

“Your wealth and your children are but a trial. It is Allah with Whom is the greatest reward.”(Qur’an;64:15)
تمہارے مال اور اولاد تو سراسر تمہاری آزمائش ہیں اور بہت بڑا اجر اللہ کے پاس ہے (قران 64:15)

Quran, Riba & Fiat Currency

قرآن ربا اور کاغذی کرنسی

Scam of the Century Unveiled

Nov 2022

Inflation **26%**

Compensation Profit/interest **14%**

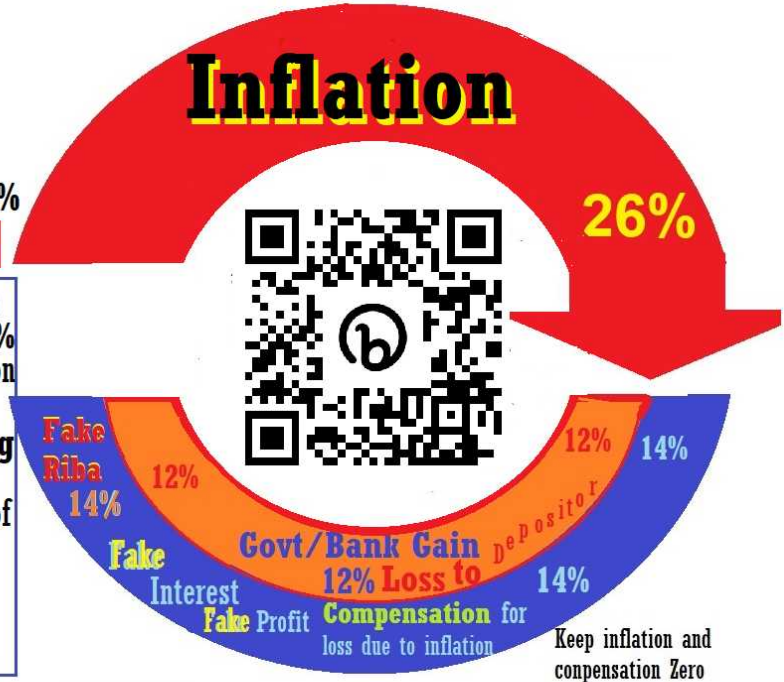
Govt/ Bank Gain/Profit **+12%**

Net Loss to Depositor **-12%**

It is ridiculous to call this 14% Partial Compensation to the -26% loss to depositor due to inflation as Riba or Interest or income and lavy 15-30% withholding tax + income tax

The depositor is still at a loss of 12% which is gain to the government/ bank through currency printing.

They cycle continues for ever.



<https://SalaamOne.com/Riba>

<https://bit.ly/QuranOnRiba>

Updated: 23 December 2022 1940

By Brig (r) Aftab Khan Abdallah

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<https://www.facebook.com/IslamiRevival>

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If you repent and don't take usury you have right on Principal Capital without any loss/decrease in value (Al Quran)

اگر تم توبہ کرتے ہو اور ربا نہیں لیتے تو تمہارا اصل سرمایہ پر حق ہے بغیر کسی نقصان، کمی کے (القرآن)

Updated: 23/12/22 2130

Quran and Riba in Fiat Currency Era

Scam of the Century Unveiled

Summary

By Brig (r) Aftab Khan Abdallah

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أَعُوذُ بِاللَّهِ مِنَ الشَّيْطَانِ الرَّجِيمِ ۝ بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
..وَإِنْ تُبْتِغُوا فَلََكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ ﴿٢٧٩﴾

... if you desist (from taking Riba/ usury), repent, then you shall have your capital; neither shall you make (the debtor) suffer loss (by asking for more) nor shall you be made to suffer loss (through decrease in value of your capital)"(Quran 2:279)

Introduction

To resolve any issue, first the prevalent environments have to be well understood, then the Quranic injunctions should be applied intelligently. Fiat money is a recent phenomenon. Fiat is government-issued currency that is not backed by a physical commodity, such as gold or silver, but rather by the government that issued it. The value of fiat money is derived from the relationship between supply and demand and the stability of the issuing government, rather than the worth of a commodity backing it. Most modern paper currencies are fiat currencies, including the U.S. dollar, the euro, and

other major global currencies. One danger of fiat money is that governments can print too much of it, resulting in hyperinflation.¹

The Qur'an provides eternal guidance for every matter², it requires full application of the Qur'anic rulings on a given issue - partial, incomplete application of the rulings is just mockery.

Presenting incomplete Qur'anic injunctions is woefully misleading, deliberately omitting information is tantamount to lying, a great sin. There is a famous saying that; a half truth is often a full lie. Allah says:

O People of the Book! Why do you confuse the truth with falsehood and conceal the truth while you know [it]? (3:71)

“So do you believe in part of the Scripture and disbelieve in part? Then what is the recompense for those who do that among you except disgrace in worldly life; and on the Day of Resurrection they will be sent back to the severest of punishment. And Allah is not unaware of what you do. (Qur'an 2:85).

Let's take an example:

O people who have believed (يَا أَيُّهَا الَّذِينَ آمَنُوا) do not approach the prayer (لَا تَقْرَبُوا) while you are drunk (وَأَنْتُمْ سُكَرَى) [Quran:4:43]³

In this verse IF the last part (وَأَنْتُمْ سُكَرَى) “while you are drunk” is not presented, it will read:

“O people who have believed (يَا أَيُّهَا الَّذِينَ آمَنُوا) do not approach the prayer (لَا تَقْرَبُوا) (الصَّلَاةَ).”

This way the whole meanings have changed, Salah (prayer), an important pillar of Islam has been negated through hiding, ignoring, twisting part of verse. If the whole truth is not told, then people can be as if you were lying to them out rightly.

Though not exactly but somewhat similar situation was noticed, hence: **“Scam of the Century is Unveiled”**.

Purpose

The purpose of this article is to examine partial compliance of the commands of Allah on Riba (usury), and suggest possible options for full implementation of divine commandments on this subject.

Full implementation of the commands of Allah for Riba free economy is the the legal, ethical and religious responsibility of the Federal Shariat Court (FSC), State Bank of Pakistan (SBP)⁴ and related institutions.

FSC Judgment on Islamic Banking

The Prohibition of Riba in the Qur'an is beyond any doubt. FSC examined the Riba law in the light of the Qur'an and the Sunnah, it ruled in 1999 on the abolition of Riba in the banking system. An appeal was made and on April 28, 2022, an order was issued to declare Riba is haram and to eliminate it through Islamic banking - this has been well appreciated by everyone.⁵

Endnotes / References

¹<https://www.investopedia.com/terms/f/fiatmoney.asp>

²“(Qur'an;16:89), <https://bit.ly/QuranOnQuran>

³[https://corpus.quran.com/wordbyword.jsp?chapter=4&verse=43#\(4:43:1\)](https://corpus.quran.com/wordbyword.jsp?chapter=4&verse=43#(4:43:1))

⁴<https://www.sbp.org.pk/IB/index.asp>

⁵<https://salaamone.com/fsc>

The Problem

Most people may not be aware that, while banning Riba, in fulfillment of the command of Allah, the judgment ignored the other half of the same verse of the Quran (2:279). It is surprising that the scholars, intellectuals and legal experts who have been following this case with enthusiasm for seventy-five years have ignored half the verse of Quran (2:279). In any case, human beings are prone to mistakes and Allah is kind to grant pardon and forgiveness on repentance (tawba) and correction of their error⁶. However insisting on error is disastrous:

".. because they disliked what Allah revealed, so He rendered their deeds worthless." (Qur'an 47:9)⁷

Quran on Prohibition of Riba & Obedient Servants

Following two frequently quoted Quranic verses tell the whole truth about prohibition of Riba (usury) and its implication for the obedient servants, though there are also other verses on Riba⁸. Both aspects are equally important and both have to be implemented in later and spirit, which is the objective of this article:

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنتُمْ مُؤْمِنِينَ ﴿٢٧٨﴾ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ ۗ وَإِن تُبْتِغُوا فَلَئِمَّ رُءُوسُ أَمْوَالِكُمْ لَا تَنْظُمُونَ وَلَا تُنظَّمُونَ ﴿٢٧٩﴾

"O you who believe! Be careful of (your duty to) Allah and relinquish what remains (due) from Riba (usury), if you are believers. (2:278) But if you do (it) not, then be apprised of war from Allah and His Apostle; and if you desist, repent, then you shall have your capital; neither shall you make (the debtor) suffer loss (by asking for more) nor shall you be made to suffer loss (through decrease in value of your capital)" (Quran 2;279)

The Safety and Security of value of "Principal Capital" (اموال) is not an interpretation but an unambiguous Command of Allah, which cannot be ignored or undermined through interpretations, if done, it would be distortion (Tehreef) in meanings of words of Allah, concealing truth (كتمان حق) is a major sin (كناه كبيره):

"Why do you mix truth with falsehood and knowingly hide the truth?" (Quran 3:71).

Allah said, ... "And you shall not be dealt with unjustly" meaning, your original capital will not diminish. Rather, you will receive only what you lent without increase or decrease. The Messenger ﷺ of Allah during the Farewell Hajj said; "Verily, every case of Riba from the Jahiliyyah (days of ignorance) is completely annulled. You will only take back your capital, without increase or decrease (hence decrease in value of money due to inflation must be compensated) [Extract (Tafseer 2:278)- ibn Kathir]⁹

⁶ https://en.wikipedia.org/wiki/Repentance_in_Islam#Conditions_of_tawba

⁷ <https://trueorators.com/quran-translations/47/9>

⁸ <https://islamicmarkets.com/education/riba-in-the-qur-an> , <http://shariah-legal-islamic-finance.blogspot.com/2013/11/quran-verses-on-riba-usury-interest.html>

⁹ <http://www.equranlibrary.com/tafseer/ibnekaseer/2/278>

Federal Shariat Court (FSC) & Riba¹⁰

Loss in value of Principal (devaluation) due to inflation, was considered as an issue not from religious but general point of view by Honorable Mufti Taqi Usmani Sahib in the 1999 Sharia Court Appellate Judgment¹¹. Many options were also given, but then the issue was sidelined, that, more research was needed on this aspect. Whether any research, study was conducted by him or anyone else during the last twenty two (22) years , only Allah knows.

The decision of the Federal Shariat Court of (FSC) on Riba ban of 28th April 2022 is getting a lot of attention, it is a landmark decision for Islamic Banking. However the FSC has dismissed the issue related to inflation by stating that; indexation & inflation is not within their jurisdiction. The decision did not even mention the judgment of Mufti Taqi Usmani in 1999 and their recommendations for further research, hence this issue was closed (forever?).

Could it be due to the mistake (oversight), ignorance of scholars, intellectuals, economic experts, legal experts and media, or the conspiracy inspired by Satan? (Allah knows best), but a positive attitude requires that this lapse be treated as a great blunder. Every effort should be made to redress it by implementing the Commandment of Allah (لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ) "you do no wrong (by taking usury), nor are you wronged (by reducing value of your principal)".

It appears that our religious and legal scholarship dealing with this most important and sensitive issue is not aware of divine commandment stipulated in Quran 2:279. Had it been known there is no reason to sideline this important aspect.

Remember that believing in the Qur'an, reciting, understanding, acting on it and conveying its message to others is the responsibility of all Muslims: "And We have made the Qur'an easy to understand; is there anyone who ponders?" (Qur'an 54: 17)¹²

When the majority blindly follow the scholars, understand the Quran only through the eyes of others, then such blunders take place.

Defiance and War with Allah & Messenger ﷺ

Compensation for decrease in value of Principal Capital of depositors due to inflation or any factor in Not Riba, according to Quran 2:279¹³. The people who consider it Riba , should know that defiance of commands of Allah & Messenger ﷺ amounts to be at war: " .. they disliked what Allah revealed, so He rendered their deeds worthless.(Quran 47:9)¹⁴

However the Islamic Banking is much wider in scope which must be fully supported and encouraged to apply Islamic injunctions in trade and all spheres of economy.¹⁵

¹⁰ <https://salaamone.com/fsc>

¹¹ ibid

¹² <https://trueorators.com/quran-translations/54/17>

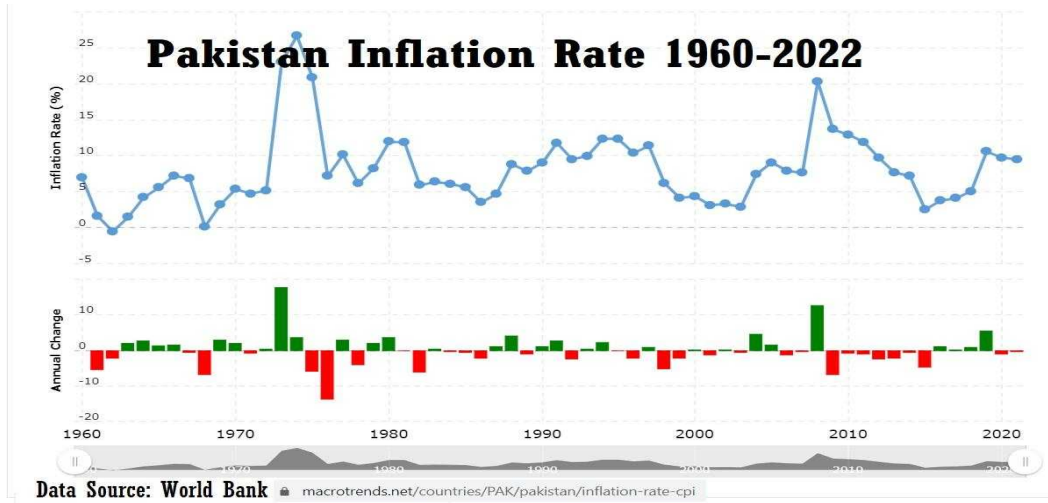
¹³ <https://trueorators.com/quran-tafseer/2/279>

¹⁴ <https://trueorators.com/quran-tafseer/47/9>

¹⁵ <https://salaamone.com/islamic-banking/>

Pakistan inflation rates 1960-2020¹⁶

It's interesting data, the inflation rates have been fluctuating between -0.52% in 1960 to 26.66% in 1974, 9.5% in 2021 and 26% in 2022.¹⁷ It proves that it is possible to bring inflation and interest rates to Zero like many developed economies.¹⁸



The rate interest data from 1956 to 2022 shows that it has been around 3.6% (1956) to 20% (1996), 14% in 2009, 8% in 2016, 13% in 2019, 8% in 2020 and 14% in 2022 (this data (taken from following charts are subject to slight error)¹⁹. The discount rate data²⁰ shows that it reached an all-time high of 20.000 % pa in 1996 and a record low of 6.250 % pa in 2017²¹. One can note its direct relationship with inflation in the above- chart.



<https://bit.ly/QuranOnRiba>

¹⁶ <https://www.macrotrends.net/countries/PAK/pakistan/inflation-rate-cpi>

¹⁷ <https://www.macrotrends.net/countries/PAK/pakistan/inflation-rate-cpi>

¹⁸ <https://www.brecorder.com/news/40175941/history-of-interest-rates-in-pakistan>

¹⁹ Page 29 75 Years Economic Journey of Pakistan , GOVERNMENT OF PAKISTAN MINISTRY OF FINANCE

²⁰ <https://www.investopedia.com/terms/d/discountrate.asp>

²¹

<https://www.ceicdata.com/en/pakistan/money-market-and-policy-rates-annual/pk-discount-rate-end-of-per-iod>

A Parable:

Suppose that the Bank/National Savings Center (NSC/government/State Bank) takes one hundred (100) grams of pure gold from Abdullah (depositor) and adds one gram of copper to it (inflation), so it becomes 101 grams of gold. They return 0.5 grams of this impure gold to Abdullah as profit and keeps the remaining 0.5 grams [Rate of 1 gram of 24 karat gold on 6 December 22 was Rs.12809]

One Molna Sahib says that 0.5 grams is interest/riba, it is haram - the other says No, it is profit - the third Sahab thinks it is business!

Abdullah says:

It is not "riba" (usury, interest) nor profit, but injustice, oppression, Allah says: (لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ) "you do no wrong (by taking usury), nor are you wronged (by reducing value of your principal)" ([Quran 2:279](#))²². Hence it is just partial compensation for inflation. Let's see how?

Adding impurity to gold or excessive money printing of currency notes is the same as it results in reduction in their original value - for example, 100 grams of gold is devalued due to addition of any other metal in the "original capital (gold)". Apparently it is hundred grams of gold but it is not the real pure gold. It is impure gold mixed with impurity, making it of gold of lower value:

1Gm Gold Rates for different quality: Rs.10700 (24K), Rs.9808(22K), Rs.9363(21K), Rs.8025(18K)²³ [Karat is measurement of purity of gold]

According to the Qur'an, whoever repents (refrain) from riba, his principal capital belongs to him. He should not oppress anyone (by taking usury), then he will also not be oppressed (his principal capital should not be reduced to cause him loss) ([Qur'an 2:279](#)).

In this example, the 100 grams of gold that was returned by mixing 1 gram of copper in the original material is impure, if it is sold, it will get a lower price in the market, as shown in the above price chart. The Bank gave 0.5 grams (impure gold) as a profit out of depositor's gold, and also kept 0.5 grams of gold - thus unjustly depriving Abdullah of some wealth from his own principal. The principal to be returned (100 gms is impure) which apparently looks like principal capital in weight but not in quality or value. Moreover the 0.5 gram that the government/state/bank took for themselves is also reducing Abdullah's original capital - it is completely against the promise of Allah (لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ).

This parable can be easily applied with the paper currency, the impurity is the excessive printing of currency which decreases the value of the original capital through inflation. If inflation is 26% (Nov 22), profit rate 14%, yet the despostor is at a loss of 12% (26-14=12%). How this 14% is called riba/usury/ interest/ profit?

²² <https://tanzil.net/#trans/en.shakir/2:279>

²³ Gold Rate In Pakistan, 1 December 2021 per gram. K for Kerat purity of gold.

People like "Double Shah²⁴" (master of a Ponzi scheme scam) are infamous for financial fraud who befool the people by giving them "Profits" from their own principal, such practice does not abhor well with the State.

Calling the money given to the depositor from his own original principal capital as usury/riba, the war against Allah and Messenger ﷺ, a great sin, hellfire, impose fatwas declaring the employment and salary of bankers and financial institutions as Haraam is unfair and unjust (zulm). Moreover, to compensate for the loss of capital value (paper money due to inflation, excessive printing of currency) calling it profit/ income and levying 15% to 30% withholding tax, plus income tax is nothing but cruelty? Zakat is an obligation that purifies wealth.

Allah's guidance and commands are eternal, applicable until the Day of Judgment, it is applicable to all kinds of currency, gold & silver. It lays down rules for borrowing and lending on paper, fiat, dollar, rupee, digital or whatever the future holds. The basic philosophy is:

(i) Guarantee of original capital (ii) Do not take excess money (riba) from borrower (iii) Do not reduce the value of original capital of lender/ depositor (iv) Whosoever does not follow these principles is a tyrant - and the tyrant is the one who fights against Allah and the Messenger of Allah ﷺ:

"O you who believe! Be careful of (your duty to) Allah and relinquish what remains (due) from Riba (usury), if you are believers. (2:278) But if you do (it) not, then be apprised of war from Allah and His Apostle; and if you desist, repent, then you shall have your capital; neither shall you make (the debtor) suffer loss (by asking for more) nor shall you be made to suffer loss (through decrease in value of your capital)"(Quran 2;279)

Where will the people (Abdullah) go?

Can such a law be said to be Islamic, which forbids adulteration and under weighing only for the people but not for the government?

Indexation

Indexation is a recognized and prevalent method by which the depreciation of the original currency due to inflation is removed and the original value of the capital deposit currency is established. Neither the depositor / lender gets more nor his principal capital value is reduced, not less, not more, this is justice, this is the requirement of Quran and Sharia - Islamic Development Bank's Islamic Dinar²⁵ an example.

Gold & Inflation Effects on Rs

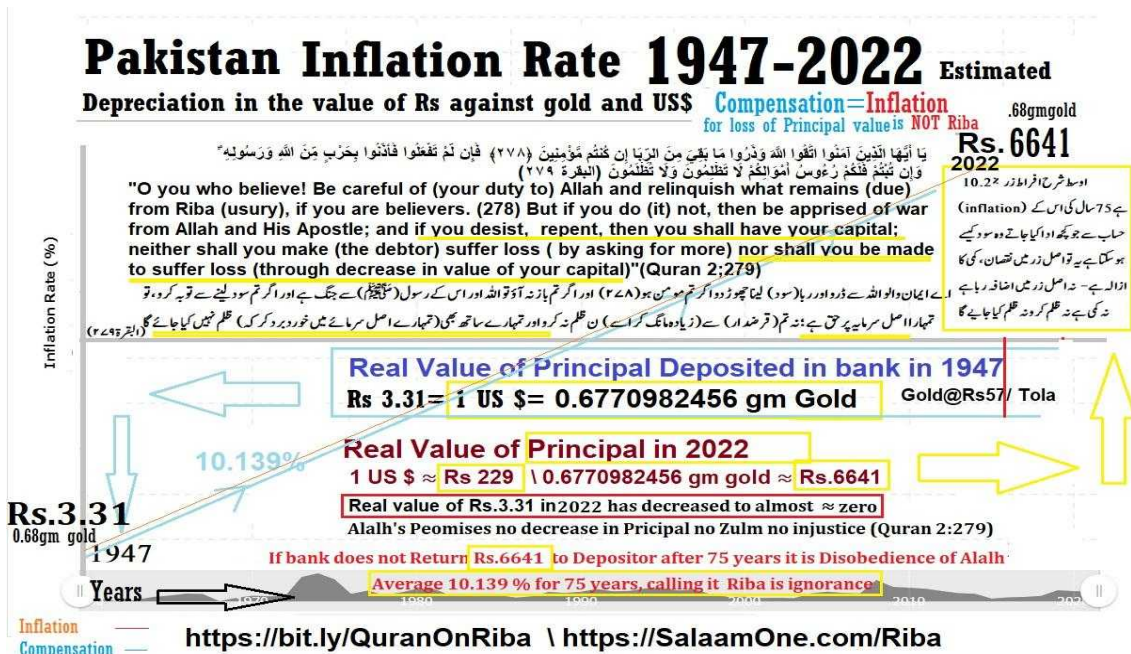
Take the example of Rs versus US\$ and Rs versus gold to understand the increase in their value during the last 75 years. In 1947 Rs 3.31 (Principal) equals to = 1 US \$, or 0.6770982456 grams of gold. First consider the Gold as a peg for indexation to counter the negative effects of inflation on the Principle which Allah has ordered to be preserved in its value. Gold has been used as a currency for centuries. The gold per tola or 11.66 grams price was Rs57 in 1947. In August 2020, per tola price of gold was Rs122,800, which

²⁴ https://en.wikipedia.org/wiki/Double_Shah/ 1,700 victims of 'Double Shah scam' given Rs193m
<https://www.dawn.com/news/1516540>

²⁵ The Islamic Dinar is considered as the IDB's accounting unit. It is equivalent in value to one Special Drawing Right (SDR) of the International Monetary Fund (IMF).
<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/14/51/Special-Drawing-Right-SDR>

signifies great change from Rs.57. The per tola gold price has thus recorded an average increase of 2871 % since 1947.²⁶ In 1947 with Rs 3.31 (1 US \$) one could buy 0.6770982456 grams of gold. In 2022 the gold rate was Rs. 9808 per gram hence the price of 0.6770982456 grams gold (equivalent to 1\$/Rs.3.31) is Rs.6640.97 or say **Rs.6641**, or One Rs in 1947 should be equal Rs.2006 if we peg it with gold.

It is imperative to note that in 1947, beef was sold at half a rupee per kg (units converted), mutton was priced at Rs1.25 per kg, milk was available at 40 to 50 paise per liter, wheat flour was priced at Rs4 to 5 per maund (40kg), bread was worth at one anna (six paise), and desi ghee was sold at Rs2.50 to 3 per kg.



Variations in value of Rs with US\$ & Gold

Increase in Value 1947-2022²⁷

In 1947 Rs 3.31 (Principal) equals to = 1 US \$, or 0.6770982456 grams of gold. A rough calculation²⁸ reveals that; on Compound Interest @10.139%, the total amount after 75 years will be around Rs. 6641. In other case if the compound Interest @7.52% total amount after 75 years will be around Rs.229 (present rate of 1 US \$=Rs. 229, then Rs.3.31=1\$=Rs229). It may be noted that the actual value of Rs.3.31 after 75 years is almost zero! Our scholars think this is a fair, Riba free solution in line with Quran 2:279. [this is based on their general verdicts and opinions]

"... if you desist (from taking Riba/ usury), repent, then you shall have your capital; neither shall you make (the debtor) suffer loss (by asking for more) nor shall you be made to suffer loss (through decrease in value of your capital)"(Quran 2;279)

"Indeed the worst kind of all beasts in the sight of Allah are the people that are

²⁶Unbelievable history of sugar, rice, gold price spiral since 1947
<https://www.thenews.com.pk/print/704245-unbelievable-history-of-sugar-rice-gold-price-spiral-since-1947>

²⁷ <https://www.calculatorsoup.com/calculators/financial/compound-interest-calculator.php/>

²⁸ ibid

deaf and dumb, and do not understand” (Quran 8:22)

Great philosopher, scholar and national poet Dr. Muhammad Iqbal said a century ago:

زَمَنِ بَرِ صُوفِي وَ مُلَا سَلَامِي: كِه پيغامِ خُدا گُفتند ما را - ولے تاويلِ شان در حيرتِ آنداخت: خُدا و جبرئيل و مصطفیٰ را

Translation: My Salaam to Sufi and Mullas for conveying the message of Allah to us. But the interpretations they made of those Commands, bewilders Allah, Gabriel & Muhammad ﷺ" (Iqbal)

However the Islamic Development Bank has a different opinion, it has pegged its “Islamic Dinar” with the SDR of IMF which is pegged with the basket of five most strong currencies of the world. (Details to follow).

“He bestows wisdom upon anyone He wills, and he who is given wisdom is in fact given great wealth, but only those who have common sense learn lessons from these things. (Quran 2:269)²⁹

The above examples are just for explanation and understanding, the inflation and returns rates keep changing so every person can calculate for himself for understanding. The monetary and financial experts and bankers have to work out the methodology then some software can be developed for ease of calculations. Allah’s Commands are very clear and elaborate, which must be implemented in letter and spirit.

Twenty Modern Scholars Ignore Inflation

Consulting exegesis (*tafseers*) of twenty (20) famous commentators of the century, one is astonished to find that not even one scholar mentions inflation or fiat currency³⁰. Maybe they don't know or this is not an issue for them.

Ibn Kathir (may Allah bless him) (1300–1373 C.E) centuries ago mentioned that the Messenger ﷺ of Allah while delivering his farewell Hajj Sermon announced the abolition of Riba and to ensure safe return of the principal capital without any loss to those who do not take Riba (usury)³¹. The other commentators hastily repeated, but did not interpret this order to implement in the current era of fiat currency and inflation. What is the benefit of such knowledge? There is a lot of noise and slogans in the media: “abolish riba”, it has become more of a political slogan than a religious one - whereas the Quran is clearly ordering the full return of the original wealth and calling “decrease in its value” as oppression but no one talks about it?

“Do they not ponder over the Qur'an? Or are their hearts locked” (Qur'an 47:24)

Contemporary Jurists Justify indexation

A section of scholars including Rafiq al-Masri³², Sultan Abu Ali, MA Manan, Ziauddin Ahmad, Umar Zubair and Gul Muhammad consider indexation to be permissible. They do not see anything in it that contradicts the Sharia laws, rather, they declare it to be in accordance with the principles of

²⁹ <https://tanzil.net/#trans/en.maududi/2:269>

³⁰ <https://trueorators.com/quran-tafseer/2/279>

³¹ اگر توبہ کرلو تو اصل مال جو کسی پر فرض ہے بیشک اے لو۔ نہ تم تول میں زیادہ لے کر اس پر ظلم کرو نہ کم دے کر یا نہ دے کر وہ تم پر ظلم کرتے

<http://www.equranlibrary.com/tafseer/ibnekaseer/2/278>

³² https://ar.wikipedia.org/wiki/رفیق_یونس_المصری

justice described in the Qur'an and Sunnah. While Mufti Taqi Usmani and some others differ, Usmani Sahib recommended further studies and research in his FSC judgment of 1999 (outcome of this research if conducted is not known). In Egypt, Grand Mufti Muhammad Abduh³³ fatwa in 1900 up to the year 2002, successive Muftis have declared *interest* "prohibited, permissible, and prohibited and then permissible again"^{34, 35}. Volume 1 of Investment Laws in Muslim Countries Handbook, states "an interest rate that did not exceed the rate of inflation was not Riba according to classical Islamic jurists."³⁶ Suggestions to solve the problem include indexing loans or denominating loans "in terms of a commodity" such as gold, and **doing further research to find an answer.**³⁷

Islamic Dinar

There are already existing arrangements, which can be considered for a possible solution for a Riba free economy. The Islamic Dinar of IDB (Islamic Development Banks) is considered as the IDB's accounting unit. It is equivalent in value to one Special Drawing Right (SDR) of the International Monetary Fund (IMF)³⁸. Initially it was also equivalent to one U.S. dollar. After the collapse of the Bretton Woods system, the SDR was redefined as a basket of currencies. The SDR basket is reviewed every five years, or earlier if warranted, to ensure that the basket reflects the relative importance of currencies in the world's trading and financial systems. These currency amounts remain fixed over the five-year SDR valuation period but the actual weights of currencies in the basket fluctuate as cross-exchange rates among the basket currencies move. The value of the SDR is determined daily based on market exchange rates.

1 Islamic Dinar = 1SDR =1.32993 \$US=Rs.299.1544 [Rates as on: 16 December 2022]^{39, 40}

It provides ready-made solutions already adopted by Islamic Development Bank and other International institutions. Many decades have passed and we stand in dilemma, the scholars neither provide a solution nor adopt an existing one.

Conclusions

Following conclusions can be drawn from above discussion:

1. Fiat currency is the new issue of the present era, which is used by corrupt and inefficient governments to create more money by excessive currency printing which is one of the causes of inflation, it decreases the value of principal deposits / savings.

³³ https://en.wikipedia.org/wiki/Muhammad_Abdul

³⁴ <https://en.wikipedia.org/wiki/Riba#Modernism>

³⁵ Khan, *What Is Wrong with Islamic Economics?*, 2013: p. 204

³⁶ International Business Publications, Inc. (2015). *Investment Laws in Muslim Countries Handbook Volume 1 Investment Laws ...*. Lulu.com. p. 23. ISBN 978-1-4330-2397-2. Retrieved 20 October 2016.

³⁷ Usmani, *Historic Judgment on Interest, 1999*: para 188, Khan, *What Is Wrong with Islamic Economics?*, 2013: p.204-6

³⁸ <https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/14/51/Special-Drawing-Right-SDR> / page 30, fn 20, https://www.sbp.org.pk/departments/ibd/faqs_irti_dr_munawar_iqbal.pdf

³⁹ https://www.imf.org/external/np/fin/data/rms_five.aspx

⁴⁰ 1US\$=Rs.2.44.94

<https://www.incpak.com/business/usd-to-pkr-dollar-rate-in-pakistan-today-16-december-2022/>

2. The famous scholars of subcontinent Indo-Pak have no idea about the prevalent monetary system based on fiat, paper currency. Hence it is futile to expect a solution from them. Mufti Taqi Usmani Sahib, understands the decrease in value of principal capital through inflation and its compensation through indexation. However he seems reluctant to take initiative.
3. Allah forbids Riba but also commands to protect the value of original principal capital. The monetary system generated interest rates vary with inflation, which partially compensate for the loss of Principal Capital value as guaranteed by Allah. How does it become Riba? Such mis-interpretation is injustice (zulm). (see Quran; (2:279, 18:27, 28, 55:9,11:85, 2:188);45:7-8, 38:29, 2:159, 49:6, 62:5, 8:22, & 2:18, 16:76)
4. There are 26 countries with Zero Interest rates⁴¹, in March 2021⁴², 29 countries with less interest rate,⁴³ some countries have a negative interest rate. The 5 Countries With the Lowest Interest Rates are Switzerland, . Denmark, Japan, Sweden, . Spain⁴⁴. The 20 countries with the lowest inflation rate in 2020.^{45, 46}
5. The Government of Pakistan should control or eliminate inflation, end corruption, and improve financial/ monetary management. Many countries, as mentioned, have controlled inflation and kept inflation and interest rate near zero. Pakistan also had a negative inflation rate -0.52 in 1960. It is still possible now.
6. The government should spend according to some and the system, increase the revenue, generate wealth, and implement the correct financial policies. However the rulers do not do this, rather print excessive currency notes, just like adding water to the milk. When inflation increases and the value of currency notes decreases - this is a robbery on the public's pocket. The poor become poorer and keep working harder to fill the bellies of corrupts.
7. There has to be compensation for the loss due to inflation, we take gold or \$ or mixed basket of gold, stable currencies, market commodity prices, rate of inflation, or whatever it should be left to experts to find the solution which is in line with the Commandment of Allah, so that (لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ) “you do no wrong (by taking usury), nor are you wronged (by reducing value of your principal)”.
8. The other method is partial or full indexation like every year salaries, pensions are partially indexed.
9. It is absurd to ask people to open a \$ account and trade in \$ or use gold bricks. The wealth must remain in circulation like blood in the body, lest it become stagnant. State must do its job, citizens should

⁴¹ <https://tradingeconomics.com/country-list/interest-rate>

⁴² <https://tradingeconomics.com/country-list/interest-rate>

⁴³ <https://tradingeconomics.com/country-list/interest-rate?continent=world>

⁴⁴ <https://www.investopedia.com/articles/personal-finance/051415/5-countries-lowest-interest-rates.asp>

⁴⁵ <https://www.statista.com/statistics/268190/countries-with-the-lowest-inflation-rate/>

⁴⁶ <https://data.worldbank.org/indicator/FR.INR.RINR>

- not be trading in multiple currencies and precious metals privately creating unresolvable disputes, claims with no legal coverage.
10. Hence if banks or NSC centers pay some %, which is equal to the loss in principal value due to inflation then it's not Riba, but if average return is more than loss, then its Riba. [May be given in charity]. This is neither a fatwa nor legal ruling, but just a rational opinion based upon above mentioned data. Though some may agree and some may not.
 11. Judging something halal or haram just by its appearance cannot be conclusive - if a person is drinking something in a glass, it cannot be decided just on the color of the drink alone that there is wine in the glass without investigation - similarly in the current monetary system in which apparently "Profit" is paid to the depositor but it is "not profit", it's compensation of the loss of actual value of principal capital due to inflation. It is a big blunder to issue fatwas of halal and haram just on apparent look, without thorough investigation and research.
 12. It is clear that calling the current system "riba" is not appropriate, especially for the depositors of banks and national savings schemes. It is part of "Compensation" (Indexation) to the reduction in the value of depositor's "real money" due to inflation - Inflation in November 2022 is 26% and returns 14% so the depositor is still at a loss 12% which is going to the government or banks or both but in any case not to the depositor. In fact, what the depositor is receiving in the name of profit is his original money, thus reducing the value of his original principal capital (this point needs pondering to understand). Allah's order Quran (2:279) which was ignored. Moreover, calling this partial compensation as profit or income, charging withholding tax (15% to 30%) and then taxing the income is injustice/ zulm. Zakat is obligatory which purifies wealth.
 13. Declaring salaries of bank employees as Haraam is also not in line. The Molanas have mostly read about gold and silver coins in Islamic history, they are not familiar with paper currency (fiat concept), nor are they aware of the negative effect of inflation on principal. While the Quran commands that the value of the Principal should not be decreased (this decrease could be due to any reason, theft, adulteration, blending, inflation) . It's cruel, Zulm, which must be eliminated - but they are stingy in using the intellect.
 - a. *"Indeed, the worst of living creatures in the sight of Allah are the deaf and dumb who do not use reason" (Quran 8:22)*⁴⁷
 14. In hindsight the government, judiciary and Mulla seems to be in agreement with each other (hopefully not). It's up to the judiciary and the experts to figure out how to compensate the depositors so that Commands of Allah (2:279) are fulfilled completely.
 15. Allah has commanded: "--- So fulfill the measure and weight and do not deprive people of their due and cause not corruption upon the

⁴⁷ <https://trueorators.com/quran-tafseer/8/22>

earth after its reformation. That is better for you, if you should be believers.(Qur'an: 7:85)⁴⁸

16. Those who are acting against the commands of Allah and ignoring the verses of the Qur'an should take care of themselves and worry about war with Allah and Messenger ﷺ for defiance.

17. It is very important to encourage and promote Islamic banking which is a comprehensive program to completely eliminate riba in all sectors. The profit earned by banks through more preferable participatory modes of *musharaka*, *mudaraba* and *ijara* would provide halaal income to the depositors.

Commands of Allah must be implemented in letter and spirit:

"So do you believe in part of the Scripture and disbelieve in part? What then is the reward of such among you as do this but disgrace in the life of this world, and on the day of resurrection they shall be sent back to the most grievous chastisement, and Allah is not at all heedless of what you do." (Qur'an 2:85)⁴⁹

"O you who believe! Be careful of (your duty to) Allah and relinquish what remains (due) from Riba (usury), if you are believers. (278) But if you do (it) not, then be apprised of war from Allah and His Apostle; and if you desist, repent, then you shall have your capital; neither shall you make (the debtor) suffer loss (by asking for more) nor shall you be made to suffer loss (through decrease in value of your capital)" (Quran 2;279)

Insisting on the full implementation of the Qur'anic injunction (2:279) in strange times seems to be a futile endeavor but we are commanded: "...enjoin on each other truth, and enjoin on each other patience." (Quran:103:3)⁵⁰.

It is hoped that this effort will act as a wakeup call for the Islamic jurists, SBP, bankers, politicians, intellectuals, financial expert and the government to fully implement the commands of Allah, in the true spirit of (لَا تَتْلُمُون وَلَا تَتْلَمُونَ).

For further details visit: <https://SalaamOne.com/Riba>

ز من بر صوفی و ملاً سلامے: کہ پیغامِ خدا گفتند ما را

ولے تاویلِ شان در حیرت آنداخت: خدا و جبرئیل و مصطفیٰ را

My Salaam to Sufi and Mullas for conveying the message of Allah to us. But the interpretations they made of those Commands, bewilders Allah, Gabriel & Muhammad ﷺ [Dr. Allamah Muhammad Iqbal]

وَمَا عَلَيْنَا إِلَّا الْبَلْغُ الْمُبِينُ (اور ہمارے ذمہ صرف واضح پیغام پہنچا دینا ہے) (القرآن 36:17)

Our mission is only to convey the message clearly.

Your Obligation

Every believer is invited to participate in this "Riba Awareness Campaign" to counter ignorance & disinformation by sharing through all means available, because:

"Whoever joins himself (to another) in a good cause shall have a share of it." (Quran 4:85)

☆ <https://SalaamOne.com/riba> ☆
 ☆ ربا کا قرآنی تصور - تحقیقی مقالہ، ترجمہ ☆ <https://bit.ly/RibaQuranicConcept> ☆
 ☆ <https://bit.ly/QuranOnRiba-pdf> ☆ Gdoc: <https://bit.ly/RibaQuranicConcept> ☆
 ☆ <https://bit.ly/RibaOrQuran> ☆ <https://SalaamOne.com/islamic-banking> ☆

⁴⁸ <https://trueorators.com/quran-tafseer/7/85>

⁴⁹ <https://trueorators.com/quran-tafseer/2/85>

⁵⁰ <https://tanzil.net/#trans/en.shakir/103:3>

Quran, Riba & Fiat Currency

قرآن ربا اور کاغذی کرنسی

Scam of the Century Unveiled

Who is at War?

جنگ دراصل کون کر رہا ہے؟
Myth Exposed

By Brig(†) Aftab Khan Abdallah
<https://SalaamOne.com/Riba>
<https://bit.ly/Riba-Research>

By Brigadier (†) Aftab Khan Abdallah

<https://SalaamOne.com/Riba>

<https://bit.ly/QuranOnRiba-pdf> \ <https://bit.ly/RibaQuranicConcept>

<https://bit.ly/RibaOrQuran> ربا کا قرآنی تصور - تحقیقی مقالہ , ترجمہ

<https://SalaamOne.com/Isamic-Banking>

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خلاصہ

قرآن ربا اور کاغذی کرنسی

تعارف

اللہ تعالیٰ کے حکم کا نامکمل نفاذ

اسلامک بینکنگ کا فیصلہ

پاکستان میں افراط زر (انفلیشن) اور انٹرسٹ ریٹس کے اعداد و شمار

ایک مثال :

عبداللہ کہتا ہے :

انڈیکسیشن (Indexation)

روپیہ کی قدر میں تبدیلی بمقابلہ گولڈ

روپیہ کی قدر میں تبدیلی بمقابلہ کاغذی کرنسی ڈالر (fiat/ paper currency \$)

بیس جدید 20 تفاسیر ، علماء کی افراط زر سے لا علمی

عصری فقہا اور اشاریہ (Indexation) سازی

منافع نہیں نقصان

نتیجہ

افراط زر سے اصل زر کی قدر (value) میں کمی کا حل :

ڈالر US کا پاک روپیہ کے ساتھ دلچسپ تاریخی سفر

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- [3. Defining Usury \(Riba\):](#)
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Quran, The Supreme Source of Guidance

The Riba or any other issue can best be resolved on the basis of guidance from the [Quran](#),⁵¹ the final [criterion](#) to judge right and wrong⁵², which has clarification of [everything](#)⁵³, guidance and mercy and glad tidings for the Muslims. [Quran](#)⁵⁴ is the Only, Last, Complete, Protected Divine Book of Guidance, without any [doubt](#)⁵⁵, all [other books](#)⁵⁶, are human efforts, none can claim to be complete, [free from error](#)⁵⁷ and [doubt](#), however may be consulted as they contain wisdom & explanations but under the shadow of Quran.

"They have set up their religious leaders and scholars as lords, instead of GOD. Others deified the Messiah, son of Mary. They were all commanded to worship only one god. There is no god except He. Be He glorified, high above having any partners". [Quran:9:31]

The Holy The Prophet ﷺ himself explained its true significance of this verse. According to a Tradition, when `Adi bin Hatim, formerly a Christian, asked the Prophet ﷺ that the Christians do not take their religious leaders as their lords." The Prophet ﷺ put him a counter-question: "Is it not a fact that you accept as unlawful what they declare to be unlawful, and lawful what they declare to be lawful?" 'Adi confessed, "Yes, sir, it is so." The Prophet ﷺ replied, "This

⁵¹ <https://quran1book.wordpress.com/2020/11/19/quran-on-quran/>

⁵² <https://www.islamawakened.com/quran/16/89/default.htm>

⁵³ <https://www.islamawakened.com/quran/16/89/default.htm>

⁵⁴ <https://quran1book.wordpress.com/>

⁵⁵ <https://www.islamawakened.com/quran/2/2/default.htm>

⁵⁶ <https://quran1book.wordpress.com/2020/11/19/hadiths-on-hadith/>

⁵⁷ <https://quran1book.wordpress.com/2020/11/18/hadith-fabrication/>

amounts to making them your lords." It shows that; those who themselves set limits to the lawful and the unlawful without the authority of Allah's Book, assume for themselves the rank of Godhead, and those who acknowledge their right of making laws take them as their Lords [Shirk, Polytheism].

