84357 - Is it permissible to lend shares?

the question

I need money, so I asked my friend to lend me some, but he said: I do not have any cash, but I have five shares in a cement company, which I will lend to you, and you can give me back five shares in the same company. I am going to take the shares and sell them to meet my needs, then after that I will buy him the same number of shares in the same company from the stock market. Is that permissible?.

Detailed answer

Praise be to Allah.

It does not seem that there is any reason why you should not do that, so long as you are going to repay him the same number of shares in the same company. Rises and falls in share prices will not have any effect on this loan.

Shaykh ‘Abd al-Rahmaan al-Barraak.

That is subject to the condition that the shares should not be shares in a financial company, such as shares in an Islamic bank, for example, because most of the shares in those companies have to do with currencies.

And Allaah knows best.