619085 - How to pay off a debt when currency values have changed

the question

My father died three years ago, and my siblings and I divided the estate, as a result of which I owe my brother 150,000. He said to me: Pay me whenever you can. In fact he knows that I did not have the money, but now I want to pay him, as Allah has been generous to me, alhamdulillah. But he wants to work out the shares of the estate again, at the current prices, which means that the amount I owe will increase, and I only have the amount that we agreed on before. Should I give him what he wants, or should I give him what we agreed to, especially since I did not deliberately delay repayment; rather it was my circumstances that forced me to delay?

Summary of answer

If the borrower was not delaying repayment for no valid reason, and the change is small and does not reach one third of the debt, he must return the same amount. But if the change is significant and reaches the level of one third or more, then the two parties must work it out and share the burden of loss, for example on a 50-50 basis.

Detailed answer

Praise be to Allah.

What is appropriate when it comes to debts is to differentiate between small and great differences in the value of currency. So if the change is minor and will not reach as much as one third of the debt, and the debtor was not delaying repayment for no valid reason, then what you should do is pay same figure, regardless of the value of the currency.

But if the change in the value of the currency is significant, and is as much as one third or more of the value of the currency, and the debtor was not delaying repayment for no valid reason, then in this case it is prescribed for the two parties to reach a deal on the basis of sharing the burden of

loss, for example on a 50-50 basis, or whatever they agree on and is fair to both of them.

See the answer to question no. 220839, in which it says:

The solution in that case is to work out a deal.

This means that the two parties should come to an agreement to split the difference resulting from inflation between the borrower and the lender, in whatever ratio they agree upon." (*Majallat Majma` Al-Fiqh Al-Islami*, 12/4/286)

The scholars determined that the guideline on whether the difference is small or great is one third because the Lawgiver regarded that as a guideline in many issues in order to determine what is a small amount and what is a large amount.

Ibn Qudamah said: We see that the Lawgiver regarded one third as the dividing line in many scenarios, such as bequests and gifts given by one who is ill; and compensation (diyah) for a woman’s injuries is equal to a man’s injuries so long as the compensation is worked out as no more than one third.

Al-Athram said: Ahmad said: They use one third as a guideline in seventeen issues.

That is because one third is regarded as the dividing line between what is a large amount and what is a smaller amount, based on the words of the Prophet (blessings and peace of Allah be upon him) regarding bequests: “One third, and one third is a lot.” This indicates that it is the limit above which an amount is regarded as being a lot, hence it is used as a guideline.

End quote from *Al-Mughni*, 6/179.

See also the answer to question no. 224816.

And Allah knows best.