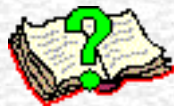


UNDERSTANDING "R I B A" (Usury)



Note: Riba happens to be one of the most difficult subjects for the last 1400 years, for Muslims as well as for the Muslim Scholars. Hence, I would appeal to my readers to read the entire article, understand the various issues with an open mind and then make their own decisions.

THE VERSES OF THE QUR'AN:

Here are the verses on the subject of *riba* (usury):

Those who devour usury will not stand except as stands one whom the Evil One by his touch hath driven to madness. That is because they say: "Trade is like usury but Allah hath permitted trade and forbidden usury. Those who after receiving direction from their Lord desist shall be pardoned for the past; their case is for Allah (to judge); but those who repeat (the offence) are companions of the fire: they will abide therein (for ever) 2: 275

O ye who believe! fear Allah and give up what remains of your demand for usury if ye are indeed believers. 2: 278

O ye who believe! devour not usury doubled and multiplied;

but fear Allah; that ye may prosper.

Yusuf Ali's translation. 3: 130

O ye who believe! Devour not usury, doubling and quadrupling (the sum lent). Observe your duty to Allah, that ye may be successful.

M. Pickthall's translation 3: 130.

O believers! Do not live on usury (compound interest) which is compounded over and over again. Have fear of Allah so that you may prosper.

F. Malik's translation. 3: 130

For the iniquity of the Jews We made unlawful for them certain (foods) good and wholesome which had been lawful for them; in that they hindered many from Allah's way. That they (Jews) took usury though they were forbidden; and that they devoured men's substance wrongfully; We have prepared for those among them who reject faith a grievous punishment.

4: 160 - 161

Note: The Torah forbids the Jews from the devouring of Usury ("neshek"). See the Old Testament Ex. 22: 25;

Le. 25: 36-37; De. 23:19-20; Ne. 5: 7/10; Ps. 15: 5; Pr. 28:8

The dilemma before the *Ummah* is NOT for the actual Command of Allah (s.w.t.) that prohibits the devouring of usury (*riba*) and/or for the strict condemnation of those who devour it. The dilemma in reality is concerning the correct definition of the term *riba* and its application.

THE TIMING OF THE REVELATION:

The following excerpts from the commentaries to the above verses speak of the timing of the Revelations **and the lack of opportunity for acquiring the knowledge of its Shar'i implications, from the Prophet:**

The commentary # 324 to verse 2: 275, by Abdullah Yusuf Ali:

Usury is condemned and prohibited in the strongest possible

terms. There can be no question about the prohibition. When we come to the definition of Usury there is room for difference of opinion. Hadhrat 'Umar, according to Ibn Kathir, felt some difficulty in the matter, as the Apostle left this world before the details of the question were settled. This was one of the three questions on which he wished he had more light from the Prophet.

The commentary # 35 to verse 30: 39, by Scholar Mohammad Asad:

Mohammad Asad writes; In the words of Ibn Kathir (in his commentary on 2: 275), "the subject of riba is one of the most difficult subjects for many of scholars (ahl al-'ilm)". It should be borne in mind that the passage condemning or prohibiting riba in legal terms [{2: 275-281}] was the last revelation received by the Prophet, who died a few days later [cf. note [268] on 2: 281; hence the Companions had no opportunity to ask him about the Shar'i implications of the relevant injunction - so much so that even 'Umar ibn al-Khattab is reliably reported to have said: "The last [of Qur'an] that was revealed was the passage [lit., "the verse"] on riba; and, behold, the Apostle of God passed away without [lit., "before"] having explained its meaning to us" [Ibn Hambal, on the authority of Sa'id ibn al-Musayyab].

