and bakers: If he knows that the one who is buying from him is going to invite people to drink alcohol with the food, then he should not sell to him. End quote from al-Mughni (4/154).

Shaykh al-Islam Ibn

Taymiyah (may Allaah have mercy on him) said: It is not right to sell to one who intends to do haraam with (the purchased items), such as juice which will be used to make wine, if he knows that is the case, as is the view of Ahmad and others, or if he thinks that this is likely, which is one of the two views. This is supported by the view of his companions, who said: If the landlord thinks that the renter is renting the house for sinful purposes, such as selling alcohol and the like, it is not permissible for him to rent that house out to him, and the rent contract is not valid. Selling and renting are the same. End quote from al-Fataawa al-Kubra (5/388).

And he said in Sharh

al-'Umdah (4/386): Every garment that he thinks will most likely be used for sinful purposes, it is not permissible to sell it to or sew it for one who will use it for sinful and wrong purposes. End quote.

And Allaah knows best.