



Fatwa no. 3291

Q: Do dealings with copper currencies incur Riba such as Turkish Lira and Saudi Riyal or not? It is explained

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in Islamic legal references that usury does occur with regard to copper currencies? Imam Al-Shafi'y stated in his book (Al-Um): "non-golden or silver coins are not a price for things, as Zakah (obligatory charity) is not required for it and usury does not occur therein.).

A : Response: The Council of Senior Scholars has previously studied the issue of banknotes, and issued a decree by majority stating that: 1. Both types of Riba occur in banknotes, as in the case of Gold and Silver currencies and other money forms, like copper coins. Thus, a- It is impermissible to exchange one for another or for other forms of currencies of different material on a deferred payment basis. For example, it is impermissible to sell one American dollar for five Saudi Riyals, or more or less, for deferred payment. b- It is impermissible to sell one for another of the same type with excess whether payment is deferred or not. For example, it is impermissible to sell ten Saudi Riyal banknotes for eleven of the same type (i.e. banknotes as well). c- It is absolutely permissible to sell one for another as long as they are of different types, if payment is being made hand to hand. Likewise, it is permissible to sell Syrian or Lebanese Lira for Saudi Riyals, whether it is in banknotes, silver, more or less, as well as selling the American Dollar for three Saudi Riyals, more or less, if payment is being made hand to hand

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and the same with regard to the permissibility of selling the silver Saudi Riyal for three Saudi Riyal banknotes, less or more, when payment is being made hand to hand, for this is considered selling two different types. There is no affect in its sharing the same term as there is an actual difference. 2. Zakah is required on these currencies when the value reaches the minimum limit of Nisab (the minimum amount on which Zakah is due). Similarly, if it reaches Nisab when combined with other values and commercial commodities possessed by persons who are legally accountable to pay Zakah. 3. It is permissible to use it as capital in Salam sale (sale with advance payment) and partnerships.

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

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