72404 - Working for a company that sells gold on credit

the question

I work for a large company that works and sells gold. My job is that of a sales representative, but this company sells gold on credit. The price of gold when paying is the market price at the time of payment, i.e., the customer who takes one kilo of gold owes a kilo in addition to the fee for any work done, and when he pays either he pays a kilo of gold ingots in addition to the fee or he pays in cash the price of a kilo at the time of payment plus the fee. We also sell worked gold that contains zircon stones for the price of the gold. Please note that it is visible to the eye and the customer is aware of that. What is the ruling on this sale and what is the ruling on my working in this company?.

Detailed answer

Praise be to Allah.

Firstly:

We ask Allaah to bless your wealth for you and to reward you with good for your question and for your keenness to seek halaal provision.

Secondly:

Your question covers four issues:

1 – Selling gold for a deferred payment or on credit. This is done in the manner you described: the customer takes the gold and later on gives a similar amount of gold, or a cash payment, or gold and cash. None of that is permissible, because one of the conditions of selling gold for gold or for cash is that the transaction be done hand to hand; it is not permissible to delay any part of the exchange until after the meeting in which the contract is made. 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. If any of these types are different, then sell however you like, so long as it is hand to hand.” Narrated by Muslim, 2970, from the hadeeth of ‘Ubaadah ibn al-Saamit (may Allaah be pleased with him).

Selling gold for gold must meet two conditions: that the amounts be the same, and that the exchange be made in the same meeting as the contract is made.

When selling gold for silver or an equivalent value in cash, one condition must be met, which is that the exchange be made in the same meeting as the contract is made.

Delaying payment until after the meeting is riba nasee’ah which is haraam. It may also be riba fadl if it involves paying more gold, or gold of equal value plus a cash sum.

The scholars of the Standing Committee were asked:

If a person sells an amount of gold to another, and the buyer does not have some or all of the value, not even after a few days or one or two months, is that permissible or not?

They replied: If the price for which he buys the gold is in the form of gold or silver or money of equivalent value, that is not permissible, rather it is haraam, because it involves riba nasee’ah. If the purchase is made with other goods such as cloth or food etc, then it is permissible to delay the payment. End quote.

Fataawa al-Lajnah al-Daa’imah, 13/466

See also questions no. 22869 and 65919 for more information.

2 – Selling gold for gold with a payment for working it is also haraam. When selling gold for gold the exchange must be made in the same meeting, and the amounts must be equal in weight, regardless of any work that has been done on it.

See the answer to question no 74994.

3 – Selling gold that contains zircon stones for the same price as gold – this is subject to further

discussion.

If it is being sold for silver or paper money, there is nothing wrong with that, so long as it is visible to the eye and the purchaser is aware of it, as you have mentioned.

If it is being sold for gold, then the gems must be separated so that the amount of gold may be known, and equal amounts of gold may be exchanged.

See the answer to question no 36762 .

4 – The ruling on working in this company: that depends on what has been mentioned above, because the company deals with riba and does not adhere to the rulings of sharee'ah, so it is not permissible to work there, because that involves committing haraam actions or helping others to do so.

Shaykh Ibn 'Uthaymeen (may Allaah have mercy on him) was asked: what is the ruling on working for owners of gold shops who engage in transactions that are not acceptable according to sharee'ah, whether they involve riba or haraam tricks and deceit, or other kinds of transactions that are not Islamically acceptable?

He replied: working for these people who engage in riba or deceit and other haraam things is haraam, because Allaah says (interpretation of the meaning):

"but do not help one another in sin and transgression"

[al-Maa'idah 5:2]

"And it has already been revealed to you in the Book (this Qur'aan) that when you hear the Verses of Allaah being denied and mocked at, then sit not with them, until they engage in a talk other than that; (but if you stayed with them) certainly in that case you would be like them. Surely, Allaah will collect the hypocrites and disbelievers all together in Hell"

[al-Nisa' 4:140]

And the Prophet (peace and blessings of Allaah be upon him) said: “Whoever among you see an evil deed, let him change it with his hand (by taking action); if he cannot, then with his tongue (by speaking out); and if he cannot, then with his heart (by hating it and feeling that it is wrong)…” The one who works for them is not changing it with his hand or his tongue or his heart, so he is disobeying the Messenger (peace and blessings of Allaah be upon him).

End quote, from Fiqh wa Fataawa al-Buyoo’, p. 392.

And Allaah knows best.