398581 - What are the conditions and guidelines on the salam transaction (payment in advance)?

the question

Can you please show me a step by step on how a Salam transaction would look like?

What do I do if the potential buyer wants to have pictures and see the item before buying? How can I specifically describe a product without having a specific item of a brand in mind? Does the potential buyer have to pay immediately via bank transfer and PayPal? When does he have to pay exactly? What if the potential buyer tells me that he can only pay tomorrow or another time? If the item costs $50 for example, I am going to sell it for $100. Is this halal? Do I have to tell the potential buyer that I am going to sell it to him for more, because I want to make a profit? Do I have to tell the potential buyer that I am going to buy the item and then ship it to him, and that's why I need the money first? What do I do if he tells me that he is going to buy the item himself? Do I need to give the potential buyer a specific date like 2nd of February or a specific time frame like 2nd of February - 15th of February 2022?

How can I guarantee that I will ship it to them at that specific date?

Does the product I want to sell need to exist, how do I know if the product already exists or still needs to be manufactured? Do I have to check the item to make sure everything is of good quality and as described and take it out of its packaging before shipping it to the potential buyer? How do I deal with a different currency?

Detailed answer

Praise be to Allah.

I.

The salam transaction means selling an item that meets certain specifications that the seller is responsible to meet for a price to be paid in advance, immediately after drawing up the contract.

It says in *Hidayat ar-Raghib*, p. 338: In Islamic teachings, salam refers to a contract to sell an item that meets certain specifications that the seller is responsible to meet and is to be delivered at a later date, for a price that is to be paid immediately after drawing up the contract. End quote.

It is stipulated that the price should be paid in full when agreeing on the contract, and ash-Shafa`i derived that ruling from the words of the Prophet (blessings and peace of Allah be upon him): "Whoever pays for dates in advance, let him pay in advance for a specified measure and a specified weight, to be delivered at a specified time." Narrated by al-Bukhari, 2240; Muslim, 1604.

The phrase "let him pay in advance" means: paying the entire price in advance immediately after drawing up the contract, so as to avoid selling something owed for something owed; that is, selling debt for debt, because the product is not yet available.

Ibn al-Qattan said in *Masa'il al-Ijma`*, 2/239: The scholars are agreed that if the two parties to the contract separate before payment is made – whether this is stipulated in the contract or not – then the salam transaction between them becomes invalid, except for Malik, who said: If that happens without a stipulated condition, then they make the exchange one or two days later, there is nothing wrong with that. End quote.

So the customer should pay in the same sitting in which the contract was drawn up, even if it is done by bank transfer.

II.

What is meant by specifications is that the characteristics of the item sold should be defined and known, to the extent that there is no ambiguity and no room for dispute. Nowadays one can use photos and mention the model and brand name.

For example, in a salam transaction to purchase wheat, the contract should define the type of wheat, if there is more than one type; and the size of grains, such as large, medium or small; and

the amount, such as one sa` or more; and how new or old it should be, meaning whether the wheat is new or old. In a salam transaction to purchase devices such as mobile phones, the contract may mention a brand name and characteristics such as colour, size, amount of memory and other features that have an impact on the price or could lead to dispute if they are not specified.

III.

It is not stipulated that the item should be available in the market at the time of drawing up the contract, but it is stipulated that it should be known or thought most likely that it will be available at the specified time of delivery.

Shaykh Ibn `Uthaymin said in *Ash-Sharh al-Mumti`*, 9/79: It is not specified that the item to be delivered should be available at the time of drawing up the contract, because the item that is to be delivered is an item that is defined by certain characteristics, and it is not a specific item. So if the delivery date agreed on is at a time when the item will be available in the market, then it is not stipulated that it should be available at the time of drawing up the contract. End quote.

For more information, please see the answer to question no. 254814.

IV.

It is stipulated that the date of delivery should be defined, and it is not valid to leave it unknown or open-ended.

Defining the time of delivery should be based on your knowledge of how you will obtain this item. So if you expect to obtain it in a month’s time, you should err on the side of caution and define the time of delivery as being after one month and one week, for example.

V.

If the customer does not agree to pay the price in full, and says that he will buy it himself, he has the right to do that.

If he pays only part of the price, the salam transaction is not valid.

VI.

Before shipping the item to the customer, you should verify that it is of the right quality and that it meets the required specifications, otherwise he has the right to return the item to you.

VII.

The price in the salam transaction is to be paid as agreed on, so it is permissible to agree that the price will be paid in dollars or riyals or pounds, for example.

You will find an explanation of the salam transaction in most of the books of the jurists, one example of which is *Ash-Sharh al-Mumti`*, 9/48.

And Allah knows best.