

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

Answer to Question:

**Ruling on the Outcome of Financial Transactions of Non-Muslims before
Converting to Islam**

To Michael Christensen
(Translated)

Question:

Barakallahu feek, my question is related to Economics, I seek clarification about dealing with stocks: Since I was young (under 10 years of age - almost 20 years ago) my mother deposited some stocks in a bank under my name. These stocks increased in value, and in 2015 my mother sold the stocks on my behalf and gave me the money.

I haven't used the money because I do not know if they are permitted (from Shariah) for me. I converted to Islam 6 years ago and do not know much about the Economic system of Islam, but I now know stocks are forbidden. What is the ruling on this situation of mine? Is it possible for you to give a short but still detailed Islamic conclusion to help me understand if I can keep the money or get rid of it?

I hope you understand my question if not, you can ask me to provide more details. Thank you.

Answer:

Wa Alaikum As-Salam Wa Rahmatullah Wa Barakatuhu

We delayed replying to your question until we received your replies to our queries, for the following:

1- Approximate date of your conversion to Islam

Reply: September 2010

2- Date when you found out that stocks are Haram

Reply: 2015

3- When you authorized (proxy) your mother to sell the stocks under your name, was she a kaffirah or a Muslim?

Reply: She was and still is a kaffirah.

4- To whom did she sell the stocks to? Was the one who purchased them a Muslim or a kaffir?

Reply: Stocks were sold back to the Bank (money bank), which is run by non-Muslims.

Based on what we understood from your original question and from your replies to our queries is the following:

Your mother who is a non-Muslim has given you stocks as a gift 20 years ago, when you were under the age of 10, and you were not a Muslim at that time. Your mother deposited the stocks in the bank under your name, the value of the stocks increased during the course of the 20 years from their original value, and that you embraced Islam nearly five years ago, 2010 approximately.

You found out that these stocks are forbidden in 2015, and that you assigned your mother, a non-Muslim, to sell them for you in the same year and your mother sold the stocks to a bank where you live, owned by non-Muslims.

Now you are asking about what is permitted for you from that money

Dear brother, to begin with, I thank Allah (swt) that He guided you to Islam, and that you converted to Islam, and I thank Allah that He guided you to the criteria of the Halal and Haram, enquiring about what is Halal for you, May Allah bless you, and grant you provision through the Halal, and May Allah be with you.

The answer to what is permitted for you from these stocks is as follows:

1- The outcome of financial transactions of non-Muslims before they embrace Islam is permitted (Halal) for them (to use/keep) after they convert to Islam. Unless that wealth is taken by force (from its owners) or stolen. In these two cases, it will not be permitted (to use/keep) before Islam or after Islam. Some of the evidences include:

a) Financial transactions before Islam:

Ahmad narrated in his Musnad on the authority of Amr Ibn Al A'as that the Messenger (saw) said: «إِنَّ الْإِسْلَامَ يَجِبُ مَا كَانَ قَبْلَهُ» **“Islam forgives all previous sins (of the one who converts to it).”**

Muslim narrated in his Sahih from Amr Ibn Al A'as from the Messenger (saw) that he said: «أَمَا «**Did you not know that Islam (the conversion to Islam) destroys whatever preceded it (of sins)»**

These Ahadeeth indicate that the one who embraces Islam will not be accounted for his actions before Islam... Nawwawi mentioned in his explanation of Sahih Muslim of this Hadeeth that: (the saying of the Prophet (saw): «الْإِسْلَامُ يَهْدِمُ مَا كَانَ قَبْلَهُ» **“Islam (the conversion to Islam) destroys whatever precedes it (of sins).”** (i.e. eliminates sins and removes its traces) hence the kaffir will not be accounted for whatever he earned from money during that time (before Islam), when he converts to Islam.

It will be regarded as his money despite the fact that he acquired it through Haram means, it is Halal money according to Shariah.

The Prophet (saw) approved for the Muslims to keep their money that they earned before their Islam (when they were Kuffar), He (saw) did not ask them after their conversion to Islam to remove that money from their wealth; that they earned through Riba (interest) or through selling of alcohol, or through gambling, or through any means of ownership or growing of money, through prohibited transactions in Islam. The Prophet (saw) agreed that they keep the money they earned before Islam, but he (saw) accounted them for their financial transactions after Islam, that is from the minute they became Muslims. This is in accordance to the Shariah law, so Riba is forbidden, alcohol is forbidden, gambling is forbidden, and this is in adherence to the financial transactions of the Islamic Shariah rules after they become Muslims.

