



**The first question of Fatwa no. 18057:**

**Q 1:** Your Honor, it is well known that banks all over the world take the difference of interest i.e. the sum acquired from the loan interest which amounts to 16% from the value of the loan whereas the loan interest is 8%. As for the Kingdom of Saudi Arabia, most people do not deal with Riba (interest\usury), and by that their deposits are interest free deposits though the rate of loan interest is 16% of the value of the loan itself. This, in turn, has led to the increase of banks in our country. Am I permitted to ask for this rate (interest) to make use of it in spending on the orphans or give it to any charitable organization?

**A:** It is not permissible to take Riba-based interest from banks or other institutions under the pretext of spending it for the benefit of the poor, because Allah forbids Riba in all forms and gives stern warnings against those who deal in it. Furthermore, it is not permissible to give Sadaqah (voluntary charity) from such money, because Allah is pure and good, and He, the Almighty, accepts only that which is pure and good. However, if the said person takes the Riba-based interest, then he should spend it for the benefit of the poor to get rid

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of it, and not derive any personal benefit from it.

May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family, and Companions!

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