Most of Muslim Religious Lords, while emphasizing the prohibition of Riba (usury) ignore the protection of Principle capital in the same verse⁵⁸:

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ ﴿٢٧٨﴾ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ ۗ وَإِن تُبْتِغُوا فَلَئِنَّكُمْ لَكُم رُءُوسٌ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ ﴿٢٧٩﴾

O you who believe! Be afraid of Allah and give up what remains (due to you) from Riba (usury) (from now onward), if you are (really) believers. And if you do not do it, then take a notice of war from Allah and His Messenger but if you desist⁵⁹, repent, you shall have your capital sums. Deal not unjustly (by asking more than your capital sums), and you shall not be dealt with unjustly

*receiving less than your capital sums*⁶⁰(Quran;2::278, 279)^{61, 62}

(Quran;2::278, 279)^{63, 64}

اے ایمان والو! اللہ سے ڈرو اور چھوڑ دو جو ربا (سود) باقی رہ گیا ہے اگر تم (واقعی) مومن ہو۔ اور اگر تم نے ایسا نہیں کیا تو اللہ اور اس کے رسول کی طرف سے جنگ کا اعلان ہے، لیکن اگر تم باز آؤ، توبہ کرو، تو تمہارے اصل سرمائے کی رقم پر تمہارا حق ہے۔ ظلم نہ کرو (اپنے سرمائے سے زیادہ مانگ کر) اور تمہارے ساتھ بھی (تمہارے اصل سرمائے میں خوردبرد کر کے) ظلم نہیں کیا جائے گا (قرآن 2:278,279)

Theme:

Refrain from taking Riba (usury) or be in war with Allah & Messenger ﷺ, If you repent, desist, get your full original Capital sum, without any loss, no injustice.

Quran verse 2:279 is the pivot of this research paper. We know that: "No one can change His words, and you shall not find any other source beside it" (Quran:18:27) "Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused" (Quran:18:28)

27 The injustice is being done to the depositors through Inflation caused by bad monetary policies & corruption, which erodes the value of Principal. This loss in value of Principal Capital should be compensated through 'Indexation' like the loss in value of pay pension is compensated partially through "Dearness Allowance", which is not riba. The monetary system generated interest rates increase with inflation, which partially compensate for the loss of Principal Capital value as guaranteed by Allah. Calling it Riba, is injustice (zulm) war against Allah & Messenger ﷺ.

حکومت کی غلط مالیاتی پالیسیوں اور بدعنوانی افراط زر، مہنگائی سے رقم جمع کرانے والوں کے ساتھ ظلم، ناانصافی کی جا رہی ہے، اشاریہ سازی (انڈیکسشن) کے ذریعہ اس کی تلافی نہیں کی جاتی، جیسے تنخواہوں اور پنشن میں کی جاتی ہے۔ بلکہ مالیاتی نظام کی پیدا کردہ شرح جو اللہ کی طرف سے ضمانت شدہ اصل سرمائے کے نقصان کی جزوی طور پر تلافی کرتی ہے، اسے بھی ربا کہتے ہیں، جبکہ یہ نہیں ہے، یہ اللہ اور رسول کے احکام کے خلاف علماء کی کہلم کھلا جنگ ہے۔

⁵⁸ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: (2:279, 18:27, 28, 55:9,11:85, 2:188);45:7-8, 38:29, 2:159, 49:6, 62:5, 8:22, & 2:18, 16:76)

⁵⁹ Lexicon, Lane's London 1863 تاب

⁶¹ Quran:2:278, 279 Translation by Mohsin Khan: <https://corpus.quran.com/translation.jsp?chapter=2&verse=279>

⁶² The trilateral root tā wāw bā (ت و ب) occurs 87 times in the Quran, in seven derived forms:63 times as the form I verb tāba (تَابَ), once as the adjective tāibāt (تَائِبَات), once as the noun tawb (تَوْب), seven times as the noun tawbat (تَوْبَات), twice as the noun matāb (مَتَاب), once as the active participle tāibūn (تَائِبُونَ), 12 times as the active participle tawwāb (تَوَّاب), [https://corpus.quran.com/qurandictionary.jsp?q=twb#\(2:279:10\)](https://corpus.quran.com/qurandictionary.jsp?q=twb#(2:279:10))

⁶³ Quran:2:278, 279 Translation by Mohsin Khan:

<https://corpus.quran.com/translation.jsp?chapter=2&verse=279>

⁶⁴ The trilateral root tā wāw bā (ت و ب) occurs 87 times in the Quran, in seven derived forms:63 times as the form I verb tāba (تَابَ), once as the adjective tāibāt (تَائِبَات), once as the noun tawb (تَوْب), seven times as the noun tawbat (تَوْبَات), twice as the noun matāb (مَتَاب), once as the active participle tāibūn (تَائِبُونَ), 12 times as the active participle tawwāb (تَوَّاب), [https://corpus.quran.com/qurandictionary.jsp?q=twb#\(2:279:10\)](https://corpus.quran.com/qurandictionary.jsp?q=twb#(2:279:10))

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah, the Most Gracious, the Most Merciful

"Your wealth and your children are but a trial. It is Allah with Whom is the greatest reward."(Qur'an;64:15)

Quran, Riba & Fiat Currency

Scam of the Century Unveiled

By Brigadier (r) Aftab Khan Abdallah

<https://SalaamOne.com/Riba>

Introduction

One of the main demands of the religious scholars [Ulema] is the elimination of Riba (usury). According to the Quran, Riba is *Haraam* (prohibited). It has been defined by scholars that: "all forms of interest are riba and hence prohibited". The Islamic finance contains many other prohibitions as well, such as on consumption of alcohol, gambling, uncertainty, etc. The word "Riba" literally means "excess or addition", and has been translated as "interest", "usury", "excess", "increase" or "addition". The movement started with activists and scholars such as Abul A'la Maududi, Muhammad Hamidullah, Anwar Qureshi, Naeem Siddiqui in the late 1940 and early 1950s. They believed commercial banks were a "necessary evil," and proposed a banking system based on the concept of [Mudarabah](#), where shared profit on investment would replace interest, thus the concept of [Islamic banking](#) and finance emerged.⁶⁵ In 2019, the total assets of global Islamic banking amounted to about [1.99 trillion U.S. dollars](#).⁶⁶ The total value of global Islamic banking assets was projected to continue to increase.

Surprisingly even in the present Interest based economic system, [considered as 'Riba (usury) based' by most Muslim scholars] there are 26 countries (non Muslim) with [Zero or near zero Interest rates](#)⁶⁷ [or Riba free] , and 29 with less than 1% interest rate. There are 20 countries with the [lowest inflation rate](#) in the world in 2020. Some countries have even achieved negative interest rates, Switzerland-0.08%, Denmark-0.06% and Japan-0.01% are examples.

[See more details : [Defining Usury \(Riba\)](#)]⁶⁸

In Pakistan interest rate in 2021 was near 7% while inflation was around 10%, keeps fluctuating, in October 2022 inflation has increased to alarming level, 26%, interest rate (riba?) was increased to 16% to reduce impact of inflation to some extent.

Can we learn, how 55 countries mostly non Muslim, have almost eliminated Riba (usury)? While our scholars are only busy in issuing Fatwas rather than finding solutions. Though we are having Quran, but we have abandoned it.

The *interest rates* and *inflation*, both affect the creditor and debtor, which will be briefly analyzed in the light of the Quran. Thus research paper endeavor to provide a direction for solution to the complex issue, in prevalent environments in Pakistan.

⁶⁵ https://en.wikipedia.org/wiki/Islamic_banking_and_finance

⁶⁶ <https://www.statista.com/statistics/1090891/worldwide-growth-of-islamic-banking-assets/>

⁶⁷ <https://tradingeconomics.com/country-list/interest-rate>

⁶⁸ [Defining Usury \(Riba\)](#)

The Quran based solution for guarantee to the depositor's principal capital, can also be applied universally by the affected Muslims privately.

Scope

1. The study is limited in scope, focused on security of 'value' of Principal Capital of depositors as commanded by Allah, who repent and refrain from taking Riba, ([Quran 2:279](#))⁶⁹.
2. The effect of inflation on eroding the value of Principal (capital) deposits in banks, financial institutions and National Saving Schemes, and measures to offset this impact to fulfill command of Allah (Quran 2:279 and other verses)⁷⁰, while simultaneously strictly adhering to Riba prohibition, though appear to be contradictory but its not.
3. Changing the [monetary system](#)⁷¹, [monetary policy](#)⁷² is a big decision with larger implications, which can only be undertaken by a government after thorough deliberations and input from religious and monetary experts [not done so far in over seven decades, the FSC Judgment 2022, did not touch this important issue, hence incomplete].
4. There is no bar on government, experts, intellectuals and concerned Muslims to continue exploration and debate to "agree" on some suitable, "doable" options for Riba free Pakistan, which will be a great service even if done in this century. However till they find some solution, "Riba Resolved" simple [recommendations](#) based upon the clear Command Quran verses⁷³ may be implemented without further delay⁷⁴ and seek pleasure of Allah.

Common Terminologies

Interest: It refers to the fee a creditor charges when he allows the debtor's business to borrow money. Most creditors calculate interest based on a percentage of the amount the debtor owes on the loan.

Usury⁷⁵ refers to interest that is higher than the maximum rate that the state allows lenders to charge.

According to another view; "Interest" is a general term that can refer to any percentage fee charged by a lender for his services, regardless of whether it is Usurious. Usury, on the other hand, is a specific type of interest that isn't fair to the borrower. While the law permits lenders to charge interest, lenders can't require borrowers to pay interest at usurious rates. In fact, there may be legal repercussions for lenders who commit Usury.

⁶⁹ <https://tanzil.net/#2:278>

⁷⁰ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

⁷¹ <https://salaamone.com/riba/#MonetarySystem>

⁷² <https://salaamone.com/riba/#PakMonetaryPolicy>

⁷³ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

⁷⁴ [Suggested Actions by State Bank/ FSC/ Parliament](#)

⁷⁵ <https://smallbusiness.chron.com/difference-between-usury-interest-35863.html>

Riba Misunderstood ⁷⁶

According to [State Bank of Pakistan](#):⁷⁷

The word "Riba" means excess, increase or addition, which correctly interpreted according to Shariah terminology, implies any *excess compensation* without due consideration (consideration does not include time value of money). This definition of Riba is claimed to be derived from the Quran (?) and is unanimously accepted by all Islamic scholars.

It is normal practice to give a rise of 5, 10 or 15% annually in salaries every year as compensation for inflation (dearness allowance). This increase in the wealth (pay) of employees is demanded, no one calls it Riba. Likewise the compensation for loss in value of principal, has to be compensated.

The meaning of Riba has been clarified in the following verses of Quran (Surah Al Baqarah 2:278-9)

"O those who believe; fear Allah and give up what still remains of the Riba if you are believers. But if you do not do so, then be warned of war from Allah and His Messenger. If you repent even now, you have the right of the return of your principal; neither will you do wrong nor will you be wronged."

Denying the clear unambiguous command of Allah, by scholars is blatant *Zulm* and injustice. This tendency of defiance among scholars is not the first incidence, there is another [major defiance](#), which has been pointed out.⁷⁸

The Dichotomy and Paradox!

The State Bank of Pakistan and scholars, while taking the initial part of verse, ignore the second half which guarantees the **Principal** to those who repent or avoid Riba. [*you have the right of the return of your principal; neither will you do wrong nor will you be wronged*]. What a dichotomy and paradox!

Let's reconsider the verses in context:

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ ﴿٢٧٨﴾ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ ۗ وَإِن تُبْتِغُوا فَلَئِنَّكُمْ لَرُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ ﴿٢٧٩﴾ وَإِن كَانَ ذُو عُسْرَةٍ فَنَظِرَةٌ إِلَىٰ مَيْسَرَةٍ ۗ وَأَن تَصَدَّقُوا خَيْرٌ لَّكُمْ ۖ إِن كُنْتُمْ تَعْلَمُونَ ﴿٢٨٠﴾

Translation:

O you who believe! Be careful of (your duty to) Allah and relinquish what remains (due) from Riba (usury), if you are believers. (278) But if you do (it) not, then be apprised of war from Allah and His Apostle; and if you repent, then you shall have your capital; neither shall you make (the debtor) suffer loss, nor shall you be made to suffer loss. (279) And if (the debtor) is in straitness, then let there be postponement until (he is in) ease; and that you remit (it) as alms is better for you, if you knew. ([Quran 2:280](#))^{79, 80}

⁷⁶ <https://www.investopedia.com/terms/r/riba.asp>, <https://www.sbp.org.pk/IB/FAQ.asp>

⁷⁷ <https://www.sbp.org.pk/IB/FAQ.asp>

⁷⁸ <https://wp.me/scyQCZ-index>, <https://bit.ly/WaseyatRasool>, <https://bit.ly/TejdeedKhlasa>, <https://bit.ly/Risala-Tejdeed>

⁷⁹ <https://tanzil.net/#trans/en.shakir/2:278>

⁸⁰ <https://corpus.quran.com/translation.jsp?chapter=2&verse=279>

The Safety and Security of "[Principal \(أَمْوَالِكُمْ\) Capital](#)"⁸¹ is not an interpretation but an unambiguous Command of Allah, which cannot be ignored or undermined through human interpretations, if done, it would be distortion (*Tehreef*) in meanings of words of Allah, [concealing truth \(كتمان حق\)](#)⁸² a major sin (گناه كبيره) punishable through hell fire: "*Why do you mix truth with falsehood and knowingly hide the truth?*" ([Quran 3:71](#))

Tafseer Ibn Kathir:

This Ayah (2:279) serves as a stern threat to those who continue to deal in Riba after Allah revealed this warning. Ibn Jurayj told that Ibn Abbas said that, means, "*Be sure of a war from Allah and His Messenger.*" He also said, "On the Day of Resurrection, those who eat Riba will be told, 'take up arms for war'" He then recited; "*And if you do not do it, then take a notice of war from Allah and His Messenger*" ﷺ. Ali bin Abi Talhah said that Ibn Abbas said about ; "*And if you do not do it, then take a notice of war from Allah and His Messenger*" ﷺ, "Whoever kept dealing with Riba and did not refrain from it, then the Muslim Leader should require him to repent. If he still did not refrain from Riba, the Muslim Leader should cut off his head." Allah then said, ... "*But if you repent, you shall have your capital sums. Deal not unjustly, by taking the Riba, And you shall not be dealt with unjustly*" meaning, your original capital will not diminish. Rather, you will receive only what you lent without increase or decrease. Ibn Abi Hatim recorded that Amr bin Al-Ahwas said, "The Messenger of Allah gave a speech during the Farewell Hajj saying; "*Verily, every case of Riba from the Jahiliyyah (days of ignorance) is completely annulled. You will only take back your capital, without increase or decrease. The first Riba that I annul is the Riba of Al-Abbas bin Abdul-Muttalib, all of it is annulled. Being Kind to Debtors Who Face Financial Difficulties Allah said: (translation) "If your debtor be in straitened circumstances, give him time till his monetary condition becomes better. But if you remit the debt by way of charity, it would be better for you, if you only knew it. (Quran 2:280) [ibn Kathir]*"⁸³

It is clear from above that there has to be no increase or decrease in the value of principal capital of the creditor, who abides by command of Allah and refrains from taking Riba.

Pakistani Scholars and War with Allah and Messenger ﷺ

Exegesis ([Tafseers](#)) by twenty one (21)⁸⁴ most famous Indo-Pak scholars were checked, not even one scholar mentions the word 'Inflation' or (افراط زر), what to talk of giving solutions. Ibn Kathir (may Allah bless him) has very categorically highlighted: "your original capital will not diminish". The scholars of this century have to apply this principle in ever decreasing value of paper/ fiat currency through inflation.

Mufti Taqi Usmani, in his [FSC judgment 1999](#)⁸⁵, accepted and discussed inflation with possible solutions and just skipped them by saying, more research and studies are required, which were never carried out. The [FSC Judgment 2022](#)⁸⁶ did not

⁸¹ <https://corpus.quran.com/qurandictionary.jsp?q=mwl>

⁸² <https://bit.ly/KatmaneHaq> کتمان حق - آیات قرآن اور علم حق کو چھپانا ممنوع

⁸³ <https://trueorators.com/quran-tafseer/2/279>

⁸⁴ Twenty Two (22) Tafseers for 2:279; <https://trueorators.com/quran-tafseer/2/279>

⁸⁵ http://www.albalagh.net/Islamic_economics/riba_judgement.shtml#Interest%20and%20Indexation

⁸⁶ <http://bit.ly/3EPLdmf>

proceed further from this point, rather totally avoided this important issue by declaring “Inflation and Indexation” to be outside their jurisdiction.

However, contemporary jurists have different opinions on the justification of debt indexation. A section of scholars including Rafiq al-Masri, Sultan Abu Ali, MA Manan, Ziauddin Ahmad, Umar Zubair and Gul Muhammad consider indexation to be permissible. They do not see anything in it that contradicts the Shariah laws, rather, they declare it to be in accordance with the principles of justice described in the Qur'an and Sunnah. While Mufti Taqi Usmani and some others differ, Usmani Sahib recommended further studies and research in his FSC judgment of 1999⁸⁷.

In Egypt, Grand Mufti [Muhammad Abduh](#)⁸⁸ fatwa in 1900 up to the year 2002, successive Muftis have declared *interest* "prohibited, permissible, and prohibited and then permissible again"⁸⁹

Compensation to the depositor or lenders for the erosion of the value of the funds from inflation and how to provide that compensation, has also been called a problem "vexing" Islamic scholars,⁹⁰ since finance for businesses will not be forthcoming if a lender loses money by lending. Volume 1 of Investment Laws in Muslim Countries Handbook, states "**an interest rate that did not exceed the rate of inflation was not riba according to classical Islamic jurists.**"⁹¹ Suggestions to solve the problem include indexing loans or denominating loans "in terms of a commodity" such as gold, and **doing further research to find an answer.**⁹²

So one is justified to consider these scholars and others in Pakistan, who knowing fully that the Riba case was under discussion in Federal Shariat Court for over 20 years, did nothing to ensure that Zulm is not done with the people who refrain from Riba adhering to Allah's command. Hence all these scholars are at undeclared **“War with Allah and Messengerﷺ” by avoiding, neglecting, ignoring most important command of Allah, explained and executed by His Messengerﷺ.**

ز من بر صوفی و مُلاً سلامے: کہ پیغامِ خدا گُفتند ما را

ولے تاویلِ شان در حیرتِ انداخت: خدا و جبرئیل و مصطفیٰ را

My greetings to Sufi and Mulla for conveying the message of Allah to us. But the interpretations they made of those orders surprised Allah, Gabriel and Muhammad Mustafa (peace be upon him). [Dr.Muhammad Iqbal]

میری جانب سے صوفی و مُلاً کو سلام پہنچے کہ انہوں نے اللہ تعالیٰ کے احکامات ہم تک پہنچائے، لیکن انہوں نے ان احکامات کی جو تاویلیں کیں، اُس نے اللہ تعالیٰ، جبرائیل اور محمد مصطفیٰﷺ کو بھی حیران کر دیا۔ (علامہ محمد اقبال)

Violation of Quran in Islamic Banking

The Islamic banking must ensure, that the security of the **“Principal (أَمْوَالُكُمْ) Capital”** of depositors, who desist, refrain from taking Riba/ interest / profit, in

⁸⁷ <https://salaamone.com/fsc>

⁸⁸ https://en.wikipedia.org/wiki/Muhammad_Abduh

⁸⁹ <https://en.wikipedia.org/wiki/Riba#Modernism>

⁹⁰ Khan, *What Is Wrong with Islamic Economics?*, 2013: p. 204

⁹¹ International Business Publications, Inc. (2015). [Investment Laws in Muslim Countries Handbook Volume 1 Investment Laws ...](#) Lulu.com. p. 23. ISBN 978-1-4330-2397-2. Retrieved 20 October 2016.

⁹² [Usmani, Historic Judgment on Interest, 1999: para 188](#), Khan, *What Is Wrong with Islamic Economics?*, 2013: p.204-6

obedience to the command of Allah stipulated in [Quran verse 2:279](#)⁹³, is guaranteed. Unfortunately neither it's ensured in Islamic Banking now, nor there is any indication to do so in future. Rather it is totally brushed aside.

Islamic Banking

The financial experts have raised many questions on Islamic banking to be Islamic, some of them can be read in subsequent paragraphs but first we concentrate only on one issue, how to ensure that there is no loss or decrease in the value of "[Principal \(أَمْوَالُكَ\) Capital](#)" of depositor commanded by Allah ([Quran 2:279](#)).

First it has to be understood that how the Principal loses its value?

Here is a parable to explain Riba :

1. A simple illiterate Muslim, deposits a brick of pure gold of 100 grams weight in a bank for one year, let's call it a Dinar.
2. After a year, the bank takes out 25 grams of gold and adds 25 grams of copper, so the gold brick is again 100 grams in weight but not in quality, it's not pure; it has 75% gold and 25% copper, though the Dinar is 100 grams in weight and looks same as original in looks.
3. The bank keeps 12.5 grams of gold, and returns the 100 grams brick (Dinar) (75 grams gold, mixed with 25 grams copper). The bank returns the brick, Dinar, and also gives 12.5 grams of pure gold to the depositor as profit.
4. The 'learned Islamic scholars' call this 12.5 gram gold as *Riba*, Haraam because it is over and above the original principal, Dinar of 100 grams, it is excessive.
5. Scholars issue Fatwa that, the bank, it's all staff, the depositor are eating Haraam, forbidden by Quran and are making war against Allah and His Messenger ﷺ, hence all are doomed to burn in hell.
6. The simple illiterate person gets terrified and tries to return the 12.5 grams to the bank. But a God fearing bank employee asked him to take the matter to court.
7. This issue is brought before a judge. After carefully listening to the arguments and reading the quoted verses, He passed judgment that:
"The 12.5 grams gold is not Riba", because of following reasons:
 - a. The value of the 'Principal' Dinar of 100 grams pure gold has been decreased by 25 grams by taking out 25 grams gold and adding 25 grams copper, hence the 'Principal' Dinar has been devalued due to quality though weight remains same i.e 100 grams. This is a violation of Quran verse 2:279, about guarantee of Capital.
 - b. 12.5 grams given as profit to the depositor is *Not Riba*, because it is part of his own gold being returned to him.
 - c. The bank has committed fraud/ theft by taking out 25 grams of gold, adding 25 grams of copper, keeping 12.5 grams gold and giving 12.5 grams gold to the depositor as profit out of his own wealth.
 - d. The bank may charge a small amount as service charges for keeping Dinar, and return original Dinar of 100 grams pure gold to the depositor.
 - e. Since no Riba is involved, the Fatwa issued by ignorant scholars is

⁹³ <https://corpus.quran.com/translation.jsp?chapter=2&verse=279>

invalid, they should attend re-education classes on Quran and the prevalent economic & monetary system before arbitrarily issuing Fatwas. The bank must compensate all the depositors for fraudulently manipulating their wealth.

The above example/ parable can be applied to apply to the prevalent fiat/ paper currency environments in Pakistan. [Inflation in October 2022, was 26.4%] Instead of bank taking out 25 gram gold, 'the economic and monetary system' (creation of State Bank of Pakistan/ Government) take away the 25% of original, Principal capital (أَمْوَالِكُمْ) of depositor through system generated inflation and giving 12.5% as profit to the depositor and Ulama calling it *Riba*, whereas the depositors are at loss of 12.5% to the monetary system. The figures may keep on changing as per rate of inflation.

If the State Bank, Government, Federal Shariat Court and Ulama can't find the solution to obey and implement Quran 2:279, then at least they should stop calling (12.5% or whatever%) returns/ part compensation as *Riba*.

It will at least save innocent Muslims, servicing in banks and financial institutions and depositors from perpetual guilt of illusive sin which they are not committing rather they are losing their Principal Capital in value through inflation, which contradicts Quran 2:279 and other verses⁹⁴.

Quran Commands ignored/disregarded by State Bank's monetary System on *Riba*: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

Riba is a concept in Islamic banking that refers to charged interest. It has also been referred to as Usury, or the charging of unreasonably high-interest rates. There is also another form of *riba*, according to most Islamic jurists, which refers to the simultaneous exchange of goods of unequal quantities or qualities.⁹⁵

Both the *Quran* and the *Hadith* of Prophet Muhammad (ﷺ) mention *riba*. Orthodox scholars such as [Mohammad Najatuallah Siddiqui](#) and Taqi Usmani believe Quranic verses (2:275-280) define *riba* to mean any payment "over and above the principal" of a loan.⁹⁶ Others disagree with this definition (such as non-orthodox economists Mohammad Omar Farooq and Muhammad Ahram Khan, and scholar [Fazlur Rahman Malik](#)),⁹⁷ and/or emphasize the importance of *ahadith* (Farhad Nomani, [Fazlur Rahman Malik](#) and Abdulkader, with Farooq stating: "**it is broadly agreed that the Qur'an does not define riba**").

In Egypt, Modernist Grand Mufti [Muhammad Abduh](#)⁹⁸ declared collecting interest on bank deposits and loans permissible in 1900. From then up to the year 2002, successive Muftis have declared *riba* "prohibited, permissible, and prohibited and then permissible again"⁹⁹

⁹⁴ Quran Commands ignored/disregarded by State Bank's monetary System on *Riba*: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

⁹⁵ <https://www.investopedia.com/terms/r/riba.asp>

⁹⁶ [Siddiqi, Riba, Bank Interest, 2004: p.36](#)

⁹⁷ Rahman, Fazlur (March 1964). "Riba and Interest". *Islamic Studies*. **3** (1): 1–43, Khan, What Is Wrong with Islamic Economics?, 2013: p.142

⁹⁸ https://en.wikipedia.org/wiki/Muhammad_Abduh

⁹⁹ <https://en.wikipedia.org/wiki/Riba#Modernism>

Quran forbids Riba & Injustice

Quran condemns Riba in several different verses (3:130, 4:161, 30:39 and [Quran;2:275-2:280](#)):

1. *O you who have believed, do not consume Riba (Usury), doubled and multiplied, but fear Allah that you may be successful. ([Quran;3:130](#))*
2. *And [for] their taking of Riba (usury) while they had been forbidden from it, and their consuming of the people's wealth unjustly. And we have prepared for the disbelievers among them a painful punishment. (Quran [4:161](#))*
3. *And whatever you give for Riba to increase within the wealth of people will not increase with Allah. But what you give in zakah, desiring the countenance of Allah - those are the multipliers. Quran ([40:39](#))*
4. *Those who consume Riba cannot stand [on the Day of Resurrection] except as one stands who is being beaten by Satan into insanity. That is because they say, "Trade is [just] like Riba." But Allah has permitted trade and has forbidden Riba. So whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah. But whoever returns to [dealing in Riba or Usury] - those are the companions of the Fire; they will abide eternally therein. (275) Allah destroys Riba and gives increase for charities. And Allah does not like every sinning disbeliever. (276) Indeed, those who believe and do righteous deeds and establish prayer and give zakah will have their reward with their Lord, and there will be no fear concerning them, nor will they grieve. ([Quran;2:275-2:277](#))*
5. *"And if you do not (give it up), then take notice of war from Allah and His Messenger. And if you agree to desist then for you is the Original sum of your wealth¹⁰⁰. Neither you shall commit injustice (zulm), nor injustice (zulm) would be done to you ([Quran;2:279](#))¹⁰¹, No one can change His words, and you shall not find any other source beside it. ([Quran;18:27](#))¹⁰² Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused. ([Quran;18:28](#))¹⁰³*
6. *Therefore, establish Balance in the society in absolute justice. And never belittle the Scale of Justice in the community and in all your transactions with your own 'Self' and with others ([Quran;55:9](#))¹⁰⁴*

¹⁰⁰ Original Capital, is the real value, i.e A brick of 1 Kg Gold. 24 Karats, and brick of 1 Kg, 18 Karats Gold, though equal in weight but are not equal in value. Similarly Rs.100,000 returned after one year as Rs100,000 though equal in number is not equal in value, if there has been let's say 12% inflation in a year. It will only be equal to principal capital, if 12% loss in capital value due to inflation is added to make it equal to original principal value. It's simple not rocket science involved.

¹⁰¹ <https://www.islamawakened.com/quran/2/279/default.htm> ,
[https://corpus.quran.com/qurandictionary.jsp?q=mwl#\(2:279:13\)](https://corpus.quran.com/qurandictionary.jsp?q=mwl#(2:279:13)) ,
<https://trueorators.com/quran-word-by-word/2/279>

¹⁰² <https://www.islamawakened.com/quran/18/27/default.htm>

¹⁰³ <https://www.islamawakened.com/quran/18/28/default.htm>

¹⁰⁴ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

Defining Usury (Riba):

There are two principal forms of *riba*. Most prevalent is the interest or other increase on a loan of cash, which is known as *riba an-nasiya*. Most Islamic jurists hold there is another type of *riba*,¹⁰⁵ which is the simultaneous exchange of unequal quantities or qualities of a given commodity. This is known as *Riba al-fadl*.¹⁰⁶

Riba (literally 'usury' or 'interest') is prohibited in Islam, for the principle is that any profit sought should be through own exertions and at our own expense, not through exploiting other people or at their expense. The Arabic term Riba is considered synonymous to 'usury' which has been defined in the writings of a number of very early Muslim scholars, it may help to understand its broader meanings. In his commentary on the Qur'an, Imam Al-Razi says: "The usury based on time delay was the type commonly practiced in pre-Islamic days. A man would lend another person some money for a specified term stipulating that he would charge him a specified amount every month while the principal amount remained intact. When the agreed time arrived, the lender would request repayment. If the borrower cannot pay, he increases the monthly payment and the time of the loan." Al-Jassas says: "It is well known that usury in pre-Islamic days was simply a loan given for an appointed time with a stipulated increase. That increase compensated for delay. This is prohibited by Allah." Mujahid says: "In pre-Islamic days, when a man had borrowed money from another, he would come to him and say: I will pay you so and so if you allow me a longer period for repayment." Qatadah says: "The usury practiced in pre-Islamic days took the form of a sale made for a specified term. When payment is due and the buyer does not have the money to pay the seller, he agrees to pay him extra in return for a postponement." Imam Ahmad ibn Hanbal defines usury in the same terms, saying: "If a man had lent money to another and the time of repayment was due, the lender would say to the borrower: You either pay me now or increase the amount to be paid. If he does not settle the debt then and there, one agrees to increase the amount and the other extends the time for repayment." All these definitions agree on the nature of usury. It is financial compensation for time delay. This is what is known as "increase in lieu of time extension." All scholars and all Muslim schools of thought are unanimous that this type of Riba is strictly forbidden. However as regards to the other explanations of Riba (Usury) there is room for difference of opinion. 'Umar bin Al-Khattab, (2nd rightly guided Caliph) according to Ibn Kathir, felt some difficulty in the matter, as the Apostle left this world before the details of the question were settled. Riba (Usury) was one of the three questions on which he wished he had more light from the Prophet (peace be upon him). Muslim scholars, ancient and modern, have worked out a great body of literature on Riba, based mainly on economic conditions as they existed at the rise of Islam.

¹⁰⁵ Razi, Mohammad (May 2008). "Riba in Islam" (PDF). Learn Deen. p. 19. Archived from [the original](#) (PDF) on 5 February 2015. Retrieved 4 February 2015.

¹⁰⁶ "[Islamic Finance](#)". Investment and Finance. 24 March 2013. Retrieved 4 February 2015.

Eisenberg, David (22 March 2012). [Islamic Finance: Law and Practice](#). Oxford University Press. p. 2.62. ISBN 9780191630897. Retrieved 22 March 2015.

Increase in Lieu of Quality:

There is another type of Riba, which is known as "increase in lieu of quality". This takes the form of exchanging two quantities of the same kind, such as dates for dates, wheat for wheat, rice for rice. A person may offer 1.5 kilograms of dates or wheat or rice, etc. in return for one kilogram of the same type but of higher quality. There is no doubt that there may be several types of the same product and their qualities differ immensely. Prices could range from the very cheap to the very expensive, with the latter being two or three or four times as much as the price of the former. It is conceivable that people would like to barter some of their produce for a smaller amount of a higher quality type. But this again is forbidden in Islam as evident from Hadith of Prophet Muhammad (peace be upon him); Narrated by Abu Saïd al Khudri: Once Bilal brought Barni (i.e. a kind of dates) to the Prophet and the Prophet asked him, "From where have you brought these?" Bilal replied, "I had some inferior type of dates and exchanged two Sa's (measurement of weight) of it for one Sa of Barni dates in order to give it to the Prophet ﷺ to eat." Thereupon the Prophet ﷺ said, "Beware! Beware! This is definitely Riba! This is definitely Riba! Don't do so, but if you want to buy (a superior kind of dates) sell the inferior dates for money and then buy the superior kind of dates with that money." ([Sahih Al-Bukhari Hadith 506](#))¹⁰⁷. Narrated by Ibn Umar: At another occasion the Prophet ﷺ said; "The selling of wheat for wheat is Riba except if it is handed from hand to hand and equal in amount. Similarly the selling of barley for barley, is Riba except if it is from hand to hand and equal in amount, and dates for dates is usury except if it is from hand to hand and equal in amount. ([Sahih Al-Bukhari Hadith 2107](#))¹⁰⁸.

Modern Banking Transactions:

While there are some differences between such usurious practices and banking transactions in today's world; but there are also essential similarities. In a loan obtained from a bank, a borrower pays a regular amount of interest, which does not affect the principal (apparently, in amount but value of principal fiat/ paper money is decreased by inflation, whereas the Quran guarantees the principle, see [2:279](#)). The practice of pre-Islamic days a borrower used to pay every month a certain sum to the lender, while the principal (precious metal money like gold or silver) remained the same. Moreover, in a banking transaction, when the loan is repaid over a longer period of time, the amount of interest charged is also higher, although its rate may remain the same. But all of it is only true if there is no inflation factor as in many countries of the world. However once we talk of local environments on Pakistan, the inflation has never been zero, but keep fluctuated between 10 to 27% during the last decade [over 26.6% in October 2022¹⁰⁹]

Scholarly Blunder in Riba Definition

According to Muslim scholars, any interest or profit on money lending is Riba, forbidden in Islam, they don't distinguish between interest and usury. However modern scholars don't agree and consider that under the present financial system, normal interest is fair, not Riba, but consider excessive interest as Riba (usury), which is forbidden (this aspect is not under discussion here).

¹⁰⁷ https://www.searchtruth.com/book_display.php?book=38&translator=1&start=0&number=506#506

¹⁰⁸ <https://sunnah.com/bukhari:2170>

¹⁰⁹ <https://tradingeconomics.com/pakistan/inflation-cpi>

However once the inflation factor is brought in, the value of Principal decreases, though the quantity of currency i.e number remains same but the value decreases. As mentioned in the 1999 FSC judgment: “Rs.1000 given in 1970 may be worth Rs100 in 1999, the issue needs to be addressed, some options were discussed and the matter was left for further study”¹¹⁰ (no study is known to exist till 2022). There are around twenty six countries in the world with zero or almost zero inflation and zero interest rate¹¹¹. Why can't it be done in Islamic Republic of Pakistan? It is the job of financial and monetary experts to find the solution but till then at least the injustice (Zulm) is partially compensated to the depositor in NSC or banks through ‘profit’ paid which is less than inflation.

This is not ‘profit’ not ‘interest’, not ‘usury’ but a “**Part Compensation**” due to loss in the value of Capital (Principal amount), by inflation. Safety of the Principal is guaranteed by Allah ([Quran:2:279](#))¹¹². Hence it should not be called profit, Usury, Riba, Interest doing so is a violation of the Quran. *Tehreef* in wrongly defining Riba in this case, a serious crime and sin ([Quran:2:174](#))^{113,114} It can only be called Riba if the ‘Compensation’ amount is more than the inflation rate, which is far from ground realities.

Concealment of Truth - It is [forbidden](#) to conceal the verses of the Qur'an and the knowledge of truth. [<https://bit.ly/KatmaneHaq>]

There are many countries that have a negative interest rate. The countries in the eurozone currently have an interest rate of zero. The country with the lowest interest rate after the Eurozone's 0% rate is the United Kingdom, at 0.1%,¹¹ followed by the U.S. at 0.25%. The 5 Countries With the Lowest Interest Rates are [Switzerland, Denmark, Japan, Sweden, Spain](#). There are 20 countries with the [lowest inflation rate](#) in 2020 the world. [See more details : [Defining Usury \(Riba\)](#)]¹¹⁵

Very Important: It's shocking that important verses of the Quran are totally ignored by almost all traditional scholars, so that they can keep 1.5 Billion Muslims hostage to their wishes and exploit their faithfulness by keeping them in a perpetual state of delusive sin. These verses are again repeated here:

1. ***"And if you do not (give it up), then take notice of war from Allah and His Messenger. And if you agree to desist then for you is the Original sum of your wealth. Neither you shall commit injustice (zulm, wrong), nor injustice (zulm, wrong) would be done to you.(Quran;2:279). No one can change His words, and you shall not find any other source beside it.(Quran;18:27) Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused.(Quran;18:28)***
2. O my people! Give full measure and weight in a¹¹⁶ll fairness. Do not defraud people of their goods and do not spread mischief in the land."([Qur'an;11:85](#)).

¹¹⁰ https://www.meezanbank.com/wp-content/themes/mbl/downloads/riba_judgement.pdf

¹¹¹ <https://tradingeconomics.com/country-list/interest-rate>

¹¹² <https://trueorators.com/quran-tafseer/2/279>

¹¹³ <https://trueorators.com/quran-tafseer/2/174>

¹¹⁴ <https://bit.ly/KatmaneHaq>: کتمان حق - آیات قرآن اور علم حق کو چھپانا ممنوع

¹¹⁵ [Defining Usury \(Riba\)](#)

¹¹⁶ <https://en.wikipedia.org/wiki/Ijtihad>

3. “You shall not take each others' money illicitly, nor shall you bribe the officials to deprive others of some of their rights illicitly, while you know.” [\[Quran 2:188\]](#)¹¹⁷

Ignoring Verses of Quran, pick & choose are like Deniers and Rejectors:

1. Woe unto every fabricating impostor, the one who hears GOD's revelations but ignores arrogantly, Grievous punishment awaits [\(Quran;45:7-8\)](#)
2. “Why do you mix truth with falsehood and knowingly hide the truth?”[\(Quran 3:71\)](#)¹¹⁸
Mixing truth with falsehood and hiding the truth had become common practice among the People of the Book, this practice was for the purpose of misleading others. They were warned about this religious evils.
3. Who are more evil than those who are reminded of their Lord's verses, then disregard them, without realizing what they are doing. Consequently, we place shields on their hearts to prevent them from understanding it (the Quran), and deafness in their ears. Thus, no matter what you do to guide them, they can never ever be guided.[\(Quran; 18:57\)](#)
4. Those who deny the revelations, will suffer a dreadful doom.[\(Quran;45:11\)](#)
5. Who disbelieved in Quran, are doomed (Quran;90:19)
6. And none but the Zalimun (polytheists, wrongdoers) deny Ayat [\(Quran;29:49\)](#)
7. And be not like those who said, We hear, and they did not obey (Quran;8:21)
8. Ponder over its verses, and that those endowed with understanding may be mindful.[\(Quran;38:29\)](#)
9. Those concealing revelations of Quran are cursed by Allah [\(Quran;2:159\)](#)
10. O you who believe, if a wicked person brings any news to you, you shall first investigate, lest you commit injustice towards some people, out of ignorance, then become sorry and remorseful for what you have done. [\(Quran;49:6\)](#)
11. The example of those who were entrusted with Torah, and did not apply it in their daily lives, is that of a donkey who is carrying books and does not know what is in those books. Bad is the example of those who deny the revelations of Allah. Allah does not guide the wrongdoers [\(Quran;62:5\)](#)
12. “ The worst of creations in the Sight of Allah are those deaf, those dumb who do not use their intellect [\[Quran 8:22, also 2:18\), 16:76\]](#)^{119, 120}

Quran: The Ultimate Source of Guidance:

Hazrat Ali bin Abi Talib (رضى الله) said, that he heard Allah's Messenger ﷺ say that: And, if anyone seeks guidance in something other than it (Quran), then Allah will leave him astray. It (Quran) is Allah's (firm) strong rope. It is the wise reminder. It is the straight path. It is whereby desires cannot divert and tongues cannot be confused. (Extract from Jame' Tirmidhi , Hadith # 2906)

¹¹⁷ <https://www.islamawakened.com/quran/2/188/default.htm>

¹¹⁸ <https://tanzil.net/#trans/en.sarwar/3:71>

¹¹⁹ <https://www.islamawakened.com/quran/8/22/default.htm>

¹²⁰ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: [\(2:279, 18:27, 28, 55:9,11:85, 2:188\);45:7-8, 38:29, 2:159, 49:6, 62:5, 8:22, & 2:18, 16:76\)](#)

The Holy Prophet ﷺ said in his last Hajj sermon: I have left among you the Book of Allah, and if you hold fast to it, you would never go astray. (Sahih Muslim , Hadith # 2950)

Summary: Quran on Riba & Justice

1. Do not consume Riba, doubled and multiplied (Quran:3:130)
2. Consuming of the people's wealth unjustly is forbidden. (4:161)
3. Riba to increase within the wealth (40:39)
4. Riba is Satanic, forbidden & great sin (Quran;2:275-2:280)
5. Injustice forbidden”(Qur’an;2:279)
6. Full measure and weight in a¹²¹ fairness. Do not defraud.”(Qur’an;11:85).
7. Don't take money illicitly. [Quran 2:188]¹²²

Aim:

The Quran forbids Riba. In this paper without going into the controversial debate, effort has been made to focus on the prevalent monetary, financial system with a view to:

1. **Highlight the interrelationship between “Currency notes, Inflation, Interest rates” and identify Riba in this system.**
2. **Identify injustice if any, to the creditor or debtor in the monetary/ banking system.**
3. **Through analysis, suggest measures to eradicate them in conformity with the teachings of Quran without causing any harm or injustice to anyone. [Riba free Pakistan]**
4. **Ensure that Quran Commandments¹²³ are fully implemented with fairness and justice.**

“ The worst of creations in the Sight of Allah are those deaf, those dumb who do not use their intellect [Quran 8:22, also 2:18), 16:76]¹²⁴

“Allah gives you another example of two men. One of them is he whose faculties of speech and mind are totally disabled. He cannot do anything of his own accord and he is totally dependent on his care-provider, unable to bring forth any good in any way. Can such a one be considered equal of the man who is fit, enjoins justice and himself walks the Straight Path? (Allah expects you to use your faculties to the best of your abilities)”[Quran; 16:76]¹²⁵

¹²¹ <https://en.wikipedia.org/wiki/Ijtihad>

¹²² <https://www.islamawakened.com/quran/2/188/default.htm>

¹²³ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9](#), [11:85](#), [2:188](#)); [45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

¹²⁴ <https://www.islamawakened.com/quran/8/22/default.htm>

¹²⁵ <https://www.islamawakened.com/quran/16/76/default.htm>

PART-1

THE MONETARY SYSTEM

The common reader may not be aware of the system of money management at government level, through the monetary system. The monetary system is a system by which a [government](#) provides [money](#) in a country's economy. Modern monetary systems usually consist of the national [treasury](#), the [mint](#), [the central banks](#) and [commercial banks](#).