b) But if the money was acquired by force or stolen before a person's Islam, and is still in their possession after converting to Islam, the person must return that money to its owner, because that which is taken by force is guaranteed to be returned to its owner, this is due to the narration by Samra from the Prophet (saw) who said: «عَلَى الْيَدِ مَا أَخَذْتُ حَتَّى تُؤَدِّيَ» **“The hand must return back what it has taken to its owner”** (Narrated by Tirmithi and he said it is Hasan Hadeeth). Muslim narrated on the authority of Wa'il Bin Hujr that he said: «كَانَتْ عِنْدَ رَسُولِ اللَّهِ ﷺ فَاتَاهُ رَجُلَانِ يَخْتَصِمَانِ فِي أَرْضٍ فَقَالَ أَحَدُهُمَا إِنَّ هَذَا أَنْتَزَى عَلَيَّ أَرْضِي يَا رَسُولَ اللَّهِ فِي الْجَاهِلِيَّةِ وَهُوَ أَمْرُ الْقَيْسِ بْنِ عَابِسِ الْكِنْدِيِّ وَخَصَمَهُ رَبِيعَةُ بْنُ عَبْدِ اللَّهِ قَالَ: بَيْتُكَ، قَالَ: لَيْسَ لِي بَيْتَةٌ، قَالَ: يَمِينُهُ، قَالَ: إِذْ نَزَّ بِهَا، قَالَ: لَيْسَ لَكَ إِلَّا ذَلِكَ، قَالَ: فَلَمَّا قَامَ لِيَخْلِفَ قَالَ: «I was with the Messenger of Allah (saw) when two men quarreling over a land approached him: one man who was Umru'u Al-Qays Bin Abis said: This man (he meant his opponent Rabi'ah Bin Abdan) took my land by force from me, O Messenger of Allah, in the Jahiliyah days. The Messenger (saw) said: 'Where is your evidence?' He replied: 'I don't have one', the Prophet (saw) said: 'then he must give oath' (that he did not take it by force). He said to the Messenger (saw): But this means he will keep it. The Messenger (saw) said: 'This is the only option you have (i.e. the oath)'. He said: 'When he (the opponent) rose to give oath the Messenger (saw) said: whoever taken (by force) a land unjustly, he will meet Allah, and Allah will be displeased with him.”

The meaning of seize (*Intaza*), is that he took it by force. The Prophet (saw) looked into the complaint by the man against the one who took his land by force, even though it was during the Jahiliyah time, which indicts that the money taken by force has a different Hukm to the laws of money acquired by people through forbidden transactions before Islam. The money taken by force is not permitted for the kaffir after his conversion to Islam, it remains the money of its original owner, the kaffir who converts to Islam must give back the money to the original owner according to the Shariah rules.

This is similar to the stolen money, Ahmad narrated from Samra, that he said, that the Prophet (saw) said: «إِذَا سُرِقَ مِنَ الرَّجُلِ مَتَاعٌ، أَوْ ضَاعَ لَهُ مَتَاعٌ، فَوَجَدَهُ بِيَدِ رَجُلٍ بَعِيْنِهِ، فَهُوَ أَحَقُّ بِهِ، وَيَرْجِعُ الْمُشْتَرِي عَلَى «النَّائِعِ بِالْشَّمَنِ» **“If a man has something stolen from him, or loses something, and he finds it in the possession of a man who bought it, then he has more right to it, and the one who bought it should ask for his money back from the one who sold it to him.”**

This is a text that stipulates that the stolen money must be returned to its owner.

Since the money that your mother has deposited for you was before your Islam, it is a financial transaction other than acquiring by force or theft, therefore the money is Halal for you after your conversion to Islam.

2- After your conversion to Islam, if the ruling on the financial transaction **is not known to a person**, then it is Halal for you, as long as you did not know that it was Haram, but if you come to know that it is forbidden, then you must stop using it immediately. Because you did not know that the stocks are forbidden except in 2015, that is after your Islam by about five years, and that the ruling on stocks **is not known to a person in your situation (excused for your ignorance)**, therefore it is (money from stocks) Halal for you from 2010, since your conversion to Islam, until you found out the ruling in 2015, you need to specify the month in which you found out the ruling, therefore the money was Halal for you until 2015.

The evidence that what is not known for the the person of his reality is excusable until the ruling is found out (i.e. excused for ignorance). If the Shariah rule of an action is not known by the person and yet he undertakes it, then the person is not accounted for the action, and his action would be correct, even if the Shariah rule on that action is that it is void (batil), is because the Prophet (saw) heard Mu'awiyah Bin Al-Hakam responding (loudly) in dua to the sneezing person in prayer, after the prayer was over, the Prophet (saw) taught him that speaking in Salah invalidates it, but he (saw) did not ask him to repeat the prayer.

