46595 - Is it permissible to subscribe to the “Tasweeq Net” company?

the question

Is it permissible to subscribe to the “Tasweeq Net (marketing net)” company?.

Detailed answer

Praise be to Allah.

This company’s activities are similar to those of the “Business” company, and the scholars have stated that it is haraam to subscribe to this company. The “Tasweeq net” company is no different from “Business” apart from the fact that they sell a product that has some value, but the purpose is not the product, rather it is marketing. These companies are based on what is known as “pyramid selling”.

Shaykh Saami ibn Ibraaheem al-Suwaylim said:

The essential idea behind pyramid selling is simple and may be summed up as follows: a person buys the company’s products in return for the opportunity to convince others to do what he did (i.e., buy the company’s products), and he receives payment or commission in return for that. Then each of these people who joined the program has to convince others to buy as well, and the first one gets increased commission [?] and so on.

The reason why it is haraam to join this type of program may be explained by the following points:

1 – It is based on consuming wealth unlawfully

2 – It is based on ambiguity (and deceit) that is forbidden in sharee’ah.

Consuming wealth unlawfully:

It is clear from the above that this kind of program cannot grow without there being someone who will lose out to the interests of those who profit from it, whether it stops growing or not. Loss is

inevitable for the final levels of the pyramid in all cases, and without it the higher levels cannot gain their astronomical commission. The losers will be in the majority and only a few will profit, i.e., the few will take the wealth of the majority unlawfully. This is consuming wealth unlawfully which the Qur'aan forbids. The economists call this a zero-sum game, whereby what some gain is what the others lose.

Ambiguity:

The basic meaning of the kind of ambiguity that is haraam is paying money in exchange for something which one thinks is most likely not to exist, or may exist in a manner that is not desired. Hence the fuqaha' said: ambiguity is uncertainty between two things, the most likely of which is the one that the person fears or dislikes most. The one who joins these schemes pays money in return for profits that are unlikely to be realized.

Conclusion:

Schemes that are based on pyramid selling, including the scheme mentioned in the question, are based on consuming wealth unlawfully and deceiving others, because this pyramid cannot continue forever, and when it stops the result will be that a few will gain at the expense of the majority. The logic of pyramid marketing depends on huge profits for the top levels at the expense of the lower levels of the pyramid, and the last levels will always lose out, even if we assume that the pyramid will never end. The fact that there is a product does not make this scheme permissible, rather this makes it come under the heading of deceit which is haraam. And Allaah knows best.

The Shaykh also said concerning the "Tasweeq net" company in particular:

The system mentioned in the question is a pyramid marketing system, which may appear in a variety of forms, but may be summed up as being a system where the subscriber persuades others to buy in order to join the marketing scheme. As long as the commission is greater than the price of the product, the aim behind buying is primarily to earn commission; the product is a secondary concern. Based on that, it is not allowed according to sharee'ah because it involves

ambiguity and consuming wealth unlawfully, because the subscriber does not know whether he will succeed in convincing others to join or not. If he does succeed, he will be making profit at their expense and the expense of the money they pay to subscribe, and if he does not then he will lose out to the tune of whatever portion of his original payment went towards marketing, and those who joined through him will suffer the same fate, so every level of the pyramid will lose out, unless there is a level or two beneath him who will bear the brunt of the loss, and so on.

See also questions no. 40263 and 41620.

And Allaah knows best.