

Answer to Question

E-Commerce

To: Hamam Ibrahim

(Translated)

Question:

Assalam Alaikum Wa Rahmatullah Wa Barakatuh,

May Allah bless your time, my brothers in Allah,

I want to ask you a question and I hope to get a detailed answer

Question: Is e-commerce permissible with the Malaysian company DXN. This company relies on selling nutritional supplements, shampoos, skin creams...etc. If you buy from it for a certain amount, it gives a discount. If your points reach 100 it gives you a six percent discount. The more points you get, the greater the discount it gives you, and these points are converted into a sum of money that is transferred to you either in the form of an envelope or a letter that is delivered to you on a monthly basis, or transferred to your bank balance. I want to note that you can add members to this company, each member who buys from this company gets points, and in return you get points because this member was registered through you. Of course, you can register the number of people you want, and the more points these people get, the more your points increase. Thus, the balance of the money transferred to you increases, and this process continues to grow until you can become a partner in this company and get great profits. (Please read carefully about this company and provide me with a detailed answer about it) Thank you

Answer:

Wa Alaikum Assalam Wa Rahamtullah Wa Barakatuh,

A sister previously asked us a similar question about dealing with the Malaysian company DXN, and we answered it on 7/11/2024 CE. It is more detailed than your question. I am conveying to you the previous question and our answer to it, and perhaps it will serve the purpose, Allah willing:

[Question: Our eminent Sheikh, Assalam Alaikum Wa Rahmatullah Wa Barakatuh,

I work for a Malaysian company called DXN, which manufactures health and personal care products. I met a friend from Jordan and she registered me in the company and gave me a membership number. I asked several people about the company's work, is it halal or haram? They answered me that it is halal. But after attending training and lectures about the financial plan, I began to have doubts about its work and whether there is anything haram in it?

The company's work is based on two methods of selling:

The first method: The direct selling method: Where I buy products at a wholesale price with my membership number from the company's points of sale and sell them with my own profit, where the company gives me a certain number of points for each product I buy, and if I collect 100 points or more each month, it gives me a cash bonus, where my percentage is initially 6%, but if I collect points less than 100 points, it does not give me cash, but the points remain in my personal account in order to get collected to reach the rank of star agent.

The second method of selling (but I did not reach it), which is: The multi-level network marketing method: Where a team is created and a brokerage is calculated, where, for example, Leader S gathers a team consisting of S, A, and J, and each of Leader S's team collects 100 points. Leader S does not get his profits unless he gets 100 points, and in return, no one from the team loses his right.

The brokerage on the team is as follows: The difference between the leader's percentage and the team member's percentage multiplied by 35% multiplied by the number of points collected by the member. The points collected by the member and the team remain in the member's cumulative account until he obtains the rank of star agent.

I apologize for the length of the question and explanation. May Allah protect you to establish the Khilafah Rashida (Rightly-Guided Caliphate). I hope I have made the question clear. May Allah bless you and guide us and you to what He (swt) loves and is pleased with.) End.

Answer: [Wa Alaikum Assalam Wa Rahamtullah Wa Barakatuh,

First of all, may Allah bless you for your kind prayers for us, and we pray for you with the good.

1- Regarding the first method of dealing with the company, you said in the question that you buy goods at wholesale price and sell them and earn a profit, and on top of that, if you sell a certain percentage of the goods according to the conditions set by the company, you get another profit from the company (cash bonus)... meaning that the company obliges itself to give you (cash bonus) if you sell the required percentage of goods monthly, and this is most likely to encourage customers to double their sales... If the matter is as we explained above, then this method of dealing is permissible according to Islamic law because buying goods at wholesale price and selling them for a profit is permissible and is a well-known trade included in the words of Allah (swt): ﴿وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا﴾ **“And Allah has permitted trade and forbidden usury”** [Al-Baqara: 275]

Also the company can promise you a cash amount if you sell a certain percentage of the goods, and this is considered a gift, and we mentioned in the answer to a question dated 14/5/2007CE, regarding a similar matter, the following: [Giving someone who buys a certain quantity an extra amount, a gift or something similar, is permissible. The sale is valid, and the extra amount falls under the gift, which is valid.].

However, this permissibility of this transaction with the company is correct on two conditions:

First: That your purchase be at the wholesale price as is the wholesale price in the market, i.e. within the limits of the wholesale price in the market, and not exceed it in a way that makes it reach the level of gross fraud by exploiting the buyer by deceiving him that he will get a cash bonus...etc. Gross fraud is forbidden, as Al-Bukhari narrated on the authority of Abdullah bin Omar (may Allah be pleased with them both) that a man mentioned to the Prophet (saw) that he was being deceived in sales, so he said: «إِذَا بَايَعْتَ فَقُلْ لَا خِلَافَةَ» **“When you sell, say, ‘No deception.’”** Khilaba (word in the Hadith) - with a kasra on the kha - is deception. Deception is forbidden.