Muslim extracted in his Sahih from Mu'awiyah Bin Al-Hakam As-Sulami, that he said: while I was praying with The Messenger of Allah (saw), a man sneezed, I responded by saying: May Allah bless you, so people looked at me (with shock/rebuke), so I said: What is wrong, what did I do, why are you looking at me? They began to slap their thighs with their hands, so I realized that they wanted to silence me, so I stopped talking. The Prophet (saw) more beloved to me than my parents, was the best teacher, I have never seen a better teacher than him, when he finished praying, by Allah he did not oppress me or hit me, or insult me. He (saw) said: «إِنَّ هَذِهِ الصَّلَاةَ لَا يَصْلُحُ فِيهَا شَيْءٌ مِنْ كَلَامِ النَّاسِ، إِنَّمَا هُوَ التَّسْبِيحُ وَالتَّكْبِيرُ وَقِرَاءَةُ الْقُرْآنِ» **“In this prayer nothing is accepted from the speech of people, except Tasbeeh, Takbeer, and the recitation of the Qur'an.”** Or as is said by the Prophet (saw). An-Nassa'i extracted the same. Speaking invalidates prayer, but this was unknown to this person, so the Prophet (saw) excused him for his ignorance and considered his prayer as valid. The stocks and shares companies although they are forbidden by Shariah, but this ruling is unknown by many Muslims, this is why being ignorant (unaware) of its ruling is excused. So the action of dealing with stocks (in a company) is correct, even if the ruling on dealing in shares companies is invalid. Like the salah of Mu'awiyah Bin Al-Hakam, it is correct, even though his actions included an action that invalidates the prayer, but he was ignorant of the fact that speaking invalidates prayer.

Naturally scholars who are muftis are not excused with regards to the ruling of stocks/shares, because they can not be ignorant of the ruling if they exert effort to understand the reality of the shares companies and the Shariah evidences related to them, to extract the Shariah ruling, therefore they are not excused. As for the general public, as we mentioned, they are ignorant of the ruling because of their reality and they are excused. When they find out the ruling they must dispose of the stocks/shares according to the stipulation of the Shariah.

3- It is an obligation to get rid of the stocks/shares when the Muslim finds out its ruling that it is void (batil), this is by assigning a kaffir who deals with shares (because he thinks its legal for him), to sell it to another kaffir, then the price is given to the Muslim owner of the shares by the person he assigned, this price is Halal for him. This is because he did not know that the shares are haram, and was ignorant of the ruling, and the evidence for this is that the people of Zhima (non-Muslim citizens of the Islamic state) paid the value of the Kharaj land as alcohol and pigs, but Muslims did not take it, but they used to assign the non-Muslims to sell the pigs and alcohol, and the Muslims take the price. Abu Ubaid Al-Qasim Bin Salam from Suwaid Bin Ghafila, that Bilal said to Umar Ibn Al-Khattab: your workers take alcohol and pigs as Kharaj, so he (ra) said: “Do not take it from them, but make them in charge of selling it, and you take from its price.”

This is because alcohol and pigs is the money from the wealth of the people of Zhimma, and can not be the money of Muslims. If the money is in origin prohibited to a Muslim, but due to a Shariah reason this money becomes the possession of the Muslim, then it is allowed for the Muslim to assign a kaffir who sees it legal to sell it to another person, who sees it as legal, and then the Muslim can get the price and it will be Halal for him, as long as he has acquired it in the permitted way.

Therefore the ownership of stocks/shares by a Muslim if he is not aware of its ruling, is Halal for him if he makes someone who see it as legal incharge, to sell it in the way that Umar (ra) has ordered in the case of the people of Zhimma in their payment of the Kharaj land in pigs and alcohol.

Since you designated your mother, who is a non-Muslim, to sell the stocks/shares to Kaffir banks, then the price is Halal for you, this is if you assigned your mother on the same date that you have found out that stocks/shares are forbidden, and to illustrate with examples:

If you learned that stocks were Haram in January 2015, as an example and you designated your mother to sell them on the same date, then all of the price of the shares would be Halal for you.

If you learned that the shares are forbidden in January 2015 and you assigned your mother to sell them in July, then all the price will be Halal for you, except for the stocks' profit earned in February, March, April, May, and June, you must get rid of the profits of the shares during the five month by using it in that which benefits Islam and the Muslims.

In summay, the stocks/shares and their profits deposited for you by your mother is Halal for you, if you assigned your mother to sell them on the same date that you learned that the shares are forbidden, but if there was an interim between assigning her, like if you assigned her after two months or three from the time of your knowledge of their prohibition, then the profits of these shares during these two or three months are not permitted for you.

Lastly accept my regards, and I congratulate you for being concerned in adhering to the Halal and Haram, I pray all goodness for you, May Allah (swt) be with you.

Your brother,

Ata Bin Khalil Abu Al-Rashtah

18 Muharram 1438 AH

19/10/2016 CE

Link to the answer from the Ameer's Facebook page:

<https://web.facebook.com/AmeerhtAtabinKhalil/photos/a.122855544578192.1073741828.122848424578904/537490103114732/?type=3&theater>

Link to the answer from the Ameer's page on Google Plus:

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