

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Series of Questions Addressed to Scholar Sheikh Ata Bin Khalil Abu Al-Rashtah,
Ameer of Hizb ut Tahrir through his Economy Facebook Page

Answer to Question: Debt is a Form of Legitimate Possession

To: Abu Ayham Al-Maqdisi

(Translated)

Question:

Our beloved Shaykh, the scholar 'Ata' Al-Khayr, Assalamu Alaikum wa Rahmatullah wa Barakatuhu, question: It has been mentioned in the book, *The Economic System of Islam*, [p. 76 Arabic edition/ p.70 English edition], that the means of possession are limited to 5 they are: work, inheritance, obtaining of funds for the sustenance of life, the State granting of its funds to the citizens, funds that the individuals take without exchange of funds or work. But we were confused over another type, is it a means of possessing funds or a means of fund development, which is debt, and to explain the confusion I will post the following example which happens among the people: suppose a man does not possess any wealth, took a debt of 1000 dinars from someone, then bought merchandise from the market and sold it, and gained 500 dinars profit, and after receiving the profit and the capital money, he returned the debt to its owner and 500 dinars of profit stayed with him, so was what happened a means of funds possession? Or a means of developing funds? May Allah bless you and allow victory to be on your hands. Your loving brother: Abu Al-Ayham Al-Maqdisi.

Answer:

Wa Alaikum Assalamu wa Rahmatullah wa Baralatuhu,

The money that person takes as debt becomes his own possession as soon as he grasps it, and he is allowed to dispose of it in all manners of wealth disposal without restriction, he may give it as a gift, and to spend it on himself and his family, and trade with it, etc... this does not affect the fact that he is bound by returning the money that he borrowed to the borrower, as debt is fixed on the person's conscience and not related to actual money, the actual money become a possession of the actual borrower.

So if a person borrowed money from another person, this money becomes his own property, if he used this money in trade, he would be performing an act of capital development, and his trade will be a means of funds development not a means of fund possession because the origin of the money belongs to the person who trades, who is the debtor, therefore, the profits he gains from this trade is a development to his original money and would not be integrated into the means of acquisition. This is clearly reflected if this debtor loses in his trade, the loss is attributed to his money, not the creditor's money, because the creditor is worthy of his full debt once the full term ends regardless whether the debtor gains profit or loss from his trade.

Therefore, borrowing money is a means of funds possession and falls under the category of "Funds that the individuals take without exchange of funds or work", because it allows for the debtor to possess the money and dispose of it in accordance with the rulings of Islam. It seems the questioning brother thought that since the debtor will pay back the debt, then it contradicts with what was mentioned in the fifth category of means of possessing funds "without exchange of funds or work", this is not so, because the meaning of "without exchange of funds or work" is that the person who gives a grant or gift or debt or Sadaqa... does not ask for a monetary or service charge from the person he is giving. In other words, if he gives a gift, he does not take monetary or service charge for that, and if he grants money, he does not take from the grantee any charge for that, whether monetary or service, and if a person takes a debt from him, he does not take from the debtor any monetary or service charge, and if he gives a Sadaqah, he does not take from the person he gave Sadaqah to any monetary or service charge.

This is the meaning of "without exchange of funds or work", thus, the grant becomes a possession of the grantee because of legitimate ownership, and also, the debt becomes a possession to the debtor because of legitimate ownership, as is the gift to the gifted and the Sadaqah to the needy, all are possessions to these because of legitimate ownership...

I hope that the picture is clear by the will of Allah (swt).

Your brother,

Ata Bin Khalil Abu Al-Rashtah

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The link to the answer from the Ameer's Facebook page:

<https://www.facebook.com/Ata.abualrashtah/photos/a.154439224724163.1073741827.154433208058098/465912820243467/?type=1&theater>