

## 327070 - Ruling on subscribing to Islamic accounts in forex

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### the question

I subscribed to a forex that offers Islamic accounts, and I noticed that it is sharia-compliant in the following ways: 1. There is no interest like Swap. 2. It only carries out instructions to buy or sell. 3. Low spreads, but there are appropriate fees, \$3 for every trade. 4. When you close the deal, the profit is recorded in my account immediately; does this meet the condition of the exchange taking place on the spot? 5. The leverage is between 1:1 and 1:500, meaning that I can use the leverage 1:1, and thus I am not using leverage. Hence there is no loan that brings benefit or any combining a loan and a fee, but the profit will be very small unless I use the leverage. My question is: I believe, from what the company explained to me, that it is possible in this way to avoid using leverage without having to worry about it – what is your opinion? 6. Withdrawing the money takes a little time, one or two days, but sometimes I can withdraw it immediately, according to whether the company can afford it. This is what they offer in the Islamic accounts; is there anything haram in that?

### Detailed answer

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### Firstly: The ruling on the Islamic forex

We have previously discussed the so-called Islamic forex in the answer to question [125758](#), in which we explained that it is not permissible to deal with it, so long as it involves leverages, because it is a loan, and it is not permissible to combine a fee and a loan. The fee here refers to brokerage.

So if you are not going to use the leverage, you have avoided this infraction.

If you are going to use it, then you will undoubtedly fall into what is haram. There is nothing in the system of the company that makes that permissible as you thought.

## **Secondly: One of the conditions of trading in currency is that the exchange takes place on the spot**

In order for trading in different currencies to be valid, it is stipulated that the exchange takes place on the spot. If the exchange does not take place on the spot, it comes under the heading of *riba an-nasi'ah*.

In a statement of the Islamic Fiqh Council on the ruling on margins and one of the reasons for the prohibition, it says that buying and selling currencies is usually done without the exchange being made in the Islamically prescribed manner which allows each party to access what he receives in his account.

The fact that the money is recorded in your account with the company, without you being able to withdraw it until after one or two days, according to what the company can afford, means that this condition is not met.

Based on that, it is not permissible to deal with this system.

And Allah knows best.