Commodity money system

A commodity money system is a monetary system in which a [commodity](#) such as [gold](#) or [seashells](#) is made the unit of value and physically used as money. The money retains its value because of its physical properties. In some cases, a government may stamp a metal coin with a face, value or mark that indicates its weight or asserts its purity, but the value remains the same even if the coin is melted down.

Commodity-backed money

One step away from commodity money is "commodity-backed money", also known as "representative money". Many currencies have consisted of bank-issued notes which have no inherent physical value, but which may be exchanged for a [precious metal](#), such as gold. (This is known as the [gold standard](#).) The [silver standard](#) was widespread after the fall of the [Byzantine Empire](#), and lasted until 1935, when it was abandoned by China and Hong Kong.

Another alternative which was tried in the twentieth Century was [bimetallism](#), also called the "double standard", under which both gold and [silver](#) were [legal tender](#).

Fiat Money

The alternative to a commodity money system is [fiat money](#) which is defined by a [central bank](#) and government law as [legal tender](#) even if it has no intrinsic value. Originally fiat money was paper currency or base metal coinage, but in modern economies it mainly exists as data such as bank balances and records of credit or debit card purchases, and the fraction that exists as notes and coins is relatively small. Money is mostly created by banks when they loan to customers. Put simply, banks lending currency to customers creates more deposits and deficit spending.

1. In normal times, the central bank does not fix the amount of money in circulation, nor is central bank money 'multiplied up' into more loans and deposits.
2. Although commercial banks create money through lending, they cannot do so freely without limit. Banks are limited in how much they can lend if they are to remain profitable in a competitive banking system.
3. Prudential regulation also acts as a constraint on banks' activities in order to maintain the resilience of the financial system.
4. And the households and companies who receive the money created by new lending may take actions that affect the stock of money – they could quickly

'destroy' the money or currency by using it to repay their existing debt, for instance.

5. Central banks control the creation of money by commercial banks, by setting interest rates on reserves. This limits the amount of money the commercial banks are willing to lend, and thus create, as it affects the profitability of lending in a competitive market. This is the opposite of what many people believe about the creation of fiat money. The most common misconception was that central banks print all the money, this is not reflective of what actually happens.

Today's global monetary system is essentially a fiat system because people can use paper bills or bank balances to buy goods.¹²⁶

Pakistan: Monetary Policy and Growth

Monetary policy is a key element of macroeconomic management and its effectiveness is an important issue in economic policy analysis. According to Dr Muhammad Javid, senior research economist at the Pakistan Institute of Development Economics (PIDE), in the context of Pakistan, monetary policy management is one of the primary roles of the State Bank of Pakistan (SBP). In line with SBP Act, the monetary policy has to be supportive of the dual objective of promoting economic growth and price stability. The SBP conducts monetary policy by using money supply (M2) as an intermediate target.

M2 is a calculation of the money supply that includes all elements of M1 as well as "near money." M1 includes cash and checking deposits, while near money refers to savings deposits, money market securities, mutual funds, and other time deposits. These assets are less liquid than M1 and not as suitable as exchange mediums, but they can be quickly converted into cash or checking deposits.¹²⁷

The SBP uses short-term interest rate as an instrument of monetary policy to control inflation. It pursues a monetary target regime with broad money supply (M2) as a nominal anchor to achieve the objective of price stability.

The SBP also sets a target of M2 growth in line with the government's targets of inflation and growth. This framework is based on two key assumptions: first, there is a strong and reliable relationship between the goal variable (inflation or real GDP) and M2; and second, the SBP can control growth in M2.

In its meeting on November 22, 2019, the Monetary Policy Committee (MPC) of the State Bank decided to leave the policy rate unchanged at 13.25 percent for the next two months because of obstinately high inflation caused by increases in food prices.

According to the SBP projection, average inflation for FY20 remained broadly unchanged at 11-12 percent. The monetary policy mainly relies on the interest rate channel. Therefore, the critical question is the effectiveness of the interest rate channel as a transmission mechanism. Judging the effectiveness of the monetary policy is difficult because it is not always easy to isolate all the other happenings in the economy, such as fiscal policy, external shocks, market idiosyncrasies, in order

¹²⁶ https://en.wikipedia.org/wiki/Monetary_system

¹²⁷ <https://www.investopedia.com/terms/m/m2.asp>

to come up with a causal relationship between a monetary policy instrument and an objective.

In developed countries, which have more sophisticated financial systems, there is a general consensus on the use of indirect instruments, particularly a short-term interest rate to effect the monetary policy. Indeed, widespread empirical evidence has shown that in those countries, the short-term interest rate is an effective tool for controlling inflation and influencing output growth.

In developing economies, the transmission of the monetary policy operates differently because of weak institutional frameworks and shallow financial markets. The conventional view is that monetary policy is ineffective in developing countries, largely because of weak institutions, underdeveloped financial markets, and uncompetitive banking systems.

The tight monetary policy stance has become under fire from the business community and many interested observers. It is argued that the monetary policy has failed to curb inflation on the one side and has stymied economic growth on the other. While there is a certain element of truth in these arguments, policy measures taken to subdue the twin deficits had a profound impact on economic activity during the FY19 (SBP). Real GDP growth slowed to 3.29 percent in FY19 as compared to the target of 5.4 percent. Agriculture and industrial output slowed to 0.85 and 1.4 percent as compared to targets of 3.7 and 5.8 respectively.

The fallout for the industrial sector was quite severe and similarly the agriculture sector fared poorly as a whole. There are clear signs that in the foreseeable future the economy will witness low economic growth and high double digit inflation – classical characteristics of an economy in stagflation. The supply shock may have partially contributed to the stagflation among other factors. The SBP has acknowledged that a high discount rate has a negative impact on credit to the private sector which further worsens the supply bottleneck.

Higher interest rate increases the cost of borrowing for the private sector which discourages the demand for private sector credit. When the demand for private sector credit decreases, the level of private investment falls – which adversely affects economic growth and employment. Since a major source of stagflation appears to be supply shocks, part of the solution may lie in boosting supply by removing the supply side bottleneck.

The other important concern in this regard is government borrowing from the SBP at a high interest rate. The question is whether the increase in interest rate acts as a deterrent to increased government borrowing from the SBP. The answer to that is: no. During the FY19, government net borrowing from the SBP increased from Rs3691.6 billion in July 2018 to Rs6679 billion in June 2019 which is 81 percent. Borrowing from the SBP injects liquidity in the system through increased currency in circulation. The impact, therefore, of a tight monetary policy stance is diluted with this automatic creation of money which increases the money supply. The high interest rate would cause high interest payments on government debt which would cause an even higher fiscal deficit.

The SBP acknowledged in its monetary policy statement that food prices are behind inflation outturns. According to the '**Inflation Monitor**' September 2019 issue, the weighted contribution of food and energy (housing, water, electricity, gas & other

fuel) group in overall inflation is **72.7 percent**. These are essential items and demand for these items may not be curtailed due to high interest rate.

In the current situation, it seems that high interest rate is neither slowing down inflation nor appears to act as a deterrent to government borrowing from the SBP but only adversely affecting the private sector. In this scenario, the possible reason for high interest rate might be the stabilization of the exchange rate. If this is the case, then it is important to make a clear distinction between exchange rate management and monetary policy management. It is now well established that it is not possible to simultaneously achieve exchange rate stability, monetary independence and free movement of capital.

Dr Muhammad Javid concludes that the economy continues to be devilled by supply shocks while macroeconomic stability remains elusive. The current monetary policy stance has not been helpful in either ensuring macroeconomic stability or reviving growth in the economy. Indeed, it only further squeezes the private sector and discourages private investment which is already facing an extremely difficult situation. In the current scenario, the appropriate approach is prudent monetary management to spark private sector revival.

By Dr Muhammad Javid: The writer is a senior research economist at the Pakistan Institute of Development Economics (PIDE). Courtesy: [The News 29 December 2019](#)¹²⁸

The Gold

The money matters cannot be discussed without talking about Gold. Throughout human history, gold has been used as a money-form in one way or another. In the early Islamic era gold and silver coins were used as currency. Before the arrival of Islam, Arab, Persian and Roman gold and silver [coins](#) were used in Mecca and Prophet Muhammad (pbuh) used these coins as well. Caliph Umar was the first ruler that issued coins in Islamic history. In 640 A.D., 18 years after Hegira.¹²⁹ Thus in the Islamic sharia calculations of eligibility to pay Zakah and other calculations are determined on the basis of Gold and Silver.

The first dated coins that can be assigned to the Muslims are copies of silver [Dirhams](#) of the [Sassanian](#) ruler [Yazdegerd III](#), struck during the [Caliphate](#) of [Uthman](#). The gold Dinar¹³⁰ is an Islamic medieval gold coin first issued in AH 77 (696–697 CE) by [Caliph Abd al-Malik ibn Marwan](#). The weight of the dinar is 1 [mithqal](#) (4.25 grams).

[Banknotes](#)¹³¹ called "jiaozi" have been used in China since the 10th century. These banknotes were rectangular pieces of cardboard featuring the emperor's seal. Although the fifth Mongol Ilkhanate ruler Gaykhatu printed banknotes in 1295 and ordered his subjects to use them instead of silver and gold coins, they did not use these banknotes. İzzeddin Muzaffer, Sultan of Azerbaijan, attempted to print banknotes, but the public did not accept it and even killed the sultan in a rebellion. Gold and silver are regarded as currency until doomsday in Islamic law. Although it

¹²⁸ <https://www.thenews.com.pk/print/590154-monetary-policy-and-growth>

¹²⁹ <https://www.dailysabah.com/feature/2016/05/20/a-monetary-history-of-islamic-societies>

¹³⁰ https://en.wikipedia.org/wiki/Gold_dinar

¹³¹ <https://www.dailysabah.com/feature/2016/05/20/a-monetary-history-of-islamic-societies>

is lawful to use copper and nickel mangirs and banknotes, gold and silver backs the money. In the Ottoman Empire, the first banknote, called "qaima," was circulated in 1850.

From gold coins to paper notes backed by the gold standard, only recently has money moved to a fiat system that is not backed by a physical commodity. Since then, inflation and a declining dollar has meant rising gold prices. By purchasing gold, people can also shelter themselves from times of global economic uncertainty.

Classical Gold Standard

During the [classical gold standard](#) (1817-1914) currencies were pegged to gold, and the elasticity of the currency was determined through it. A gold standard impels governments to be responsible: Investors that hold bonds can redeem gold if politicians run unsustainable deficits¹³² writes Zain Raza.

At the end of the [gold standard](#), there was an increase in financial instability and inflation. During multiple stock market crashes in the first decade of the 21st century, the price of gold began to rise again. The idea of returning to the gold standard became more popular at that time. Admittedly, there were inherent problems with the gold standards implemented in the 19th and 20th centuries.

Dollarisation & Gold

With the European and Japanese manufacturing base all but shattered after World War II, the United States emerged as an export leader accumulating 2/3 of the world's gold. In 1944, 44 countries established the Bretton Woods System in which it was agreed to peg currencies to the US dollar, and make it redeemable for gold at \$35 an ounce. From 1959 to 1971, Gold reserves in US Vaults depleted by 50% due the costly Vietnam War and the Great Society Program. In addition, in 1971, the US incurred its first ever current account deficit of \$400 million. Nervousness spread across the globe and trading partners of the US scrambled to redeem dollars for gold. As the US did not have enough gold to pay all claims, on August 15 of 1971, President Nixon shocked the entire world by announcing unilaterally that the dollar would no longer be convertible to gold. With millions of dollars held as reserves all over the world, the international community had no choice but to accept the dollar as the world's reserve currency. This is known as the FIAT monetary system in which money is established by government decree and is independent of gold.¹³³

Gold Remains as Currency in Current System

Many people fail to realize that [gold is a currency](#)¹³⁴ under the current system. Gold has often been thought of in relation to the U.S. dollar, mainly because it is usually priced in U.S. dollars. There is a long-term negative [correlation](#) between the dollar and [gold prices](#). These factors must be considered when we see that the price of gold is simply an [exchange rate](#). Just as one can exchange U.S. dollars for Japanese yen, a paper currency can be exchanged for gold. Gold also played an essential part in the [origin of money](#).

Gold has a profound impact on the value of world currencies. Even though the gold standard has been abandoned, gold as a commodity can act as a substitute for fiat

¹³² <https://tribune.com.pk/story/311897/from-gold-to-dollar-how-the-modern-financial-system-is-undermining-pakistan>

¹³³ <https://tribune.com.pk/story/311897/from-gold-to-dollar-how-the-modern-financial-system-is-undermining-pakistan>

¹³⁴ <https://www.investopedia.com/articles/forex/11/golds-effect-currencies.asp>

currencies and be used as an effective hedge against inflation. There is no doubt that gold will continue to play an integral role in the foreign exchange markets. Therefore, it is an important metal to follow and analyze for its unique ability to represent the health of both local and international economies.

The U.S. dollar's relationship to Gold

The U.S. dollar's relationship to gold prices is a result of the [Bretton Woods System](#)¹³⁵, it created a collective international currency exchange regime that lasted from the mid-1940s to the early 1970s. International settlements were made in dollars, and the U.S. government promised to redeem them for a fixed amount of gold. The Bretton Woods Agreement was negotiated in July 1944 by delegates from 44 countries at the United Nations Monetary and Financial Conference held in Bretton Woods, New Hampshire USA. Thus, the name "Bretton Woods Agreement. Under the Bretton Woods System, gold was the basis for the U.S. dollar and other currencies were pegged to the U.S. dollar's value. The Bretton Woods System effectively came to an end in the early 1970s when President Richard M. Nixon announced that the U.S. would no longer exchange gold for U.S. currency.

Countries were then free to choose any exchange arrangement for their currency, except pegging its value to the price of gold. They could, for example, link its value to another country's currency, or a basket of currencies, or simply let it float freely and allow market forces to determine its value relative to other countries' currencies.

The fixed exchange rate is a system

The [fixed exchange rate](#)¹³⁶ is a system where a currency's value is tied to the value of another single currency, to a basket of other currencies, or to another measure of value, such as gold. A fixed exchange rate system can also be used to control the behavior of a currency, such as by limiting rates of inflation. However, in doing so, the pegged currency is then controlled by its reference value. As such, when the reference value rises or falls, it then follows that the value(s) of any currencies pegged to it will also rise and fall in relation to other currencies and commodities with which the pegged currency can be traded. In other words, a pegged currency is dependent on its reference value to dictate how its current worth is defined at any given time. In addition, according to the Mundell–Fleming model, with perfect capital mobility, a fixed exchange rate prevents a government from using domestic monetary policy to achieve macroeconomic stability.¹³⁷

While the Bretton Woods system ended in 1971, the U.S. remained a global power, but it created a lasting influence on international currency exchange and trade through its development of the IMF and World Bank, both institutions have withstood the test of time, globally serving as important pillars for international capital financing and trade activities. In the twenty-first century, the IMF has 189 member countries and still continues to support global monetary cooperation. Tandemly, the World Bank helps to promote these efforts through its loans and grants to governments. [Also act as a tool of the USA and West to control third world countries with corrupt leadership to keep them under their thumb].

¹³⁵ <https://www.investopedia.com/terms/b/brettonwoodsagreement.asp>

¹³⁶ <https://www.thebalance.com/fixed-exchange-rate-definition-pros-cons-examples-3306257>

¹³⁷ https://en.wikipedia.org/wiki/Fixed_exchange_rate_syste

It is also important to remember that gold and currencies are dynamic and have more than one input. The price of gold is impacted by far more than just [inflation](#), the U.S. dollar, and wars. Gold is a global commodity and therefore reflects global factors, not just sentiment in one economy. For example, the gold price declined in 2000 when the U.K. government sold a large part of its gold reserves.

Under a free market system, gold should be viewed as a currency like the euro, the Japanese yen, and the U.S. dollar. Gold has a long-standing relationship with the U.S. dollar, and it generally moves in the opposite direction in the long run. When there is instability in the stock market, it is common to hear talk of creating another gold standard. Regrettably the gold standard isn't a perfect system. Viewing gold as a currency and trading it as such can reduce risks to paper currency and the economy. However, one should be aware that gold is forward-looking. If one waits until disaster strikes, the gold price may already have risen too high to offer protection.

Gold as Currency & Risks

Under a free market system, [gold should be viewed as a currency](#)¹³⁸ like the euro, the Japanese yen, and the U.S. dollar. Gold has a long-standing relationship with the U.S. dollar, and it generally moves in the opposite direction in the long run. When there is instability in the stock market, it is common to hear talk of creating another gold standard.

1. Gold has a price, and that price will fluctuate relative to other forms of exchange, such as the U.S. dollar, the euro, and the Japanese yen. Gold can be bought and stored, but it is not usually used directly as a method of payment. However, it is highly liquid and can be converted to cash in almost any currency with relative ease.
2. It follows that gold acts like other currencies in many ways. There are times when gold is likely to move higher and times when other currencies or asset classes usually outperform. We can expect gold to perform well when confidence in paper currencies is waning, during wars, and when stocks suffer significant losses.
3. Investors can trade gold in multiple ways, including buying physical gold, futures contracts, and gold ETFs. Investors can also participate in the price movements without owning the underlying asset by purchasing a contract for difference (CFD).
4. By purchasing gold, people can shelter themselves from times of global economic uncertainty. Trends and reversals occur in any currency, and this is true for gold too. Gold is a proactive investment to hedge against potential risks to paper currency. Once the threat materializes, gold's advantage may have already disappeared. Therefore, gold is forward-looking, and those who trade it must be forward-looking as well.
5. Unfortunately, a gold standard isn't a flawless system. Viewing gold as a currency and trading it as such can reduce risks to paper currency and the economy. However, investors should be aware that gold is forward-looking. If one waits until disaster strikes, the gold price may already have risen too high to offer protection.

¹³⁸ <https://www.investopedia.com/articles/forex/10/gold-the-other-currency.asp>

When considering gold as a currency, many people support moving back to some form of the gold standard. There were various problems with earlier gold standards.

1. One of the main problems was that the systems were ultimately reliant on central banks to play by the rules. The rules required central banks to adjust the discount rate to maintain fixed exchange rates. Fixed exchange rates sometimes resulted in high interest rates, which were politically unpopular. Many countries chose to devalue their currency against gold or the U.S. dollar instead.
2. A second problem with the gold standard was that there were still short-term price shocks, despite long-run price stability. The California gold discovery of 1848 is an excellent example of a price shock. This gold find increased the money supply, which raised expenditures and price levels, creating short-run economic instability. It should be noted that such economic disruptions did occur under gold standards. Also, every attempt to maintain a gold standard ultimately failed.

When and Why Do [Gold Prices Plummet](#)?

1. While gold is often seen as a safe haven investment and store of value, it is also a produced commodity and subject to those same economic forces.
2. Gold's most pronounced price fall in the past decade happened between October of 2012 and July of 2013, nine months during which the metal lost over a quarter of its value. The price continued to fall to a low of \$1,054 per ounce in December 2015 before rebounding.² As of March 2021, the price was \$1,726 per ounce.³ Classical economic theory would blame a [bear market](#) on either an increase in supply, which we've already determined is unlikely, or a decrease in demand.
3. When gold miners produce an excess of gold relative to demand, the price will experience downward pressure due to the laws of economics.
4. Speculators that accumulate or let go of gold in the market can create temporary imbalances that lead to rapid price changes.¹³⁹
5. A wise investor is one who recognizes gold's place in the market, without attaching too much or too little significance to it.

Must Money Be Limited to Only Gold and Silver?

A Survey of Fiqhi Opinions and Some Implications: This paper attempts to provide a survey into the issue of [money in Islam](#). Specifically, it looks at the views of Muslim scholars (primarily past fiqh scholars), on whether money has to be limited to gold and silver or not and discusses some implications of the findings of this brief survey on present day opinions. In this connection it discusses some general points on gold and silver as money, from a historical and 'contextual' perspective, followed by some points that are agreed upon by the majority of scholars. It also compares the views of scholars who take the position that only gold and silver can be used as money and the evidences given to support their stand with the views of those who do not limit money to only gold and silver, together with their evidence.¹⁴⁰

¹³⁹ <https://www.investopedia.com/articles/investing/071414/when-and-why-do-gold-prices-plummet.asp>

¹⁴⁰ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3102075

Gold & Silver not the only money in islamic Law

Money, according to Islamic law, cannot be restricted [to gold and silver](#). Instead, anything that is generally accepted among the people as a medium of exchange and measure of value may be considered money.¹⁴¹

The second Caliph, 'Umar, had decided to make currency out of the skins of camels but the Companions of the Prophet (peace be on him) prevented him from doing so. They argued that this would totally eliminate camels. Hence he abstained from it.

Mālik in *al-Mudawwanah al-Kubra*, a famous book of the Māliki school, says: *"If people adopt skin as money and it becomes prevalent among them, I consider its exchange with gold or silver on credit unlawful".*

This implies that skin or any other thing, if it serves as medium of exchange and measure of value, may be regarded as money and should be subjected to the same rules of *ribā* which are applicable to gold and silver coins. Thus, the exchange of that thing with gold or silver on credit would violate the rules laid down in the hadith narrated by Ubādah ibn al-Sāmit that:

"Gold for gold and silver for silver, wheat for wheat, barley for barley, dates for dates, salt for salt, like for like, in equal weights, from hand to hand. If these species differ, then, sell as you like as long as it is from hand to hand".

Ibn Taymiyyah, while explaining the position of dirham and dinar in the Shari'ah, expresses the view that the value assigned to them as *"thaman"* is mainly because of the custom and usage of the people. Their being *thaman* is not because they have been created for this very purpose.

Gold and silver have been *thaman* or money since early ages because they were capable of effectively functioning as a medium of exchange and a common measure of value.

Fiat Money

[Fiat money](#)¹⁴² is a government-issued currency that is not backed by a commodity such as gold. Fiat money gives central banks greater control over the economy because they can control how much money is printed. Most modern paper currencies, such as the U.S. dollar, are fiat currencies.

In contrast to commodity-based money like gold coins or paper bills redeemable for precious metals, fiat money is backed entirely by the full faith and trust in the government that issued it. One reason this has merit is because governments demand that you pay taxes in the fiat money it issues. Since everybody needs to pay taxes, or else face stiff penalties or prison, people will accept it in exchange (this is known as Chartalism). Other theories of money, such as the credit theory, suggest that since all money is a credit-debt relation, it does not matter if money is backed by anything to maintain value.

Why do modern economies favor fiat money?

¹⁴¹ Indexation of Loans: A Shari'ah Perspective, By Muhammad Tahir Mansoori:

<https://www.jstor.org/stable/20836980> , <https://bit.ly/39Scy7s>

¹⁴² <https://www.investopedia.com/terms/f/fiatmoney.asp>

Prior to the 20th century, most countries utilized some sort of gold standard or backing by a commodity. As international trade and finance grew in scale and scope, however, the limited amount of gold coming out of mines and in central bank vaults could not keep up with the new value that was being created, causing serious disruptions to global markets and commerce. Fiat money gives governments greater flexibility to manage their own currency, set monetary policy, and stabilize global markets. It also allows for fractional reserve banking, which lets commercial banks multiply the amount of money on hand to meet demand from borrowers.

Alternatives to fiat money

Virtually every country today has legal tender that is fiat money.

While you can buy and sell gold and gold coins, these are rarely used in exchange or for everyday purchases, and tend to be more of a collectible or speculative asset.

Cryptocurrencies, such as Bitcoin, have emerged over the past decade as a challenge to the inflationary nature of fiat currencies; but despite increased interest and adoption, these virtual assets do not seem to approach being "money" in the traditional sense.

The influence of Dollar System on Pakistan

The dollar system influences Pakistan has been analyzed by Zain Zian, as follows:
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1) The US has the ability to not only tax its own citizens but also foreign countries through inflation caused by deficit spending. When Pakistan exports, the dollars it receives enables it to import goods that are vital for its national interest: These include oil, raw materials, military equipment, etc. In 2011 Pakistan's foreign reserves total to \$16.69 billion. Since the 2008 crisis, the Federal Reserve has continued policies of printing money (\$2.1trillion) known as Quantities Easing in attempt to spur growth. The value of Pakistan foreign reserves and its own currency that expands from its reserves are deteriorating (inflation) due to this.

2) "The flipside of currency with a value inflated by artificial demand is depreciation in the price of goods purchased with that currency. As a consequence of the dollar cartel, the United States has for over thirty years been able to purchase the exports of other countries at a discount". This passage by Eric Janzen, a macro analyst at Itulip, exhibits how Pakistan is exporting at a discount, not realising the real value of its labour and its resources.

3) During an economic boom currency supply should expand relatively, and during a recession it should contract, a gold standard enforces this process. The central bank of Pakistan however is expanding currency in both, a boom and in a recession, leading to economic misallocations.

4) The FIAT system combined with fractional reserve banking creates currency by issuing more debt. Since 1971, economists report the aggregate global public debt to have risen exponentially to \$40 trillion (GDP \$63.04 trillion). Pakistan's public debt stands at Rs11 trillion. In 2011, at Davos, Politicians, business and central

¹⁴³ <https://tribune.com.pk/story/311897/from-gold-to-dollar-how-the-modern-financial-system-is-undermining-pakistan>

bankers agreed to an expansion of credit to \$100 trillion to support economic growth over the next decade [[Zain Raza, Tribune, December 25, 2011](#)]

PART-2

The present international monetary system, an offshoot of capitalists USA & West is blamed to be the interest / Riba based system of infidels which has been imposed on Pakistan, to keep it under the shackles of economic slavery. However in the same system there are 26 infidel countries with zero interest/ Riba rates and 29 with less than 1%, only KSA and Bahrain are the Muslim countries among them, but not yet Riba free. We may try to look into the system and try to analyze to get rid of interest/ Riba and join the club of 26 interest / Riba free countries. There is not barrier except the will and effort.

Currency Printing

Precious metals, gold, silver were historically used as the basis for money in the early Islamic period, but today are traded mainly as a portfolio diversifier and hedge against inflation. The Government of Pakistan prints cash at an exorbitant rate, diluting the value of cash deposited and increasing inflation. This option did not exist 1400 years ago. Hence the eternal principles highlighted by the Quran¹⁴⁴ will have to be applied intelligently in a prevalent environment to ensure justice , fairness eliminating Riba.

Basis of Currency Printing

In any country the responsibility to print and manage a country's currency rests with the Central/ State Bank of that country. The volume and value of [currency to be printed](#) is done on the basis of a forecasting model¹⁴⁵ which takes into account, among other things, expected growth in gross domestic product (GDP), likely inflation, seasonal factors, currency lying in its vaults, replacement demand (old notes that come back) and growth of non-cash payments (cheques, card and electronic payments). GDP (nominal) per capita does not, however, reflect differences in the [cost of living](#) and the [inflation rates](#) of the countries.

Inflation Control

How [Inflation Shrinks Savings](#),¹⁴⁶ Let's say you have \$100 in a savings account that pays a 1% interest rate. After a year, you will have \$101 in your account. But if the rate of inflation is running at 2%, you would need \$102 to have the same buying power that you started with. You've gained a dollar but lost buying power. Any time your savings don't grow at the same rate as inflation, you will effectively lose money.

Inflation is an important factor for consideration in the printing of money. If inflation increases, use of physical money increases, hence, the State Bank has to print more money according to the percentage increase in inflation. So SBP conducts

¹⁴⁴ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

¹⁴⁵ <https://www.quora.com/On-what-basis-currency-is-printed>

¹⁴⁶ <https://www.investopedia.com/articles/investing/090715/how-inflation-affects-your-cash-savings.asp>

various calculations according to the inflation rate to determine how much money should be printed.

Data for the last 19 years indicates that investors have not always responded eagerly to lower rates nor have higher rates kept them from investing.¹⁴⁷

Hyperinflation:

Hyperinflation¹⁴⁸ is a term to describe rapid, excessive, and out-of-control general price increases in an economy. While inflation is a measure of the pace of rising prices for goods and services, hyperinflation is rapidly rising inflation, typically measuring more than 50% per month.

Although hyperinflation is a rare event for developed economies, it has occurred many times throughout history in countries such as China, Germany, Russia, Hungary, and Argentina.

Reasons include; Excessive Money Supply, Loss of Confidence in the Economy or Monetary System.

If a government isn't managed properly, citizens can also lose confidence in the value of their country's currency. When the currency is perceived as having little or no value, people begin to hoard commodities and goods that have value. As prices begin to rise, basic goods—such as food and fuel—become scarce, sending prices in an upward spiral. In response, the government is forced to print even more money to try to stabilize prices and provide liquidity, which only exacerbates the problem.

The Shariat Appellate Bench of Pakistan 1999 Judgement & Hyperinflation

The Shariat Appellate Bench^{149, 150} of Pakistan's judgment in 1999 case declined¹⁵¹ to accept indexation of currency¹⁵² because it is a normal part of any economic system, [interest is also a normal part of this economic system, which the Court says, is forbidden in Islam, not accepted, then why reject one thing and accept another thing of the same system i.e inflation?] however in case of HyperInflation [defined as 50% or more per month¹⁵³], the Court accepted the right of creditor for compensation of heavy loss. Ignoring lesser loss i.e less than 50% per month i.e. 49% , 40, 30 , 20 , 10% per month is not loss? Even 9% inflation per month will devalue the deposits by 108% within a year, but the Court considers it a normal part of the system! Riba/ interest, small or compound is forbidden, *Haraam*, then loss to Principal amount of creditor small or big is also forbidden, is Haraam. If inflation is part of any financial system it must be addressed being Un-Islamic. Even if the percentage of excessive money printed by the government of Pakistan is indexed with deposits, it will save the principal value of creditors, however normal inflation caused due to supply/ demand and market forces may be borne by all.

¹⁴⁷ <https://www.dawn.com/news/1508038>

¹⁴⁸ <https://www.investopedia.com/terms/h/hyperinflation.asp>

¹⁴⁹ <https://courtingthelaw.com/2015/09/21/commentary/the-riba-case-and-the-interest-based-financial-system-of-pakistan/>

¹⁵⁰ <https://islamiclaw.blog/2015/04/27/case-study-the-shariat-appellate-bench-of-pakistan-and-the-review-of-the-federal-shariat-courts-riba-decision/>

¹⁵¹ <http://giveupriba.com/fourteen-court-questions-on-sood/question-8/>

¹⁵² <https://en.wikipedia.org/wiki/Indexation#Currency>

¹⁵³ <https://www.investopedia.com/terms/h/hyperinflation.asp>

This judgment is against Quran¹⁵⁴, because, Quran says:

1., you are entitled to your principal; do no wrong, and no wrong will be done to you. (Quran;2:279), No one can change His words, and you shall not find any other source beside it. (Quran;18:27) Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused. (Quran;18:28)¹⁵⁵
2. “Therefore, establish Balance in the society in absolute justice. And never belittle the Scale of Justice in the community and in all your transactions with your own 'Self' and with others” (Quran;55:9)
3. Full measure and weight in a¹⁵⁶ll fairness. Do not defraud.”(Qur’an;11:85).
4. Consuming of the people's wealth unjustly is forbidden. (4:161)
5. Don't take money illicitly. [Quran 2:188]¹⁵⁷

Injustice cannot be categorized on less or more amounts, it's unfair and deprives the creditor of its principal wealth deposited with banks or state institutions.

We cannot print unlimited money.

An uncontrolled printing of currency may spell disaster for the economy for it may lead to inflation and in extreme cases to [hyperinflation](#). A classic example of an uncontrolled printing of money is Zimbabwe which resorted to the same solution and with the passage of time its local currency is not even worth the paper on which it is printed.

The currency printing may be pegged with GDP, Gold, Oil, US\$/ money basket etc, etc as determined by experts to keep under control.

Printing a large number of notes increases inflation.

Analyst Sana Taufiq says that printing more notes means more money is coming to people. This is increasing their purchasing power and if they spend more money, it increases the prices of things as well as the inflation rate. She points out that interest rates are raised to control such inflation.

Printing in Financial Trouble

Most of the major economies around the world now use fiat currencies. Since they're not linked to any physical asset, governments have the freedom to print additional money in times of financial trouble. While this provides greater flexibility to address challenges, it also creates the opportunity to overspend.

Decrease in Worth & Purchasing Power

With more of the currency in circulation, each unit is worth less. While modest amounts of inflation are relatively harmless, uncontrolled devaluation can dramatically erode the purchasing power of consumers. If inflation reaches 10% annually, each individual's savings, assuming it doesn't accrue substantial interest,

¹⁵⁴ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

¹⁵⁵ <https://www.islamawakened.com/quran/2/279/default.htm>

¹⁵⁶ <https://en.wikipedia.org/wiki/Ijtihad>

¹⁵⁷ <https://www.islamawakened.com/quran/2/188/default.htm>

is worth 10% less than it was the previous year. Naturally, it becomes harder to maintain the same standard of living.

For this reason, central banks in developed countries usually try to keep inflation under control by indirectly taking money out of circulation when the currency loses too much value.¹⁵⁸

Indexation

[Indexation](#) is a system of economic control in which certain variables (such as wages and interest) are tied to a cost-of-living index so that both rise or fall at the same rate and the detrimental effect of inflation is theoretically eliminated.¹⁵⁹ Indexation requires identifying a price index and determining whether linking the value to the price index will accomplish the organization's goals. Indexation is most commonly used with wages in a high inflation environment. "Indexation" is also known as "Escalating".¹⁶⁰

The [indexation of government debt](#)¹⁶¹ to inflation is related to transferring the inflation risk from depositors to the government in an attempt to reduce inflation. Some governments have ultimately subjected their short-term debt instruments to deindexation so their central bank could regain control of short-term interest rates from a monetary policy standpoint and be in a better position to fight inflation. Another objective of indexation, for certain governments with already low inflation rate, is to reduce their borrowing cost by paying lower interest rates to depositors in exchange for assuming inflation risk. Both the UK and the US have issued inflation indexed government bonds to reduce their borrowing costs. When governments such as the UK and the US issue both inflation indexed bonds and regular nominal bonds, it gives them precise information on inflation expectation by observing the difference in yields between the two types of bonds. [Robert Shiller](#) has done extensive research on all mentioned aspects of government bond indexation.

The [indexation of currency](#)¹⁶² or exchange rate often refers to a country pegging its currency to the US dollar. In other words, such a country's central bank would buy or sell dollars so as to maintain a stable exchange rate with the dollar. Such a policy has been adopted by several Asian countries including China.

Various assets and values might be subject to indexation. Some countries might apply indexation on certain types of tax payments at varying periods. For instance, it might be applied to debt mutual funds that have been held for a certain minimum amount of time before being sold. In such a case, the original purchase price is adjusted for inflation when calculating long-term capital gains that will be taxed when those debt funds are sold. This can lead to a discount on taxes after the transaction for the seller of such assets.

Indexation might also be applied to pension funds to reassure participants that their assets will keep pace with inflation. That way, the value of those assets do not erode as time passes.

¹⁵⁸ <https://www.investopedia.com/articles/investing/092413/how-currency-works.asp>

¹⁵⁹ <https://www.merriam-webster.com/dictionary/indexation>

¹⁶⁰ <https://www.investopedia.com/terms/i/indexation.asp>

¹⁶¹ <https://en.wikipedia.org/wiki/Indexation#Debt>

¹⁶² <https://en.wikipedia.org/wiki/Indexation#Currency>

Application of Indexation of Inflation with savings/ deposits will remove Riba to any party, an Indexation calculator can be prepared by experts.

Compensation for Inflation

Compensation to the depositor or lenders for the erosion of the value of the funds from inflation and how to provide that compensation, has also been called a problem "vexing" Islamic scholars,¹⁶³ since finance for businesses will not be forthcoming if a lender loses money by lending. Volume 1 of Investment Laws in Muslim Countries Handbook, states "**an interest rate that did not exceed the rate of inflation was not riba according to classical Islamic jurists.**"¹⁶⁴ Suggestions to solve the problem include indexing loans or denominating loans "in terms of a commodity" such as gold, and doing further research to find an answer.¹⁶⁵

Different options were discussed in FSC [Federal Shariat Court] proceedings 1999, like linking currency with gold, Dollar etc and then the issue was left to Islamic Ideology Council and further studies, it is not known whether such studies were carried out or not. The FSC In 28 April 2022 judgment totally bypassed this issue considering it to be beyond its jurisdiction.

However, contemporary jurists have different opinions on the justification of debt indexation. A section of scholars including Rafiq al-Masri, Sultan Abu Ali, MA Manan, Ziauddin Ahmad, Umar Zubair and Gul Muhammad consider indexation to be permissible. They do not see anything in it that contradicts the Shariah laws, rather, they declare it to be in accordance with the principles of justice described in the Qur'an and Sunnah. While Mufti Taqi Usmani and some others differ, Usmani Sahib recommended further studies and research in his FSC judgment of 1999¹⁶⁶.

Indexation & Shariat Appellate Bench of Pakistan 1999 Judgment¹⁶⁷

The [Shariat Appellate Bench](#)^{168, 169} of Pakistan's judgment in 1999 case [declined](#)¹⁷⁰ to accept [indexation of currency](#)¹⁷¹ because it is a normal part of any economic system, however in case of Hyperinflation [[defined as 50% or more per month](#)¹⁷²], the Court accepted the right of creditor for compensation of heavy loss. Ignoring lesser loss i.e less than 50% pm i.e 49% , 40, 30 , 20 , 10% per month is not loss? Riba/ interest, small or compound is forbidden, Haram, then loss to Principal amount of creditor small or big is also forbidden, is Haraam. If inflation is part of any

¹⁶³ Khan, *What Is Wrong with Islamic Economics?*, 2013: p. 204

¹⁶⁴ International Business Publications, Inc. (2015). [Investment Laws in Muslim Countries Handbook Volume 1 Investment Laws ...](#) Lulu.com. p. 23. ISBN 978-1-4330-2397-2. Retrieved 20 October 2016.

¹⁶⁵ Usmani, *Historic Judgment on Interest, 1999*: para 188, Khan, *What Is Wrong with Islamic Economics?*, 2013: p.204-6

¹⁶⁶ <https://salaamone.com/fsc>

¹⁶⁷ Federal Shariat Court Judgements on Riba 1999 & 2022 & Inflation Indexation Ignored

ربا پر وفاقی شرعی عدالت کے فیصلے اور افراط زر کا ظلم حل طلب \ <https://salaamone.com/fsc>

¹⁶⁸ <https://courtingthelaw.com/2015/09/21/commentary/the-riba-case-and-the-interest-based-financial-system-of-pakistan/>

¹⁶⁹ <https://islamiclaw.blog/2015/04/27/case-study-the-shariat-appellate-bench-of-pakistan-and-the-review-of-the-federal-shariat-courts-riba-decision/>

¹⁷⁰ <http://giveupriba.com/fourteen-court-questions-on-sood/question-8/>

¹⁷¹ <https://en.wikipedia.org/wiki/Indexation#Currency>

¹⁷² <https://www.investopedia.com/terms/h/hyperinflation.asp>

financial system it must be addressed as Un-Islamic. This judgment is against Quran¹⁷³, because, Quran says:

6. .. for you is the **original sum of your wealth [Principal]**. Neither you shall commit injustice, nor injustice would be done to you ([Quran;2:279](#))¹⁷⁴
7. "Therefore, establish Balance in the society in absolute justice. And never belittle the Scale of Justice in the community and in all your transactions with your own 'Self' and with others" ([Quran;55:9](#))
8. Full measure and weight in a¹⁷⁵ll fairness. Do not defraud."([Qur'an;11:85](#)).
9. Consuming of the people's wealth unjustly is forbidden. ([4:161](#))
10. Don't take money illicitly. [\[Quran 2:188\]](#)¹⁷⁶

Injustice cannot be categorized on less or more amounts, it's unfair and deprives the creditor of its principal wealth deposited with banks or state institutions.

Federal Shariat Court declares interest-based banking system against Sharia 1999

The Federal Shariat Court (FSC) announced a verdict in a long-pending case on Riba (interest), declaring the prevailing interest-based banking system as against the Sharia and directed the government to facilitate all loans under an interest-free system.¹⁷⁷

In its long-awaited verdict, the court ruled that the federal government and provincial governments must amend relevant laws and issued directives that the country's banking system should be free of interest by December 2027.

The court observed that banks were receiving more than the loan amount when they fell under the category of usury. "Islamic banking system is risk-free and against exploitation," Justice Dr Syed Muhammad Anwar remarked.

Inflation and Indexation

This issue has been discussed in FSC proceedings, the word 'inflation' has been mentioned 24 times in the verdict. One of the proposals considered is that the loss in the capital value of the money should be shared by both creditor and lender in equal proportion. If the value of money has declined at a ratio of 5%, 2.5% should be paid by the debtor and the rest should be borne by the creditor, because inflation is a phenomenon beyond the control of either of them. Being a common sufferer, both should share it. [Is it fair, just or Zulm?]

Contemporary jurists have different opinions on the justification of debt indexation. A section of scholars including Rafiq al-Masri, Sultan Abu Ali, MA Manan, Ziauddin Ahmad, Umar Zubair and Gul Muhammad consider indexation to be permissible. They do not see anything in it that contradicts the Shariah laws, rather, they declare it to be in accordance with the principles of justice described in the Qur'an and

¹⁷³ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

¹⁷⁴ <https://www.islamawakened.com/quran/2/279/default.htm>

¹⁷⁵ <https://en.wikipedia.org/wiki/Ijtihad>

¹⁷⁶ <https://www.islamawakened.com/quran/2/188/default.htm>

¹⁷⁷ <https://www.dawn.com/news/1687237>

Sunnah.¹⁷⁸ While Mufti Taqi Usmani and some others differ, Usmani Sahib recommended further studies and research in his FSC judgment of 1999¹⁷⁹.

Read full [Text of the Historic Judgment](#)¹⁸⁰, ¹⁸¹ on Interest Given by the Supreme Court of Pakistan.¹⁸² Para 187 & 188 from this judgment are reproduced below:-

187. But we feel that this question needs a more thorough research which before its final decision in this Court should first be initiated by different study circles of the country, especially, by the Council of Islamic Ideology and the Commission for the Islamization of Economy. Many international seminars have been held to deliberate on this issue. The papers and resolutions of these seminars should be analyzed in depth.

