381593 - Ruling on investing in clean shares, based on the studies of the al-Maqaasid Centre and its report for last year

the question

The al-Maqaasid Centre has undertaken a study of Saudi companies from a shar'i perspective after the end of the financial year, and has published a financial report, but this study, which is published every year, is about the previous year. For example, the financial reports that they issued recently actually cover the year 2020. What is the ruling on investing in the clean companies which are mentioned in their reports?

Detailed answer

Praise be to Allah.

Firstly:

It is permissible to deal in and invest in the shares of clean companies, but not those which are mixed or completely haraam.

For an explanation on these types of shares and the difference between them, please see the answer to question no. 112445 .

Secondly:

The al-Maqaasid Centre for Economic Consultation is supervised by Dr. Muhammad ibn Sa'ood al-'Usaymi (may Allah preserve him), who is trustworthy and honest, and has put considerable, commendable effort into researching publicly-listed companies and reporting on their condition. All he can do is what you have mentioned, namely writing reports on the previous year, based on the financial statements issued by companies at the end of the financial year.

Many companies are increasingly striving to purify their shares and make them clean, praise be to Allah. The number of clean companies and funds has reached 96, whilst the number of companies whose shares are mixed is 54. It is usually unlikely that a clean company will turn into one whose shares are mixed.

Based on that, there is nothing wrong with you buying shares in a clean company based on the report of the al-Maqaasid Centre regarding the previous year. If it becomes clear that the company deals with riba, then you must purify your earnings, but there is no sin on you, because you thought it most likely that its shares were pure.

And Allah knows best.