THE SHAR'I IMPLICATIONS:

The above explanatory notes indicate that the discord of Shar'i implications is from the early days of Islam and not of this century or because of the present day world economy and its dependency upon the global banking system, as one would like to hypothesize and place the entire blame upon. The recorded comments also inform us that although the subject of *Riba* is "one of the most difficult subjects", there is a "**room for difference of opinion**". Due to the absence of the specific directives on the subject from the Prophet (peace be upon him), to the Companions and the non existence of the conclusive concurrence over a long period, there have been varying interpretations and definitions provided by scholars for the Qur'anic term *Riba*. Taking a closer look of the above commentaries and then reading the books on the subject of Riba, one observes that 'Umar ibn al-Khattab (r.a.), who happened to be one of the closet Companions of the Prophet, is reliably reported to have said, as noted above: "**and, behold, the Apostle of God passed away without having explained its {Riba's} meaning to us**". On the other hand, there are scores of Ahadith published in these books on the subject of Riba, and all these narrations originate from the Prophet.

THE TRANSLATED TEXTS:

There are varying interpretations of the Arabic word **Riba** but there appears to be unanimity in rendering its translation in English. Almost all the translators of the Qur'an, Muslim as well as the non-Muslim, have translated the Arabic word **Riba** as "Usury". One may tend to argue that it is the "modern parlance". One cannot overlook the fact that the Qur'an was translated into English for the first time in the 17th century. However, the translators while undertaking their works were well aware of the historical times and circumstances under which these Revelations came to the Prophet. In one of the most widely circulated translation of this century and published from Saudi Arabia, viz.,

The Noble Qur'an in the English Language the word **Riba** is interpreted, under the Glossary of the Arabic words, as "Usury".

Below is the Dictionary meaning of the word Usury:

u-su-ry: n. , pl. -ries [ME usurie < ML usuria < L usura < usus]
 the act or practice of lending money at a rate of interest that is excessive or exorbitant esp. at a rate of interest higher than is allowed by law

The next important question is; Does this literal translation of the English term "Usury" and its interpretation as such has any support in form of a Declaration by a Mufti or a recorded comment by a Muslim Scholar? The answer is; Yes. Please read below the records:

1. Here is a passage from 'The Concise Encyclopedia of Islam' by Harper & Row, Publishers, Inc., San Francisco, under heading **Riba**:

Today the prohibition is hardly observed in any Islamic country. Either it is simply disregarded -- the Egyptian Mufti Muhammad 'Abduh once declared "moderate interest" lawful -- or it is referred to by some such euphemism as "commission".

Note: The said Declaration was made in the late nineteenth century, after the French Revolution, by Shaikh Muhammad 'Abduh, the Rector of Al-Azhar University, Cairo. upon his return to Egypt from Europe.

2. Below is the footnote 324 to the verse number 2: 275 from Abdullah Yusuf Ali's translation. Please note that the text that appears below within the brackets {...}, does appear in its the original copy of the publication that was

printed from Lahore, Pakistan in 1977 and also in its reprint published from South Africa. **Unfortunately, this portion of the footnote has been expunged, without making any comments, in the edited publication which is printed from the Kingdom of Saudi Arabia:**

Our 'Ulama, ancient and modern, have worked out a great body of literature on Usury, based mainly on economic conditions as they existed at the rise of Islam. {I agree with them on the main principles, but respectfully differ from them on the definition of Usury. As this subject is highly controversial, I shall discuss it, not in the Commentary, but on a suitable occasion elsewhere. The definition I would accept would be: undue profit made, not in the way of legitimate trade, out of loans of gold and silver, and necessary articles of food, such as wheat, barley, dates and salt (according to the list mentioned by the Holy Apostle himself). My definition would include profiteering of all kinds, but exclude economic credit, the creature of modern banking and finance.}

"ZERO TOLERANCE"

It is quite often mentioned, supported by the narrated reports coming from the Prophet, that the taking or devouring of any sum of money as "an increase" (interest) upon the capital, wealth or investment is *Haram* and a sin worse than the rape. Any excess on the capital is *riba* and therefore there can be no distinction between the reasonable and exorbitant rates of interests. Furthermore, it is reasoned that since the verses of the Qur'an prohibits "devouring", anyone who partakes in any transaction that involves *Riba* has also committed the sin of *Riba*. In other words, not only the "taking" but also the "giving" of "Interest" is prohibited. The borrowing of money on interest for buying a house, a car, etc.; taking of interest bearing loan for the education; paying of interest on a credit card or a department store shopping card, etc., are all *Haram*. It is also reasoned that anyone that abets, encourages or associates himself with such acts or transactions is also committing the sin of *Riba*. Hence, the administrating, guaranteeing or witnessing, as a third party, of any legal or banking document or contract that involves *Riba* (Usurious or Simple Interest), is prohibited. There are also recorded texts within these books on the subjects of *Riba* that prohibits the shop-keepers, businessmen, professionals etc., from receiving payments through the credit cards. The reasoning given is; If the credit card holder (could be a Muslim or a non Muslim) pays interest to the credit card company on the sum owing for that particular purchase or service received, then all the parties to the transaction share the responsibility. In some books, Muslims are discouraged from having