188. On the other hand, having held that this question does neither justify interest nor provides a substitute for it in the banking transactions, **we do not have to resolve this issue in this case**, nor does the decision about the laws under challenge depend on it. **We, therefore, leave the question open for further study and research.**¹⁸³

Instead of leaving the question open, the FSC may order to use the term 'Indexation' or 'Compensation' (for Inflation) instead of Riba, till they find some other solution. It will at least save the innocent Muslims from perpetual guilt of perceived sin which they are not committing but harassed. Quran Commands in verses [2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#); [45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#) cannot be undermined due to inability to find the solutions.¹⁸⁴

Federal Shariat Court Judgement - 28 April 2022

[Reference:](#)

Judgment on Riba (Shariat Petition No.30-L of 1991 & All other 81 connected matters relating to Riba/Interest)¹⁸⁵ In this 385 page document. [<http://bit.ly/3EPLdmf>]¹⁸⁶ The words 'Inflation' and 'Indexation' has been mentioned just 7 times each, the issue has been discussed in 3 pages and brushed aside by declaration: **"This is outside the scope of the jurisdiction of this Court at the moment"**.

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- a. In which manner the inflation and indexation is to be tackled in the country, (Reference para 15 of the Remand Order);

¹⁷⁸ http://giveupriba.com/fourteen_court_questions_on_sood/question-8/

¹⁷⁹ <https://salaamone.com/fsc>

¹⁸⁰ http://www.albalagh.net/Islamic_economics/riba_judgement.shtml

¹⁸¹ http://www.albalagh.net/Islamic_economics/riba_judgement.shtml#Interest%20and%20Indexation

¹⁸² https://www.meezanbank.com/wp-content/themes/mbl/downloads/riba_judgement.pdf

¹⁸³ http://www.albalagh.net/Islamic_economics/riba_judgement.shtml#Interest%20and%20Indexation

¹⁸⁴ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#)); [45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

¹⁸⁵ <https://www.federalshariatcourt.gov.pk/wp-content/uploads/2020/03/Orders/Fumigation%20of%20the%20Office%2001.04.2020.pdf> / <http://bit.ly/3EPLdmf>

¹⁸⁶ <https://www.federalshariatcourt.gov.pk/en/leading-judgments/>

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ix) Whether mechanism of indexation and inflation should be adopted by the banking sector in Pakistan to balance the inherent imbalance in the economic transactions.

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Determination Point-IX

Whether mechanism of indexation and inflation should be adopted by the banking sector in Pakistan to balance the inherent imbalance in the economic transactions.

110. Paragraph-15 of the Remand Order is related to the fiscal question relating to inflation and indexation, which were discussed before the Shariat Appellate Bench and the Shariat Appellate Bench made certain observation upon them, which are present at page-734 of the judgment and same are reproduced by the Hon'ble Shariat Appellate Bench of the Supreme Court in para-15 of the review order.

a) Whether a loan should be indexed or not or the debtor must pay an additional amount equal to the increase in the rate of inflation during the period of borrowing.

b) Similarly, whether the loan should be tied up with gold or with any other hard currency like dollars, etc.

These questions and many other similar questions are discussed academically whenever the question of inflation or indexation comes under discussion.

111. Hence, we are of the considered view that at the moment these questions do not come under the precinct of jurisdiction of this Court because presently there does not exist any law which contains this issue therefore discussing this issue is irrelevant and outside the scope of this court. It is a matter to be decided by the relevant authorities like the regulator of the banking sector, i.e., State Bank of Pakistan or the Government or the Parliament. So far as our jurisdiction is concerned, it is subject to Article 203-D of the Constitution to review and decide the repugnancy of any law in relation to injunctions of Islam as contained in Quran and Sunnah. At present, there does not exist any law, regulation or SRO of State Bank, etc., which deals with the question of **indexation**; therefore, we consciously refrain to answer the question of indexation and all the related questions in this regard, which are connected to the effect of inflation of money over the borrowed amount during the period of borrowing. This is outside the scope of the jurisdiction of this Court at the moment.

As mentioned above the jurisdiction of FSC is subject to Article 203-D of the Constitution to review and decide the repugnancy of any law in relation to injunctions of Islam as contained in Quran and Sunnah. It is clear from the

following that Commands of Allah given in Quran are being violated by not providing justice to the creditor by not securing his principal capital from inflation through indexation hence it is very much within the jurisdictions of the honorable Federal Shariat Court to order appropriate measures against Zulm [see Quran verses 2:279, 18:27, 28, 55:9]¹⁸⁷

Quran Commands Ignored

Even if Inflation Indexation law does not exist, the FSC Court could have recommended the formulation of such law, procedure so that the Commandments of Allah as stipulated in Quran verses 2:279, 18:27, 28, 55:9 should be implemented and not disregarded. This judgment remains incomplete by not addressing the main issue.

فَإِنْ لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ ۗ وَإِنْ تُبْتِغُوا فَلَئِنَّكُمْ رُغُوسٌ أَمْوَالِكُمْ لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ ﴿٢٧٩﴾

1. **"And if you do not (give it up), then take notice of war from Allah and His Messenger. And if you agree to desist then for you is the Original sum of your wealth¹⁸⁸. Neither you shall commit injustice (zulm), nor injustice (zulm) would be done to you (Quran;2:279)¹⁸⁹,**
2. **No one can change His words, and you shall not find any other source beside it.(Quran;18:27)¹⁹⁰**
3. **Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused.(Quran;18:28)¹⁹¹**
4. **Therefore, establish Balance in the society in absolute justice. And never belittle the Scale of Justice in the community and in all your transactions with your own 'Self' and with others (Quran;55:9)**

Quran Commands remain supreme, no one can change it, it is evident from this:

Umar bin Al-Khattab stood up on the Minbar of the Messenger of Allah ﷺ and said, 'O people! Why do you exaggerate concerning the dowry given to women? The Messenger of Allah ﷺ and his Companions used to pay up to four hundred Dirhams for a dowry, or less than that. Had paying more for a dowry been a part of Taqwa or an honor, you would not have led them in this practice. Therefore, I do not want to hear about a man who pays more than four hundred Dirhams for a dowry.' He then went down the Minbar, but a woman from Quraysh said to him, 'O Leader of the Faithful! You prohibited people from paying more than four hundred Dirhams in a dowry for women?' He said, 'Yes.' She said, 'Have you not heard what Allah sent

¹⁸⁷ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9](#), [11:85](#), [2:188](#)); [45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

¹⁸⁸ Original Capital, is the real value, i.e A brick of 1 Kg Gold. 24 Karats, and brick of 1 Kg, 18 Karats Gold, though equal in weight but are not equal in value. Similarly Rs.100,000 returned after one year as Rs100,000 though equal in number is not equal in value, if there has been let's say 12% inflation in a year. It will only be equal to principal capital, if 12% loss in capital value due to inflation is added to make it equal to original principal value. It's simple not rocket science involved.

¹⁸⁹ <https://www.islamawakened.com/quran/2/279/default.htm> ,
[https://corpus.quran.com/qurandictionary.jsp?q=mwl#\(2:279:13\)](https://corpus.quran.com/qurandictionary.jsp?q=mwl#(2:279:13)) ,
<https://trueorators.com/quran-word-by-word/2/279>

¹⁹⁰ <https://www.islamawakened.com/quran/18/27/default.htm>

¹⁹¹ <https://www.islamawakened.com/quran/18/28/default.htm>

down in the Qur'an?' He said, 'Which part of it?' She said, 'Have you not heard Allah's statement: (وَأَتَيْتُمُ إِحْدَاهُنَّ قَنْطَارًا) And you have given one of them a *Qintar* (whole treasure for dower) [Quran 4:20]¹⁹² He said, 'O Allah! Forgive me...' He then went back and stood up on the Minbar saying, 'I had prohibited you from paying more than four hundred Dirhams in a dowry for women. So, let everyone pay what he likes from his money.'

The Honourable FSC, State Bank of Pakistan and the Parliament should resolve this matter, as best within their jurisdiction amicably rather than shifting responsibility.

What Is Real Saving /Capital

Real Saving [Real Capital] is how much money an individual or entity possesses after accounting for inflation and is sometimes called real saving / capital when referring to an individual's savings/ capital. Individuals often closely track their nominal vs. real saving /capital to have the best understanding of their purchasing power. [derived/modified from Real income definition]¹⁹³

Special Considerations for Investing to offset Inflation Effects

Many individuals and businesses invest a significant portion of their income in risk-free investment products and vehicles that match or exceed the economic inflation rate in order to mitigate the effects of inflation on their income. There are several risk-free investments that offer a return of approximately 2% or more [in USA]. These products include high yield savings accounts, money market accounts, certificates of deposit, Treasuries, and Treasury Inflation-Protected Securities (TIPS). Beyond that, investors may be willing to take on slightly more risk in order to keep their income yielding at or above inflation. For more sophisticated investors, municipal and corporate bonds are often used for obtaining 2%+ returns, beating inflation, and helping income to grow steadily over time.

When inflation occurs, a consumer must pay more for a fixed quantity of goods or services. Theoretically, this is why savvy investors seek to hold a significant portion of their income in investments with a 2%+ return. In that case, with inflation at 2% they would be able to maintain their purchasing power at a constant level.

For instance, assume a consumer spends approximately \$100 per month for a total of \$1,200 per year on food during a year when inflation is rising at an annual rate of 1%. Also, assume that the consumer saw no change in their wages.

A consumer with a \$60,000 annual nominal salary would have lost approximately \$595 of purchasing power over a year, or one cent per dollar spent, due to the effects of inflation. In terms of their food purchases, this means the same quantity of food cost them \$12 more during the current year compared to the past year. Alternatively, if this consumer isn't following a strict food budget, they will likely spend approximately \$101 per month or \$1,212 to get the same amount of food they would have bought in the previous year.¹⁹⁴

¹⁹² <https://trueorators.com/quran-tafseer/4/20>

¹⁹³ <https://www.investopedia.com/terms/r/realincome.asp>

¹⁹⁴ <https://www.investopedia.com/terms/r/realincome.asp>

Why Interest rates change?

There are many reasons for change in interest rates, but two key factors are the supply of money and inflation. The interplay between borrowers' demand for money and lenders' supply of money also has an impact on interest rates. At the micro level, if a bank experiences greater demand for its loans relative to its supply of deposits, then its interest rates tend to rise. In order to lend additional money, the bank must incur additional costs—either from borrowing money from another bank, raising capital, or increasing the rate it must pay depositors to attract additional deposits. Ultimately, the bank passes these costs on to borrowers in the form of higher interest rates.¹⁹⁵

Interest rates also can vary because of inflation. When determining the interest rate to charge borrowers, lenders factor in their estimates of what future price levels will be in order to ensure lenders will profit from the loan. High inflation, or anticipated inflation, will result in higher interest rates.

The Fisher Equation

The inflation factor was considered being a commonsense matter, however it was found that there is proper rule on this subject, called "[The Fisher Equation](#)"

The Fisher equation provides the link between nominal and real interest rates. To convert from nominal interest rates to real interest rates, we use the following formula:

Real interest rate \approx nominal interest rate – inflation rate.¹⁹⁶

To find the real interest rate, we take the nominal interest rate and subtract the inflation rate. For example, if a loan has a 12 percent interest rate and the inflation rate is 8 percent, then the real return on that loan is 4 percent.

In general, as interest rates are reduced, more people are able to borrow more money. The result is that consumers have more money to spend. This causes the economy to grow and inflation to increase. The opposite holds true for rising interest rates.

- There is a general tendency for interest rates and the rate of inflation to have an inverse relationship.
- In the U.S, the Federal Reserve is responsible for implementing the country's monetary policy, including setting the federal funds rate which influences the interest rates banks charge borrowers.
- In general, when interest rates are low, the economy grows and inflation increases.
- Conversely, when interest rates are high, the economy slows and inflation decreases.

¹⁹⁵ <https://www.simple.com/blog/why-do-interest-rates-change>

¹⁹⁶ https://saylordotorg.github.io/text_macro-economics-theory-through-applications/s20-14-the-fisher-equation-nominal-an.html

Pakistan-Excessive Currency Printing

The Central Bank website in Pakistan provides [information on the currency](#) figures in circulation in the last eight financial years.¹⁹⁷ According to him, the number of currencies in circulation at the end of FY 2012 was 1.73 trillion which increased to 1.93 trillion the following year [11.56% increase in currency,, but GDP growth up by only 0.89%].¹⁹⁸

At the end of fiscal year 2014, the number rose to 2.17 trillion [Currency printed +12.43%, GDP growth increased only 0.28%], then the following year the number reached 2.55 trillion. In FY16, the number of currencies in circulation increased even further and closed at 3.33 trillion. The following year it increased to 3.91 trillion. At the end of FY 2018, the number reached 4.38 trillion and the following year saw huge growth in printing, closing at a high of 4.95 trillion.[+13%, but GDP growth change -4.5%].

The last financial year 2020 saw an unusual increase in its number when it closed at the level of 6.14 trillion. According to Farid Alam, Head of Research, AKD Securities, the growth in the last financial year was the highest. He said that the present government has increased (printing) twice as compared to the previous government. He said that the government is printing more currency...¹⁹⁹

Pakistan - GDP Factor

Another important factor that affects the amount of money to be printed is Gross Domestic Product. The government prints money of the same value, as the value it has gained into their economy or in a simple way GDP. Increase in GDP directly increases the process of printing more money, of the same value. The point worth noting is, the government gives people the same amount of physical currency as a medium of exchange as the value it is getting in return from GDP and inflation. Pakistan's last 10 years GDP growth rates reflects ; 2019 GDP 0.99%, decrease -4.85% to the previous year, the increase to the previous year remains below 1% from 2012 to 2019.²⁰⁰ [GDP growth varied](#) between 3.5% to 5.84% from 2012 to 2018. How can currency note printing at much higher rate than GDP growth be justified? It would cause inflation.

¹⁹⁷<https://www.mbs.news/2020/10/know-about-why-pakistan-government-is-printing-more-currency-notes-and-its-affect-on-economy-why-is-pakistan-government-printing-so-many-notes.html>

¹⁹⁸ <https://www.macrotrends.net/countries/PAK/pakistan/gdp-growth-rate>

¹⁹⁹<https://www.mbs.news/2020/10/know-about-why-pakistan-government-is-printing-more-currency-notes-and-its-affect-on-economy-why-is-pakistan-government-printing-so-many-notes.html>

²⁰⁰ <https://www.macrotrends.net/countries/PAK/pakistan/gdp-growth-rate>

PART-3

Pakistan: Impact of Currency Printing and Inflation

Now the effects of inflation and excessive money printing may be applied to the prevalent two government schemes, in one case the government is getting investments from citizens and paying them “profit” and in the second case the government is providing loans to citizens for house building and charging “interest” from them. Since people are more familiar with these schemes, it will facilitate understanding.

Case Study-1 National Savings Schemes [NSC]

Let's make an effort to understand the alleged Riba being paid to the depositors at Government [NSC Schemes](#)²⁰¹ in relation to currency printing.

In 8 years 2012 to 2020, Currency printed: 4.41 Tr, [(6.14-1.73)=4.41 Tr], increase of notes **255%** , average annual increase of currency notes in circulation is **31.8%** , but the government is paying just **10 to 12%** to National Savings Pensioners, Shuhadaa and Bahbood Depositors and 7 to 9% in other schemes, the rates keep on changing up & down.

In real terms, these profit rates are negative profits (loss). The depositors are losing the value of their deposits at the rate of around 20% per annum even after receiving the meager profit!

If the Government pays more than 31.8% profit per annum or 2.65% per month, i.e for deposit of one lakh, profit should be Rs2265 pm not Rs.940 pm as of now [30 March 2021].

Is it fair, is it justice? Is it Riba?

Quran says:

11., you are entitled to your principal; do no wrong, and no wrong will be done to you. (Quran;2:279), No one can change His words, and you shall not find any other source beside it.(Quran;18:27) Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused.(Quran;18:28)²⁰²
12. “Therefore, establish Balance in the society in absolute justice. And never belittle the Scale of Justice in the community and in all your transactions with your own 'Self' and with others” (Quran;55:9)
13. Full measure and weight in a²⁰³Il fairness. Do not defraud.”(Qur'an;11:85).
14. Consuming of the people's wealth unjustly is forbidden. (4:161)
15. Don't take money illicitly. [Quran 2:188]²⁰⁴

²⁰¹ <http://savings.gov.pk/product-rates/>

²⁰² <https://www.islamawakened.com/quran/2/279/default.htm>

²⁰³ <https://en.wikipedia.org/wiki/Ijtihad>

²⁰⁴ <https://www.islamawakened.com/quran/2/188/default.htm>

Quran Commands ignored/disregarded by State Bank's monetary System on Riba: (2:279, 18:27, 28, 55:9,11:85, 2:188);45:7-8, 38:29, 2:159, 49:6, 62:5, 8:22, & 2:18, 16:76)

Net Increase in Inflation

Here is another angle, the increase in overall inflation:

The sum total of [inflation has risen](#) from 2012 to 2020 [8 years] as 60%²⁰⁵

Annual inflation rate “as compared to previous year” was 11% in 2012 and 10.74% in 2020 with ups and down in between. Net total increase in inflation is 60% in 8 years.

[Annual increase to previous year 7.3% in 2013 means that $11+7.3=18.3\%$ from 2012 to end 2013]

The value of Rs.100,000 in 2012 is worth 40,000 in 2020. Rs 60,000 eroded by inflation. But National Savings Schemes paid about 9 to 12% during this period, hence total profit paid would be around 80% [average annual 10%]. Out of it 60% is the lost money of the depositor so net total profit paid in 8 years to the depositor is 20% or 2.5% per annum. The Zakah is paid (voluntarily) by the depositor at 2.5% , hence net profit to the depositor is Zero. Where is Riba? Indexation is the answer.

Quran says:

1. .. for you is the original sum of your wealth (Principal). Neither you shall commit injustice, nor injustice would be done to you (Quran;2:279)²⁰⁶
2. Full measure and weight in all²⁰⁷ fairness. Do not defraud.”(Qur’an;11:85).
3. Consuming of the people's wealth unjustly is forbidden. (4:161)
4. Don't take money illicitly. [Quran 2:188]²⁰⁸

If the same analysis and calculations are applied to the normal bank deposits, which provide lesser profit than the NSS schemes, the depositors are at loss. So in the [paper currency](#)²⁰⁹ era where corrupt , inefficient governments print currency notes at large scale eroding the value of deposits, how can the Riba definition be applied? Riba, prohibition was and even now can be applicable to precious metal coins, with no option of manipulation/ excessive currency printing, or where good governments do not print excess money and keep inflation at zero level.

Application of Indexation of Inflation with savings/ deposits will remove Riba to either party, an Indexation calculator/ software/ app can be prepared by experts.

Anyone who denies these realities neither enjoins justice nor uses his intellect, such people should know that Quran says:

“ The worst of creations in the Sight of Allah are those deaf, those dumb who do not use their intellect [Quran 8:22, also 2:18), 16:76]²¹⁰

“Allah gives you another example of two men. One of them is he whose faculties of speech and mind are totally disabled. He cannot do anything of his own accord and he is totally dependent on his care-provider, unable to bring forth any good in any way. Can such a one be considered equal of the man who is fit, enjoins justice and

²⁰⁵ <https://www.statista.com/statistics/383760/inflation-rate-in-pakistan/>

²⁰⁶ <https://www.islamawakened.com/quran/2/279/default.htm>

²⁰⁷ <https://en.wikipedia.org/wiki/Ijtihad>

²⁰⁸ <https://www.islamawakened.com/quran/2/188/default.htm>

²⁰⁹ https://www.investopedia.com/terms/p/paper_money.asp

²¹⁰ <https://www.islamawakened.com/quran/8/22/default.htm>

himself walks the Straight Path? (Allah expects you to use your faculties to the best of your abilities) "[Quran; 16:76]"²¹¹

Case Study-2 House Building Finance Corporation [HBFC] Loans

Let's take the other example of a loan from House Building Finance Corporation ([HBFC](#)), which provides loans at interest rate of 12 to 13% per annum²¹² for 3 to 20 years and charge 7.7% Kibor plus 2.0 , 2.5 or 3.5%.

Calculations for a Hypothetical case in Ghar Pakistan Plus Scheme - GPS PLUS, [The bank loans will be almost similar may add service charges / percentage]. The [HBFC website](#) has a loan [calculator](#) by feeding criteria of a person with monthly income of Rs.100,000 pm, age 40 years, loan period 20 years, following data is obtained:

1. Total Loan Amount :PKR **5,406,000**
2. Monthly Installment : PKR 45,000 , [540000 per year]
3. Tenure : 20 Years
4. **Total amount to be paid with interest in 20 years = 10,800,000**
5. **Rent 20 yrs(details below) 5,400000**
6. **HBFC payment in "Real Terms"= 5400000 [1.08-5.4=5.4 mn]**
7. Interest Charged: 5394,000 {10,800,000 - 5,406,000 = 5394,000}say almost equal to loan, 5.4 mn.
8. If annual inflation is 10% , in 20 years it will be up to 200%, so the real market value of a loan of 5,406,000 after 20 years will be **10,812,000**. **In 20 years the loan paid is 10,800,000** almost the same as the real market value of the loan after 20 years.
9. The property rent i.e 5 Marla / 125 SQ yrds is around Rs.25000 pm, which the owner is saving by living in a house or at renting it out. If we minus rent from monthly instalment of [450000-25000=20000] in "real term" the applicant is paying only Rs.20,000 to HBFC. The rental value will increase annually lets say 5% so after 5 years rent would be 31250, after ten years around 40,000 pm. So after 10 years the applicant is paying only 5000 pm to HBC [450000-40000=5000] in "**real terms**". After 3 more years , 13th year the rental value of property will surpass the monthly instalment of 45,000 pm. Hence for next 7 years out of 20 years the applicant is paying the instalment 450000 equal to the real rental value of property rather the rental value will cross the monthly instalment after 14th year. All the rent saved is advantageous to the applicant which may be more than half of the "interest" paid to HBC in 20 years. So in nutshell though the applicant paid **10,800,000 to HBC in 20 years, 50% of this amount is the rental value applicant**

²¹¹ <https://www.islamawakened.com/quran/16/76/default.htm>

²¹² <http://www.hbfc.com.pk/page/products>

would have saved / paid as rent if property was not under his possession. This is more credit to him [10800000/2=5400000] So actually in real terms applicant has paid HBC nothing extra but the loan amount of 5400000 in 20 years. WHERE IS RIBA?

10. The market value of property would have also increased manifolds, which is a benefit to the house owner. Writer is personally aware of a one kanal house which was worth 5 million, 15 years ago, but now it's worth 45 millions, an increase of 800% in market price. The increase may not be exactly the same in example above but its many folds.
11. The calculations above indicate that this housing loan is a total benefit to the applicant, there is no exploitation or oppression, rather this facility makes him owner of property with market value of many times than the original one. People should be encouraged to get the loans and own shelter / house. Anyone scaring them by calling it Riba is an ignorant dope, depriving the people from legitimate methods of owning a house to live honourable life.
12. If the inflation factor is not catered, then HBFC would have received only the loaned money Rs.5,406,000 in 20 years. What's the worth of that money for the person who seeks a loan for house building in year 2040? The cost of land, material and labour would have multiplied many folds in 20 years, hence that amount (5,406,000) is not sufficient at all. Is it fair?

Quran says:

16. "Therefore, establish Balance in the society in absolute justice. And never belittle the Scale of Justice in the community and in all your transactions with your own 'Self' and with others" ([Quran;55:9](#))
17. Full measure and weight in a²¹³Il fairness. Do not defraud."([Qur'an;11:85](#)).
18. Consuming of the people's wealth unjustly is forbidden. ([4:161](#))
19. I...., you are entitled to your principal; do no wrong, and no wrong will be done to you. (Quran;2:279), No one can change His words, and you shall not find any other source beside it.(Quran;18:27) Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused.(Quran;18:28)
20. Don't take money illicitly. [[Quran 2:188](#)]²¹⁴

Let's consider that a person gets a loan from the Bank on the terms, to pay the annual prevalent inflation plus some percentage as service charges. Is it fair to call it Riba? It requires pondering. However exorbitant interest charged over and above inflation and service charges is without any doubt Riba, forbidden being oppressive and exploitory. Where is Riba?

Riba Free Calculations

1. A= Loan Amount [Say Rs.100,000]
2. B= Number of years of loans payment. [Say 20 years]
3. C=KIBOR - Average Interest rate for 20 years
4. D=Inflation- Average inflation rate for 20 years.

²¹³ <https://en.wikipedia.org/wiki/Ijtihad>

²¹⁴ <https://www.islamawakened.com/quran/2/188/default.htm>

5. $E = \text{Net Average Interest} = C - D$, if its zero, then consider as 1 for calculations. If C is more than D, exorbitantly (to be determined by experts) then the difference (E) is interest, which is not desirable *Makrooh*, the Islamic Banking system will resolve this issue. However those who want to be extra careful can give this extra to charity if receiving but if paying as a debtor, will tolerate as an evil necessity beyond their control, to be managed by Islamic State.
6. $F = \text{Service Charges} = 2.5\%$ [or whatever is fairly laid down]

The Essence

1. The bottom line is to insist, demand the government to improve the financial management and formulate policies to keep the Interest rates (KIBOR) at Zero level or equal to Inflation. If [26 Countries](#) are keeping interest rates at Zero level and 29 at less than 1%, why can't Islamic Republic of Pakistan do it?
2. 1.5 Billion Muslims should not be kept hostage to the wishes and selfish desires of some ignorants who exploit their faithfulness by keeping them in a perpetual state of delusive sin and guilt.
3. The scholar, if they seriously want to address the issue, they should demand and strive to attain Zero interest rates or equal to inflation, rather than wasting time in sloganing and running around in courts.
4. Those who still are in doubt can subtract inflation from the profit they receive on their investments, this extra amount if any, can be given to charity/sadaqah. Voluntary Indexation of Inflation. [Allah knows the best]

Anyone may calculate for various options on this basis.

Quran on Riba & Justice

1. Do not consume Riba, doubled and multiplied ([Quran;3:130](#))
2. Consuming of the people's wealth unjustly is forbidden. ([4:161](#))
3. Riba to increase within the wealth ([40:39](#))
4. Riba is Satanic, forbidden & great sin ([Quran;2:275-2:280](#))
5. Riba, war against Allah and Messenger"([Qur'an;2:279](#))
6., you are entitled to your principal; do no wrong, and no wrong will be done to you. ([Quran;2:279](#)), No one can change His words, and you shall not find any other source beside it. ([Quran;18:27](#)) Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused. ([Quran;18:28](#))
7. Full measure and weight in a²¹⁵ll fairness. Do not defraud."([Qur'an;11:85](#)).
8. Don't take money illicitly. [[Quran 2:188](#)]²¹⁶

Anyone who denies these realities neither *enjoins justice* nor uses his intellect, such people should know that Quran says:

²¹⁵ <https://en.wikipedia.org/wiki/Ijtihad>

²¹⁶ <https://www.islamawakened.com/quran/2/188/default.htm> / Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

“ The worst of creations in the Sight of Allah are those deaf, those dumb who do not use their intellect [Quran 8:22, also 2:18), 16:76]²¹⁷

“Allah gives you another example of two men. One of them is he whose faculties of speech and mind are totally disabled. He cannot do anything of his own accord and he is totally dependent on his care-provider, unable to bring forth any good in any way. Can such a one be considered equal of the man who is fit, enjoins justice and himself walks the Straight Path? (Allah expects you to use your faculties to the best of your abilities)”[Quran; 16:76]²¹⁸

Why are Heavy Loans Written Off?

The influential powerful elite get loans worth billions and then get it written off. During the last 30 years, hundreds of private companies have got their bank loans –exceeding Rs50 million – waived while only in the last three years of the incumbent government, banks have [written off loans](#) of more than Rs280 billion.²¹⁹

Quran²²⁰ says:

1. Consuming of the people's wealth unjustly is forbidden. (Quran;4:161)
2. Don't take money illicitly. [\[Quran 2:188\]](#)²²¹
3. Riba to increase within the wealth (40:39)
4. Do not consume Riba, doubled and multiplied (Quran;3:130)
5. Riba is Satanic, forbidden & great sin (Quran;2:275-2:280)
6. Injustice forbidden”(Qur'an;2:279)
7. Full measure and weight in a²²²ll fairness. Do not defraud.”(Qur'an;11:85).

Is it fair? Is it not plundering? Is it not Riba?

But no one speaks about this practice with the same zeal, silent collaboration. Word “Riba”is used as a popular slogan to gain political advantage and show that we are very pious Muslims while others are sinners destined for hell. Only Allah knows, who goes to hell or paradise.

Intellect & Worst of Creations

May some wise experts [Molana Sahib or some economist] explain it further after carrying out thorough study of the modern financial system, which provides an option to reach Zero% interest rate to 26 countries [Riba free] and less than 1% interest rate to 29 countries [Total: 55].

Muslims scholars have to use intellect to apply the principles outlined by Quran 1400 years in present era:

“ The worst of creations in the Sight of Allah are those deaf, those dumb who do not use their intellect [Quran 8:22, also 2:18), 16:76]²²³

²¹⁷ <https://www.islamawakened.com/quran/8/22/default.htm>

²¹⁸ <https://www.islamawakened.com/quran/16/76/default.htm>

²¹⁹ <https://tribune.com.pk/story/1147449/three-years-pml-n-waives-off-rs280b-loans>

²²⁰ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: (2:279, 18:27, 28, 55:9,11:85, 2:188);45:7-8, 38:29, 2:159, 49:6, 62:5, 8:22, & 2:18, 16:76)

²²¹ <https://www.islamawakened.com/quran/2/188/default.htm>

²²² <https://en.wikipedia.org/wiki/Ijtihad>

²²³ <https://www.islamawakened.com/quran/8/22/default.htm>

“Allah gives you another example of two men. One of them is he whose faculties of speech and mind are totally disabled. He cannot do anything of his own accord and he is totally dependent on his care-provider, unable to bring forth any good in any way. Can such a one be considered equal of the man who is fit, enjoins justice and himself walks the Straight Path? (Allah expects you to use your faculties to the best of your abilities)”[Quran; 16:76]²²⁴

It's not easy matter to issue Fatwa without going into details, which is violation of Quran:

...., you are entitled to your principal; do no wrong, and no wrong will be done to you. (Quran;2:279), No one can change His words, and you shall not find any other source beside it. (Quran;18:27) Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused. (Quran;18:28)

O my people! Give full measure and weight in all fairness. Do not defraud people of their goods and do not spread mischief in the land.”(Qur’an;11:85).

53 Kafir (infidel) Countries: Riba Free

There are 55 countries with lower inflation & Interest rates, only 2 are Muslims.

The developed countries generally have lower inflation and lower interest rates, some have zero rates. However there are others also.²²⁵ If the Kafirs [infidels] can achieve Riba free economies, within the prevalent financial and banking system why can't the Muslims?

Countries with Zero Interest Rates:

There are 26 countries with Zero Interest rates²²⁶, in March 2021²²⁷, which include; Austria, Belgium, Bulgaria, Cyprus, Estonia, Euro Area, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden.

There are 29 countries with less than % interest rate,²²⁸ which include: United States, Australia, Israel, Poland, United Kingdom, Serbia, Hong Kong, Costa Rica, Iceland, Paraguay, Cambodia, Hungary, Albania, Chile, Jamaica, Macau, Oman, South Korea, Thailand, Singapore, Canada, Cape Verde, Czech Republic, Fiji, New Caledonia, New Zealand, Peru. Only two oil producing Muslim countries in this list: Bahrain, Saudi Arabia

Negative interest rate

There are many countries that have a negative interest rate. The countries in the eurozone currently have an interest rate of zero. The country with the lowest

²²⁴ <https://www.islamawakened.com/quran/16/76/default.htm>

²²⁵ <https://www.statista.com/statistics/268190/countries-with-the-lowest-inflation-rate/>

²²⁶ <https://tradingeconomics.com/country-list/interest-rate>

²²⁷ <https://tradingeconomics.com/country-list/interest-rate>

²²⁸ <https://tradingeconomics.com/country-list/interest-rate>

interest rate after the Eurozone's 0% rate is the United Kingdom, at 0.1%,¹¹ followed by the U.S. at 0.25%.

The 5 Countries With the Lowest Interest Rates are [Switzerland](#) , . [Denmark](#), [Japan](#) , . [Sweden](#), . [Spain](#)²²⁹. The 20 countries with the [lowest inflation rate](#) in 2020²³⁰ Interest rates in the world²³¹

PART-4

Riba Free Pakistan

If such a large number of countries [55] can keep the interest rates at Zero or below 1%, why can't Pakistan?

Instead of making hue and cry we need to analyse the reasons for our failure, the self evident are:

1. Incompetence,
2. Financial mismanagement
3. Corruption

Instead of running around in courts and slongering, people must make concentrated efforts to address the real problems to achieve Zero interest rate and control inflation.

The critical examination of the following two case studies above:

- [Case Study-1 National Savings Schemes \[NSC \]](#)
- [Case Study-2 House Building Finance Corporation \[HBFC\] Loans](#)
- [The Fisher Equation](#), is not known to our scholars and financial experts, must study, apply and discover the facts.

Though apparently it appears that interest is being paid, following the command of Quran, use of intellect for critical analysis and statistics reveal the opposite.

Its evident that none of following Quranic injunctions on Riba and Justice are being blatantly violated, rather there is justice and fairness in prevalent system, strict adherence to other Sharia prohibitions in business/ transactions can make the [Islamic Banking and Finance](#),²³² a success:

1. [Do not consume Riba, doubled and multiplied \(Quran;3:130\)](#)
2. [Consuming of the people's wealth unjustly is forbidden. \(4:161\)](#)
3. [Riba to increase within the wealth \(40:39\)](#)
4. Riba is Satanic, forbidden & great sin ([Quran;2:275-2:280](#))

²²⁹

<https://www.investopedia.com/articles/personal-finance/051415/5-countries-lowest-interest-rates.asp>

²³⁰ <https://www.statista.com/statistics/268190/countries-with-the-lowest-inflation-rate/>

²³¹ <https://data.worldbank.org/indicator/FR.INR.RINR>

²³² https://en.wikipedia.org/wiki/Islamic_banking_and_finance

5. Injustice forbidden”(Qur’an;2:279)
6. Full measure and weight in a²³³ fairness. Do not defraud.”(Qur’an;11:85).
7. Don't take money illicitly. [[Quran 2:188](#)]²³⁴

Protecting the Value of Money

There are arguments against indexation, but the question remains: how can we protect the value of money over time against fluctuations in prices, which is a fact of life and which at times is also desirable? The question will keep on nagging the creditors. The fact is that if a satisfactory solution to this problem is not found then the creditors will shy away from lending money on the basis of qard-e-hasan, while in an Islamic society the system should be such as to encourage people to lend money as qard-e-hasan.

Pak Dinar

One suggestion found to be interesting; That the government may float a new currency (virtual not printed) only to be used as reference in investments / credit / debit calculations voluntarily by individuals and parties. (or bond or certificates option is also there for government National Saving Schemes) under a new nomenclature, say, Pakistani Dinar²³⁵. The value of the Pak Dinar should be equal to a basket of commodities. The price of these commodities should be announced everyday on the basis of the market price of these commodities.

Those who want to hedge themselves against price fluctuations should deal in Pak dinar in contracts/ agreements. Thus, loans, salaries, wages, contracts, etc, can be denominated in Pak Dinar or Pak Rs. While borrowing, the debtor with mutual agreement with the creditor can accept Pak Dinars and return the same number of Pak dinars on the maturity date [The practice is already followed by some people to keep gold or US \$ as reference] . There should be one single rate of the Pak dinar for buying as well as for selling. It will also take care of speculation in this currency. Pak Dinar will not replace Pak Rs, nor will substitute in normal, existing practice, (Pak Dinar will not be printed, it is just for calculations).

The proposal has the following merits:

1. It is covered by the Shari'ah rules. There is no excess in borrowing or selling. The loans are taken in Pak Dinars and returned in the same currency.
2. It is equally applicable both in times of inflation and deflation. So it does justice to all irrespective of the trend of the general price level.
3. It is applicable to all such contracts which mature over time, such as wages, salaries, contracts for construction or supplies, etc. It provides protection to everyone and not to wealthy people only.
4. It is easy to use. The government announces daily rates for foreign currencies. It can do so for Pak Dinar as well. Since the worth of Pak Dinar is calculated in Pak Rs, on a daily basis, there will be no problem with its liquidity.

²³³ <https://en.wikipedia.org/wiki/Ijtihad>

²³⁴ <https://www.islamawakened.com/quran/2/188/default.htm>, Quran Commands ignored/disregarded by State Bank's monetary System on Riba: (2:279, 18:27, 28, 55:9,11:85, 2:188);45:7-8, 38:29, 2:159, 49:6, 62:5, 8:22, & 2:18, 16:76)

²³⁵ <https://islamicmarkets.com/education/indexation-of-loans>

5. There will be one rate for buying and selling, therefore, the problems of speculation and earning commission by sale and purchase of Pak dinars will not arise. [Source: [Elimination of Riba](#), Khurshid Ahmad, Khalid Rahman and Zahed A. Modified.]

Fatwa -Jobs in Banking & Sector Haraam due to Riba

Working in a bank is forbidden because according to the scholars [Riba](#)²³⁶ (usurious) business is involved, - there are many *fatwas* on this subject, from Deoband and other famous scholars.²³⁷ Here is one such *Fatwa* from renowned scholar's "[Islam Q&A Website](#)":²³⁸

It is not permissible to work in riba-based banks at all, because that involves consuming riba, or writing it down, or witnessing it, or helping those who do that.

The major scholars have issued fatwas stating that working in riba-based banks is *haraam*, even if the job does not involve dealing with *riba* as such, e.g. guards, cleaners and other services. We will quote to you some of their fatwas.

Fataawa al-Lajnah al-Daa'imah, 15/41:

It is not permissible for a Muslim to work in a bank that deals with *riba*, even if the work that the Muslim does has nothing to do with *riba*, because he is giving the employees who do work with *riba* with what they need and he is helping them with their calculation of interest. Allaah says (interpretation of the meaning):

*"but do not help one another in sin and transgression [al-Maa'idah 5:2]"*²³⁹

The Standing Committee (15/38) was asked: what is the ruling on working in the existing banks?

They replied:

Most of the transactions that are done nowadays involve *riba*, which is *haraam* according to the Qur'an and Sunnah and the consensus of the ummah. The Prophet ﷺ ruled that:

*whoever helps the one who consumes riba or pays it by writing it down for him or bearing witness to it, etc, is a partner of the one who consumes it and the one who pays it, and they are all cursed and expelled from the mercy of Allah.*²⁴⁰

It is narrated that Jaabir (may Allah be pleased with him) said:

²³⁶ <https://en.wikipedia.org/wiki/Riba>

²³⁷ <https://www.thefatwa.com/urdu/questionID/748/> ,
<https://www.farooqia.com/course//ملازمت-کاشتر-عی-حکم/>

²³⁸ Islam Q&A is an academic, educational, da'wah website which aims to offer advice and academic answers based on evidence from religious texts in an adequate and easy-to-understand manner. These answers are supervised by Shaykh Muhammad Saalih al-Munajjid (may Allah preserve him): <https://islamqa.info/en/answers/26771>

²³⁹ <https://trueorators.com/quran-tafseer/5/2>

²⁴⁰ <https://islamicmarkets.com/education/riba-in-hadith>

The Messenger ﷺ of Allah cursed the one who consumes riba, the one who pays it, the one who writes it down and the two who witness it, and he said, "They are all the same." [Muslim:1598]²⁴¹

Those who work in banks are helping the owners of the banks by administering their operations, whether in writing or bearing witness, or transferring papers or handing over money, or doing other things that help those who deal in *riba*. Hence it is known that working in an existing bank is *haram*. The Muslim should avoid that and should try to earn a living in a way that Allah has permitted; and there are many such ways. He should fear Allah his Lord, and not expose himself to the curse of Allah and His Messenger.

And the Standing Committee (15/55) was asked:

- (a) Is working in banks, especially in Muslim countries, *halaal* or *haram*?
- (b) Is there any specific section of the bank that is *halaal*, as many think, and if that is correct could you explain further?

They replied:

Firstly: working in banks that deal with *riba* is *haram*, whether that is in a Muslim country or a *kaafir* country, because it involves cooperating in sin and transgression, which Allaah has forbidden as He says (interpretation of the meaning):

"but do not help one another in sin and transgression" [\[al-Maa'idah 5:2\]](#)

Secondly: There is no section in the *riba*-based bank that is exempt from this ruling according to what we know of the pure sharee'ah, because all the bank employees are cooperating in sin and transgression.

And the Standing Committee (15/18) was asked: What is the ruling on working as a maintenance engineer for one of the electronics companies that deal with some of the *riba*-based banks, where the company sells equipment (calculators, cameras, telephones) to the bank, and tells us, as maintenance engineers, to go to the bank to service this equipment on a regular basis? Is this work *haram* on the basis that the bank does its accounts and organizes its work on these machines, and are we thus helping them in sin?

They replied: It is not permissible for you to work for companies that are as you described, because that involves cooperating in sin and transgression.

Fataawa al-Lajnah al-Daa'imah (15/48):

It is not permissible for a Muslim to work in banks that deal with *riba*, because that involves helping them to engage in *riba*-based transactions in one way or another, by writing them down, witnessing them, guarding the bank, etc. Helping them in that manner is cooperating in sin and transgression, which Allah forbade when He said (interpretation of the meaning):

"but do not help one another in sin and transgression" [\[al-Maa'idah 5:2\]](#)

Shaykh Ibn 'Uthaymeen (may Allah have mercy on him) was asked: is it permissible to work for a *riba*-based organization as a driver or guard?

²⁴¹ <https://sunnah.com/muslim:1598>

He replied: It is not permissible to work for a riba-based organization even if you are a driver or a guard, because accepting employment with a riba-based organization implies that you approve of them, as whoever denounces something could not work to serve its interests. If he works to serve its interests, he must approve of it, and the one who approves of something *haram* has a share in its sin. With regard to those who are directly involved in writing down transactions, transferring money, depositing money, etc, are undoubtedly dealing directly with something that is *haram*.

It was proven from the hadith of Jabir (may Allah be pleased with him) that the Messenger ﷺ of Allah cursed the one who consumes riba, the one who pays it, the one who writes it down and the two who witness it, and he said, "They are all the same."

Fataawa Islamiyyah, 2/401

[People working in riba based banks must look for other job]

"And whosoever fears Allah and keeps his duty to Him, He will make a way for him to get out (from every difficulty). And He will provide him from (sources) he never could imagine. And whosoever puts his trust in Allah, then He will suffice him. Verily, Allah will accomplish his purpose. Indeed Allah has set a measure for all things" [al-Talaaq 65:3]²⁴²

We ask Allah to make us independent by means of that which is *halaal* so that we will have no need of that which is *haram*.²⁴³

Implications of Declaring Salaries as Haram of Bankers

Eating from *haram* earnings is a sin, and a stern warning was narrated from the Prophet ﷺ for the one who does that, as he ﷺ said: "No flesh grows that was nourished by that which is unlawful but the Fire is more appropriate for it." Narrated by at-Tirmidhi (558); classed as saheeh by al-Albaani.

Knowledge of *halaal and haram* is an individual obligation (fard 'ayn), and a stern warning has been narrated against the one who eats from *haram* earnings.

