



Fatwa No. 6097

Q: First, one of the citizens submits a request to buy a car from a rich man, then upon accepting the request, the car type and model are specified and the buyer pays as much as he can afford at that time in advance. The profit is guaranteed; for example approximately ten thousand, according to the price of the car at the showroom. After the agreement is made, the rich person buys the car, then he delivers it to the buyer who then starts paying the rest of the money according to the agreement between them. This is one form of the transaction.

Second, another form: When some people want to buy a car and they say, 'I want to buy a car but I can only afford to pay such and such amount. I fear there might be some defect, so I prefer that you buy the car from the company for me under my name but you must guarantee me and take the advance payment and installments to pay them. At this time, they have already fixed the price in advance. We ask Allah (may He be Exalted) to help you guide us in this serious issue. We fear lest it is a usurious act or something similar to it.

(Part No : 14, Page No: 100)

Moreover, it involves a sale that is concluded before paying the price. We are afraid that this kind of transaction will spread and that mischief will result from it; especially that people in Tihamah are still not aware of many of the rulings on such transactions. This is due to their ignorance and fast earning; thus, we hope that you will clarify the ruling on both cases, along with the solution for anyone who has fallen into either case. We previously asked for a Fatwa in this regard, and you answered that the case should undergo legal litigation and that a competent judge should decide it. The matter becomes even more serious, as it forms agreements that do not require the judgment of a judge. Thus, we hope that your opinion would be circulated for people to monitor illegal deals, restrict prohibited transactions, and maintain faithful Islamic transactions especially in this country where Shari`ah (Islamic Law) is applied. May Allah bless your deeds and life.

A: First, if both parties conclude an agreement concerning the price and the car after defining the description of the car without specifying it and before the rich man buys it, this is considered a Salam sale (sale with advance payment) which lacks a definite due date. As the entire capital or a part of it is delayed, it involves selling a deferred commodity for something that is deferred. This is because the car has become a debt on the buyer to the seller because of this agreement.

(Part No : 14, Page No: 101)

At the same time, the price has become a due debt on the seller to the buyer, for neither of them has paid what he committed himself to pay during the contract session, and this is prohibited. **The valid way is** that neither party should conclude a contract at the beginning. At first, the rich man should buy the car and take possession of it. When the buyer comes, the former would sell it to him either in

installments or by one deferred installment according to what they agree upon. This is called installment sale, and it is permissible. **Second**, if both parties agree that the rich man will buy the car from the company in installments in the first party's name; as his agent, then every time the buyer pays an installment for the agent, the latter will pay to the company on behalf of the first party, and this is also permissible. May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family, and companions!

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