

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Series of Questions Addressed to the Eminent Scholar Ata Bin Khalil Abu Al-Rashtah,  
Ameer of Hizb ut Tahrir through his Facebook Page (Fiqhi)

**Answer to Question:**

**The Reality and Ruling of Hoarding Money!**

To: Nazia Rehman

(Translated)

**Question:**

(Assalaam u alaykum Dear Sheikh, May Allah swt protect you and honour you.

Can you elaborate the definition of Hoarding? Living in this time of uncertainty with a capitalist system over us, it is easy to think we should have money aside as it is not known when an emergency will arise and the sudden cost of healthcare or emergency travel can be too much to bear.

Also, in some cultures it is very normal to keep wedding gold as an asset for the children for their marriages.

Using this reality and the clear understanding of hoarding, please can you explain? Is it allowed for us to have savings for the future or are we obliged to circulate all wealth?

JazakAllah hu Khairan.

Waslaam u alaykum

Umm Emaan – Pakistan) end

**Answer:**

**Wa Alaikum Assalam wa Rahmatullahi wa Barakatuh,**

First, I will relate to you some of what is stated in the book of the Economic System about the prohibition and the definition of hoarding:

**(The Prohibition of Hoarding Gold and Silver**

... These large amounts of wealth prepare the ground for their owners to save, and help them acquire large incomes. Therefore, the wealth remains intact, for wealth generates wealth, although personal effort plays a part in gaining such wealth and in generating the opportunities to invest the wealth. This does not pose a danger to the economy; on the contrary, it helps increase the economic wealth of the community as well as the individual. The danger lies in the hoarding of monies by some individuals with very large fortunes, leading to the fall in the standard of income and causing wide unemployment thus pushing people into poverty. It is therefore essential to tackle the hoarding of monies. Money is the medium of exchange between two properties, or between a property and a service, or between two services, hence it acts as a measure to this exchange. Therefore, when money becomes scarce and people are unable to obtain it, the exchange vanishes and the economic wheel comes to a grinding halt. The more that money changes hands, the more economic activity proceeds...

It should however be made clear that this damage to the economy emanates from money hoarding and not from saving; saving does not halt the employment cycle whereas hoarding money does. The difference between hoarding money and saving is that the former means accumulating money without purpose. It means taking money away from the market, whereas, the latter i.e. saving, means accumulating money for a purpose, such as saving to build a house, or for a wedding, or to set up a business etc. This type of money accumulation does not affect the market nor does it affect the employment cycle, for it does not lead to taking money from the market, rather it means saving a sum in order to spend it at a given time, thus the money will circulate again once it is invested, there is therefore no harm in saving, unlike hoarding the money for no real purpose.

Islam has made it lawful to save gold and silver, for it means the accumulation of money for a purpose. Islam has permitted the "Mukatib" (contracting slave) to work and save money in order to pay for his freedom; Islam has also permitted a man to save money in order to accumulate a dowry for a woman he wishes to marry, or to save money in order to go to Hajj etc. The saver would only have to pay the Zakat due on the accumulated money if it reached the Nisab and remained in his possession for a full year. When the verse was revealed prohibiting the hoarding of gold and silver, these two metals represented at the time the units of exchange and measure of the effort spent (in work) and the units of value put on goods, services and properties, whether these were minted or not; the prohibition was therefore directly linked to the fact that they represented the unit of exchange.

The hoarding of gold and silver was prohibited explicitly in the Qur'an. Allah (SWT) says: ﴿وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يَنْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ بِعَذَابٍ أَلِيمٍ﴾ **"And let those who hoard gold and silver and do not spend them in the way of Allah know that a severe and painful punishment is awaiting them."** [At-Tauba: 34]

This warning of severe punishment for those who hoard gold and silver serves as a clear evidence that the Law Giver has decisively ordered us to refrain from doing so; it is therefore forbidden to hoard gold and silver....) **End of the quote from the Economic System about hoarding money, and I hope it is well understood because the answers depend on it.**

**We have already been asked a similar question to yours and my answer to the question dated 13/1/2014 was as follows:**

(1 - Hoarding money is accumulating money for no purpose. But if there is a legitimate purpose, such as you collect money to build a house, buy land, build a factory, or if you want to marry, or if you have children and you accumulate instalments for their school fee to educate them, or to buy a car, or so, then this is an accumulation for a purpose, therefore it is not hoarding, but is a Halal accumulation of money on which Zakat is due on its Nisab (quorum) when al-Hawl (a year) passes over it.