The Prophet ﷺ stated that eating from *haram* earnings is one of the things that prevent *du'aa's (supplication)* and righteous deeds from being accepted. In Saheeh Muslim (1686) it is narrated that Abu Hurayrah (may Allah be pleased with him) said: The Messenger ﷺ of Allah said:

"O people, verily Allah is Good and does not accept anything but that which is good. Allah has enjoined upon the believers that which He enjoined upon the Messengers, as He says: 'O messengers, eat from the good foods and work righteousness. Indeed, I, of what you do, am Knowing' [al-Mu'mineen 23:51

The Prophet ﷺ mentioned a man who has traveled on a long journey and is disheveled and covered with dust; he stretched forth his hands to the heaven, (saying) "O Lord, O Lord", but his food is *haram* (from *haram* earnings), his drink is *haram*, his clothing is *haram*, he grew up nourished from *haram* earning, so how can his *du'aa'* be accepted?"

²⁴² <https://tanzil.net/#trans/en.shakir/65:3>

²⁴³ <https://islamqa.info/en/answers/26771/working-in-banks-in-an-islamic-country>

Al-'Allaamah Ibn Rajab al-Hanbali (may Allah have mercy on him) said²⁴⁴: What is meant by that is that the Messengers and their nations are enjoined to eat of good things, i.e., from halaal earnings, and to do righteous deeds. So long as one's food is from halaal earnings, then righteous deeds will be accepted, but if the food is not from halaal earnings, then how can the deeds be accepted? What is mentioned after that about du'a' and how it can be accepted when one is eating from *haraam* earnings is simply to highlight how unlikely it is that good deeds will be accepted when one is nourished from *haraam* earnings..²⁴⁵

Bankers and Financial Institutions are not Handling Riba in Pakistan

In the light of Fatwas, people working in the Ministry of Finance, other state and private institutions, State Bank and all other banks not dealing with Islamic Banking are performing Haram jobs, their pay is *Haram*, hence their noble acts, are not accepted, supplications and righteous deeds are not accepted, all waste.

It is acceptable if they are truly dealing with *Riba*, and there is Zero% Inflation and payment of Riba, usury, interest, profit is involved.

But we know that in Pakistan (we are not considering other countries) inflation is always there, due to government policies, though it keeps fluctuating. Presently with 26% inflation (October 2022), the Principal capital deposited in Banks is losing its value by 26% which is being partially compensated by merely 10 to 12% returns. The depositor is suffering the loss of 14% [26-12=14%]. Only a man devoid of commonsense can call it Riba. The protection of Original sum of wealth (Principal) is guaranteed by Allah, then, Who is at war with Allah?

The scholars who cannot differentiate between loss (-) and gain (+), misquote, misinterpret, ignore the holy scripture, make innocent people sinners, harass them, commit Zulm, injustice with them.

"And if you do not (give it up), then take notice of war from Allah and His Messenger. And if you agree to desist then for you is the Original sum of your wealth²⁴⁶. Neither you shall commit injustice (zulm), nor injustice (zulm) would be done to you (Quran:2:279)²⁴⁷.

People working in Banks and financial institutions are not dealing with Riba, till the inflation is brought down to zero. Then if there is some return it would be Riba, not now with 26% inflation. Why harass and terrify the innocent people?

The Messengerﷺ of Allah said:

"Whoever harms [others], Allah will harm him, and whoever causes hardship [to others] Allah will cause hardship to him. [From Abu Sirmah, that Abu Dawood

²⁴⁴ in Jaami' al-'Uloom wa'l-Hikam (1/260)

²⁴⁵ <https://islamqa.info/en/answers/100214/ruling-on-eating-from-haraam-earnings>

²⁴⁶ Original Capital, is the real value, i.e A brick of 1 Kg Gold. 24 Karats, and brick of 1 Kg, 18 Karats Gold, though equal in weight but are not equal in value. Similarly Rs.100,000 returned after one year as Rs100,000 though equal in number is not equal in value, if there has been let's say 12% inflation in a year. It will only be equal to principal capital, if 12% loss in capital value due to inflation is added to make it equal to original principal value. It's simple not rocket science involved.

²⁴⁷ <https://www.islamawakened.com/quran/2/279/default.htm> ,
[https://corpus.quran.com/qurandictionary.jsp?q=mwl#\(2:279:13\)](https://corpus.quran.com/qurandictionary.jsp?q=mwl#(2:279:13)) ,
<https://trueorators.com/quran-word-by-word/2/279>

(3635), at-Tirmidhi (1940), Ibn Maajah (2342), Ahmad (15755), at-Tabaraani in al-Kabeer (830), al-Bayhaqi in his Sunan (11386), al-Kharaa'iti in Masaawi' al-Akhlaaq (583)]²⁴⁸

“And never think that Allah is unaware of what the wrongdoers do. He only delays them for a Day when eyes will stare [in horror]” [\[Quran:14:42\]](#)²⁴⁹

There are three whose supplication will not be rejected: a just ruler; a fasting person until he breaks his fast; and the supplication of one who has been wronged, which is carried on the clouds, and the gates of the heavens are opened for it, and the Lord, may He be glorified and exalted, says: By My might, I shall surely support you, even if it is after a while. [\[al-Musnad Ahmad 8043\]](#)²⁵⁰

“ The worst of creations in the Sight of Allah are those deaf, those dumb who do not use their intellect [\[Quran 8:22, also 2:18, 16:76\]](#)”

Islamic Banking

Principles of Islamic Baking:

According to the Shariah, Islamic financial institutions and modes of financing are based strictly on the following principles:

- 1) Transactions must be free of interest (riba’).
- 2) Goods and services that are illegal (haram) from the Islamic point of view cannot be produced or consumed.
- 3) Activities or transactions involving speculation (gharar) must be avoided.
- 4) Zakat (the compulsory Islamic tax) must be paid.

What are the issues with Islamic banking?²⁵¹

The Islamic Baking industry has been appreciated but has also been criticized for ignoring its "basic philosophy" and moved in the wrong direction over the decades²⁵² leading both outsiders and rank and file Muslims to question it.²⁵³ This has happened first by the sidelining the original finance method advocated by promoters risk-sharing finance — in favor of fixed-markup finance of purchases (particularly murabaha),²⁵⁴ and then by distorting the rules of that fixed-markup murabaha, effectively delivering conventional cash interest loans following conventional interest rates,²⁵⁵ but disguised with "ruses and subterfuges" and burdened with "higher costs, bigger risks".

²⁴⁸ <https://islamqa.info/en/answers/285915/>

²⁴⁹ <https://trueorators.com/quran-tafseer/14/42>

²⁵⁰ <https://islamqa.info/en/answers/285915/>

²⁵¹ https://en.wikipedia.org/wiki/Challenges_in_Islamic_finance

²⁵² [Farooq, Riba-Interest Equation and Islam, 2005:p.36](#)

²⁵³ [Usmani, Introduction to Islamic Finance, 1998: p.166](#)

²⁵⁴ [Khan, What Is Wrong with Islamic Economics?, 2013: p.303](#)

²⁵⁵ [Usmani, Introduction to Islamic Finance, 1998: p.165-8, Qureshi, D.M. 2005. Vision table: Questions and answers session. In Proceedings of the First Pakistan Islamic Banking and Money Market Conference, 14–15 September, Karachi, Fadel, Mohammad. 2008. Riba, efficiency, and prudential regulation: Preliminary thought. Wisconsin International Law Journal 25 \(4\) \(April\) 656, Khan, What Is Wrong with Islamic Economics?, 2013: p.xv-xvi, Khan, What Is Wrong with Islamic Economics?, 2013: p.400](#)

Other issues/complaints raised include a lack of effort by the industry to help small traders and the poor;²⁵⁶ the question of how to deal with inflation, late payments,[18] the lack of hedging of currencies and rates or sharia-compliant places to park short term funds for liquidity; the non-Muslim ownership of much of Islamic banking, and the concentration of what ownership is in Muslim hands.²⁵⁷

KIBOR

The Karachi Interbank Offered Rate, commonly known as KIBOR, is a daily [reference rate](#) based on the [interest rates](#) at which [banks](#) offer to lend [unsecured](#) funds to other banks in the [Karachi](#) wholesale (or "interbank") [money market](#).^[1] The banks used it as a benchmark in their lending to corporate sector.^[2] It is also known as the benchmark rate and is published by Financial Market Association of Pakistan.^[2] There is an other information that the BP exempts Islamic banks from using KIBOR^{258]}

Islamic banks use KIBOR i.e. an interest-based benchmark to determine profit sharing ratios. In this context, how these banks can be said to be Islamic when they base conventional benchmark?²⁵⁹ [[Question No. 15m FAQs](#)]

Answer by SBP: Islamic banks should ideally have their own benchmark system for determination of profit. Since, the industry is in its initial stage of development, it is using the available benchmark for the banking industry. It is expected that once it is grown to a sizable level, it would have its own benchmark. However, using interest based benchmark for determining the profit of any permissible transaction does not render the transaction as invalid or haram. It is the nature/mechanism of the transaction that determines its validity or otherwise.

For example Mr. A and Mr. B are two neighbors. Mr. A sells liquor which is totally prohibited in Islam whereas Mr. B, being a practicing Muslim dislikes the business of Mr. A and starts the business of soft drinks. Mr. A wants his business to earn as much profit as Mr. A earns through trading in liquor. Therefore he decides that he will charge the same rate of profit from his customers as Mr. A charges over the sale of liquor. Thus he has tied up his rate of profit with the rate used by Mr. A in his prohibited business.

One may say that Mr. B uses an undesirable benchmark in determining the rate of profit, but obviously no one can say that the profit charged by him is haram because he has used the rate of profit of the business of liquor only as a benchmark.

The same is true for Islamic banks, it is most desirable and preferable that Islamic banks develop their own benchmark however; in the absence of any such alternative, interest rate related benchmark can be used.

²⁵⁶ [Usmani, Introduction to Islamic Finance, 1998: p.167-8/](#)

https://en.wikipedia.org/wiki/Challenges_in_Islamic_finance#IIFTU1998

²⁵⁷ Khan, *What Is Wrong with Islamic Economics?*, 2013: p.204, Khan, *What Is Wrong with Islamic Economics?*, 2013: p.207-8, Irfan, *Heaven's Bankers*, 2015: p.163-4, Irfan, *Heaven's Bankers*, 2015: p.237, Munawar IQBAL and Philip Molyneux. *Thirty Years of Islamic Banking: History, Performance and Prospects* [Palgrave, 2005] p.122

²⁵⁸ <https://dailytimes.com.pk/48719/sbp-exempts-islamic-banks-from-using-kibor/>

²⁵⁹ State bank of Pakistan & Islamic Banking: <https://www.sbp.org.pk/IB/FAQ.asp>

Progress: Helping Islamic banks park liquidity:

It is perceived, according to prevalent definition, that Government bonds are not *halal*. These bonds are based on debt and interest as they are indirectly given as a loan to the country's treasury.²⁶⁰

Treasury bill is a negotiable debt instrument issued by State Bank of Pakistan on behalf of the Government of Pakistan and backed by its full faith and credit. Treasury bills are usually sold through auctions on a discount basis with a yield equal to the difference between the purchase price and the maturity value. Shariah board of SBP approves Salam-based structure for short-term instruments.^{261, 262}

Note: The TBs, bonds (not prize bonds) etc if returns are equal to or less than prevalent inflation rate which is compensation not Riba or profit. Only then can they be considered halaal according to the [study on Quran:2:279](#), details are given above in this paper.²⁶³ Since this concept has not been accepted by the government hence it remains academic in nature.²⁶⁴

Why are Bonds Haram?

Bonds are certificates of loan issued by the government, private companies, or banks. People buying a bond are certain to receive their capital amount back.

In addition to that, the bond issuer will also give additional money accumulated over that time based on the interest rate.

Since the additional money is entirely based on interest, bonds fall under the haram category.

The concept of bonds as a whole is haram due to the involvement of riba.

However, over the years, many people try to give them different names and change certain aspects of bonds, such as saving certificates, or prize bonds.

This does not make it halal in any way.

Prize bonds, which are pretty commonly bought, are also not in accordance with Islamic finance.

The reason is that these bonds are based on the idea of gambling. Several people buy the bond, and one of them can win the total interest accumulated through a draw.

Hence, only one person gets all the money. Since the other people do not know whether they will win more money than invested, this becomes gambling. Hence, it is ultimately haram.

Moreover, the ones who do not win, but intend to, are engaging in chancing, which is yet another unlawful practice, according to the Shariah.

Even the acts of purchasing, selling, or dealing in the business of prize bonds are deemed haram by Islamic scholars.

²⁶⁰ <https://dollarbureau.com/blog/are-bonds-halal/>

²⁶¹ <https://tribune.com.pk/story/726008/progress-helping-islamic-banks-park-liquidity>

²⁶² <https://www.sbp.org.pk/dmmd/Guidelines/MTB.pdf>

²⁶³ <https://salaamone.com/riba>

²⁶⁴ <https://salaamone.com/riba>

This is because these acts are based on haram practices. They also encourage others to engage in haram methods of earning income.

Alternatives for Bonds in Islam

If you're wondering how to receive dividends or passive income from your investments the right way, we've got all the information that you need.

There are several options available when it comes to halal fixed-income options. Below are some alternatives that are interest-free and compliant with Islamic religious values.

Sukuk

Sukuks are a form of bonds that are considered halal. They are commonly referred to as Islamic bonds. However, they differ slightly from traditional bonds to comply with Sharia laws and Islamic principles. Unlike conventional bonds, Sukuks are not paid as debt. Instead, each bond owner gets an asset, and the revenues generated by those assets are returned to the person. These profits are due to Sukuks smoothing out the current irregular revenues generated by that property. This revenue is provided as an asset to the bond owners and turns them into regular returns. If there are no revenues, there will be no returns. Hence, Sukuk does not work on interest. Instead, it is based on the concept of ownership, profits, and revenues, which are entirely halal.

It's similar to purchasing stocks, but instead of owning a share of the company, you own a share in the assets of a company such as equipment, which is then used to generate profits. These profits are then paid out to you as dividends you could use as passive income.

REITs

REITs or Real Estate Investment Trusts is another halal alternative to bonds. REITs allow you to buy a share in different properties and receive the profits in return. These properties can be anything from residential, commercial, office, and industrial buildings obtained through halal means. Like how you can buy stocks and invest in companies, REITs allow them to invest and help finance different real estate properties. Luckily, the concept of REITs is completely halal as they generate profits through their operations. These property owners collect rent, generate profits, and trade different properties through halal means.

However, if the REITs are financed via debt and interest, they would be considered haram. Therefore, it's important to do your research on whether the REITs you're looking at abides by Islamic principles.

The popularity of REITs come from their ability to pay high dividends to investors. So if dividends are what you're looking for, consider looking for REITs as an alternative to bonds.

Halal Dividend ETFs

Exchange-Traded Funds or ETFs are considered one of the best options for halal investments. They are funds traded on the stock exchange. These funds come from investments by different people. The purpose of the funds can be anything. These include trading gold, oil, different technologies, or real estate. However, it is essential to verify that the purpose of the fund is halal. The income and practices of

all the companies related to the ETF should be halal too. Otherwise, it is not permissible to invest in that particular ETF.

We understand that it is a pretty challenging task to check whether an ETF is halal or not, as the number of investments involved can be numerous. Hence, to avoid engaging in any haram ETF, we suggest going with halal-certified ETFs only. These ETFs are thoroughly verified by Islamic scholars and experts in the field. This way, you can confidently invest in an ETF with no worries of your money funding haram practices. You can look at the dividend yields from these ETFs to determine whether it's a good investment for you or not.

Halal Dividend Stocks

Halal dividend stocks are shares of companies whose earnings are halal. This means that they do not involve interest payments, have no haram activities like gambling, alcohol, tobacco, etc. When you buy halal stocks, you have ownership of these companies. In turn, when dividends are declared, you'll receive a dividend income from your investments. To find these stocks, you'll need to look at the dividend yields and payout ratios from halal stocks, and determine if it's a good investment for you. Do note that halal dividend stocks are not an exact alternative for bonds as stocks carry way more risks. You're better off selecting the first 3 as an alternative, although the risks involved are not entirely the same either.

Note: The TBs, bonds etc if returns are equal to or less than prevalent inflation rate which is compensation not Riba or profit. Only then can they be considered halaal according to the [study on Quran:2:279](#), details are given above in this paper.²⁶⁵ Since this concept has not been accepted by the government hence it remains academic in nature.

Falsification

Critics complain that the compliance with sharia regulations by banks often is nothing more than the taking of the word of the bank or borrower that they have followed compliance rules, with no effective auditing to see if this is true. One observer (L. Al Nasser) complains that "Shariah authorities demonstrate excessive confidence in their subjects when it comes to dealing with parities in the industry", and Shariah audits are needed "to bring about transparency and ensure" that the institutions "deliver what they have committed to their customers". Furthermore, when external Shariah audits are carried out, "many of these auditors frequently complain about the amount of violations that they witness and cannot discuss" because the records they have examined "have been tampered with".²⁶⁶

Following Conventional (*haram*) Returns

Although Islamic banking forbids interest, its "profit rates" often are benchmarked to interest rates. Islamic banker Harris Irfan states "there is no question" that benchmarks such as LIBOR "continue to be a necessary metric" for Islamic banks, and that the "overwhelming majority of scholars have come to accept this, however imperfect a solution this may seem", but Muhammad Akram Khan writes that

²⁶⁵ <https://salaamone.com/riba>

²⁶⁶ https://en.wikipedia.org/wiki/Challenges_in_Islamic_finance#Falsification

following the conventional banking benchmark LIBOR "defeats the very purpose for which the Islamic financial products were designed and offered" in the first place.²⁶⁷

In addition skeptics have complained that the rates of return on accounts in Islamic banks are suspiciously close to those of conventional banks, when (in theory) their different mechanisms should lead to different numbers. A 2014 study (using "the most recent econometric techniques") of the long-term relationship between term-deposit rates at conventional banks and "participation banks" (i.e. Islamic Banks) in Turkey found three of four participation banks term-deposit rates "significantly cointegrated" with those of the conventional banks, and that the "causality" of the Islamic banks rate of return following the conventional banks was "permanent". Skeptics suggest that this nearness suggests a manipulation of returns by Islamic banks, which are often smaller and less well-established, and feel the need to reassure customers of their financial competitiveness and stability.²⁶⁸

Liquidity

Islamic banking and finance has lacked a way to earn a return on funds "parked" for the short term, waiting to be invested, which puts those banks a disadvantage to conventional banks.²⁶⁹

Banks/financial institutions must balance [liquidity](#) — the ability to convert assets into cash or a cash equivalent quickly in an emergency when their depositors need them without incurring large losses²⁷⁰ — with a competitive rate of return on funds. Conventional banks are able to borrow and lend by using the [interbank lending market](#) — borrowing to meet liquidity requirements and investing for any duration including very short periods, and thereby optimize their earnings. Calculating the return for any period of time is straightforward— multiplying the loans length by the interest rate.

However, the religiously preferred mode of Islamic finance — profit and loss sharing (PLS) — must wait for the project invested in to come to fruition before profits can be distributed. Since profit or loss cannot be determined for short periods, no return is given on funds deposited for short periods. Islamic financial institutions cannot borrow or lend for short periods to/from the conventional interbank lending market.

The absence of any, or at least sufficient, Islamic Money Market instruments to invest in meant Islamic Banks held, on average, "40% more liquidity" (i.e. non-return paying funds) than their conventional counterparts, as of 2002. The Islamic Financial Services Board found that the "average daily volume of interbank transactions among Islamic financial institutions, between Islamic financial institutions and conventional banks, and between Islamic financial institutions and central banks is very low compared to trades in the conventional money market." While Muslim countries such as Bahrain, Iran, Malaysia and Sudan have started to

²⁶⁷ [Khan, *What Is Wrong with Islamic Economics?*, 2013: p.271](#)

²⁶⁸ Zeren, Feyyaz; Saraç, Mehmet (2015). "The dependency of Islamic bank rates on conventional bank interest rates: further evidence from Turkey". *Applied Economics*. **47** (7): 669–679. doi:10.1080/00036846.2014.978076. S2CID 154962925.

²⁶⁹ [Khan, *What Is Wrong with Islamic Economics?*, 2013: p.326-7](#)

²⁷⁰ ALI, SALMAN SYED (June 2013). "State of Liquidity Management in Islamic Financial Institutions" (PDF). *Islamic Economic Studies*. **21** (1): 63–98. doi:10.12816/0000240. S2CID 17621848. Archived from the original (PDF) on 5 March 2016. Retrieved 19 August 2015.

develop an Islamic money market, and have been "issuing securitized papers on the basis of *musharaka*, *mudaraba* and *ijara*", at least as of 2013, the "lack of an appropriate and efficient secondary market" has meant the relative volume of these securities is "much smaller" than on the conventional capital market.

Regarding non-PLS, "debt-based contracts", one study found that "the business model of Islamic banking is changing over the time and moving in a direction where it is acquiring more liquidity risk."

To deal with the problem of earning no return on funds held for the sake of liquidity or because of a lack of investment opportunity, many Islamic financial institutions (such as [Islamic Development Bank](#) and the [Faisal Islamic Bank of Egypt](#)) have "been explicitly and openly earning interest on their excess funds, often invested in safer, debt-like or debt instruments overseas". Rather than forbidding this, "Shariah-experts have provided the necessary [fatwa](#) of Shari'ah-compliance based on the rules of necessities (*darurah*)". **Researchers Frank Vogel and Frank Hayes** write, Scholars in Islamic finance and banking have invoked necessity to permit exceptional relaxations of rules²⁷¹. They have issued [fatwas](#) (opinions) allowing Islamic banks to deposit funds in interest-bearing accounts, particularly in foreign countries, because these banks have no alternative investments at the necessary maturities. Typically, however, they place conditions on such fatwas, such as requiring that the unlawful gains be used for religiously meritorious purposes such as charity, training, or research. Such fatwas are particular to the circumstances in which they are issued.^{272, 273}

Experts Question Islamic Banking?

Islamic banking is a positive effort to introduce Islamic principles in the fiat, paper currency based monetary system. However according to experts its not fully Islamic, a lot is to be done to address the un-Islamic practices. Since a start has been made, it is hoped that gradually all Islamic principles will be fully incorporated. While doing so it must be kept in view that even in the present monetary system, there are many countries who have achieved zero or less than 1% interest rates. Some Kaafir (infidel) countries have even achieved negative interest rates, the depositor has to pay to the bank for keeping money: Switzerland-0.08%, Denmark-0.06% and Japan-0.01% are examples. They are not believers of Islam, then how they have been able to do it? It must be taken into consideration. They are honestly using the monetary system. Honesty is basic for the success of any system.

Here are some questions and observations by experts on Islamic Banking:

In the paper; 'Current Issues in the Practice of Islamic Banking' Professor Sayyid Tahir²⁷⁴ writes:

The prohibition of indexation for inflation of loans and debts can make the matters

²⁷¹ Frank VOGEL and Frank Hayes, III. *Islamic Law and Finance: Religion, Risk and Return*. [The Hague: Kluwer Law International, 1998], pp. 38-39

²⁷² [Farooq, Riba-Interest Equation and Islam, 2009: p.21](#)

²⁷³ https://en.wikipedia.org/wiki/Challenges_in_Islamic_finance

²⁷⁴ Professor of Economics at the International Institute of Islamic Economics of the International Islamic University, Islamabad. This paper is to serve as basis for discussion on the subject at COURSE ON ISLAMIC BANKING AND FINANCE, TEHRAN, IRAN, 2-6 March 2003, under the auspices of Central Bank of Iran and Islamic Research & Training Institute of the IDB, Jeddah

worse in inflationary regimes²⁷⁵. In an Islamic environment, these problems will have to be addressed at several levels---- Islamic banking industry continues to use debt based financing modes which are priced using KIBOR as the benchmark. Islamic banking industry mostly uses KIBOR linked financial contracts which are akin to debt financing than the more preferable participatory modes of Mudarabah and Musharakah. Hence, same state of affairs in this regard from past to present does not show a promising picture from the viewpoint of having an egalitarian, Islamic principles and value based distinctive financial system.

There are some economists who implicitly opine that the participation in current financial globalization is important for growth of Muslim economies and even if, Islamic banking has some unresolved issues and complications with regards to Shariah compliance, the participation in global financial system is imperative. Zakariyah (2012) argues that the effect of refrainment of Muslims from participation in the current global economy, especially, property investment particularly.

Islamic Banking in Pakistan: A Critical Analysis by Salman Ahmed Shaikh Excerpts²⁷⁶

The Islamic bank earns a level of profit which the conventional bank earns. This is ensured by making KIBOR/LIBOR as a benchmark and lamentably, this is not the end of the story. With higher banking spreads than conventional banks, Islamic banks in Pakistan earn even more profits from their clients and share lesser with their depositors, on average.²⁷⁷ [How it can be justified on Islamic morals]

Islamic banks had been providing liquidity to the conventional banks using commodity Murabaha. Through this, they have been able to invest their surplus liquidity. But, the investment with conventional banks leads to some very unfortunate outcomes. Islamic banks take deposits of customers after convincing them about Islamic banking. But, when they pass on these deposits to conventional banks, the conventional banks provide interest based loans from these funds. Hence, this is an unfortunate state of affairs.

Critical Questions in Islamic Banking

Islamic banks have to reflect on answers to the following points:²⁷⁸

1. How justified are high Islamic banking spreads (difference between average financing and average deposit rates) which have reached 8.40 percent and are one of the highest in the world and more than two percentage points higher than conventional banks in Pakistan?
2. How justified is the argument to seek special privileges from the regulators when Islamic banks use the same benchmark rate, but the difference is that their spreads (margins) are even higher than conventional banks?
3. How do they justify their position and analyze their performance on social and egalitarian grounds when most of their products are priced using the same benchmark of the conventional banking industry, which is KIBOR?

²⁷⁵ Para 5, page 7, https://www.sbp.org.pk/departments/ibd/lecture_8_related_reading_1.pdf

²⁷⁶Islamic Banking in Pakistan: A Critical Analysis by Salman Ahmed Shaikh, Page 5, Islamic Economics Project, Online at <https://mpra.ub.uni-muenchen.de/42497/> MPRA Paper No. 42497, posted 07 Nov 2012 15:47 UTC/ https://mpra.ub.uni-muenchen.de/42497/1/MPRA_paper_42497.pdf

²⁷⁷ Ibid, page 19

²⁷⁸ Ibid , page 18-19

4. Equity financing is regarded as the most ideal mode of financing in an Islamic economy by Islamic scholars. Why it is hardly used in financing the clients with a contribution of less than 2 percent in total financing?

5. Trust and documentation problems did not hinder 700 companies to get registered on Karachi Stock Exchange while thousands of public limited companies are operating in Pakistan as well. Why Islamic financial institutions could not help support more IPOs either through investment banking operations or alternate institutional structure?

6. **Lastly and most importantly, they must reflect on what was the real reason for prohibition of Riba?** If it was exploitation, then should an alternate system claiming to be founded on Islamic principles not differ in any substantial way in terms of cost?

Unfortunately, if there is any difference, it shows that Islamic financing schemes are costlier than conventional.

Going forward, it is hoped that after having completed one decade of successful operations of Islamic banking and exhibiting exemplary growth in commercial sense, Islamic banks will look towards increasing their outreach to the poor masses and start using more equity based modes of financing which help improve their image and bring some fruits of Islamic economic principles.

Here are some papers on Islamic Banking:

1. The BP exempts Islamic banks from using KIBOR ([Daily Times news, November 2016](#))²⁷⁹
2. [Islamic banking in Pakistan](#): Fiqa-e-Jaferia offers optimization By Imran Haider Naqvi, COMSATS Institute of Information Technology, M.A. Jinnah Campus, Lahore, Pakistan.²⁸⁰
3. Handbook of Islamic Banking Products & Services: Islamic Banking Department State Bank of Pakistan , 138 pages.²⁸¹
4. [“Islamic Banking in Pakistan – Problems and Prospects”](#) Research By Rukhsar Ahmed, SZAB University of Law. Kamran Siddiqui DHA Suffa University²⁸² Also see: Challenges and opportunities in Pakistan Islamic Banking²⁸³

It is again emphasized that Islamic Banking is a positive step in the right direction, which should be encouraged and refined to make it in line with the Quran and Sunnah of Prophet Muhammad(ﷺ).

Recommendations

1. **Definition of Riba** in prevailing environments of fiat / paper currency, inflation, security of Principal wealth guaranteed by Quran [2:279](#) and other verses: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18, 16:76](#)) must be understood in letter and spirit. There is absolutely no reason for any laxity in pending or avoiding these commandments of Allah. Opinion

²⁷⁹ <https://dailytimes.com.pk/48719/sbp-exempts-islamic-banks-from-using-kibor/>

²⁸⁰ <https://lahore.comsats.edu.pk/Papers/Abstracts/538-8588668679511374113.pdf>

²⁸¹ <https://www.sbp.org.pk/ibd/handbook-ibd.pdf>

²⁸² <http://bit.ly/3OLFC3K>

²⁸³ <https://www.pakistanqulfeconomist.com/2020/02/10/challenges-and-opportunities-in-pakistan-islamic-banking/>

- of a person or scholar cannot override clear Command Verses [آيَاتٌ مُّحْكَمَاتٌ], which are fundamental basis of Quran [أُمُّ الْكِتَابِ] specified at [Quran 3:7](#).²⁸⁴
2. Education and thorough knowledge of the financial system for religious scholars and financial experts is the need of the hour.
 3. Public must be educated about inflation & returns rates relationships and Fisher's equation to determine the actual interest rates. The two case studies above may help.
 4. Government must make all out efforts for good financial management, control corruption, inflation, stop printing excessive money, achieve a Zero interest rate, till then Pakistan has to keep the interest rates in line with the inflation rate, plus some service charges by the banks. This will not incur loss of "money value" to any party, fair service charges by banks is their right for the services being provided. Anything more than this will be Riba which must be avoided.
 5. Islamic banking should be made simple and easy with Quran Commands²⁸⁵, and be encouraged.
 6. Immediately the deceptive terminology related with Riba, like Interest, Profit, Mark up etc be replaced with suitable terminology [compensation, returns etc] and extensive studies be conducted to resolve the artificial issue in the light of Quranic commands mentioned here repeatedly.

Conclusion

1. In this era of "[paper currency](#)"²⁸⁶ and the prevalent international economic system, there is a need to understand the economic and banking system thoroughly before issuing Fatwas based on ignorance and lack of knowledge.
2. Once Pakistan is developed economically and joins the club of rich countries, it can have Zero inflation and Zero interest rate, the Riba issue will get resolved forever. To achieve it we must work for [Al-Khilafah system](#).²⁸⁷
3. While the fundamental principles outlined by the Holy Quran, 1400 years ago are valid today and forever, the scales of measurement, calculations and tools should be applied as they exist in the 21st century, which require a lot of vision, knowledge, brainstorming and hard work, which our "scholars" lack at present. We should stop behaving like mindless robots. Just memorizing holy text is not enough, pondering, deep thinking provides solutions to new problems and guidance. Allah says:
 1. Do not consume Riba, doubled and multiplied ([Quran;3:130](#))
 2. Consuming of the people's wealth unjustly is forbidden. ([4:161](#))
 3. Riba to increase within the wealth ([40:39](#))
 4. Riba is Satanic, forbidden & great sin ([Quran;2:275-2:280](#))
 5., you are entitled to your principal; do no wrong, and no wrong will be done to you. ([Quran;2:279](#)), No one can change His words, and you shall not find any other source beside it. ([Quran;18:27](#)) Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused. ([Quran;18:28](#))

²⁸⁴ <https://trueorators.com/quran-tafseer/3/7>

²⁸⁵ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

²⁸⁶ <https://en.wikipedia.org/wiki/Banknote>

²⁸⁷ <https://salaamone.com/Al-Khilafah>

6. Full measure and weight in a²⁸⁸ll fairness. Do not defraud.”(Qur’an;11:85).
7. Don't take money illicitly. [Quran 2:188]²⁸⁹
8. Woe unto every fabricating impostor, the one who hears GOD’s revelations but ignores arrogantly, Grievous punishment awaits (Quran;45:7-8)
9. Ponder over its verses, and that those endowed with understanding may be mindful.(Quran;38:29)
10. Those concealing revelations of Quran are cursed by Allah (Quran;2:159)
11. Investigate, lest you commit injustice towards some people, out of ignorance,(Quran;49:6)
12. Allegory of donkey who is carrying books and does not know what is in those books. Bad is the example of those who deny the revelations of Allah. (Quran;62:5)
13. “ The worst of creations in the Sight of Allah are those deaf, those dumb who do not use their intellect [Quran 8:22, also 2:18), 16:76]²⁹⁰
14. FSC Judgement 1991 about Indexation with inflation mentions: We, therefore, leave the question open for further study and research.
15. FSC Judgement 2022, consider indexation beyond their jurisdiction.
16. Even if Inflation Indexation law does not exist, the FSC Court could have recommended the formulation of such law, procedure so that the Commandments of Allah as stipulated in Quran²⁹¹ verses 2:279, 18:27, 28, 55:9 should be implemented and not disregarded. This judgment remains incomplete by not addressing the main issue.

The Cruc

1. Though there are divergent opinions about the definition of Riba, an extreme position is considered, that; any profit, more or less, on money lending/ deposit is forbidden unless there is a business / partnership according to Islamic Finance & Banking on profit / loss/ risk sharing.
2. What is the benefit to the depositor if no profit ?
 - a. Since there is no Riba/ usury/ interest / profit, hence the depositor is following the commandments of Allah, who will reward him here and hereafter.
 - b. The safety of depositor’s savings is ensured by the bank or state institutions like NSS.
 - c. It is the responsibility of the state to ensure that the saving/ deposit is kept safe from inflation by Indexing, in line with commandments of the Quran for justice²⁹².

²⁸⁸ <https://en.wikipedia.org/wiki/Ijtihad>

²⁸⁹ <https://www.islamawakened.com/quran/2/188/default.htm>

²⁹⁰ <https://www.islamawakened.com/quran/8/22/default.htm>

²⁹¹ Quran Commands ignored/disregarded by State Bank’s monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9](#),[11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

²⁹² Quran Commands ignored/disregarded by State Bank’s monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9](#),[11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18](#), [16:76](#))

- d. What will be the role of banks? The banks will get deposits, which they will manage to provide to the needy as loans free of Riba or interest, only inflation indexation plus minimum service charges, as fairly assessed by State Bank, will be charged from the debtor. The Indexation money will be credited to the depositor, so that his savings don't lose real value. If inflation is brought to zero level, then no Indexation money will be charged or credited. Application of Indexation of Inflation with savings/ deposits will remove Riba to either party, an Indexation calculator/ software/ app can be prepared by experts.
- e. The term interest/ profit is a misnomer, it should be called Inflation Indexation.
- f. The money, instead of lying idle at home or in a safe, is being utilized for the benefit of society and by other people who want to borrow and use it for business, house building or any other legitimate purpose.
- g. Till these recommendations are approved and Inflation Indexation is executed by the State Bank, the creditor and debtor should calculate the inflation effect and subtract it from the profit/interest being paid under the prevalent system. Any excessive amount to indexation is paid in charity/ sadqah. If the profit rate is 10% and inflation is 9% then 1% is excessive and goes to charity. But if inflation is 12%, then patience is the only answer. This temporarily arrangement under "[law of necessity](#)"²⁹³, and supplications to Allah may absolve them from the great sin of Riba. [Allah knows the best]
- h. The scholar, religious, political parties and civil society and all those who seriously want to address the issue, should demand from the government to introduce inflation indexation, improve the financial management and formulate policies to abolish interest or keep the Interest rates (KIBOR) at Zero level or equal to Inflation. If [26 Countries](#) are keeping interest rates at Zero level and 29 at less than 1%, why can't Islamic Republic of Pakistan do it?
- i. These verses are totally ignored by majority Religious lords: "*....you are entitled to your **principal** capital, do no wrong, and no wrong will be done to you. (Quran;2:279), No one can change His words, and you shall not find any other source beside it. (Quran;18:27) Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused. (Quran;18:28)*
- j. The people working in banks and financial institutions in Pakistan should not be harassed by declaring their jobs and income as haraam. They are not handling *Riba*.
- k. 1.5 Billion Muslims should not stay hostage to the desires of ignorants, who exploit their faithfulness by keeping them in a perpetual state of

²⁹³ [Quran 5:3, 6:119](#)

<https://islamqa.info/en/answers/130815/permissibility-of-haraam-things-in-the-case-of-necessity-and-the-conditions-governing-that>

delusive sin by ignoring Quranic commands²⁹⁴ of [justice and fairness](#).
[Allah knows the best]

if one is not yet satisfied, should know that:

“ The worst of creations in the Sight of Allah are those deaf, those dumb who do not use their intellect [[Quran 8:22](#), also 2:18), 16:76]²⁹⁵

“Allah gives you another example of two men. One of them is he whose faculties of speech and mind are totally disabled. He cannot do anything of his own accord and he is totally dependent on his care-provider, unable to bring forth any good in any way. Can such a one be considered equal of the man who is fit, enjoins justice and himself walks the Straight Path? (Allah expects you to use your faculties to the best of your abilities)”[\[Quran; 16:76\]](#)²⁹⁶

The example of those who were entrusted with Torah, and did not apply it in their daily lives, is that of a donkey who is carrying books and does not know what is in those books. Bad is the example of those who deny the revelations of Allah. Allah does not guide the wrongdoers ([Quran;62:5](#))

“.. but he insisted on sticking to the ground, and pursued his own opinions (vain desire.). Thus, he is like the dog; if you put a load on him, he lolls his tongue out (as if heavily burdened, and) if you remove this (load) he (still) lolls his tongue out. Such is the description of the nation of those who belied Our Ayaat. So relate the incidents, perchance they may think and ponder[\[Quran;7:176\]](#)²⁹⁷

“hold to pardon, and go ahead with your program of enjoining virtue and disregard the behavior of those who adamantly remain ignorant’ [\[Quran;7:199\]](#)²⁹⁸

Suggested Actions by State Bank/ FSC/ Government

1. The [State Bank](#) of Pakistan²⁹⁹ should address the loss in the principal value due to inflation through Currency Indexation (فهرسة العملات) or any other appropriate means. The Command of Allah must be implemented fully so that injustice (Zulm) is not done with the people as promised by Allah. The Federal [Shariat Court](#)³⁰⁰, The Council of [Islamic Ideology](#)³⁰¹ and the Government³⁰² should also play their role to ensure implementation.
2. As discussed in this paper, the Compensation being paid to depositors in NSC and Banks do not fall into the category of *Riba*, hence Instead of using deceptive terms like Riba/ Usury/ interest/ Profit, some other terminology i.e “Currency Indexation” (فهرسة العملات) may be introduced immediately. It will at least save innocent Muslims, servicing in banks

²⁹⁴ <https://salaamone.com/riba/#Justice>

²⁹⁵ <https://www.islamawakened.com/quran/8/22/default.htm>

²⁹⁶ <https://www.islamawakened.com/quran/16/76/default.htm>

²⁹⁷ <https://www.islamawakened.com/quran/7/176/default.htm>

²⁹⁸ <https://www.islamawakened.com/quran/7/199/default.htm>

²⁹⁹ <https://www.sbp.org.pk/>

³⁰⁰ <https://www.federalshariatcourt.gov.pk/en/home/>

³⁰¹ <https://cii.gov.pk/>

³⁰² <https://na.gov.pk/en/index.php>

and financial institutions and depositors from perpetual guilt of illusive sin which they are not committing rather they are losing their Principal Capital in value through inflation, which contradicts Quran 2:279 and other verses³⁰³.

3. Once Zero inflation target is achieved no compensation is required, because the principal capital is safe as commanded by Quran 2:279³⁰⁴. Pakistan can be among countries³⁰⁵ with zero% returns.

References / Related / Links:

1. Riba Resolved:<https://SalaamOne.com/Riba> , <https://bit.ly/3wvKLU0>
2. Currency Notes and Loan Indexation; By Ziauddin Ahmed : <https://bit.ly/3g0HFkV>, Pdf:<https://bit.ly/3uFddkz>
3. Towards A Just Monetary System , Dr. Muhammad Umer Chapra: <https://bit.ly/3s8SiEL>
4. Indexation of Loans: A Shari'ah Perspective; By Muhammad Tahir Mansoori , <https://bit.ly/39Scy7s>
5. <https://islamicmarkets.com/education/indexation-of-loans>

Takeaway

Following conclusions can be drawn from above discussion:

1. Fiat currency is the new issue of the present era, which is used by corrupt and inefficient governments to create more money by excessive currency printing which is one of the causes of inflation, it decreases the value of principal deposits / savings.
2. The famous scholars of subcontinent Indo-Pak have no idea about the prevalent monetary system based on fiat, paper currency. Hence it is futile to expect a solution from them. Mufti Taqi Usmani Sahib, understands the decrease in value of principal capital through inflation and its compensation through indexation. However he seems reluctant to take initiative.
3. Allah forbids Riba but also commands to protect the value of original principal capital. The monetary system generated interest rates vary with inflation, which partially compensate for the loss of Principal Capital value as guaranteed by Allah. How does it become Riba? Such mis-interpretation is injustice (zulm). (see Quran; ([2:279](#), [18:27](#), [28, 55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18, 16:76](#))
4. There are 26 countries with Zero Interest rates³⁰⁶, in March 2021³⁰⁷, 29 countries with less interest rate,³⁰⁸ Some countries have a negative interest rate. The 5 Countries With the Lowest Interest Rates are

³⁰³ Quran Commands ignored/disregarded by State Bank's monetary System on Riba: ([2:279](#), [18:27](#), [28](#), [55:9,11:85](#), [2:188](#));[45:7-8](#), [38:29](#), [2:159](#), [49:6](#), [62:5](#), [8:22](#), & [2:18, 16:76](#))

³⁰⁴ <https://tanzil.net/#trans/en.shakir/2:279>

³⁰⁵ <https://tradingeconomics.com/country-list/interest-rate>

³⁰⁶ <https://tradingeconomics.com/country-list/interest-rate>

³⁰⁷ <https://tradingeconomics.com/country-list/interest-rate>

³⁰⁸ <https://tradingeconomics.com/country-list/interest-rate?continent=world>

[Switzerland](#) , [Denmark](#), [Japan](#) , [Sweden](#), . [Spai](#)³⁰⁹. The 20 countries with the [lowest inflation rate](#) in 2020.^{310, 311}

5. The Government of Pakistan should control or eliminate inflation, end corruption, and improve financial/ monetary management. Many countries, as mentioned, have controlled inflation and kept inflation and interest rate near zero. Pakistan also had a negative inflation rate -0.52 in 1960. It is still possible now.
6. The government should spend according to some and the system, increase the revenue, generate wealth, implement the correct financial policies. However the rulers do not do this, rather print excessive currency notes, just like adding water to the milk. When inflation increases and the value of currency notes decreases - this is a robbery on the public's pocket. The poor become poorer and keep working harder to fill the bellies of corrupts.
7. There has to be compensation for the loss due to inflation, we take gold or \$ or mixed basket of gold, stable currencies, market commodity prices, rate of inflation, or whatever it should be left to experts to find the solution which is inline with the Commandment of Allah, so that (لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ) “you do no wrong (by taking usury), nor are you wronged (by reducing value of your principal)”.
8. The other method is partial or full indexation like every year salaries, pensions are partially indexed.
9. It is absurd to ask people to open a \$ account and trade in \$ or use gold bricks. The wealth must remain in circulation like blood in the body, les't it become stagnant. State must do its job, citizens should not be trading in multiple currencies and precious metals privately creating unresolvable disputes, claims with no legal coverage.
10. Hence if banks or NSC centers pay some %, which is equal to the loss in principal value due to inflation then its not riba , but if average return is more than loss, then its riba. [may be given in charity]. This is neither a fatwa nor legal ruling, but just a rational opinion based upon above mentioned data. Though some may agree and some may not.
11. Judging something halal or haram just by its appearance cannot be conclusive - if a person is drinking something in a glass, it cannot be decided just on the color of the drink alone that there is wine in the glass without investigation - similarly in the current monetary system in which apparently “Profit” is paid to the depositor but it is “not profit”, it's compensation of the loss of actual value of principal capital due to inflation. It is a big blunder to issue fatwas of halal and haram just on apparent look, without thorough investigation and research.

