59936 - Is it permissible to delay paying the price of gold and the cost of having it made into jewellery?

the question

Is it permissible to give some money to a craftsman to make jewellery on the basis that the rest will be given to him when he finishes it, knowing that the first amount is not being used to buy the gold?.

Detailed answer

Praise be to Allah.

What we understand from the question is that you are going to buy the gold from this craftsman, and he will make it into jewellery. If that is the case, it is not permissible, rather what you should do is pay the price of the gold (in cash) and take possession of the gold in one sitting. As for the cost of making it into jewellery, it is permissible to delay it.

But if what is meant in the question is that you are going to give the craftsman gold that you already own, so that he can make it into jewellery, then there is nothing wrong with delaying payment.

Shaykh Ibn ‘Uthaymeen (may Allaah have mercy on him) said:

It is proven that the Prophet (peace and blessings of Allaah be upon him) said: “Gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates, salt for salt, like for like, same for same, hand to hand.”

And it is proven that he (peace and blessings of Allaah be upon him) said: “Whoever gives more or asks for more has engaged in riba.”

And it is proven that he (peace and blessings of Allaah be upon him) was brought some good-quality dates. He asked about them and they said: “We used to take one saa’ for two saa’s, and

two saa’s for three.” The Prophet (peace and blessings of Allaah be upon him) ordered that the transaction be cancelled and he said, “This is the essence of riba.” Then he told them to sell the inferior dates and to buy good-quality dates with the dirhams.

From these ahaadeeth we may understand that what the questioner said about exchanging gold for gold and adding the cost of making one of them into jewellery is something that is forbidden and is not permissible. It comes under the heading of riba which the Prophet (peace and blessings of Allaah be upon him) forbade. The correct way to do it is to sell the broken gold for a certain price without any other conditions. After the seller has taken the price, he may then buy the new gold. It is better to look for the new gold in another place, and if he cannot find it then he may return to the one who bought from him, and buy it with dirhams. If it costs more it does not matter. What matters is that there should not be an exchange of gold for gold with an extra payment, even if that is for making it into jewellery.

This applies if the seller is a merchant. If the merchant is also a goldsmith he can say: “Take this gold and make it into jewellery for me (whatever he wants him to make), and I will pay you for that when you finish making it.” There is nothing wrong with this. End quote.

Majmoo’ As’ilah fi Bay’ wa Shira’ al-Dhahab (no. 1).

The Shaykh was also asked:

Is it essential to pay for work when collecting the gold (to the goldsmith) or can we regard it as an ongoing transaction?

He replied:

It does not have to be paid up front, because this is payment for work. End quote.

Majmoo’ As’ilah fi Bay’ wa Shira’ al-Dhahab (no. 10).

And Allaah knows best.