Second: That this method of dealing be independent of the second method mentioned in the question, i.e. if practicing this first method is separate from practicing the second method, but if it is connected to it and is a condition for the second method, then what we will mention about the second method applies to it.

2- As for the second method of dealing with the company, what was mentioned in the question is not clear, but it seems that it does not differ much from the well-known network marketing, and we have answered the topic of network marketing in more than one previous answer, and we have shown that it is not permissible according to Islamic law.

From these answers, I will mention to you two answers to questions that are similar to your question:

Answer to a Question dated 19/8/2015 CE, which is about the Quest Net company, which is a type of network marketing, and this is its text:

[After reviewing the reality of “Quest Net” company, and the difference in its methods of dealing, although the idea is the same, which is that the company deals with marketers who bring buyers “customers” to it, and gives them a commission according to certain conditions, meaning that they are brokers for the company, they bring buyers and take a commission for them... From contemplating the reality of this transaction, the following becomes clear:

First: This type of companies deals with this marketing network in several products, and these companies stipulate that whoever markets their products should buy some of these products, and after that they give him the right to bring customers to them, and give him a commission in return for them (i.e. he is a broker for the company who brings buyers to it and takes a commission from the company). The company will not give him a commission until he brings six buyers according to the question of Central Asia, and until he brings two according to the question of the other region... i.e. according to the company's program that it prepares for this purpose. In other words, the first buyer takes a commission for the two “or six” that he brought, in addition to another commission for the four that the first two brought, or for the six that the first two bring.

And the marketing work "brokerage" continues in this manner, i.e. in the form of a brokerage sequence or marketing network.

Second: This type of business is against Shariah, and this is why:

1- The company stipulates that the "marketer" must buy from its products in order for him to have the right to work for it as a broker for a commission, i.e. he brings customers to it and takes a commission from them, whether the commission is after bringing six buyers or after bringing two buyers.

This means that the purchase contract and the brokerage contract are two contracts in one contract, or two deals in one deal, because they are conditional on each other. **This is forbidden**, as the Hadith says: «نَهَى رَسُولُ اللَّهِ ﷺ عَنْ صَفْقَتَيْنِ فِي صَفْقَةٍ وَاحِدَةٍ» **"The Messenger of Allah (saw) forbade two deals in one deal."** Narrated by Ahmad on the authority of Abd al-Rahman ibn Abd Allah ibn Mas'ud on the authority of his father. That is, as if I say to you: If you sell to me, I will hire from you or act as a broker for you, or buy from you... etc. It is clear that this is the reality that exists according to the question, as the sale and brokerage are in one contract, meaning that the obligation to buy from the company is a condition for the brokerage work, meaning for marketing with a commission for the buyers brought to the company.

2- Brokerage is a contract between the seller and the one who brings him customers. The brokerage commission in this contract is given to those whom the person brings to the company, not on those whom others bring. Since the brokerage commission in the aforementioned company transaction is taken by the broker "marketer" on behalf of the customers whom he brings to buy from the company, as well as on behalf of those whom others bring, this is in violation of the brokerage contract.

3- The purchase price from the company is accompanied by gross fraud, and although the buyer is aware of this, the matter is not without deception as a result of the "crooked" methods used by the company to promote its business in a way that leads the buyer to pay an exorbitant price for the company's product that is not worth a small part of the real price... All of this is because the company promotes a (bright) future for this buyer because he will have the opportunity to market the company's product in exchange for a commission on (buyers) whom he brings to the company, as well as on the buyers who are brought by those whom he brought first!

When the buyer is unable to bring buyers, especially those at the end of the chain of buyers, he is surrounded by deception, and he loses the exorbitant price he paid for a product that is not worth a tenth of what he paid! Deception is forbidden in Islam. The Messenger of Allah (saw) said: «الْخَدِيعَةُ فِي النَّارِ...» **"Deception leads to the Fire..."** Narrated by Al-Bukhari on the authority of Ibn Abi Awfa. The Messenger of Allah (saw) said to a man who was being deceived in sales: «إِذَا بَايَعْتَ فَقُلْ لَا خَلَابَةَ» **"When you sell, say, 'No deception.'"** Narrated by Al-Bukhari on the authority of Abdullah ibn Umar (may Allah be pleased with them both). Khilaba is deception. This is the literal meaning of the Hadith, its meaning indicates that deception is forbidden. **Thus, this transaction is not permissible according to Islamic law.**

In conclusion, dealing with the company "Quest Net" in the manner explained in the questions is a transaction that is contrary to Islamic law...] End quote.

This is what I see the strongest of opinions in this matter, and Allah Knows Best and is Most Wise.

All of this means that the second method mentioned above is not in accordance with Islamic law. 7/11/2024]

I hope that our previous answer mentioned above will suffice. Allah is the Helper.]] End.

Your Brother

Ata Bin Khalil Abu Al-Rashtah

17 Jumada Al-Akhira 1446 AH

19/12/2024 CE

Link to the Answer on the Ameer's Facebook page;

<https://www.facebook.com/ataabualrashtah/posts/122121137396593487>