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<https://www.investopedia.com/articles/personal-finance/051415/5-countries-lowest-interest-rates.asp>

³¹⁰ <https://www.statista.com/statistics/268190/countries-with-the-lowest-inflation-rate/>

³¹¹ <https://data.worldbank.org/indicator/FR.INR.RINR>

12. It is clear that calling the current system "riba" is not appropriate, especially for the depositors of banks and national savings schemes. It is part of "Compensation" (Indexation) to the reduction in the value of depositor's "real money" due to inflation - Inflation in November 2022 is 26% and returns 14% so the depositor is still at a loss 12% which is going to the government or banks or both but in any case not to the depositor. In fact, what the depositor is receiving in the name of profit is his original money, thus reducing the value of his original principal capital (this point needs pondering to understand). Allah's order Quran (2:279) which was ignored. Moreover, calling this partial compensation as profit or income, charging withholding tax (15% to 30%) and then taxing the income is injustice/ zulm. Zakat is obligatory which purifies wealth.
13. Declaring salaries of bank employees as Haraam is also not in line. The Molanas have mostly read about gold and silver coins in Islamic history, they are not familiar with paper currency (fiat concept), nor are they aware of the negative effect of inflation on principal. While the Quran commands that the value of the Principal should not be decreased (this decrease could be due to any reason, theft, adulteration, blending, inflation). It's cruel, Zulm, which must be eliminated - but they are stingy in using the intellect.
 - a. *"Indeed, the worst of living creatures in the sight of Allah are the deaf and dumb who do not use reason"* ([Quran 8:22](#))³¹²
14. In hindsight the government, judiciary and Mulla seems to be in agreement with each other (hopefully not). It's up to the judiciary and the experts to figure out how to compensate the depositors so that Commands of Allah (2:279) are fulfilled completely.
15. Allah has commanded: "--- So fulfill the measure and weight and do not deprive people of their due and cause not corruption upon the earth after its reformation. That is better for you, if you should be believers." ([Qur'an: 7:85](#))³¹³
16. Those who are acting against the commands of Allah and ignoring the verses of the Qur'an should take care of themselves and worry about war with Allah and Messenger ﷺ for defiance.
17. It is very important to encourage and promote Islamic banking which is a comprehensive program to completely eliminate riba in all sectors.

Commands of Allah must be implemented in letter and spirit:

"So do you believe in part of the Scripture and disbelieve in part? Then what is the recompense for those who do that among you except disgrace in worldly life; and on the Day of Resurrection they will be sent back to the severest of punishment. And Allah is not unaware of what you do." ([Qur'an 2:85](#))³¹⁴

³¹² <https://trueorators.com/quran-tafseer/8/22>

³¹³ <https://trueorators.com/quran-tafseer/7/85>

³¹⁴ <https://trueorators.com/quran-tafseer/2/85>

"O you who believe! Be careful of (your duty to) Allah and relinquish what remains (due) from Riba (usury), if you are believers. (278) But if you do (it) not, then be apprised of war from Allah and His Apostle; and if you desist, repent, then you shall have your capital; neither shall you make (the debtor) suffer loss (by asking for more) nor shall you be made to suffer loss (through decrease in value of your capital)" ([Quran 2;279](#))

Insisting on the full implementation of the Qur'anic injunction (2:279) in strange times seems to be a futile endeavor but we are commanded: "... enjoin on each other truth, and enjoin on each other patience." ([Quran:103:3](#))³¹⁵.

It is hoped that this effort will act as a wakeup call for the Islamic jurists, SBP bankers, politicians, intellectuals, financial expert and the government to fully implement the commands of Allah, in the true spirit of (لَا تَظْلُمُونَ وَلَا تُظَلَّمُونَ).

For further details visit: <https://SalaamOne.com/Riba>

زَمَنِ بَرِ صُوفِي وَ مُلَا سَلَامِي: كِه پيغامِ خُدا كُفْتَنَدِ مَارَا
ولے تاویلِ شان در حیرتِ آنداخت: خُدا و جبرئیلُ و مصطفیٰ را

My Salaam to Sufi and Mullahs for conveying the message of Allah to us. But the interpretations they made of those Commands, bewilders Allah, Gabriel & Muhammad ﷺ" [Dr. Allamah Muhammad Iqbal]

ڈالر US کا پاک روپیہ کے ساتھ دلچسپ تاریخی سفر

ڈالر کی کہانی پاکستانی تاریخ کی زبانی 1947 تا 2022

In 1947	1 USD was	3.31 PKR
In 1948	1 USD was	3.31 PKR
In 1949	1 USD was	3.31 PKR
In 1950	1 USD was	3.31 PKR
In 1951	1 USD was	3.31 PKR
In 1952	1 USD was	3.31 PKR
In 1953	1 USD was	3.31 PKR
In 1954	1 USD was	3.31 PKR
In 1955	1 USD was	3.91 PKR
In 1956	1 USD was	4.76 PKR
In 1957	1 USD was	4.76 PKR
In 1958	1 USD was	4.76 PKR
In 1959	1 USD was	4.76 PKR
In 1960	1 USD was	4.76 PKR
In 1961	1 USD was	4.76 PKR
In 1962	1 USD was	4.76 PKR

³¹⁵ <https://tanzil.net/#trans/en.shakir/103:3>

In 1961	1 USD was	4.76 PKR
In 1962	1 USD was	4.76 PKR
In 1963	1 USD was	4.76 PKR
In 1964	1 USD was	4.76 PKR
In 1965	1 USD was	4.76 PKR
In 1966	1 USD was	4.76 PKR
In 1967	1 USD was	4.76 PKR
In 1968	1 USD was	4.76 PKR
In 1969	1 USD was	4.76 PKR
In 1970	1 USD was	4.76 PKR
In 1971	1 USD was	4.76 PKR

پھر اُدھر تم اِدھر ہم کا سفر شروع ہوا

In 1972	1 USD was	11.01 PKR
In 1973	1 USD was	9.99 PKR
In 1974	1 USD was	9.99 PKR
In 1975	1 USD was	9.99 PKR
In 1976	1 USD was	9.99 PKR
In 1977	1 USD was	9.99 PKR
In 1978	1 USD =	9.99 PKR
In 1979	1 USD =	9.99 PKR
In 1980	1 USD =	9.99 PKR
In 1981	1 USD =	9.99 PKR

پھر روس کے خلاف جہاد شروع ہوا

In 1982	1 USD =	11.85 PKR
In 1983	1 USD =	13.12 PKR
In 1984	1 USD was	14.05 PKR
In 1985	1 USD =	15.93 PKR
In 1986	1 USD =	16.65 PKR
In 1987	1 USD =	17.4 PKR
In 1988	1 USD =	18 PKR

پھر سیاسی شعور بڑھا اور روٹی کپڑا اور مکان دینے والے پھر شروع ہو گئے

In 1989	1 USD =	20.54 PKR
In 1990	1 USD =	21.71 PKR
In 1991	1 USD =	23.8 PKR
In 1992	1 USD =	25.08 PKR

پھر ہم موٹر ویز بنانے لگے تاکہ پاکستان دن دگنی اور رات چوگنی ترقی کرنے لگا

In 1993	1 USD =	28.11 PKR
In 1994	1 USD =	30.57 PKR
In 1995	1 USD =	31.64 PKR
In 1996	1 USD =	36.08 PKR

In 1997 1 USD = 41.11PKR

پھر کریشن بڑھنے لگی اور ملک کو مضبوط ہاتھوں نے اپنے ہاتھوں میں لیا اور سب سے پہلے پاکستان والے آگئے

In 1998 1 USD = 45.05 PKR
In 1999 1 USD = 51.90 PKR
In 2000 1 USD = 51.90 PKR
In 2001 1 USD = 63.5 PKR
In 2002 1 USD = 60.5PKR
In 2003 1 USD = 57.75 PKR
In 2004 1 USD = 57.8 PKR
In 2005 1 USD = 59.7 PKR
In 2006 1 USD = 60.4 PKR
In 2007 1 USD = 60.83 PKR

پھر پاکستان کھینے لگا

In 2008 1 USD = 81.1 PKR
In 2009 1 USD = 84.1 PKR
In 2010 1USD = 85.75 PKR
In 2011 1 USD = 88.6 PKR
In 2012 1 USD = 96.5 PKR

پھر پاکستان کو بچانے والے جدوجہد کرنے کے لیے آگے آئے

In 2013 1 USD = 107.2PKR
In 2014 1 USD = 103 PKR
In 2015 1 USD = 105.20 PKR
In 2016 1 USD was 104.6 PKR
In 2017 1 USD = 110.01 PKR

اس کے بعد نیا پاکستان بنانے والے آگے ڈالر اڑنا شروع ہوا

In 2018 1 USD =115.88 PKR
In 2019 1 USD = 163.75 PKR
In 2020 1 USD = 168.88PKR
In 2021 1 USD = 179.16PKR
In2022 1usd .189.15

اور پھر 13 پارٹیوں کا اتحاد شروع ہوا

In 2022 1 USD = 240.00PKR (July 28)

اور ہم ہر بار تالیاں بجاتے رہ گئے

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خلاصہ

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تمہارے مال اور اولاد تو سراسر تمہاری آزمائش ہیں اور بہت بڑا اجر اللہ کے پاس ہے (قران 15:64)

قرآن، ربا اور فیات (کاغذی) کرنسی

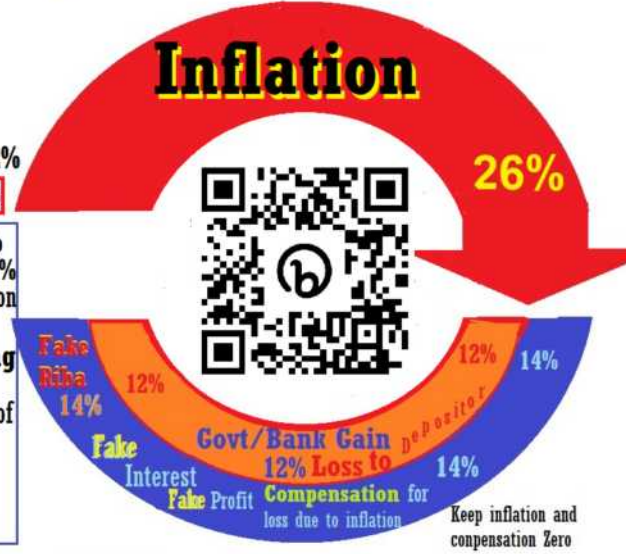
Nov 2022

Inflation **26%**Compensation Profit/interest **14%**Govt/ Bank Gain/Profit **+12%**Net Loss to Depositor **-12%**

It is ridiculous to call this 14% Partial Compensation to the-26% loss to depositor due to inflation as Riba or Interest or income and lavy 15-30% withholding tax + income tax

The depositor is still at a loss of 12% which is gain to the government/ bank through currency printing.

They cycle conitnues for ever.

<https://SalaamOne.com/Riba><https://bit.ly/QuranOnRiba>

Scam of the Century Unveiled

بریگیڈینر (ر) آفتاب خان (عبداللہ)

<https://bit.ly/Riba-Research> ☆ <https://bit.ly/QuranOnRiba>English: <https://SalaamOne.com/Rib> ☆ <https://bit.ly/AhkamAlQauraan>

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أَعُوذُ بِاللَّهِ مِنَ الشَّيْطَانِ الرَّجِيمِ ۝ بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

..وَأِنْ تَبُوءْكُمْ فَلَكُمْ مَعُوكُمْ أَمْؤَالِكُمْ لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ (۲۷۹)

اور اگر تم سود لینے سے (توبہ کرو، تو تمہارا اصل سرمایہ پر حق ہے؛ تم (قرضدار) سے (زیادہ مانگ کر اس پر) ظلم نہ کرو اور تمہارے ساتھ بھی (تمہارے اصل سرمائے میں خوردبرد کرکہ) ظلم نہیں کیا جائے گا (البقرة ۲۷۹)

تعارف

کسی بھی مسئلے کو حل کرنے کے لیے مروجہ ماحول کو اچھی طرح سمجھنا پڑتا ہے، پھر قرآنی احکام کا اطلاق اس صورت حال پر عقلمندی سے کیا جاتا ہے۔ **فیات (Fiat) کرنسی** حالیہ رجحان ہے۔ یہ حکومت کی طرف سے جاری کی جانے والی کاغذی کرنسی (نوٹ) ہے جسے کسی مادی (فزیکل) شے، جیسے سونا یا چاندی کی سپورٹ حاصل نہیں ہے، بلکہ حکومت کی طرف سے جاری کی گئی ہے۔ فیات رقم کی قدر (value) طلب اور رسد کے درمیان تعلق اور جاری کرنے والی حکومت کے استحکام سے حاصل کی جاتی ہے، بجائے اس کے کہ اس کی پشت پناہی کرنے والی کسی شے کی قیمت سے۔ زیادہ تر جدید کاغذی کرنسیاں فیات کرنسیاں ہیں، بشمول امریکی ڈالر، یورو، اور دیگر بڑی عالمی کرنسیاں۔ **فیات کرنسی کا ایک خطرہ یہ ہے کہ حکومتیں اس میں سے بہت زیادہ کرنسی نوٹ پرنٹ کر سکتی ہیں، جس کے نتیجے میں افراط زر (inflation) کی شرح بڑھ جاتی ہے**³¹⁶۔ قرآن ہر معاملے کے لیے ابدی رہنمائی فراہم کرتا ہے، اس لیے کسی مسئلے پر قرآنی احکام کا مکمل اطلاق ضروری ہے، احکام کا جزوی، نامکمل اطلاق ظالمانہ اقدام ہے۔

اللہ تعالیٰ کے حکم کا نامکمل نفاذ

قرآنی احکام کو نامکمل پیش کرنا انتہائی گمراہ کن ہے، جان بوجھ کر معلومات کو چھوڑنا (کتمان حق)³¹⁷ جھوٹ بولنے کے مترادف ہے، بہت بڑا گناہ ہے۔ ایک مشہور قول ہے کہ: آدھا سچ اکثر مکمل جھوٹ ہوتا ہے جو کہ یہ اہل کتاب کا وطیرہ ہے۔ اللہ کا فرمان ہے: "اے اہل کتاب! باوجود جاننے کے حق و باطل کو کیوں غلط ملط کر رہے ہو اور کیوں حق کو چھپا رہے ہو؟ (3:71)"³¹⁸۔ "کیا تم کتاب کے بعض احکام مانتے ہو اور بعض کا انکار کر دیتے ہو؟ بھلا جو لوگ ایسے کام کریں ان کی سزا اس کے سوا اور کیا ہوسکتی ہے کہ دنیا میں دلیل و خوار ہوں اور قیامت کے دن وہ سخت عذاب کی طرف دھکیل دیئے جائیں؟ اور جو کچھ تم کرتے ہو اللہ اس سے بیخبر نہیں" (قرآن 2:85)³¹⁹

قرآن میں جہاں ربا (سود) کی ممانعت کا حکم دیا گیا وہیں ربا نہ لینے والے فرمانبردار بندوں کے اصل مال میں کسی قسم کی کمی کرنے سے بھی منع فرمادیا۔ یہ دونوں پہلو یکساں طور پر اہم ہیں اور دونوں احکام کو مکمل طور پر ان کی روح (سپرٹ) کے مطابق نافذ کیا جانا لازم ہے، یہی اس تحقیقی مقالہ کا تھیم (Theme) ہے۔ جو صدی کے بہت بڑے (Scam) کو بے نقاب کرتا ہے۔

اللہ تعالیٰ کی طرف سے "ربا" پر پابندی کے حکم کا دوسرا حصہ جو کہ اصل سرمایہ (Principal Capital) کی مکمل حفاظت، بغیر کمی و نقصان کے واپس کرنے کی گارنٹی دیتا ہے اس کو نظر انداز کر کے سرمایہ کار (investor/ depositor) پر ظلم اور ناانصافی کی جا رہی جس سے اللہ تعالیٰ نے صریحاً منع فرمایا: **يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ ﴿۲۷۸﴾ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ ۗ وَإِن تُبْتِغُوا فَلَئِكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ ﴿البقرة ۲۷۹﴾** مفہوم: "اے ایمان والو! اللہ سے ڈرو اور ربا (سود) لینا چھوڑ دو اگر تم مومن ہو (۲۷۸) اور اگر تم باز نہ آؤ تو اللہ اور اس کے رسول (ﷺ) سے جنگ ہے اور اگر تم سود لینے سے توبہ کرو، تو تمہارا اصل سرمایہ پر حق ہے؛ تم (قرضدار) سے (زیادہ مانگ کر اس پر) ظلم نہ کرو اور تمہارے ساتھ بھی (تمہارے اصل سرمائے میں خوردبرد کر کے) ظلم نہیں کیا جائے گا (البقرة ۲۷۹)"

اسے ہزاروں، لاکھوں علماء، دانشوروں، معاشی ماہرین، قانونی ماہرین، میڈیا اور معزز ججز کی لاعلمی، غلطی (oversight) کہیں یا کسی دشمن، شیطان کی سازش و منصوبہ سازی؟ (واللہ اعلم) حسن ظن کا تقاضا ہے کہ اسے عظیم بلنڈر سمجھ کر درگزر کیا جائے، فضول بحث مباحث میں وقت ضایع کرنے کی بجائے فوری طور پر مثبت پیش رفت سے غلطی کا ازالہ کر کے اللہ تعالیٰ کے احکام پر مکمل عمل کیا جائے (لا تَظْلَمُونَ وَلَا تُظْلَمُونَ) یاد رکھیں کہ قرآن پر ایمان، تلاوت، سمجھنا، عمل کرنا اور دوسروں تک اس کا پیغام پہنچانا تمام مسلمانوں کی ذمہ داری ہے: "اور ہم نے قرآن کو سمجھنے کے لئے آسان کر دیا تو کوئی ہے کہ سوچے سمجھے؟" (قرآن 54:17)³²⁰۔ جب ہم اپنی آنکھیں بند کر کے قرآن کو صرف دوسروں کی آنکھ سے دیکھتے ہیں تو پھر بلنڈرز ہوتے ہیں۔ ایک دوسرے بلنڈر کا بھی علم ہوا، اس کا ذکر آخر میں۔

³¹⁶ <https://www.investopedia.com/terms/f/fiatmoney.asp>

³¹⁷ <https://quran1book.blogspot.com/2020/06/misquoting-quran.html>

³¹⁸ <https://bit.ly/KatmanHaq>: کتمان حق - آیات قرآن اور علم حق کو چھپانا ممنوع

³¹⁹ <https://trueorators.com/quran-translations/2/85>

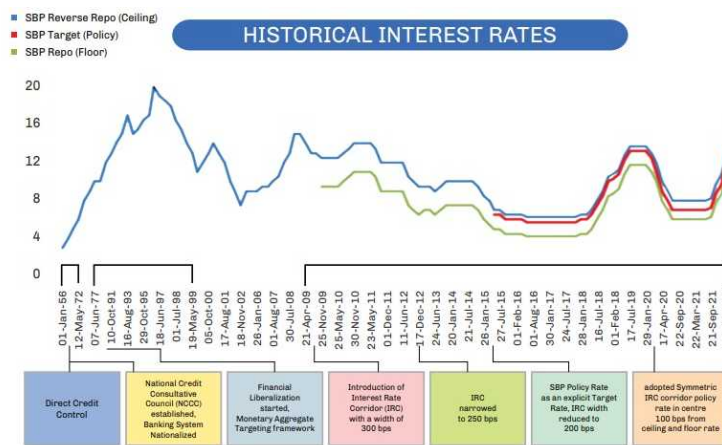
³²⁰ <https://trueorators.com/quran-tafseer/54/17>

پاکستان میں افراط زر (انفلیشن) اور انٹرسٹ ریٹس کے اعداد و شمار

یہ دلچسپ اعداد و شمار ہیں³²⁶: افراط زر کی شرح 1960 میں منفی 0.52% تھی پھر 1974 میں پلس 26.66%، 2021 میں 9.5% اور 2022 میں 26% کے درمیان اتار چڑھاؤ پر رہی ہے۔ یہ ثابت کرتا ہے کہ بہت سے ترقی یافتہ ممالک کی طرح افراط زر اور شرح سود کو پاکستان میں بھی زیرو پر لانا ممکن ہے۔³²⁷

شرح انٹرسٹ کے 1956 سے 2022 کے ڈیٹا سے معلوم ہوتا ہے کہ یہ تقریباً 3.6% (1956) سے 19% (1996)، 14%، 2009، 8% 2016، 13% 2019، 8% 2020 اور 16% 2022 رہی (یہ ڈیٹا چارٹ سے لیا گیا ہے ان میں معمولی غلطی کا امکان ہے)³²⁸

Discount rate



<https://bit.ly/QuranOnRiba>

³²⁶ <https://www.macrotrends.net/countries/PAK/pakistan/inflation-rate-cpi>

³²⁷ <https://www.brecorder.com/news/40175941/history-of-interest-rates-in-pakistan>

³²⁸ Page 29 75 Years Economic Journey of Pakistan , GOVERNMENT OF PAKISTAN MINISTRY OF FINANCE

ایک مثال :

فرض کریں کہ عبداللہ (depositor) سے بینک/نیشنل سیونگ سنٹر (NSC/ government/ State Bank) ایک سو (100) گرام سونا لے کر اس میں ایک گرام تانبہ ملتا ہے (inflation) تو 101 گرام سونا ہو گیا۔ نیشنل سیونگ/ حکومت/ بینک، عبداللہ کو اس ملاوٹ شدہ سونے میں سے 0.5 گرام منافع کہہ کر اسے واپس دیتا ہے اور باقی 0.5 گرام خود رکھ لیتا ہے [6 دسمبر 22 کو 1 گرام 24 قرات سونے کا ریٹ 12809 روپیہ³²⁹]

ایک مولانا صاحب فرماتے ہیں یہ 0.5 گرام سود، ربا ہے حرام ہے۔ دوسرے فرماتے ہیں کہ نہیں یہ منافع ہے۔ تیسرے صاحب کے خیال میں یہ کاروبار ہے۔

عبداللہ کہتا ہے:

یہ نہ "ربا" (سود) ہے نہ منافع بلکہ نا انصافی، ظلم ہے، (لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ) انفلیشن (افراط زر) کی جزوی تلافی ہے، مگر کیسے؟

گولڈ میں ملاوٹ ہو یا کرنسی نوٹ کی زیادہ پرنٹنگ (excessive money printing) دونوں ہی اصل مال میں خرد برد ہے³³⁰۔ مثلاً 100 گرام گولڈ "اصل راس المال" میں کسی دوسری دھات کی ملاوٹ (inflation) سے اس کی قدر کم (devalue) ہو گئی بظاہر سو گرام سونا ہی نظر آتا ہے یہ وہ اصل نہیں بلکہ کم قیمت کا ملاوٹ شدہ سونا ہے۔ (State bank/ governments) نے بینک اور نیشنل سونگ سنٹر کے ذریعہ سے 100 گرام خالص سونا لے کر اس میں 1 گرام تانبہ یا کوئی دھات (inflation) ملا کر اسے ناخالص کر دیا جو سونا (اصل مال) واپس کیا وہ کم قیمت کا ہے اصل مال نہیں۔ سونے کی قیمت اس میں ملاوٹ سے کم ہو جاتی ہے جیسا کہ مندرجہ ذیل ریٹ سے ظاہر ہے :

1Gm Gold@ Rs.10700 (24K), Rs.9808(22K), Rs.9363(21K), Rs.8025(18K)³³¹

قرآن کہتا ہے جو ربا سے توبہ کر لے، ربا نہ لے تو اصل مال اس کا ہے۔ وہ کسی پر ظلم نہ کرے کہ زیادہ پیسوں کا مطالبہ کرے تو نہ ہی اس پر ظلم کیا جائے گا یعنی اس کے اصل مال میں خرد برد، کمی نہ کی جائے (لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ) (مفہوم قرآن 2:279)

اس مثال میں اصل مال میں 1 گرام تانبہ کی ملاوٹ کر کے جو 100 گرام گولڈ واپس کیا وہ ناخالص ہے، اگر فروخت کرے تو مارکیٹ میں کم قیمت ملے گی۔ جیسا کہ مندرجہ بالا قیمت کے چارٹ سے ظاہر ہے۔ جو 0.5 گرام منافع دیا وہ اسی کے گولڈ، اصل زر میں سے دیا بلکہ 0.5 گرام گولڈ خود بھی رکھ لیا۔ اس طرح عبداللہ کو ناانصافی سے اسی کے اپنے ہی مال سے کچھ رقم واپس کی جو بظاہر مفاع نظر آتا ہے مگر نہیں ہے بلکہ جو 0.5 گرام حکومت / سٹیٹ / بینک خود لے گیا وہ بھی عبداللہ کے اصل مال سے کمی ہے۔ یہ اللہ کے وعدہ (لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ) کے سراسر خلاف ہے۔ مالیاتی فراڈ کے لیے "ڈبل شاہ" جیسے لوگ بدنام ہیں جو سادہ عوام کو بے وقوف بنا کر ان ہی کے مال سے منافع دے کر خوش کر تے ہیں۔ اسلامی ریاست کو ایسا کام زیب نہیں دیتا مزید ظلم یہ کہ عبداللہ (شہری) کے اپنے ہی اصل مال سے حاصل شدہ مال کو سود/ربا کہ کر، اللہ اور رسول اللہ ﷺ کے خلاف جنگ، گناہ کبیرہ، جہنم کی آگ کا خوف پیدا کرے بینک اور مالیاتی اداروں کی ملازمت اور تنخواہ کو حرام کے فتوے لگائیں، پھر حکومت اس کی اپنی اصل رقم مال کو منافع کہ کر مزید اس پر (15% سے 30%) پرودہولڈنگ (Withholding tax) اور انکم ٹیکس بھی لگائے تو پھر ظلم اور کیا ہے؟ (لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ)۔ زکاۃ فرض ہے جو مال کو پاک کرتی ہے۔

اللہ کاحکم تا قیامت ابدی ہے جو ہر قسم کی کرنسی گولڈ، سلور، کاغذ، فیات، ڈالر، روپیہ، ڈیجیٹل یا جو بھی مستقبل میں ہو، اس کے قرض و مقروض کے لیے اصول دیتا ہے:

i) اصل سرمایہ کی گارنٹی (ii) نہ زائد (ربا) لو (iii) نہ اصل زر مال کی قدر میں کمی (iv) جو ان اصولوں پر عمل نہ کرے وہ ظالم ہے۔ اور ظالم ہی اللہ تعالیٰ اور رسول اللہ ﷺ کے خلاف جنگ پر ہیں: يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ ﴿۲۷۸﴾ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ ۗ وَإِن تُبْتِغُوا فَلَکُمْ رُءُوسُ أَمْوَالِکُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ ﴿۲۷۹﴾ "اے ایمان والو اللہ سے ڈرو اور ربا (سود) لینا چھوڑ دو اگر تم مومن ہو (۲۷۸) اور اگر تم باز نہ آؤ تو اللہ اور اس کے رسول (ﷺ) سے جنگ ہے اور اگر تم سود لینے سے توبہ کرو، تو تمہارا اصل سرمایہ پر حق ہے؛ تم (قرضدار) سے (زیادہ مانگ کر اس پر) ظلم نہ کرو اور تمہارے ساتھ بھی

³²⁹ https://www.finance.gov.pk/75_Years_Economic_Journey_of_Pakistan.pdf

³³⁰ <https://www.economicshelp.org/blog/797/economics/why-printing-money-causes-inflation/>

³³¹ Gold Rate In Pakistan, 1 December 2021 per gram. K for Kerat, purity of gold.

(تمہارے اصل سرمائے میں خوردبرد کرکہ) ظلم نہیں کیا جائے گا (البقرة ۲۷۹) - کیا ایسا قانون اسلامی کہا جا سکتا ہے جس میں ملاوٹ کرنا، کم تولنا حرام ہو صرف عوام کے لیے مگر حکومت کے لئے نہیں؟ انڈیکسیشن (Indexation)

انڈیکسیشن³³² ایک ایسا تسلیم شدہ مروجہ طریقہ ہے جس سے اصل زر میں (inflation) افراط زر کی وجہ سے جو قدر (value) میں کمی واقع ہوتی ہے اس (کمی) کو دور کیا جاتا ہے اور اصل زر کی اصل قدر (original value) قائم رہتی ہے، نہ کم، نہ زیادہ، یہی انصاف ہے، یہی قرآن و شریعت کا تقاضہ ہے۔ اسلامی ڈویلپمنٹ بینک کا دینار اور IMF اس پر عمل پیرا ہیں۔

روپیہ کی قدر میں تبدیلی بمقابلہ گولڈ

1947 میں 3.31 روپے (1 امریکی ڈالر) سے 0.6770982456 گرام سونا ملتا اب 2022 میں اس وزن سونے کی قیمت 6641 روپے ہے (یا 1947 والا ایک روپیہ آج کے 2006 روپے کے برابر ہے)۔ جبکہ 3.31 روپے (\$1) کے پرنسپل مال پر 10.139 فیصد سالانہ کی شرح سے 75 سالوں کے دوران مسلسل کمپاؤنڈ کے ساتھ جمع ہونے والی کل رقم 6,641 روپے بنتی ہے۔ اس طرح اس مثال میں 10.139 فیصد سالانہ کی شرح سے اضافہ "ربا" (اصل مال میں اضافہ) نہیں بنتا اس سے زیادہ شرح اصل رقم اصل زر مال (principal) میں اضافہ ہے جو "ربا" ہے، یہ صرف ایک علمی اعداد و شمار کی مثال ہے کوئی فتویٰ نہیں۔

روپیہ کی قدر میں تبدیلی بمقابلہ کاغذی کرنسی ڈالر (fiat/ paper currency \$)

اب دوسری مثال کاغذی کرنسی (fiat/ paper currency)³³³ کی دیکھتے ہیں۔ 7491 میں 3.31 روپیہ (1 امریکی ڈالر) کے برابر تھا اور اب ایک ڈالر \approx 922 روپیہ³³⁴ - اصل زر کی قدر میں یہ اضافہ، 57 سال تک 65.5% کمپاؤنڈ تلافی سے ممکن ہے (اسے ربا کیسے کہ سکتے ہیں؟) اگر ایسا نہ کریں اور 57 سال بعد عبداللہ (depositor) کو 13.3 روپیہ واپس کریں۔

ان دونوں مثالوں سے اصل زر [3.31 روپے / 1 امریکی ڈالر] کی مالیت 75 سال بعد، گولڈ کی مطابق 6,641 روپیہ اور ڈالر کے مطابق 229 روپیہ بنتی ہے۔ اگر اس کو صرف 3.31 روپے واپس کر دیں تو کیا یہ 75 سال بعد اصل زر کی مارکیٹ ویلیو ہے؟ تو کیا یہ کسی بھی انسانی اخلاقیات کے مطابق انصاف ہے؟ کیا اللہ تعالیٰ کے وعدہ (لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ) کے مطابق ہے؟ کیا یہ انصاف ہے یا ظلم؟ کیا اصل زر جس کی قدر کی گارنٹی اللہ تعالیٰ نے دی کہ اس میں کوئی خوردبرد کمی نہ کی جائے گی (البقرة ۲۷۹) اس حکم کی تعمیل ہے یا نافرمانی؟ جنگ اور کیا ہوتی ہے؟ "یقیناً اللہ کے نزدیک بدترین قسم کے جانور وہ بہرے گونگے لوگ ہیں جو عقل سے کام نہیں لیتے" (قرآن: 8:22)³³⁵۔ اور نصیحت صرف عقلمند ہی حاصل کرتے ہیں (قرآن 2:269)

قرآن کے حکم پر دوبارہ نظر ڈالیں: "اے ایمان والو اللہ سے ڈرو اور ربا (سود، اصل زر مال میں اضافہ) لینا چھوڑ دو اگر تم مومن ہو (۲۷۸) اور اگر تم باز نہ آؤ تو اللہ اور اس کے رسول (ﷺ) سے جنگ ہے اور اگر تم سود (سود، اصل زر مال میں اضافہ) لینے سے توبہ کرو، تو تمہارا اصل سرمایہ پر حق ہے؛ تم (قرضدار) سے (زیادہ) مانگ کر اس پر ظلم نہ کرو اور تمہارے ساتھ بھی (تمہارے اصل سرمائے میں خوردبرد کرکہ) ظلم نہیں کیا جائے گا (البقرة ۲۷۹ مفہوم)

اصل زر کی قدر میں انفلیشن کی وجہ سے کمی کی تلافی کرنے کے دو طریقے ڈسکس کیے گئے۔ ایک گولڈ کے ساتھ اور دوسرا ڈالر کے ساتھ جو خود ایک کاغذی کرنسی ہے اگرچہ روپیہ کے مقابل قدرے مستحکم ہے۔

1. گولڈ: مرکب تلافی @ 10.139%، 75 سال بعد \approx 6,641 روپیہ
2. ڈالر: 75 سال کے لیے 5.56% کمپاؤنڈ تلافی \approx 229 روپیہ
3. درمیانی راستہ \approx 8% ہو سکتا ہے۔
4. یا پھر مکس باسکٹ (متوازن کرنسیاں، گولڈ، کموڈیٹیز وغیرہ) انڈیکسیشن بیس رکھ کر شمار کریں۔ جیسے کہ اسلامک ڈویلپمنٹ بینک نے اپنے اسلامی دینار کو IMF کے (Special Drawing SDR)³³⁶ کے Rights کے برابر رکھا ہے۔ ابتدائی طور پر ایس ڈی آر 0.888671 گرام سونے کے مساوی تھا جو اس

³³² <https://www.investopedia.com/terms/i/indexation.asp>

³³³ Fiat money is a government-issued currency that is not backed by a commodity such as gold.

<https://www.investopedia.com/terms/f/flatmoney.asp>

³³⁴ <https://dailymtimes.com.pk/1034247/todays-currency-exchange-rates-in-pakistan-on-december-1st-2022/>

³³⁵ <https://tanzeel.net/#trans/ur/maududi/8:22>

³³⁶ <https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/14/51/Special-Drawing-Right-SDR>

وقت ایک امریکی ڈالر کے برابر بھی تھا۔ ³³⁷Bretton Woods کے نظام کے خاتمے کے بعد، SDR کو کرنسیوں کی ٹوکری کے طور پر دوبارہ بیان کیا گیا۔ SDR ٹوکری (باسکٹ، امریکی ڈالر، یورو، چینی یوان، جاپانی ین، پاؤنڈ سٹرلنگ) کا ہر پانچ سال بعد یا اس سے پہلے جائزہ لیا جاتا ہے، اس بات کو یقینی بنانے کے لیے کہ ٹوکری دنیا کے تجارتی اور مالیاتی نظام میں کرنسیوں کی نسبتی اہمیت کو ظاہر کرتی ہے۔ امریکی ڈالر کے لحاظ سے SDR قدر کا تعین روزانہ لندن کے اسپاٹ ایکسچینج کی شرحوں کی بنیاد پر کیا جاتا ہے اور اسے IMF کی ویب سائٹ پر پوسٹ کیا جاتا ہے۔ ایک ریڈی میڈ حل موجود ہے :

On 16/12/22: 1SDR=1.32993 US\$=Rs.299.1544³³⁸

1. یہ عدلیہ اور ماہرین کے ذمہ ہے کہ وہ اصل زر میں کمی کی تلافی کے لیے کیا طریقہ اختیار کرتے ہیں جو اللہ کے حکم (لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ) کے مطابق ہو۔
2. یاد رکھیں کہ ان مثالوں کے ریٹ ہر ایک پر لاگو نہیں ہو سکتے، ہر فرد کے ڈیبوزٹ کی تاریخ، دورانیہ، اس دورانیہ میں انفلیشن اور انٹرسٹ ریٹ کے مطابق کیکولیشن کرنا ہوگی۔ ماہرین سافٹ ویئر یا مخصوص کیکولیٹریا بنا سکتے ہیں۔
3. لیکن یہ واضح ہے کہ موجودہ طریقہ کوجمع کنندگان کے لیے "ربا" کہنا درست نہیں یہ ظلم اور نا انصافی ہے جس کو ختم ہونا چاہیے یہ صرف جزوی تلافی (partial compensation) ہے اصل زر مال کی قدر میں افراط زر کی وجہ سے قدر (value) میں کمی کی تلافی جو قرآن (2:279) میں اللہ کے حکم کے مطابق ہے جسے نظر انداز کر دیا گیا۔

حکومت کے لیے مسمینجمنٹ، کرپشن غیر ضروری اخراجات پورے کرنے کے لیے لامحدود کرنسی نوٹ پرنٹ کرنا، افراط زر سے ان کی قدر (value) کم کرنا کیسے حلال، جائز ہے؟ جبکہ اللہ اور رسول اللہ ﷺ کا حکم ہے کہ اصل مال میں کمی یا زیادتی نہ کرو یہ دونوں ظلم ہیں (2:279) کیا ایسے عمل کو اسلامی کہا جاسکتا ہے جو کہ قرآن کے برخلاف ہو؟

بیس جدید 20 تفاسیر، علماء کی افراط زر سے لا علمی

دور حاضر کے مشہور ترین مفسرین کی بیس (20) تفاسیر³³⁹ کو کنسلٹ کرنے سے حیرت ہوتی ہے کہ کسی نے بھی افراط زر، انفلیشن، فیات کرنسی (Fiat Currency) کا ذکر تک نہ کیا، شائد ان کو علم ہی نہیں یا پھر ان کے نزدیک یہ کوئی مسئلہ نہیں۔ ابن کثیر (رح) (1373 - CE.1300) نے صدیوں قبل خطبہ حج میں رسول اللہ صلی اللہ علیہ کی طرف سے ربا ختم کرنے کے اعلان اور ربا (سود) نہ لینے والوں کے اصل مال میں کمی نہ کرنے کا حکم بھی پیش کیا جسے دوسرے مفسرین نے سرسری طور پر دہرا دیا۔ لیکن اس حکم کو موجودہ حالات میں انٹریپرٹ نہ کیا، ایسے علم کا فائدہ؟ میڈیا میں خوب شور ہوتا ہے کہ ربا ختم کرو، یہ ایک دینی سے زیادہ سیاسی نعرہ بن چکا ہے - جبکہ قرآن صاف صاف اصل مال پورا کا پورا واپس کرنے کا حکم اور "کمی" کو ظلم کہہ رہا ہے۔ (لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ)

"کیا یہ قرآن میں غور و فکر نہیں کرتے؟ یا ان کے دلوں پر تالے لگ گئے ہیں" (قرآن 47:24)

عصری فقہ اور اشاریہ (Indexation) سازی

علماء کا ایک طبقہ اشاریہ سازی (indexation) کو جائز سمجھتا ہے جن میں رفیق المصری، سلطان ابو علی، ایم اے منان، ضیاء الدین احمد، عمر زبیر اور گل محمد شامل ہیں۔ انہیں اس میں کوئی ایسی چیز نظر نہیں آتی جو شرعی قوانین سے متصادم ہو، بلکہ وہ اسے قرآن و سنت میں بیان کردہ عدل کے اصولوں کے مطابق قرار دیتے ہیں۔ مصر میں 1900 میں مفتی محمد عبدہ³⁴⁰ کا فتویٰ 2002 تک یکے بعد دیگرے مفتیوں نے سود کو "حرام، مباح اور ممنوع اور پھر دوبارہ جائز" قرار دیا ہے^{341, 342}۔ مسلم ممالک ہینڈ بک کے مطابق: "ایک سود کی شرح جو افراط زر کی شرح سے زیادہ نہ ہو، کلاسیکی اسلامی فقہاء کے مطابق سود نہیں ہے"³⁴³۔ اس مسئلے کو حل کرنے کے لیے تجاویز میں قرضوں کی فہرست بنانا یا قرضوں کو "کسی شے کے لحاظ سے" جیسے

³³⁷ <https://www.investopedia.com/search?q=Bretton+Woods>

³³⁸ https://www.imf.org/external/np/fin/data/rms_five.aspx

³³⁹ <https://trueorators.com/quran-tafseer/2/279>

³⁴⁰ https://en.wikipedia.org/wiki/Muhammad_Abduh

³⁴¹ <https://en.wikipedia.org/wiki/Riba#Modernism>

³⁴² Khan, *What Is Wrong with Islamic Economics?*, 2013: p. 204

³⁴³ International Business Publications, Inc. (2015). *Investment Laws in Muslim Countries Handbook Volume 1 Investment Laws ...* Lulu.com. p. 23. ISBN 978-1-4330-2397-2. Retrieved 20 October 2016. "، مسلم ممالک ہینڈ بک جلد 1،

نتیجہ

اس مثالوں، اعداد و شمار اور حساب کتاب سے یہ نتیجہ اخذ ہوتا ہے کہ افراط زر کی وجہ سے ہونے والے اصل مال (Principal Capital) کے نقصان کا معاوضہ، تلافی (compensation) دینا ضروری ہے۔