a job at institutions like the Commercial Banks, Mortgage Companies and even the Stores wherein the duty is of handling the Credit Cards. One scholar even goes further and claims that the Law of Riba is applicable to "everyone" upon this earth, because the Qur'an has been revealed by Allah for the "entire mankind" and for all times.

PROPHET PAID AN "EXTRA AMOUNT":

In the Sahih Al-Bukhari, under Hadith number 3:579 narrated by Jabir bin Abdullah it is recorded that the Prophet repaid his debt that he owed Jabir plus he paid him "an extra amount". The scholars who do advocate "zero tolerance" explain; A borrower is permitted to pay an "extra amount" to the principal sum borrowed, while repaying his debt, provided it is given of his own free will and is not stipulated as a condition of the borrowing. Such a payment is neither Interest nor Riba.

One may tend to argue; it is likely that the above "extra amount" on the debt owing was paid by the Prophet before the Command for Riba was Revealed. Another may reason; since the Prophet was "giving" the "extra amount" and not taking "extra money", there was no iniquity.

THE LAW OF NECESSITY:

Under certain prescribed circumstances the prohibited things become permissible. Even a *Haram* food becomes *Halal*, if there is "dire necessity". That proves; in Islam there are exemptions to the Shari'a Laws depending upon the gravity of the necessity since Allah does not want His creation to bear a burden that it cannot. The questions often posed are: Does the paying of a basic normal interest on a Government Loan for Education by a deserving student who cannot continue his studies without such a borrowing or by an employee whose job requires a car and the wages offered include a car allowance but the car has to be purchased from a bank loan, constitute as the grave necessities of life? Can cases similar to these from our daily lives be also qualified as the grave "necessities" of life? The question is: Who can be the judge of such "exemptions"? And, where does he draw the line between the honest necessity and the deceitful circumventing?

ISLAMIC BANKING & MUDARABAH:

Is there anything as "zero percent" banking? When an "Islamic" co-operative bank or a housing society purchases any article, commodity, property or the title *against cash* payment and then sells it at a higher price *on*

credit as a "co-investor" or "sleeping partner", it is called "*Mudarabah*" (to sell at a profit). '*The Concise Encyclopedia of Islam*', published by Harper & Law, Publishers, Inc., describes it as:

To stay within the letter of the religious law and soothe consciences, some banks offer the solution of *mudarabah* (sleeping partnership): this defines the placing of capital as a co-investment, which naturally brings a return to both parties.

Some scholars call such arrangements as an alternative to Riba. Others, call it an attempt to circumvent the Riba. The proponents of the schemes may argue that since there is a trade agreement on the "new price", between the buyer and the seller, and the element of risk is involved as "co-investor", such transactions are *Halal*. Even "if" that be the case, how many such "zero percent" banks are there that can meet the needs of the Muslim families around the world? What about the other needs for borrowings, such as; the educational loans, medical emergencies, natural calamities, etc.? Who is responsible for the borrowings by the "Islamic States" that collects the *Zakat* money from its Citizens as their Trustees and also borrows large funds from the World Bank and/or International Monetary Funds, on "Interest"? It is recorded that even the Ottoman Banks used to charge and pay interest. What does that signify, to us? Let the readers be the judge....

Finally, I wish to repeat what was stated at the beginning of the article:

Note: Riba happens to be one of the most difficult subjects for the last 1400 years, for Muslims as well as for the Muslim Scholars. Hence, I would appeal to my readers to read the entire article, understand the various issues with an open mind and then make their own decisions.

Allah Knows The Best...