As for the accumulation of money for an imaginary matter, then it is considered hoarding and is not permissible. For example, if someone accumulates money on the possibility that an earthquake will destroy his home and he will want to build a house then, or if he accumulates money, saying that this is the sustenance for the next twenty years!

**2- Accumulation of money to provide sustenance for himself and for his dependents sufficient for one year is permissible and is not hoarding, because the Prophet (saw) was giving the mothers of the believers a year's sustenance.** Muslim narrated from Omar, who said: «كَانَتْ أَمْوَالُ بَنِي النَّضِيرِ مِمَّا أَقَاءَ اللَّهُ عَلَى رَسُولِهِ، مِمَّا لَمْ يُوجِفْ عَلَيْهِ الْمُسْلِمُونَ بِخَيْلٍ وَلَا رِكَابٍ، فَكَانَتْ لِلنَّبِيِّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ خَاصَّةً، فَكَانَ يُنْفِقُ عَلَى أَهْلِهِ نَفَقَةَ سَنَةٍ، وَمَا بَقِيَ يَجْعَلُهُ فِي الْكُرَاعِ وَالسَّلَاحِ،

«عُدَّةٌ فِي سَبِيلِ اللَّهِ» “The wealth of Banu an-Nadir (one of the Jewish tribes) was part of what Allah bestowed on His Messenger, and which the Muslims had not ridden on horses or camels to get (i.e. they did not have to fight); so they belonged specially to the Prophet who would give his family their sustenance for a year, then applied what remained for horses and weapons and equipment in the Path of Allah, Who is Great and Glorious”.

Al-Nawawi said in his commentary on Sahih Muslim (and his saying that he would give his family their sustenance for a year, means, **he will Keep away for them a year's sustenance**, but he would spend it before the end of the year in areas of goodness and will not remain for a year). Therefore, accumulating money for sustenance for a year is not hoarding, and Zakat is due on its Nisab (quorum) if al-Hawl (a year) passes over it.

3- When a working woman accumulates money to use it in her marriage, then this is not hoarding... As well as when she has children, she is allowed to accumulate the installments of their schools, or their provisions ... All this is not hoarding, but Zakat is paid on the quorum if a year passes over it.

4- Similarly, a man is allowed to accumulate money to marry, since this is not hoarding, and also when he has children, he is allowed to accumulate the installments of their schools, or their provisions ... All this is not hoarding, but Zakat is paid on the quorum if a year passes over it.

5- However, to accumulate money as a precaution against disasters that are far from occurring, considering that if they occur, the houses will be demolished ... and the property will be destroyed ... **and a person wants to accumulate money as a precaution for those unusual cases, then this is not permissible.**

6- The solution that I see to those who Allah (saw) has granted them with large amounts of money that exceeds their sustenance and sustenance of those dependents on them for a year, and if there is no purpose to spend on it, what I see is that the money owner may invest it in a halal industrial, commercial or agricultural project, or give charity, or ensure orphans, or use it in the right doors of goodness, but not to accumulate money without spending from it, for then the rule of hoarding applies to it "accumulating it without a purpose to spend on" which is Haram.)

I hope this is sufficient.

**Your brother,**

**Ata Bin Khalil Abu Al-Rashtah**

14<sup>th</sup> Jumada I 1440 AH

20/01/2019 CE

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

<https://web.facebook.com/AmeerhtAtabinKhalil/photos/a.122855544578192/987841918079546/?type=3&theater>

**The link to the answer from the Ameer's Google Plus page:**

<https://plus.google.com/u/0/b/100431756357007517653/100431756357007517653/posts/5sJAT6SENxz>