یہ کہنا کہ آپ \$ اکاؤنٹ کھولیں، \$ میں تجارت کرنے یا سونے کی اینٹوں سے حساب کتاب کریں مضحکہ خیز نا قابل عمل بھونڈا مذاق ہے حکومت کے نافذ کردہ مالیاتی سسٹم میں مال حرکت میں رہتا ہے زیر استعمال ہوتا ہے اور سب کو قانونی تحفظ حاصل ہوتا ہے۔ مال کی ذخیرہ اندوزی (hoarding) درست نہیں اور ہر کوئی انفرادی متوازی معاشی نظام نہیں بنا سکتا۔ ریاست کو اپنا کام کرنا چاہیے۔ مولانا صاحبان کو مروجہ معاشی نظام اور قرآن کا بغور مطالعہ کرنا چاہیے، جس معاملہ کا علم نہیں تو علم حاصل کریں یا پھر ہر معاملہ میں سینگ پہنسانے سے باز رہیں۔ اللہ کا فرمان ہے: (فَلَمْ تَحْجُوزُوا فِيمَا لَيْسَ لَكُمْ بِهِ عِلْمٌ) تو اب تم ایسی چیزوں کے ضمن میں حجت بازی کیوں کرتے ہو جن کے بارے میں تمہارے پاس کچھ بھی علم نہیں؟ (قرآن 3:66)³⁴⁷ اور "پیمانے سے دو تو پورا بھر کر دو، اور تولو تو ٹھیک ترازو سے تولو یہ اچھا طریقہ ہے اور بلحاظ انجام بھی یہی بہتر ہے (35) کسی ایسی چیز کے پیچھے نہ لگو جس کا تمہیں علم نہ ہو یقیناً آنکھ، کان اور دل سب ہی کی باز پرس ہونی ہے" (17:36)³⁴⁸، "اپنا اصل سرمایہ لینے کے تم حق دار ہو نہ تم ظلم کرو، نہ تم پر ظلم کیا جائے (2:279)"، "تم ناپ اور تول انصاف کے ساتھ پورے کیا کرو اور لوگوں کو ان کی چیزیں گھٹا کر نہ دیا کرو اور فساد کرنے والے بن کر ملک میں تباہی مت مچاتے پھرو" (قرآن 11:85)

ناپ تول میں کمی اور گھٹانے کو فساد و تباہی قرار دیا گیا ہے، جو بہت بڑا گناہ و جرم ہے۔

انڈیکسیشن تو اصل زر کی قیمت میں افراط زر کی وجہ سے کرنسی کی قدر (value) میں کمی کا تدارک کرتی ہے۔ یہ ہی انصاف ہے جس کا قرآن³⁴⁹ تقاضا کرتا ہے (لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ)

افراط زر سے اصل زر کی قدر (value) میں کمی کا حل :

1. کرنسی میں ملاوٹ (inflation by excessive currency printing) ختم کریں، کرپشن اور (financial, monetary mismanagement) کو ٹھیک کر کے بہت ممالک نے افراط زر کو کنٹرول کر کے صفر یا قریب رکھا ہے (inflation, interest rate near zero) پاکستان نے بھی افراط زر کی شرح 1960 میں منفی 0.52- رکھی تھی۔ یہ اب کیا ممکن نہیں؟
2. دوسرا طریقہ مکمل یا جزوی انڈیکسیشن (partial or full indexation) جیسے ہر سال تنخواہیں، پنشن نڑھائی جاتی ہے (inflation% partially) کے مطابق۔
3. حکومت اپنے اخراجات کو امداد کے مطابق کرے، آمدن میں اضافہ کرے، درست مالیاتی پالیسیوں پر عمل کرے مگر حکمران ایسا نہیں کرتے بلکہ کرنسی نوٹ پرنٹ کر کے ملاوٹ کرتے ہیں، جس سے مہنگائی، افراط زر میں اضافہ ہوتا ہے اور کرنسی نوٹ کی قدر و قیمت کم ہو جاتی ہے۔ یہ عوام کی جیب پر ڈاکہ ہے جسے یہ کہہ کر نظر انداز نہیں کیا جاسکتا کہ یہ معاشی نظام کا جزو لازم ہے۔ صرف وہ نظام قابل قبول ہو سکتا ہے جس کی بنیاد (لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ) پر ہو۔ دوسرے ممالک اسے (manage) کر رہے ہیں، پہلے پاکستان بھی کسی حد تک (manage) کر رہا تھا اب کیوں نہیں؟
4. زیرو سود کی شرح والے 26 ممالک ہیں، مارچ 2021 میں، کم شرح سود والے 29 ممالک، کچھ ممالک کی شرح سود منفی ہے۔ سب سے کم شرح سود والے 5 ممالک سوئٹزرلینڈ، ڈنمارک، جاپان، سویڈن، اور اسپین ہیں۔ 20 ممالک جن میں 2020 میں افراط زر کی شرح سب سے کم ہے۔ پاکستان کیوں ان ممالک سے سبق نہیں سیکھ سکتا؟
5. بادی النظر میں حکومت، قاضی اور ملا آپس میں متفق ہوں تو کس سے ظلم کے خلاف انصاف کی توقع کر سکتے ہیں؟ مگر امید ہے کہ ایسا نہیں۔ عدلیہ اور ماہرین مل کر ایسا طریقہ اختیار کریں جس کی بنیاد (لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ) پر ہو۔
6. اللہ تعالیٰ کا حکم ہے: " --- پس تم ناپ اور تول پورا پورا کیا کرو اور لوگوں کو ان کی چیزیں کم کر کے مت دو اور روئے زمین میں اس کے بعد اس کی درستی کر دی گئی فساد مت پھیلاؤ یہ تمہارے لئے نافع ہے اگر تم تصدیق کرو" (قرآن 7:85)³⁵⁰

³⁴⁷ <https://trueorators.com/quran-tafseer/3/66>

³⁴⁸ <https://tanzil.net/#trans/ur.maududi/17:36>

³⁴⁹ <https://salaamone.com/riba/#Justice>

<https://www.livepriceofgold.com/pakistan-gold-price-per-gram.html>

³⁵⁰ <https://trueorators.com/quran-tafseer/7/85>

7. یہ ظلم ہے کہ جمع کنندہ (depositor) کے اپنے ہی اصل مال سے حاصل شدہ مال کو مولانا صاحب ربا ، حرام کہیں، اللہ اور رسول اللہ ﷺ کے خلاف جنگ ، گناہ کبیرہ ، جہنم کی آگ کا خوف پیدا کرے بنک اور مالیاتی اداروں کی ملازمت اور تنخواہ پر حرام کے فتوے لگائیں صرف اس لیے کہ انہوں نے اسلامی تاریخ میں صرف سونے چاندی کے سکوں کے متعلق پڑھا ہے ان کو جدید نظام میں کاغذ کی کرنسی (fiat concept) پر عبور نہیں، وہ افراط زر کے اصل مال پر منفی اثر سے لا علم، لا تعلق ہیں۔ جبکہ قرآن واضح ہے کہ اصل مال کی قدر میں کمی نہ کی جائے یہ ظلم ہے جس کا خاتمہ ضروری ہے۔ مگر یہ حضرات عقل کو استعمال کرنے میں کنجوس ہیں جبکہ قرآن کہتا ہے : "یقیناً اللہ کے نزدیک بدترین قسم کے جانور وہ بہرے گونگے لوگ ہیں جو عقل سے کام نہیں لیتے" (قرآن 8:22)³⁵¹
8. لیکن یہ واضح ہے کہ موجودہ طریقہ کو "ربا" کہنا بالخصوص بنک اور قومی بچت سکیمز کے جمع کنندہ (depositor) کے لئے درست اقدام نہیں یہ ظلم اور نا انصافی ہے جس کو ختم ہونا چاہیے۔ جو کچھ (depositor) وصول کرتے ہیں وہ صرف جزوی تلافی (partial compensation) ہے "اصل زر مال" کی قدر میں افراط زر کی وجہ سے کمی کی۔ نومبر 2022 میں انفلیشن 26% ہے اور منافع 14% تو 12% پھر بھی نقصان ہے جو حکومت/ بینک کے پاس یا جہاں بھی جا رہا ہے۔ دراصل جمع کنندہ (depositor) اپنے اصل زر سے ہی منافع کے نام سے جو وصول کر رہے ہیں اس سے ان کے اصل مال کی قدر (value) کم ہو رہی ہے (یہ نقطہ گہرے غورو فکر سے سمجھا جا سکتا ہے)، ان کے مال کو اگر کوئی اور کاروبار شراکت میں استعمال کر رہا ہے اور منافع بھی دے رہا ہے تو اس میں سے حصہ الگ ہے جس کا ذکر یہاں نہیں کیا۔ قرآن (2:279) میں اللہ کا حکم جسے لاعلمی یا جان بوجھ کر نظر انداز کر دیا گیا، مزید اس جزوی تلافی کو منافع یا آمدنی کہنا اس (15% سے 30%) پر ودہولڈنگ (Withholding) اور پھر انکم ٹیکس لگانا ظلم نہیں اور کیا ہے؟ زکاۃ فرض ہے جو مال کو پاک کرتی ہے۔
9. لہذا نہ کوئی مسلمان اللہ تعالیٰ اور رسول اللہ ﷺ کے خلاف جنگ کر رہا ہے نہ ہی ایسا سوچ سکتا ہے۔ بنک اور قومی ادارہ بچت کے ملازمین پر حرام نوکری کے فتوے لگانا کیا مناسب ہے؟
10. بلکہ جو لوگ اللہ کے احکام کے بر خلاف کام کر رہے ہیں آیات قرآن کو نظر انداز کر رہے ہیں وہ اپنی فکر کریں اور اس کا ازالہ کریں: "کیا تم کتاب کے بعض احکام مانتے ہو اور بعض کا انکار کر دیتے ہو؟ بھلا جو لوگ ایسے کام کریں ان کی سزا اس کے سوا اور کیا ہوسکتی ہے کہ دنیا میں ذلیل و خوار ہوں اور قیامت کے دن وہ سخت عذاب کی طرف دھکیل دیئے جائیں؟ اور جو کچھ تم کرتے ہو اللہ اس سے بیخبر نہیں" (قرآن 2:85)³⁵²
11. واضح رہے کہ اسلامک بینکنگ کو فروغ دینا بہت ضروری ہے جو کہ ہر شعبہ میں ربا کو مکمل طور ختم کرنے کا وسیع پروگرام ہے۔ مشارکہ، مضاربہ، اجارہ اور اسلامی بینکنگ کے زیادہ ترجیحی شراکتی طریقوں سے حاصل ہونے والا منافع پیسے جمع کرنے والوں کو رزق حلال فراہم کرتا ہے۔ ان حالات میں قرآن کے حکم (2:279) کے مکمل نفاذ پر اصرار کرنا، بظاہر ایک لا حاصل کوشش معلوم ہوتی ہے۔ لیکن اللہ کا حکم (وَتَوَاصُوا بِالْحَقِّ وَتَوَاصُوا بِالصَّبْرِ) حق کی تلقین اور صبر کی تاکید ... یہ صرف مختصر تعارف ہے مزید تفصیل ان لنکس پر

<https://SalaamOne.com/Riba> ☆ <https://bit.ly/Riba-Research>

زَمَنَ بَرِ صُوفِيٍّ وَمُلًّا سَلَامِيٍّ: كَهَ بِيغَامِ خُذَا كُفْتَنَدِ مَا رَا

وَلِے تَاوِيلِ شَاہِ دَر حَیْرَتِ اَنْدَاخْتِ: خُذَا وَ جَبْرَائِلَ وَ مِصْطَفَى رَا

میری جانب سے صوفی و ملّا کو سلام پہنچے کہ انہوں نے اللہ تعالیٰ کے احکامات ہم تک پہنچائے، لیکن انہوں نے ان احکامات کی جو تاویلیں کیں، اُس نے اللہ تعالیٰ، جبرائیل اور محمد مصطفیٰ ﷺ کو بھی حیران کر دیا۔ (علامہ محمد اقبال)

آپ کی ذمہ داری :

³⁵¹ <https://trueorators.com/quran-tafseer/8/22>

³⁵² <https://trueorators.com/quran-tafseer/2/85>

اہل ایمان کی ذمہ داری ہے کہ وہ غلط معلومات (disinformation) کا مقابلہ کرنے کے لیے اس "آگاہی مہم" میں شرکت کریں۔ اس پمفلٹ کی کاپی، پرنٹ یا ویب لنک واٹس ایپ پر شیئر کریں: <https://bit.ly/QuranOnRiba>
"جو شخص نیک بات کی سفارش کرے تو اس کو اس (کے ثواب) میں سے حصہ ملے گا" (قرآن 4:85)

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ہمارے رب! ہم سے بھول چوک میں جو قصور ہو جائیں، ان پر گرفت نہ کر مالک! ہم پر وہ بوجھ نہ ڈال، جو تو نے ہم سے پہلے لوگوں پر ڈالے تھے پروردگار! جس بار کو اٹھانے کی طاقت ہم میں نہیں ہے، وہ ہم پر نہ رکھ، ہمارے ساتھ نرمی کر، ہم سے در گزر فرما، ہم پر رحم کر، تو ہمارا مولیٰ ہے، کافروں کے مقابلے میں ہماری مدد کر ﴿سورۃ البقرۃ ۲۸۶﴾

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History of Usury in Judaism & Christianity:

In modern law usury, is the practice of charging an illegal rate of interest for the loan of money. In Old English law, the taking of any compensation whatsoever was termed usury. With the expansion of trade in the 13th century, however, the demand for credit increased, necessitating a modification in the definition of the term. Except for Genesis;23:9, Jeremiah;32:10, and Ruth; 4:8, Scripture makes no reference to transaction procedures. Interest is however prohibited in Bible: "Take no interest from him or increase, but fear your God; that your brother may live beside you. You shall not lend him your money at interest, nor give him your food for profit."(Leviticus;25:39-37 also Deuteronomy; 23:19-20). The violation of this law was viewed as a great crime (Psalms;15:5; Peter; 28:8; Jeremiah; 15:10). After the Return, and later, this law was much neglected (Nehemiah; 5:7,10). The Jews consider that usury is prohibited with in Jews and that they could charge interest from gentiles: "Unto a stranger thou mayest lend upon usury; but unto thy brother thou shalt not lend upon usury: that the LORD thy God may bless thee in all that thou settest thine hand to in the land whither thou goest to possess it."(Deuteronomy;23:20). Thus the Jews became to be known as money lenders, hated by the masses in Europe due to their exploitation by Jews who charged the interest at exorbitant rates. In the Middle Ages the Christian Church attempted to enforce certain moral commands adverse to commercial transactions. The taking of interest for loans of money was considered income without true work and, therefore, sinful and prohibited. There was also an attempt to generalize the idea of a just price. Although both rules, and especially the former, influenced the law and the economy for centuries, neither of them finally prevailed in the secular world. The growth of finances, industry, and land estate ruled the rabbis to develop laws concerning contracts, partnerships, and legal arrangements to circumvent the biblical prohibition against usury. A series of modes of transaction effecting the transfer and acquisition of property evolved. Usury then was applied to exorbitant or unconscionable interest rates. In 1545 England fixed a legal maximum interest; any amount in excess of the maximum was usury. The practice of setting a legal maximum on interest rates later was followed by most states of the United States and most other Western nations.

PROHIBITION OF USURY IN ISLAM :

Defining Usury (Riba):

Riba (literally 'usury' or 'interest') is prohibited in Islam, for the principle is that any profit sought should be through own exertions and at our own expense, not through exploiting other people or at their expense. The Arabic term *Riba* is considered synonymous to 'usury' which has been defined in the writings of a number of very early Muslim scholars, it may help to understand its broader meanings. In his commentary on the Qur'an, Imam Al-Razi says: "The usury based on time delay was the type commonly practiced in pre-Islamic days. A man would lend another person some money for a specified term stipulating that he would charge him a specified amount every month while the principal amount remained intact. When the agreed time arrived, the lender would request repayment. If the borrower cannot pay, he increases the monthly payment and the time of the loan." Al-Jassas says: "It is well known that usury in pre-Islamic days was simply a loan given for an appointed time with a stipulated increase. That increase compensated for delay. This is prohibited by Allah." Mujahid says: "In pre-Islamic days, when a man had borrowed money from another, he would come to him and say: I will pay you so and so if you allow me a longer period for repayment." Qatadah says: "The usury practiced in pre-Islamic days took the form of a sale made for a specified term. When payment is due and the buyer does not have the money to pay the seller, he agrees to pay him extra in return for a postponement." Imam Ahmad ibn Hanbal defines usury in the same terms, saying: "If a man had lent money to another and the time of repayment was due, the lender would say to the borrower: You either pay me now or increase the amount to be paid. If he does not settle the debt then and there, one agrees to increase the amount and the other extends the time for repayment." All these definitions agree on the nature of usury. It is financial compensation for time delay. This is what is known as "increase in lieu of time extension." All scholars and all Muslim schools of thought are unanimous that this type of *Riba* is strictly forbidden. However as regards to the other explanations of *Riba* (Usury) there is room for difference of opinion. 'Umar bin Al-Khattab, (2nd rightly guided Caliph) according to Ibn Kathir, felt some difficulty in the matter, as the Apostle left this world before the details of the question were settled. *Riba* (Usury) was one of the three questions on which he wished he had more light from the Prophet (peace be upon him). Muslim scholars, ancient and modern, have worked out a great body of literature on *Riba*, based mainly on economic conditions as they existed at the rise of Islam.

Increase in Lieu of Quality:

There is another type of *Riba*, which is known as "increase in lieu of quality". This takes the form of exchanging two quantities of the same kind, such as dates for dates, wheat for wheat, rice for rice. A person may offer 1.5 kilogram of dates or wheat or rice, etc. in return for one kilogram of the same type but of higher quality. There is no doubt that there may be several types of the same produce and their

qualities differ immensely. Prices could range from the very cheap to the very expensive, with the latter being two or three or four times as much as the price of the former. It is conceivable that people would like to barter some of their produce for a smaller amount of a higher quality type. But this again is forbidden in Islam as evident from Hadith of Prophet Muhammad(peace be upon him); Narrated by Abu Said al Khudri: Once Bilal brought Barni (i.e. a kind of dates) to the Prophet and the Prophet asked him, "From where have you brought these?" Bilal replied, "I had some inferior type of dates and exchanged two Sa's (measurement of weight) of it for one Sa of Barni dates in order to give it to the Prophet (peace be upon him) to eat." Thereupon the Prophet(peace be upon him) said, "Beware! Beware! This is definitely *Riba*! This is definitely *Riba*! Don't do so, but if you want to buy (a superior kind of dates) sell the inferior dates for money and then buy the superior kind of dates with that money."(Sahih Al-Bukhari Hadith 3.506). Narrated by Ibn Umar: At an other occasion the Prophet (peace be upon him) said; "The selling of wheat for wheat is *Riba* except if it is handed from hand to hand and equal in amount. Similarly the selling of barley for barley, is *Riba* except if it is from hand to hand and equal in amount, and dates for dates is usury except if it is from hand to hand and equal in amount. (Sahih Al-Bukhari Hadith 3.379).

Modern Banking Transactions:

While there are some differences between such usurious practices and banking transaction in today's world; but there are also essential similarities. In a loan obtained from a bank, a borrower pays a regular amount of interest, which does not affect the principal. This is similar to the practice of pre-Islamic days when a borrower used to pay every month a certain sum to the lender, while the principal remained the same. Moreover, in a banking transaction, when the loan is repaid over a longer period of time, the amount of interest charged is also higher, although its rate may remain the same.

Strict Prohibition of Riba in Qur'an:

It should be well understood that there is no case of prohibition stated in the Qur'an more forcefully than the prohibition of *Riba*. Allah warns the believers that they must desist from practicing usury or they would face a war declared on them by Allah and His messenger(peace be upon him): "O You who believe! Fear Allah and waive what is still due to you from usury if you are indeed believers; or war shall be declared against you by Allah and His Apostle. If you repent, you may retain your principal, causing no loss to debtor and suffering no loss."(Qur'an;2:278-279). However some eminent scholars have argued that banking transactions and the system of interest is different from *Riba* as called in Islam.

The Islamic law of transactions as a whole is dominated by the doctrine of prohibition of *Riba*. Basically, this is the prohibition of usury, but the notion of *Riba* was rigorously extended to cover, and therefore preclude, any form of interest on a capital loan or investment. And since this doctrine was coupled with the general prohibition on

gambling transactions, Islamic law does not, in general, permit any kind of speculative transaction the results of which, in terms of the material benefits accruing to the parties, cannot be precisely forecast. The charging of interest is strongly prohibited according to Qur'an; "Those who devour usury will not stand except as stands one whom the Evil One by his touch hath driven to madness. That is because they say: "Trade is like usury but Allah hath permitted trade and forbidden usury. Those who after receiving direction from their Lord desist shall be pardoned for the past; their case is for Allah (to judge); but those who repeat (the offence) are companions of the fire: they will abide therein (for ever)".(Qur'an;2:275). "Allah will deprive usury of all blessing but will give increase for deeds of charity: for He loveth not creatures ungrateful and wicked."(Qur'an;2:276). "That which ye lay out for increase through the property of (other) people will have no increase with Allah: but that which ye lay out for charity seeking the Countenance of Allah (will increase): it is these who will get a recompense multiplied."(Qur'an;30:39). Prophet Muhammad (peace be upon him) reemphasized the abolishment of usury in his Last Sermon at Hajj, he said;" All usury transactions, which have been made in the past days of ignorance, are hereby abrogated. You may claim only your capital, neither inflicting nor suffering any injustice. Allah has decreed that no usury is permissible. The first usury transactions I abrogate are those of my uncle, Al-Abbas ibn Abdul Muttalib,". In some Muslim countries efforts are being made to replace the 'Interest' with Islamic compliant substitutes.

Interpretations of Riba:

Owing to the fact that interest occupies a central position in modern economic life, and specially since interest is the very life blood of the existing financial institutions, a number of Muslims have been inclined to interpret it in a manner which is radically different from the understanding of Muslim scholars through last fourteen centuries and is also sharply in conflict with the categorical statements of the Prophet (peace be on him). According to Islamic teachings any excess on the capital is *Riba* (interest). Islam accepts no distinction, in so far as prohibition is concerned, between reasonable and exorbitant rates of interest, and thus what came to be regarded as the difference between usury and interest; nor between returns on bonus for consumption and those for production purposes and so on. Hence the Islamic mode of *Riba* free banking, is gaining popularity. In Islam the basic principles of the law are laid down in the four root transactions of (1) Sale (*bay'*), transfer of the ownership or corpus of property for a consideration; (2) Hire (*ijarah*), transfer of the usufruct (right to use) of property for a consideration; (3) Gift (*hibah*), gratuitous transfer of the corpus of property, and (4) Loan (*'ariyah*), gratuitous transfer of the usufruct of property. These basic principles are then applied to the various specific transactions of, for example, pledge, deposit, guarantee, agency, assignment, land tenancy, partnership, and *waqf* foundations. *Waqf* is a peculiarly Islamic institution whereby the founder relinquishes his ownership of real property, which belongs

henceforth to Allah, and dedicates the income or usufruct of the property in perpetuity to some pious or charitable purpose.

Inflation and Riba

Inflation is the very real problem, which makes it difficult for anyone to advance money to another for a period of time without making a loss on transaction. That not only apply to a loan given to another person, but also to money kept in a current account, which pays no interest. Any form of saving which does not give returns, is a losing value because of inflation. There must be no injustice, perpetrated or suffered. That is the divine order stated clearly in the Qur'an:

...., **you are entitled to your principal; do no wrong, and no wrong will be done to you. (Quran;2:279), No one can change His words, and you shall not find any other source beside it.(Quran;18:27) Nor shall you obey one whose heart we rendered oblivious to our message; one who pursues his own desires, and whose priorities are confused.(Quran;18:28)**

“O my people! Give full measure and weight in all fairness. Do not defraud people of their goods and do not spread mischief in the land.”(Qur'an;11:85). All this requires thorough study so that scholars are able to come up with answers to present-day problems, instead of applying the rulings of earlier scholars to later problems. Using interest to offset the drop in money value caused by inflation has some merit. Here the purpose is to maintain the real value of what a person has. The question is whether it is permissible to do that or not. This is a very difficult question and scholars have not come up with a definitive ruling on this point. The problem will remain until a satisfactory answer is found to ensure fairness to investor, lender and borrower, without exploitation.

Types of Riba- Some Thoughts:

There are scholars who argue that fixing a guaranteed rate of returns in advance is acceptable because it protects the interest of the individual investor. The rector of Al-Azhar has come strongly in favour of this method. Dr Riazul Hasan Gillani, holds doctorate from Al-Azhar University according to him: Certain kinds of *Riba* were considered undesirable (*makrooh*) but not prohibited according to *Fatawa Alamgiry* & Imam Abu Hanifa. There were three kinds of *Riba*, and with the exception of one form, the remaining two were undesirable (*makrooh*) but not prohibited (*haram*). The three forms of *Riba* were *Riba Uddain* (Debt: Something owed, such as money, goods, or services) *Ribaul Qarz* (Loan: Something lent for temporary use) and *Ribaul Fazal*, the Holy Prophet (peace be upon him) prohibited *Riba Uddain* (Debt) through a decree but did not enforce it on the two forms which were declared undesirable (*makrooh*) but not prohibited (*haram*). Dr Gillani elucidates that under Islamic injunctions a woman's demand for divorce is undesirable (*makrooh*) but if she insists, it could not be denied to her. If somebody dealt in *makrooh Riba*, he was

not committing a sin. The believers were advised to avoid *makrooh Riba*, but not prohibited as they were from *Riba Uddain* (Debt).

According to Sheikh Al-Azhar Dr. Syed Mohammad Tantawi,

He is a prominent modern-day jurist opines that, the government savings schemes do not fall into the category of *Riba* at all, because these are investment schemes and not *Qarz* schemes. Among the other scholars who think that the interest is different from usury, most notable is Dr. Ma'roof Ad-Dawaleebi, who is a scholar of high repute and who has been involved in politics, being former prime minister in Syria and an advisor to the king of Saudi Arabia for many years. Earlier he has been a professor of law in the University of Damascus. This has given him the very important mix of looking for practical solutions and a high standard of scholarship.

Pakistani scholar, Javed Ahmad Ghamidi

views usury as an evil which is fully integrated in the present international financial system. It should be replaced by Islamic financial system at least in the Muslim societies, till then one should avoid it as far as possible. However, under unavoidable circumstances one has to live with this evil as was the case of slavery, which was gradually phased out. He argues that while there is prohibition of taking *Riba*, there is no restriction of paying extra on loan because the loan is taken under necessity or compulsion, according to him, Qur'an and Hadith forbids taking *Riba* or assisting in collection of *Riba*. Taking lead from the Qur'anic doctrine of necessity, whereby the prohibited (*Haram*) becomes temporarily permissible under certain extreme conditions; "...But (even so) if a person is forced by necessity without willful

disobedience nor transgressing due limits thy Lord is Oft-Forgiving Most Merciful."(Qur'an;6:145), he opines that the widows, orphans, sick, retired elders who have no other source of income may invest in government saving schemes to get subsistence to survive.

All Types of Interest, Riba Forbidden:

The majority of Islamic scholars still consider all types of interest as *Riba*, hence forbidden. "...There is none who can change His words.."(Qur'an;18:27). There is no doubt that *Riba* is prohibited, but there was some thing about *Riba* which even 'Umar bin Al-Khattab wanted to know more from Prophet (peace be upon him) before he left the world. Till *Ummah* develops a consensus on the serious issue of defining the *Riba*, the advice of Prophet Muhammad (peace be upon him) be followed, who advised the Muslims to consult their hearts after having studied a matter carefully.

Inflation and Riba:

Inflation is the very real problem, which makes it difficult for anyone to advance money to another for a period of time without making a loss on transaction. That not only apply to a loan given to another person, but also to money kept in a current account, which pays no interest. Any form of saving which does not give returns, is a

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O my people! Give full measure and weight in all fairness. Do not defraud people of their goods and do not spread mischief in the land.”(Qur’an;11:85).

All this requires thorough study so that scholars are able to come up with answers to present-day problems (paper/ plastic money), instead of applying the rulings of earlier scholars to later problems. Using interest to offset the drop in money value caused by inflation has some merit. Here the purpose is to maintain the real value of what a person has. The question is whether it is permissible to do that or not. This is a very difficult question and scholars have not come up with a definitive ruling on this point. The problem will remain until a satisfactory answer is found to ensure fairness to investor, lender and borrower, without exploitation.

Government Saving Schemes

1. As per some scholars of Al-Azhar and others, government saving schemes are not like general interest transactions. The reason for this is that through these schemes, a government borrows money from the lenders not on their conditions but on its own conditions. Not only this, it ascertains the rate of profit itself as well and also keeps increasing or decreasing it on its own discretion. Although this is not exactly the same as returning a loan taken from someone with some addition to the principal amount without the lender demanding this addition, yet this arrangement is something close to it. It is known that interest has been forbidden because it can result in oppression and exploitation. However the intensity of this oppression and exploitation is greatly reduced in this arrangement. For the pious, it is befitting that they do not benefit from such schemes. However, if the general masses especially the orphans, widows and retired personnel who are apprehensive in investing their wealth in business ventures benefit from these schemes for their essential expenses, it is hoped that they will not be held accountable for this by their God. (Tr. by:Dr. Shehzad Saleem) This opinion is not shared by traditional orthodox scholars who consider the saving schemes profit to be Riba.

2. Dr Khalid Zaheer on Ghamidi Sb’s Opinion on Government Investment Schemes

On 28 Dec.08, answering a question, Mr. Javed Ahmed Ghamidi said in a program “Live with Javed Ahmed Ghamidi” that investing money in Pakistan Govt. Saving

Schemes and getting profit on them does not fall in the category of Riba or Sud. His justification was that the Govt. takes loan from the people and spends it on the defence and to fulfill its other needs and then returns it in a better way to the people. The lender neither demands a certain rate of profit nor sets any preconditions. The Govt .increases or decreases the rate of profit from time to time thus this arrangement cannot be equated with Riba or Sud. Mr. Ghamidi called this transaction or arrangement *Radde Ahsen* (to return in a better way). I will be very much obliged if you give us your opinion on this matter. This will greatly help us in eliminating our confusion.

Answer

I also talked to Ghamidi Sb after he made the statement which surprised me as well. What he clarified to me was that since in case of riba/interest, the lender binds the borrower to pay a stipulated amount over and above the principal after a certain duration and in case of Govt of Pakistan's saving schemes, it's the borrower (GOP) which is voluntarily offering an amount over and above the principal, this arrangement cannot be considered as riba. He also clarified that ideally GOP should mention the way it planned to return its amount with increment. He also mentioned that a cautious Muslim should avoid even this arrangement offered by GOP, but these schemes were a better alternative to what banks were offering for the people whose needs were pressing.

One might think that if GOP's 'voluntary' increment on principal could be termed as acceptable, why shouldn't the increment on commercial banks' accounts be likewise considered legitimate? Ghamidi Sb clarified that in the case of the latter, the way banks earned was riba-based and therefore un-Islamic and not the manner they paid returns to their account holders. While interest to account holders of banks could be considered *radde ahsen*, interest charged from the borrowers can't belong to the same category, because it was involuntary. Therefore what banks give to their account holders was Islamically unacceptable.

He was as clear as ever in his understanding that poor pensioners were very likely not to be considered sinning if they received interest-based earnings, given that they had no alternative arrangements to survive.

My ordinary understanding is that GOP gets its revenues for giving higher returns to investors by taxing people and borrowing further loans from them on interest. Therefore, when it promises a fixed amount to be given to the investors in its savings schemes, it was doing so only after burdening its citizens. Such an arrangement cannot therefore be simply described as *radde ahsen* (voluntary return in a handsome manner). I therefore believe that people should consider it as no different from the bank interest and only resort to it if they don't have any alternative means of living. And Allah knows the best.

PAKISTAN – BATTLE FOR RIBA ELIMINATION

The religious circles for long have been pushing for the elimination of riba or usury from the economic system of the country to bring it in conformity with the Islamic Shariah.

In a latest such bid, Aakif Saeed, the head of the Tanzeem-e-Islami and son of late religious scholar Dr Israr Ahmed, had petitioned the Supreme Court to order the federal government to eliminate usury as constitutionally it is bound to it.

The apex court had dismissed Saeed's petition in last October by saying that the Federal Shariat Court (FSC) is already seized with the matter, which is the proper forum for this matter to be taken up, but Saeed went into a review for the decision.

The Tanzeem-e-Islami has launched a countrywide campaign in recent months, urging the government to eliminate riba and enforce Shariah-based economic system in the country.

As part of this drive, the Tanzeem displayed banners at prominent places in all major cities inscribed with religious injunctions prohibiting riba.

Its members were also seen distributing pamphlets and leaflets in the major markets and shopping centers in the cities and towns across the country to create awareness against the riba-based economic system.

The two-judge bench led by Justice Amir Muslim Hani last week briefly held the preliminary hearing for the review petition and directed the newly appointed Attorney General Amir Muslim Hani to prepare his case within two weeks.

Saeed's petition is a continuation of a long-drawn legal battle in the courts of the country for nearly three decades, without any tangible results so far.

The religious groups draw the strength for their demand from the Article 38 (F) of the constitution that called on the government to eliminate riba from the country as soon as possible.

A major development took place on the issue of riba in 1991 when the Federal Shariat Court ruled the bank interest as 'un-Islamic' by declaring it as riba.

The first government of Prime Minister Nawaz Sharif challenged the decision in the

Supreme Court but the appeal was never heard for the next eight years.

The Shariat Appellate Bench of the Supreme Court took up the appeal in 2001 and upheld the decision of the Shariat Court. It gave the federal government until June 30, 2001 to comply with the FSC decision, review all banking laws and bring them in conformity with the Islamic teachings.

The government of General Pervez Musharraf in 2002 filed a review petition challenging the FSC verdict in the Supreme Court which in turn referred the case back to the FSC which did not take up the case for more than a decade.

The FSC again took up the case last year. The State Bank of Pakistan in those hearings maintained that while constitution called for the elimination of riba it did not explicitly define what actually riba is.

Moreover, it maintained the existing economic and banking system could not be abolished all together as no immediate alternative to it is available.

The central bank lawyer maintained Pakistan is a member of the international community and it could not live in isolation or detached from the outside world.

It is unfortunate that in Pakistan, the religious matters are mostly used for political purposes but very little scholarly work is done to ensure practical implementation of the demands of these lobbies.

Interestingly, none of the 53 Muslim countries have a complete riba-free economic system, which is being advocated by the religious lobbies in Pakistan.

According to experts, the economic and banking system in Saudi Arabia is the same as anywhere in the world while there is a difference of opinion among the religious scholars over the financial system prevailing in Iran.

“I can’t say the economic and banking system of any Muslim country is hundred percent Islamic,” a senior executive of an Islamic bank said.

“We need to initiate efforts to Islamise our economy. It can’t be done overnight. But at least we should start these efforts,” he added.

There is no doubt that Shariah-compliant banking is gaining huge popularity not only in the Islamic countries but in the West as well. It has come a long way since it was launched over four decades ago.

The Islamic financial industry is growing worldwide annually by more than 20 percent.

It is now operative in more than 75 countries and has assets worth over 1.3 trillion dollars worldwide.

In Pakistan, it has annually grown by over 30 percent and occupies 8.6 percent in terms of assets and around 10 percent in terms of deposits.

But despite these enormous successes, it could not be construed as a replacement to the existing economic and banking system. The experts believe that the industry in Pakistan as well as internationally is still in an evolutionary stage and requires concerted efforts to enhance its scope and reach.

Analysts say there is a need for elaborate research by religious scholars to prepare a viable blueprint for an economic system based on religious injunctions.

Dr Shahid Hasan Siddiqui, head of the Research Institute of Islamic Banking and Finance, believes that a lack of political will on the part of “civil and military bureaucracy” was the major hindrance in promoting riba-free economic system in the country.

He said international financial institutions like the International Monetary Fund have no problem to deal with Pakistan even if it enforces a Shariah-based economic system in the country but it is the ruling elite which does not want its interests to be compromised.

“This system was not enforced when the domestic debt was just 2,000 to 3,000 billion rupees (in the 1990s) then how would they implement it when the debt has risen to a whopping 12,000 and 13,000 billion rupees?” he questioned.

“There is no political will. It’s all a political drama,” he added.

Moreover, he said, the religious lobbies also need to be realistic in making claims and mere sloganeering cannot resolve their problems.

“They need to relate their claims to the ground realities. Just sloganeering can’t help them.”

By Zeeshan Haider: The writer is a senior journalist based in Islamabad [[Reference Link](#)]

THE SUPREME COURT DISMISSED PETITION SEEKING ELIMINATION OF RIBA OR INTEREST FROM THE FINANCIAL SYSTEM OF THE COUNTRY

The three-member bench of the apex court headed by Justice Mian Saqib Nisar heard a petition against October 6, 2015 order filed by Ameer Tanzeem-e-Islami Pakistan Hafiz Akif Saeed.

The court while dismissing the petition remarked that the court had already referred the application on elimination of Riba to the Federal Shariat Court.

The petitioner stated that according to Article 38-F of the Constitution, it was the duty of state to eliminate Riba as early as possible but the state had failed to enforce the Constitution for this purpose.

The counsel said that it was beyond the jurisdiction of FSC to give direction to the state for the implementation of Article 38-F of the Constitution, adding that the constitutional authority available to the SC was much wider as compared to FSC.

In 1992, the FSC had declared interest or Riba repugnant to the injunctions of Islam.

Later in 1999, hearing an appeal against the decision, the Supreme Court's Shariat Appellate Bench had also upheld the FSC decision and gave the then government two years to amend all the banking laws of the country and other statutes to prohibit Riba.

However, the government and some banks had instituted a review petition before the Supreme Court bench, headed by then Chief Justice Sheikh Riaz, against the anti-Riba ruling.

The bench remanded the case in 2002 back to the FSC to reconsider the matter.

The apex court also directed the FSC to take input from contemporary jurists of the Muslim world. The case is still pending before FSC

<https://www.samaa.tv/economy/2016/04/sc-dismisses-petition-seeking-riba-free-system/>

ISLAMIC FINANCE

What is Islamic Finance?

Islamic finance is a type of financing activities that must comply with Sharia (Islamic Law). The concept can also refer to the investments that are permissible under Sharia.

The common practices of Islamic finance and banking came into existence along with the foundation of Islam. However, the establishment of formal Islamic finance occurred only in the 20th century. Nowadays, the Islamic finance sector grows at 15%-25% per year, while Islamic financial institutions oversee over \$2 trillion.

The main difference between conventional finance and Islamic finance is that some of the practices and principles that are used in conventional finance are strictly prohibited under Sharia laws.

Principles of Islamic Finance

Islamic finance strictly complies with Sharia law. Contemporary Islamic finance is based on a number of prohibitions that are not always illegal in the countries where Islamic financial institutions are operating:

1. Paying or charging an interest

Islam considers lending with interest payments as an exploitative practice that favors the lender at the expense of the borrower. According to Sharia law, interest is usury (riba), which is strictly prohibited.

2. Investing in businesses involved in prohibited activities

Some activities, such as producing and selling alcohol or pork, are prohibited in Islam. The activities are considered haram or forbidden. Therefore, investing in such activities is likewise forbidden.

3. Speculation (maisir)

Sharia strictly prohibits any form of speculation or gambling, which is called maisir. Thus, Islamic financial institutions cannot be involved in contracts where the ownership of goods depends on an uncertain event in the future.

4. Uncertainty and risk (gharar)

The rules of Islamic finance ban participation in contracts with excessive risk and/or uncertainty. The term *gharar* measures the legitimacy of risk or uncertainty in investments. *Gharar* is observed with derivative contracts and short-selling, which are forbidden in Islamic finance.

In addition to the above prohibitions, Islamic finance is based on two other crucial principles:

Material finality of the transaction: Each transaction must be related to a real underlying economic transaction.

Profit/loss sharing: Parties entering into the contracts in Islamic finance share profit/loss and risks associated with the transaction. No one can benefit from the transaction more than the other party.

TYPES OF FINANCING ARRANGEMENTS

Since Islamic finance is based on several restrictions and principles that do not exist in conventional banking, special types of financing arrangements were developed to comply with the following principles:

1. PROFIT-AND-LOSS SHARING PARTNERSHIP (*MUDARABAH*)

Mudarabah is a profit-and-loss sharing partnership agreement where one partner (financier or *rab-ul mal*) provides the capital to another partner (labor provider or *mudarib*) who is responsible for the management and investment of the capital. The profits are shared between the parties according to a pre-agreed ratio.

2. PROFIT-AND-LOSS SHARING JOINT VENTURE (*MUSHARAKAH*)

Musharakah is a form of a [joint venture](#) where all partners contribute capital and share the profit and loss on a pro-rata basis. The major types of these joint ventures are:

- **Diminishing partnership:** This type of venture is commonly used to acquire properties. The bank and investor jointly purchase a property. Subsequently, the bank gradually transfers its portion of equity in the property to the investor in exchange for payments.
- **Permanent *musharakah*:** This type of joint venture does not have a specific end date and continues operating as long as the participating parties agree to

continue operations. Generally, it is used to finance long-term projects.

3. LEASING (*IJARAH*)

In this type of financing arrangement, the lessor (who must own the property) leases the property to the lessee in exchange for a stream of rental and purchase payments, ending with the transfer of property ownership to the lessee.

INVESTMENT VEHICLES

Due to the number of prohibitions set by Sharia, many conventional investment vehicles such as bonds, options, and derivatives are forbidden in Islamic finance. The two major investment vehicles in Islamic finance are:

1. EQUITIES

Sharia allows investment in company shares. However, the companies must not be involved in the activities prohibited by Islamic laws, such as lending at interest, gambling, production of alcohol or pork. Islamic finance also allows private equity investments.

2. FIXED-INCOME INSTRUMENTS

Since lending with interest payments is forbidden by Sharia, there are no conventional bonds in Islamic finance. However, there is an equivalent of bonds called *sukuk* or “Sharia-compliant bonds.” The bonds represent partial ownership in an asset, not a debt obligation.

[Source:

<https://corporatefinanceinstitute.com/resources/knowledge/finance/islamic-finance/>]

Read more : [What Is Islamic Finance And How Does It Work?](#)

CONCLUSION

Quran condemns *Riba* in several different verses (3:130, 4:161, 30:39 and [Quran;2:275-2:280](#)):

1. *O you who have believed, do not consume Riba (Usury), doubled and multiplied, but fear Allah that you may be successful. (Quran;3:130)*

2. *And [for] their taking of Riba (usury) while they had been forbidden from it, and their consuming of the people's wealth unjustly. And we have prepared for the disbelievers among them a painful punishment. (4:161)*
3. *And whatever you give for Riba to increase within the wealth of people will not increase with Allah. But what you give in zakah, desiring the countenance of Allah – those are the multipliers. (40:39)*
4. *Those who consume Riba cannot stand [on the Day of Resurrection] except as one stands who is being beaten by Satan into insanity. That is because they say, "Trade is [just] like Riba." But Allah has permitted trade and has forbidden Riba. So whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah. But whoever returns to [dealing in Riba or Usury] – those are the companions of the Fire; they will abide eternally therein. (275) Allah destroys Riba and gives increase for charities. And Allah does not like every sinning disbeliever. (276) Indeed, those who believe and do righteous deeds and establish prayer and give zakah will have their reward with their Lord, and there will be no fear concerning them, nor will they grieve. (Quran;2:275-2:280)*

Prohibition of Riba is also mentioned in many [Hadiths](#).