RECENT ADDITION: MAY 16, 2000

Here is a verse from the Holy Qur'an:

That which We have revealed to thee of the Book is the Truth, - confirming what was (revealed) before it: for Allah is assuredly - with respect to His servants - well acquainted and fully Observant. 35: 31

In the Books of the Old Testament the prohibition is for lending money on "neshek". (see: Exodus, Leviticus, Numbers and Deuteronomy). Below is the literal translation of the Hebrew word "neshek" used in these Books, as found in the Strong's Concordance of the Bible.

Strong's Number: 5392-HSN

Transliterated: neshek

Pronounced: neh'-shek

from 5391 HSN; interest on a debt: KJV--usury.

Here is the literal meaning of the Hebrew root word # 5391:

Strong's Number: 5391-HSN

Transliterated: nashak

Pronounced: naw-shak'

a primitive root; to strike with a sting (as a serpent); figuratively, to oppress with interest on a loan: KJV--bite, lend upon usury.

REBUTTAL FROM AN ISLAMIC SOCIETY

Recently I received a rebuttal to my above article from a Shaikh of an Islamic Society in Canada. Below are the important quotes and text from his mail. My response to it appears at the end. **May 18, 2000.**

Consuming riba (usury or interest)

In the Qur'aan, Allaah does not declare war on anyone except the people who deal in riba.

“O you who believe! Be afraid of Allaah and give up what remains (due to you) of riba (from now onward), if you are (really) believers. And if you do not do it, then take a message of war from Allaah and His Messenger.” [al-Baqarah 2:278-279] (interpretation of the meaning)

This is sufficient to explain the abhorrence of this deed in the sight of Allaah, may He be glorified.

Everyone who has something to do with riba, whether he is one of the main parties involved or is a middleman or facilitator, has been cursed by Muhammad (peace and blessings of Allaah be upon him). Jaabir (may Allaah be pleased with him) reported that the Messenger of Allaah (peace and blessings of Allaah be upon him) cursed “the one who consumes riba, the one who gives it to others, the one who writes it down and the one who witnesses it.” He said: “They are all the same.” (Reported by Muslim, 3/1219). Based on this, it is not permitted to do work that involves writing interest-based contracts and conditions, paying or receiving riba, depositing it or guarding it. Generally speaking, it is haraam to be directly or indirectly involved with riba in any way, shape or form.

The Prophet (peace and blessings of Allaah be upon him) was keen to explain the ugliness of this major sin. ‘Abdullaah ibn Mas’ood (may Allaah be pleased with him) reported that the Prophet (peace and blessings of Allaah be upon him) said: “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 honor and sanctity. (Reported by al-Haakim in al-Mustadrak, 2/37); see also Saheeh al-Jaami’, 3533). ‘Abdullah ibn Hanzalah (may Allaah be pleased with him and his father) reported that the Prophet (peace and blessings of Allaah be upon him) said: “Knowingly consuming a dirham of riba is worse for a man than committing adultery thirty-six times.” (Reported by Imaam Ahmad, 5/225; see also Saheeh al-Jaami’, 3375). The prohibition on riba does not just apply to deals between rich and poor, as some people think; it is a general prohibition that applies to every person and every situation. How many rich people and big businessmen have gone bankrupt because of riba! The least harm riba does is to destroy the blessing (barakah) of the money, even if a person’s wealth is great. The Prophet (peace and blessings of Allaah be upon him) said: “Even if riba is much, it will end up being a small amount.” (Reported by al-Haakim, 2/37; see also Saheeh al-Jaami’, 3542). This does not refer to whether the ratio of interest is high or low; all riba is haraam, and the one who deals with it will be raised up on the Day of Resurrection like the one who stands beaten by Shaytaan resulting in insanity and epilepsy.

MY RESPONSE:

If one was to read the above rebuttal with a little extra care, it would be quite apparent that the word used within all the **QUOTED VERSES** of the Holy Quran and of the Ahadith, is *riba*. Perhaps the Shaikh has overlooked the fundamental issue. The dilemma before the Ummah for the last 1400 years is concerning the true and correct definition of the term *riba* and its honest

application, as mentioned earlier in my article. Nothing that is mentioned in the **quoted texts resolves that issue.**

Was salaam

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