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55. [The Thirteenth Tribe](#)
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<http://FreeBookPark.blogspot.com>

<https://SalaamOne.com/About>

سوال 8

انڈیکسیشن کے جائز یا ناجائز ہونے کے حوالے سے آپ کی کیا رائے ہے معاصر فقہاء کے قانونی نکات کو خاص اہمیت دیتے ہوئے قرض کی مدت کے دوران کرنسی کی قیمت میں کمی (ڈی ویلیویشن) اور افراط زر جیسے عوامل کو مدنظر رکھ کر وضاحت کیجیے۔

معاملہ کو لٹکانے والا ایک روایتی جواب:

انڈیکسیشن سے مراد یہ ہے کہ قرض دار کو اس نقصان کی تلافی کرنی چاہیے جو افراط زر اور اس کے سبب سے کرنسی کی قوت خرید میں پیدا ہونے والی کمی کی صورت میں قرض خواہ کو اٹھانا پڑتا ہے۔

بعض لوگوں نے اس کے جواز کے لیے اُس قانون تضامن و ہر جانہ (Indemnity) کا حوالہ دیا ہے جس کی رُو سے جو شخص کسی دوسرے کو تکلیف پہنچاتا ہے اسی پر یہ ذمہ داری عائد ہوتی ہے کہ وہ اس کی دادرسی بھی کرے۔ لیکن افراط زر اور اس کے زیر اثر جو نقصان قرض خواہ کی دولت کو پہنچتا ہے، اسے کسی طرح بھی قرض دار کا فعل سمجھا نہیں جا سکتا۔ ایسی صورت میں قرض لینے والے کو کیسے ذمہ دار قرار دے کر اس سے تلافی کا مطالبہ کیا جا سکتا ہے؟

ظاہر ہے، ایسا کوئی بھی نظام قرض دار کے لیے ضرر رساں ہو گا۔ پھر یہ کہ شریعت کسی بھی صورت میں اصل زر کے علاوہ کوئی بھی مشروط اضافہ جائز قرار نہیں دیتی۔ قرض خواہ کی جانب سے انڈیکسیشن کی مد میں وصول کی گئی اضافی رقم پر اس حدیث مبارکہ کا اطلاق ہوتا ہے جس کی رُو سے کسی قرض کو مالیاتی فائدے سے مشروط کرنا ایک طرح کا ربا ہے۔

تاہم، دور حاضر کے فقہاء قرضوں کی انڈیکسیشن کے جواز پر مختلف آراء رکھتے ہیں۔ علماء کا ایک طبقہ جس میں رفیق المصری، سلطان ابوعلی، ایم اے منان، ضیاء الدین احمد، عمر زبیر اور گل محمد شامل ہیں، انڈیکسیشن کو جائز سمجھتا ہے۔ انہیں اس میں ایسی کوئی بات نظر نہیں آتی جو شرعی قوانین سے متصادم ہو، بلکہ وہ اسے قرآن و سنت میں بیان کردہ انصاف کے اصولوں کے عین مطابق قرار دیتے ہیں۔ اس کے برعکس، بعض علماء ایسے بھی ہیں جو انڈیکسیشن کو اسلامی تعلیمات کے منافی سمجھتے ہیں ان میں مفتی تقی عثمانی، اور بعض دوسرے نامور علماء شامل ہیں۔ عثمانی صاحب نے 1999 کی جمنٹ میں مزید تحقیق کی سفارش کی تھی، ہوئی کہ نہیں، کچھ معلوم نہیں۔

کمنٹس/تجزیہ :

افراط زر (inflation) جو حکومت کی غلط معاشی پالیسیوں، کرنسی نوٹ پرنٹ³⁵³ کرنے کے بنیادی اصولوں کے برخلاف زیادہ پرنٹ کرنے، با اثر شخصیات کے اربوں روپے کے قرض معاف³⁵⁴ کرنے، کرپشن اور بددیانتی کی وجہ سے پھیلتی ہے جس کا تدارک انڈیکسیشن ہے، یہ دراصل ظلم، زیادتی کی قرآن کے انصاف کے مطابق منصفانہ³⁵⁵ (compensation) ہے۔ انفلیشن کرپٹ نابل حکومت کی غلطیوں، زیادہ نوٹ پرنٹ کرنے کی ایک وجہ سے بڑھتی ہے، اگر یہ معاشی نظام کا جزو لازم ہے تو انٹرسٹ ریٹ میں تبدیلی جو انفلیشن کا علاج ہے اسے بھی معاشی نظام کا جزو لازم تسلیم کیوں نہیں کرتے؟

کیا (The Fisher Equation)³⁵⁶ اس معاشی نظام کا حصہ نہیں جو منافع اور افراط زر کے تعلق کو واضح کرتی ہے۔ فٹرمساوات کو استعمال کر کے اصل انٹرسٹ ریٹ معلوم کیا جا سکتا ہے اسے ایڈجسٹ کر کے اصل صفر انٹرسٹ ریٹ حاصل کر سکتے ہیں، اگر نیت انٹرسٹ ریٹ کو صفر کرنے کی ہو؟ معاشی انصاف کرپٹ اشرفیہ کو قبول نہیں اس طرح ان کو لوٹ کھسوٹ، قرض معافی کے دروازے بند کرنا پڑتے ہیں۔ آدھا تیتیر، آدھا بٹیر... یا تو متبادل نظام لائیں، یا اس نظام کی قباحتوں کے علاج جو نظام میں ہی موجود ہیں، ان کو قبول کریں۔ دوغلی، منافقانہ پالیسی عقل و انصاف کو قبول نہیں ہو سکتی۔

³⁵³ <https://salaamone.com/riba/#Inflation-Impact>

³⁵⁴ <https://salaamone.com/riba/#LoansWrittenOff>

³⁵⁵ <https://salaamone.com/riba/#Justice>

³⁵⁶ <https://salaamone.com/riba/#FisherEquation>

اس وقت اپریل 2021 کے ڈیٹا کے مطابق 26 کافر ممالک³⁵⁷ نے معیشت کنٹرول کر کے صفر انٹرسٹ ریٹ قائم کر رکھا ہے۔ 29 ممالک نے شرح منافع صرف ایک فیصد پر کنٹرول کی ہے ، پاکستان کیوں نہیں کر سکتا ؟
یہ کہنا کہ :

"شریعت کسی بھی صورت میں اصل زر کے علاوہ کوئی بھی "مشروط اضافہ" جائز قرار نہیں دیتی۔"

شریعت اپیلیٹ بینچ 1999ء کے فیصلے میں عدالت عظمیٰ نے افراط زر کی صورت میں معزز عدالت قرض کی انڈیکسیشن کو تسلیم نہیں کرتی کیونکہ کسی بھی نظام معیشت میں افراط زر ایک معمول کا عمل ہے۔ تاہم 'hyper inflation کی صورت میں عدالت قرض دہندہ کے اس حق کو تسلیم کرتی ہے کہ اسے پہنچنے والے بھاری نقصان کی تلافی کی جانی چاہیے۔

کمنٹس

شریعت درست کہتی ہے مگر انڈیکسیشن کو "اصل زر میں اضافہ" کہنا خلاف عقل و فہم ہے؟ کسی پرائمری سکول کے ٹیچر یا ماہر نفسیات سے رجوع کریں۔

افراط زر بچت کو کیسے کم کرتی ہے³⁵⁸ ، اگر آپ کے پاس ایک بچت والے اکاؤنٹ میں \$ 100 ہے جو ایک فیصد شرح منافع ادا کرتا ہے۔ ایک سال کے بعد ، آپ کے اکاؤنٹ میں \$ 101 ہوں گے۔ لیکن اگر افراط زر کی شرح 2% سے چل رہی ہے تو ، آپ کو وہی قوت خرید حاصل کرنے کے لئے \$ 102 کی ضرورت ہوگی جو آپ نے شروع کی تھی۔ بظاہر تو آپ نے ایک ڈالر حاصل کیا ہے لیکن خریدنے کی طاقت کم ہوگئی ہے۔ کسی بھی وقت جب آپ کی بچت کی قدر (value) افراط زر کی شرح کے مطابق نہیں بڑھتی ہے تو ، آپ حقیقت میں مؤثر طریقے سے پیسہ کھو دیں گے۔

انڈیکسیشن سے اصل زر میں (inflation) افراط زر کی وجہ سے جو قدر (value) میں کمی واقع ہوتی ہے اس ملاوٹ کو دور کیا جاتا ہے اور اصل زر کی اصل قدر (original value) قائم رہتی ہے، کوئی کھوٹ نہیں، نہ کم، نہ زیادہ ، یہی انصاف ہے، یہی قرآن و شریعت کا تقاضہ ہے۔ اگر ایک کلو خالص سونا قرض یا امانت دیا جائے اور مقروض اس میں سے کچھ سونا (مثلاً 10 گرام) نکال کر 10 گرام تانبہ کی ملاوٹ کر کہ وزن ایک کلو پورا کر کہ واپس کر دے کہ یہ ہے آپ کا ایک کلو سونا، اور 5 گرام منافع بھی دے اور 5 گرام خود رکھ لے کیا یہ ربا ہے یا آپ کے اپنے اصل زر کا ایک حصہ اور اگر یہ حرکت ہر ماہ کرے تو 100 ماہ بعد صرف تانبہ رہ جائے گا جس پر سونے کا ملمع کر کہ سونا کہہ دے۔ 1947 میں ایک ڈالر 3.31 روپیہ کا تھا اور اب 225 روپیہ کا تقریباً زیرو ایک روپیہ کا نہ سکے ہے نہ نوٹ - تو کیا یہ کھوٹ ، ملاوٹ ، دھوکہ نہیں؟ کیا دنیا کا کوئی قانون اس کی اجازت دیتا ہے؟ کیا یہ انصاف ہے؟ کیا قرآن و شریعت اس کی اجازت دیتے ہیں؟ قرآن اصل زر میں اس کمی کو ظلم کہتا ہے (2:279) اللہ کا فرمان بالکل واضح ہے بلا شک و شبہ :

"اپنا اصل سرمایہ لینے کے تم حق دار ہو نہ تم ظلم کرو، نہ تم پر ظلم کیا جائے (2:279)

" تم ناپ اور تول انصاف کے ساتھ پورے کیا کرو اور لوگوں کو ان کی چیزیں گھٹا کر نہ دیا کرو اور فساد کرنے والے بن کر ملک میں تباہی مت مچاتے پھرو " (قرآن 11:85)

ناپ تول میں کمی اور گھٹانے کو فساد و تباہی قرار دیا گیا ہے، جو بہت بڑا گناہ و جرم ہے۔

انڈیکسیشن تو اصل زر کی قیمت میں افراط زر کی وجہ سے کرنسی کی قدر (value) ویلیو میں کمی کا تدارک کرتی ہے۔ یہ ہی انصاف ہے جس کا قرآن³⁵⁹ تقاضا کرتا ہے۔

یہ تو معلوم ہو کہ عدالت عظمیٰ 'hyper inflation کی صورت میں قرض دہندہ کے اس حق کو تسلیم کرتی ہے کہ اسے پہنچنے والے بھاری نقصان کی تلافی کی جانی چاہیے۔ مگر عام inflation کی جائز سمجھتی ہے کہ یہ

³⁵⁷ <https://salaamone.com/riba/#KafirsRibaFree>

³⁵⁸ <https://www.investopedia.com/articles/investing/090715/how-inflation-affects-your-cash-savings.asp>

³⁵⁹ <https://salaamone.com/riba/#Justice>

نظام کا حصہ ہے - hyper inflation ، اگر انفلیشن پچاس فیصد ماہانہ سے زائد ہو تو یہ hyper inflation ہے . لیکن اگر 49% ، 40% ماہانہ ہو تو hyper inflation نہیں ہے - یعنی دو تین ماہ میں رقم صفر ہو لیکن جائز ہے - یہ کیسا انصاف ہے؟ کے یہ قرآن (2:279) سے متصادم نہیں؟

چھوٹی یا کم چوری جائز ہے مگر بڑا ڈاکہ جائز نہیں۔ یہ قرآن کے خلاف ہے :

"اپنا اصل سرمایہ لینے کے تم حق دار ہو نہ تم ظلم کرو، نہ تم پر ظلم کیا جائے (2:279)

ناپ اور تول انصاف کے ساتھ پورا کرو، گھٹا کر نہ دو، فساد تباہی مت مچاتے پھرو (قرآن 11:85)

غیر قانونی ناجائز طور پر دولت مت حاصل کرو [قرآن 2:188]

یہ بڑھتا اور چڑھتا رہا کھانا چھوڑ دو (قرآن 3:130)

لوگوں کے مال کو ناجائز بڑپ کرنا ممنوع ہے۔ (4:161)

ربا اللہ کے نزدیک نہیں بڑھتا (4:39)

ربا عمل شیطان ، حرام اور عظیم گناہ ہے، اللہ رسول کے خلاف جنگ ہے (قرآن 2:275-2:280)

مزید تفصیلات اور تجزیہ --- لنک پر -----

غبن فاحش سے مراد کسی معاہدے کے ایک فریق کو پہنچنے والا وہ بڑا خسارہ ہے جس کا اندازہ ماہرین نہیں لگا سکتے۔ بنیادی طور پر غبن فاحش کا تعلق کسی شے کی فروخت کے ایسے معاہدے سے ہے جس میں بیچنے والا شخص خریدار سے غیر معمولی منافع کماتا ہے۔

عدالت نے فروخت کے سودے میں خریدار کو بیچنے والے نقصان کی تعدیل اس گھٹائے کے ساتھ کی ہے جس سے قرض خواہ hyper inflation کے نتیجے میں دوچار ہوتا ہے۔ لہذا عدالت کی نظر میں، کرنسی کی قوت خرید میں کمی کے معاملے کو غبن فاحش کے روایتی تصور پر محمول کیا جا سکتا ہے۔ دوسرے لفظوں میں، عدالت نے یہ قرار دیا ہے کہ hyper inflation کی سطح تک پہنچنے والے افراط زر پر غبن فاحش کا اصول لاگو کیا جانا چاہیے اور ایسے اقدامات اٹھانے چاہئیں جن سے قرض خواہوں کے حقوق کا تحفظ ہو سکے۔ یہاں فلوس (تانبے کا سکہ) کے حوالے سے فقہاء نے جو اصول مرتب کیا ہے، اس کا اطلاق ہو سکتا ہے۔ (تفصیلی فیصلہ از جسٹس خلیل الرحمن، ص 366)

یہ قرآن کے خلاف ہے : "اپنا اصل سرمایہ لینے کے تم حق دار ہو نہ تم ظلم کرو، نہ تم پر ظلم کیا جائے (2:279)

اس سے مراد یہ ہے کہ اگر تانبے کے سکے کی گردش رک جائے یا فلوس کی وقعت اس کی قدر عرفی کے مقابلے میں کافی کم ہو جائے تو پھر وسیلہ مبادلہ اور store of value کے طور پر ان کی حیثیت ختم ہو جائے گی، اور انہیں ٹمن اصطلاحی یا زر قانونی تسلیم نہیں کیا جائے گا۔ ایسی صورت میں، سوداکاری کے وقت رائج فلوس کی اصل قیمت ادا کرنا ہو گی۔ جب تک کرنسی کی قدر افراط زر کی معمول کی اُن حدود کے اندر رہے گی جنہیں اس اصول کے تحت طے کیا گیا ہے، اس کی latent value میں کسی قسم کے فرق کو نظر انداز کرتے ہوئے تمام لین دین، ادائیگیاں اور repayments کرنسی کی قدر عرفی کی بنیاد پر ہوں گی۔ تاہم، جیسے ہی افراط زر مقررہ حدود سے تجاوز کرتے ہوئے hyper inflation کے حلقے میں داخل ہو گا، یہ غبن فاحش کا سبب قرار پائے گا۔ یہ ایک استثنائی صورتحال ہے جسے عمومی حالات پر قیاس نہیں کیا جاسکتا۔

عہد حاضر کے مسلم سکالرز کو درپیش افراط زر جیسے اہم مسئلے کے سلسلے میں معزز عدالت کی یہ توضیح ایک قابل قدر اجتہاد کا درجہ رکھتی ہے۔ (؟) مسئلے کے حل کے لیے یہ ایک معتدل اور متوازن نقطہ نظر ہے (؟) عدالت نے معمول کے افراط زر میں قرض خواہ کے نقصان کی تلافی کا حق تسلیم نہیں کیا جبکہ hyper inflation میں یہ گنجائش رکھی ہے کیونکہ مؤخر الذکر صورت میں افراط زر کی شرح منصفانہ حدود سے تجاوز کر جاتی ہے۔

یہ فیصلہ قرآن کے خلاف ہے : "اپنا اصل سرمایہ لینے کے تم حق دار ہو نہ تم ظلم کرو، نہ تم پر ظلم کیا جائے

(2:279)

قرض خواہ تمام رسک کا ذمہ دار ہے ، منافع یا نقصان اس میں قرض دینے والے کا کوئی حصہ نہیں۔ رقم چوری ہو ، گم ہو جائے ، منافع کم ہو یا زیادہ یا نقصان سب کچھ قرضدار کا ہے - انفلیشن ہو یا ڈفلیشن ہو یہ بھی قرض دار کے ذمہ ہے : اللہ تعالیٰ کا فرمان ہے :

"اپنا اصل سرمایہ لینے کے تم حق دار ہو "نہ تم ظلم کرو، نہ تم پر ظلم کیا جائے" (2:279)
اصل سرمایہ گنتی اور قیمت (value) میں اصل زر کے برابر واپس کیا جائے نہ کم نہ زیادہ -
اس پر مزید ملاحظہ کریں :

1. [Absurd Criticism & Response](#)2. [Response to Criticism](#)

قرآن سے ہدائیت حاصل کرو

أَعُوذُ بِاللَّهِ مِنَ الشَّيْطَانِ الرَّجِيمِ 0 بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
وَلَقَدْ صَرَّفْنَا فِي هَذَا الْقُرْآنِ لِلنَّاسِ مِنْ كُلِّ مَثَلٍ ۚ وَكَانَ الْإِنْسَانُ أَكْثَرَ شَيْءٍ جَدَلًا ﴿٥٤﴾ وَمَا مَنَعَ النَّاسَ أَنْ يُؤْمِنُوا إِذْ جَاءَهُمُ
الْهُدَىٰ وَيَسْتَغْفِرُوا رَبَّهُمْ إِلَّا أَنْ تَأْتِيَهُمْ سُنَّةٌ الْأُولَىٰ أَوْ يَأْتِيَهُمُ الْعَذَابُ فُبُلًا ﴿٥٥﴾
(القرآن - سورة نمبر 18 الكهف، آیت نمبر 54-55)
ترجمہ:

ہم نے اس قرآن میں لوگوں کو طرح طرح سے سمجھایا مگر انسان بڑا ہی جھگڑالو واقع ہوا ہے ﴿٥٤﴾ ان کے سامنے جب ہدایت آئی تو اسے ماننے اور اپنے رب کے حضور معافی چاہنے سے آخر ان کو کس چیز نے روک دیا؟ اس کے سوا اور کچھ نہیں کہ وہ منتظر ہیں کہ ان کے ساتھ بھی وہی کچھ ہو جو پچھلی قوموں کے ساتھ ہو چکا ہے، یا یہ کہ وہ عذاب کو سامنے آتے دیکھ لیں! ﴿٥٥﴾ (القرآن - سورة نمبر 18 الكهف، آیت نمبر 54-55)

خطبہ حج الوداع میں وصیت

وَقَدْ تَرَكْتُ فِيكُمْ مَا لَنْ تَضِلُّوا بَعْدَهُ إِنْ اعْتَصَمْتُمْ بِهِ كِتَابَ اللَّهِ
"میں نے تمہارے پاس اللہ کی کتاب چھوڑی ہے، اور اگر تم اس پر قائم رہو گے تو تم کبھی گمراہ نہ ہو گے"
[صحیح مسلم 2950 , ابن ماجہ 25/84 , ابو داؤد 11/56]

حضرت علیؓ سے مروی ایک طویل حدیث میں نبی کریم نے ارشاد فرمایا:
"جو شخص غیر قرآن میں ہدایت کا متلاشی ہوگا اللہ اس کو گمراہ کر دے گا، وہ (قرآن) اللہ تعالیٰ کی ایک مضبوط رسی ہے اور وہ ایک محکم اور مضبوط نکر ہے اور وہ ایک سیدھا راستہ ہے ..."(ترمذی 2906)
اللہ ربا حرام کیا اور اس کا حل بھی قرآن نے اسی آیت (2:279) میں دیا ،

[/https://salaamone.com/riba](https://salaamone.com/riba)

مگر جھگڑالو انسان نہیں مانتا، یہود و نصاریٰ کی طرح :

"ان لوگوں نے اللہ کو چھوڑ کر اپنے عالموں اور درویشوں کو رب بنایا ہے" (القرآن - سورة نمبر 9 التوبة، آیت نمبر 31)

ستر سال سے بحث و مباحث میں پڑ کر گمراہی کے راستہ پر رواں دواں ہیں، مگر کب تک قرآن کو ٹھکرا ہدائیت حاصل کریں گے؟

إِنَّ شَرَّ الدَّوَابِّ عِنْدَ اللَّهِ الصُّمُّ الْبُكْمُ الَّذِينَ لَا يَعْقِلُونَ ﴿٢٢﴾
(سورة نمبر 8 الأنفال، آیت نمبر 22)

ترجمہ:

یقیناً اللہ کے نزدیک بدترین قسم کے جانور وہ بہرے گونگے لوگ ہیں جو عقل سے کام نہیں لیتے اس بات کو قرآن کریم میں دوسرے مقام پر اس طرح بیان فرمایا ہے۔
(لَهُمْ قُلُوبٌ لَا يَفْقَهُونَ بِهَا - وَلَهُمْ أَعْيُنٌ لَا يُبْصِرُونَ بِهَا - وَلَهُمْ آذَانٌ لَا يَسْمَعُونَ بِهَا أُولَئِكَ كَالْأَنْعَامِ بَلْ هُمْ أَضَلُّ أُولَئِكَ هُمُ الْعُقُلُونَ) (7- الاعراف: 179)

ان کے دل ہیں، لیکن ان سے سمجھتے نہیں، ان کی آنکھیں ہیں، لیکن ان سے دیکھتے نہیں اور ان کے کان ہیں لیکن ان سے سنتے نہیں یہ چوپائے کی طرح ہیں، بلکہ ان سے بھی زیادہ گمراہ۔ یہ لوگ بیخبر ہیں۔

وَقَالَ الرَّسُولُ يَا رَبِّ إِنَّ قَوْمِي اتَّخَذُوا هَذَا الْقُرْآنَ مَهْجُورًا ﴿سورة الفرقان: 25﴾
ترجمہ:

اور پیغمبر کہیں گے کہ اے پروردگار! میری قوم نے اس قرآن کو چھوڑ رکھا تھا اس روز (قیامت) رسول اکرم ﷺ فرمائیں گے اے میرے پروردگار اس قوم نے اس قرآن کریم کو جو واجب العمل اور واجب الاعتقاد تھا، بالکل نظر انداز کر رکھا تھا کہ اس کی طرف التفات ہی نہیں کرتے تھے اس پر عمل تو درکنار۔

حضرت علی المرتضیٰ رضی اللہ تعالیٰ عنہ راوی ہیں کہ سرکار دو عالم صلی اللہ علیہ وسلم نے ارشاد فرمایا۔ عنقریب لوگوں پر ایک ایسا وقت آئے گا کہ اسلام میں صرف اس کا نام باقی رہ جائے گا اور قرآن میں سے صرف اس کے نقوش باقی رہیں گے۔

ان کی مسجدیں (بظاہر تو) آباد ہوں گی مگر حقیقت میں ہدایت سے خالی ہوں گی۔ ان کے علماء آسمان کے نیچے کی مخلوق میں سے سب سے بدتر ہوں گے۔ انہیں سے (ظالموں کی حمایت و مدد کی وجہ سے) دین میں فتنہ پیدا ہوگا اور انہیں میں لوٹ آئے گا (یعنی انہیں پر ظالم) مسلط کر دیئے جائیں گے۔" (بیہقی)

1. <https://QuranSubjects.blogspot.com>

2. <https://youtu.be/MtuF2N2Utz4>



"اور رسول کہے گا کہ اے میرے رب! بیشک میری امت نے اس قرآن کو چھوڑ رکھا تھا" [الفرقان 25 آیت: 30]

کیا یہ لوگ قرآن پر تدبیر نہیں کرتے یا ان کے دلوں پر قفل پڑچکے ہیں [47:24]
قرآن کے پیغام کو پھیلانا "جہاد کبیرہ" ہے (25:52)

#Quran #Islam #Muslims #Hadith #Bidah #بدعة

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بینک میں نوکری حرام کے فتوے

بینک میں ملازمت کو حرام قرار دیا گیا ہے کیونکہ علماء کے مطابق وہاں سودی کاروبار ، حساب کتاب ہوتا ہے۔ اس پر لا تعداد فتاویٰ موحود ہیں، جو ان لنکس³⁶⁰ پر دیکھے جا سکتے ہیں، کچھ ذیل میں پیش ہیں:

دارالافتاء، دارالعلوم دیوبند

بینک میں ایسی نوکری جس میں سودی حسابات لکھنا پڑے یا انہیں چیک کرنا پڑے تو یہ نوکری ناجائز و حرام ہے اور موجب لعنت ہے۔ اور ایسی نوکری جس میں سودی حساب و کتاب کے لکھنے کا تعلق نہ ہو، مثلاً چیراسی، دربان، جھاڑو لگانے والا، پینٹ کرنے والا وغیرہ تو اس طرح کی نوکری میں گنجائش ہے، مگر چونکہ بینک میں سودی کاروبار ہوتا ہے اور وہاں ملازمت کرنا ایک طرح کا اس کاروبار میں تعاون ہوتا ہے اس لیے اس سے بچنا بہتر ہے۔ (واللہ تعالیٰ اعلم) [فتویٰ بلجواب سوال نمبر 43005، دارالافتاء، دارالعلوم دیوبند]³⁶¹

فتویٰ (ب): 3/1433-328=398 بینک میں وہ نوکری حرام ہے جس میں سودی حساب و کتاب لکھنے دیکھنے، چیک کرنے، اور لینے دینے کا کام کرنا پڑتا ہو، اگر کوئی پہرہ دار ہے، چیراسی ہے، تعمیرات کا، فرنیچر کا کام کوئی کرتا ہے تو اس کے لیے گنجائش ہے، اگرچہ بہتر نہیں ہے۔ رہا مسئلہ بینک میں پیسوں کے جمع کرنے کا تو اس کی اجازت علماء نے محض اس لیے دی ہے کہ آج کے دور میں چوری، ڈکیتی، بے ایمانی بداعتمادی اس درجہ بڑھ گئی ہے کسی کے پاس بھی امانت رکھنا مشکل اور انتہائی دشوار ہو گیا ہے اس مجبوری کی وجہ سے صرف بغرض حفاظت بینک میں جمع کرنے کی اجازت ہے ”الضرورات تبيح المحظورات“ سود لینے کی نیت سے بینک میں جمع کرنا اب بھی حرام و ناجائز ہی کا حکم ہے۔ حفاظت کے لیے رکھنے میں جو سود ملے اس کو بلا نیت ثواب غریبوں محتاجوں کو صدقہ کر دینا ضروری ہے، اسے اپنے استعمال میں لانا برگز جائز نہیں۔ (واللہ تعالیٰ اعلم) [دارالافتاء، دارالعلوم دیوبند]³⁶²

دارالافتاء : جامعہ علوم اسلامیہ علامہ محمد یوسف بنوری ٹاؤن

قرآن کریم اور احادیث مبارکہ میں سود کی حرمت اور مذمت بڑی سختی سے بیان کی گئی ہے، لہذا قرآن و حدیث کی رو سے سود لینا، دینا، سودی معاملہ لکھنا یا اس میں گواہ بننا اور تعاون کرنا سب ناجائز اور حرام ہے۔ مروجہ تمام بینکوں کا مدار سودی نظام پر ہی ہے اور وہ اپنے ملازمین کو تنخواہ بھی سود کے پیسوں سے دیتے ہیں؛ لہذا بینک میں کسی بھی قسم کی نوکری کرنا جائز نہیں ہے اور اس سے حاصل ہونے والی تنخواہ بھی حرام ہے۔ قرآن کریم میں ہے:

﴿يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ﴾ [البقرة: 278، 279]

ترجمہ: اے ایمان والو! اللہ سے ڈرو، اور جو کچھ سود کا بقایا ہے اس کو چھوڑ دو، اگر تم ایمان والے ہو، پھر اگر تم (اس پر عمل) نہ کرو گے تو اشتہار سن لو جنگ کا اللہ کی طرف سے اور اس کے رسول کی طرف سے۔ (از بیان القرآن)

﴿يَمْحَقُ اللَّهُ الرِّبَا وَيُزِيلُ الصَّدَقَاتِ﴾ [البقرة: 276]

ترجمہ: اللہ سود کو مٹاتے ہیں، اور صدقات کو بڑھاتے ہیں۔ (از بیان القرآن)

﴿وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانَ وَاتَّقُوا اللَّهَ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ﴾ [المائدة: 2]

ترجمہ: اور گناہ اور زیادتی میں ایک دوسرے کی اعانت مت کرو، اور اللہ تعالیٰ سے ڈرا کرو، بلاشبہ اللہ

³⁶⁰ <https://www.thefatwa.com/urdu/questionID/748/> ،

<https://www.farooqia.com/course//حکم-ملازمت-کاشر-عی-حکم>

³⁶¹ <https://darulifta-deoband.com/home/ur/halal-haram/43005>

³⁶² <https://darulifta-deoband.com/home/ur/halal-haram/37512>

تعالیٰ سخت سزا دینے والے ہیں۔ (از بیان القرآن)

حدیث مبارک میں ہے:

”عن جابر رضي الله عنه، قال: «لعن رسول الله صلى الله عليه وسلم أكل الربا، ومؤكله، وكاتبه، وشاهديه»، وقال: «هم سواء.»“ (الصحيح لمسلم، 3/1219، باب لعن أكل الربا ومؤكله، ط: دار احياء التراث-بيروت) (مشكاة المصابيح، باب الربوا، ص: 243، ط: قديمي)

ترجمہ: حضرت جابر رضي الله عنه سے روایت ہے کہ جناب رسول الله صلى الله عليه وسلم نے سود لینے والے اور دینے والے اور لکھنے والے اور گواہی دینے والے پر لعنت کی ہے اور فرمایا: یہ سب لوگ اس میں برابر ہیں، یعنی اصل گناہ میں سب برابر ہیں اگرچہ مقدار اور کام میں مختلف ہیں۔ (از مظاہر حق)

ایک اور حدیث مبارک میں ہے:

”وعن ابن مسعود رضي الله عنه قال: قال رسول الله صلى الله عليه وسلم: " إن الربا وإن كثر فإن عاقبته تصير إلى قتل. رواهما ابن ماجه والبيهقي في شعب الإيمان. “ (مشكاة المصابيح، باب الربوا، ص: 246، ط: قديمي)

ترجمہ: حضرت ابن مسعود رضي الله عنه سے روایت ہے کہ جناب رسول الله صلى الله عليه وسلم نے فرمایا سود سے حاصل ہونے والا مال خواہ کتنا ہی زیادہ ہو مگر اس کا انجام کمی یعنی بے برکتی ہے۔ (از مظاہر حق) (فقط والله اعلم)

[فتویٰ نمبر : 144209202057، دارالافتاء : جامعہ علوم اسلامیہ علامہ محمد یوسف بنوری ٹاؤن]³⁶³

Social Media Post

خلاصہ

ربا حرام , ظلم حرام

ریا کی قرآن میں حرمت کسی شک و شبہ سے بالا تر ہے۔ پاکستان میں اسلامی قوانین کی قرآن و سنت کی روشنی میں جانچ پڑتال کے لیے فیڈرل شریعت کورٹ (FSC) میں بنکنگ سسٹم میں ربا کے خاتمہ پر 1999 میں فیصلہ دیا ، جس پر اپیل ہوئی اور 28 اپریل 2022 کو پھر ربا کو حرام قرار دے کر، اسلام بنکنگ کے ذریعہ اسے ختم کرنے کا حکم جاری ہوا۔ یہ ایک خوش آئند قابل تعریف قدم (welcome step) ہے جس کی مخالفت کرنا اللہ اور رسول اللہ ﷺ سے جنگ کے مترادف ہے۔

لیکن عوام اس بات سے لاعلم ہیں کہ (FSC) کے اس فیصلہ میں اللہ کا حکم آدھا نافذ کیا گیا، قرآن کی ایک ہی آیت میں سے نصف پر اپنی مرضی (pick and choose) خواہشات نفس پر عمل کرنا اور آدھی آیت کو نظر انداز کرنا کہ یہ کسی کے دائرہ اختیار سے باہر ہے ، کیسے اسلامی ہو سکتا ہے؟

.. انہوں نے اللہ کے نازل کردہ احکام کو ناپسند کیا، لہذا اللہ تعالیٰ نے ان کے اعمال کو ضائع کر دیا" (قرآن 47:9)³⁶⁴

جناب محترم مفتی تقی عثمانی صاحب نے 1999 کی شریعت کورٹ ایپیلیٹ ججمنٹ میں افراط زر سے "راس المال" (Principal/ Capital) کی قدر (devaluation) میں کمی کے مسئلہ پر بحث کی اور حل کے لیے کئی آپشن بھی دئیے مگر پھر اسے سائیڈ لائن کر دیا ، کہ اس پر مزید تحقیق، سوچ بچار کی ضرورت ہے۔ یہ تحقیق بائیس (22) سال تک نہ ہوسکی اور پھر حالیہ 28 اپریل 2022 کے فیڈرل شریعت کورٹ FSC کے فیصلہ پر بہت واہ واہ ہو رہی ہے، ہونا بھی چاہیے مگر FSC نے انفلیشن سے منسلک مسئلہ کو یہ کہہ کر خارج از بحث کر دیا کہ یہ (indexation of inflation) ان کے دائرہ اختیار (jurisdiction) سے باہر ہے۔ انہوں نے 1999 میں جناب مفتی تقی عثمانی صاحب کی ججمنٹ اور مزید تحقیق کی سفارشات کا تذکرہ بھی نہ کیا اور معاملہ ختم کر دیا۔

³⁶³ <https://www.banuri.edu.pk/readquestion/bank-ki-nokri-ka-hukum-144209202057/06-05-2021>

³⁶⁴ <https://tanzil.net/#47:9>

نشہ حرام ہے: کیا ایسا قانون اسلامی کہا جا سکتا ہے کہ: "عوام کے لیے نشہ حرام ہے مگر حکومت ، حکمرانوں کے لیے حلال ہے" (ان کو بہت ٹینشن ہوتی ہے سکون کی ضرورت ہے)۔

کیا ایسا قانون اسلامی کہا جا سکتا ہے کہ: چوری، ملاوٹ کرنا ، کم ٹولنا حرام ہے عوام کے لیے --- جیسے دودھ میں کچھ پانی کی ملاوٹ کرنے سے بظاہر تو وہ دودھ ہی معلوم ہوتا ہے مگر ناخالص ، کم قیمت ، گھٹیا دودھ ...

کرپشن ، مہنگائی اور حکومت کے اخراجات پورے نہیں ہوتے تو وہ کیا کرے ؟

درست طریقہ تو اخراجات کو امدان کے مطابق کرنا ، آمدن بڑھانا ، درست مالیاتی پالیسیوں پور عمل درآمد مگر حکمران ایسا نہیں کرتے بلکہ کرنسی نوٹ میں ملاوٹ ، ان پر پانی ڈالنے سے تو نوٹ صرف گیلے ہوں گے ان میں ملاوٹ مزید زیادہ نوٹ پرنٹ کرنا ہے جس سے مہنگائی ، افراط زر میں اضافہ ہوتا ہے اور کرنسی نوٹ کی قدر و قیمت کم ہو جاتی ہے۔ یہ عوام کی جیب پر ڈاکہ ہے۔ کس سے انصاف کرے کی توقع کر سکتے ہیں؟

اللہ تعالیٰ کا حکم لکھا ہے :

" --- پس تم ناپ اور تول پورا پورا کیا کرو اور لوگوں کو ان کی چیزیں کم کر کے مت دو اور روئے زمین میں اس کے بعد اس کی درستی کر دی گئی فساد مت پھیلاؤ یہ تمہارے لئے نافع ہے اگر تم تصدیق کرو" (قرآن 7:85)³⁶⁵

ربا حرام ہے ، مگر حکومت کے لیے کرپشن ، اخراجات پورے کرنے کے لیے لامحدود کرنسی نوٹ پرنٹ کرنا، افراط زر سے ان کی قدر (value) کم کرنا حلال ، جائز ہے، جبکہ اللہ اور رسول اللہ ﷺ کا حکم ہے کہ اصل مال میں کمی یا زیادتی نہ کرو یہ دونوں ظلم ہیں (2:279) ایسے قانون یا جمنٹ کو اسلامی کیسے کہا جاسکتا ہے جو کہ قرآن کے برخلاف ہو؟

مشہور مفسرین کی بیس (20) تفاسیر کو کنسلٹ کرنے سے معلوم ہوتا ہے کہ کسی نے بھی افراط زر، انفلیشن، فیات کرنسی (Fiat Currency) کا ذکر تک کرنا گوارا نہ کیا، شائد ان کو علم ہی نہیں یا پھر ان کے نزدیک یہ کوئی مسئلہ نہیں وہ شاید یہ سمجھتے ہوں کہ عام شہریوں کو تکلیف اور غربت میں رہنا چاہیے، مال و دولت گناہ کی طرف لے جاتی ہے، اشرفیہ کو گناہ کرنے دو مال کمانے دو، وہ جہنم میں جائیں گے (جبکہ اشرفیہ کو ان کے پیروں اور ولیوں نے جنت کا ٹکٹ کنفرم کر رکھا ہے)

ابن کثیر (رح) (1373 – CE.1300) نے صدیوں قبل خطبہ حج میں رسول اللہ صلی اللہ علیہ کی طرف سے ربا ختم کرنے کے اعلان اور ربا (سود) نہ لینے والوں کے اصل مال میں کمی نہ کرنے کا حکم بھی پیش کیا جسے دوسرے مفسرین نے سرسری طور پر دہرا دیا۔

اس دور، اکیسویں صدی کے پاکستانی علماء نے اپنی گونہ مصروفیات کے باعث اس طرف دھیان نہیں دیا ، میڈیا میں خوب شور ہوتا ہے کہ ربا ختم کرو ، یہ ایک دینی سے زیادہ سیاسی نعرہ بن چکا ہے - جبکہ قرآن صاف صاف اصل مال پورا کا پورا واپس کرنے کا حکم اور "کمی" کو ظلم کہہ رہا ہے۔

"کیا یہ قرآن میں غورو فکر نہیں کرتے؟ یا ان کے دلوں پر ان کے تالے لگ گئے ہیں" (47:24)

علماء کو یہ بات سمجھانا بہت مشکل ہے کہ جسے وہ بظاہر منافع سمجھ رہے ہیں وہ تو مال کی قدر میں کمی (افراط زر. inflation) سے ہونے والے نقصان کا کچھ ازالہ ہے، اگر یہ ازالہ افراط زر کی شرح سے زیادہ ہو تو "ربا" ہے اور کم ہو تو ربا نہیں نقصان کا جزوی ازالہ (partial compensation) ہے، شرح افراط زر کے برابر ہو تو پھر کچھ بھی نہیں۔ یہ سادہ بات اگر کسی کی عقل میں نہیں آ رہی تو وہ اللہ سے ہدایت کی دعا کرے:

"اللہ تعالیٰ نے ان کے دلوں پر اور ان کے کانوں پر (ان کی اپنی بدنیتی اور سوء اختیار کی بنیاد پر) مہر کر دی ہے اور ان کی آنکھوں پر پردہ ہے اور ان کے لیے بڑا عذاب ہے" (قرآن 2:7)

نصف آئیت قرآن (2:279) کو نظر انداز کرنا جبکہ وہ آج کے معاشی ، فیات منی مارکیٹ سسٹم میں کمزوریوں کا علاج بھی مہیا کر رہی ہے۔ اسلامک بینکنگ بہت وسیع تناظر میں ہر طرف ترقی پزیر ہے مگر اس اہم معاملہ پر خاموش ہے۔ کیا یہ سب کچھ عجیب ، پر اسرار نہیں؟

قرآن جن آیات میں ربا کی ممانعت کا حکم دیتا ہے وہیں پر ظلم سے پاک عدل انصاف سے، ہر قسم کی کرنسی (فیات کرنسی، ڈیجیٹل کرنسی یا ورچوئل) سے پیدا شدہ مسائل کا حل بھی دیتا ہے، وہ العلیم اور الخبیر بھی ہے۔ یہ قرآن کا معجزہ ہے، جس سے ہدائیت حاصل کرنا لازم ہے ---

--- اور نصیحت صرف عقلمند ہی حاصل کرتے ہیں (قرآن 2:269)

"اے ایمان والو! اللہ سے ڈرو اور ربا (سود) لینا چھوڑ دو اگر تم مومن ہو (۲۷۸) اور اگر تم باز نہ آؤ تو اللہ اور اس کے رسول (ﷺ) سے جنگ ہے اور اگر تم سود لینے سے توبہ کرو، تو تمہارا اصل سرمایہ پر حق ہے؛ تم (قرضدار) سے (زیادہ مانگ کر اس پر) ظلم نہ کرو اور تمہارے ساتھ بھی (تمہارے اصل سرمائے میں خور دبرد کرکہ) ظلم نہیں کیا جائے گا (البقرہ ۲۷۹)

ان حالات میں قرآن کے حکم (2:279) پر اصرار کرنا، بظاہر ایک لاجساز کوشش معلوم ہوتی ہے۔ لیکن اللہ کا حکم (وَتَوَاصُوا بِالْحَقِّ وَتَوَاصُوا بِالصُّبْرِ) حق کی تلقین اور صبر کی تاکید ... تفصیل ﴿ ﴿ ﴿ ﴿ ﴿

<https://bit.ly/QuranOnRiba>

ز من بر صوفی و ملاً سلامے: کہ پیغام خدا گفتند ما را

ولے تاویل شان در حیرت آنداخت: خدا و جبرئیل و مصطفیٰ را

میری جانب سے صوفی و ملاً کو سلام پہنچے کہ انہوں نے اللہ تعالیٰ کے احکامات ہم تک پہنچائے، لیکن انہوں نے ان احکامات کی جو تاویلیں کیں، اس نے اللہ تعالیٰ، جبرائیل اور محمد مصطفیٰ ﷺ کو بھی حیران کر دیا۔ (علامہ محمد اقبال)

' ہمارے عہد کے یہ واعظ لوگ کیسے ہیں؟ سیدنا عیسیٰؑ نے ارشاد کیا تھا: وہ مچھر چھانتے اور اونٹ نگل جاتے ہیں۔

Inflation is admittedly an evil, but rather than trying to cure it through a dubious device, every effort should be made to fight it by means recognised by the Shan'ah. One may point out the recent experience of Chile in this connection. Chile was able to control inflation by drastic reductions in public expenditure and adjustments in the exchange rate of the currency leading to increased imports forcing down prices at home.³⁶⁶

بلاشبہ افراط زر ایک برائی ہے، لیکن کسی مشکوک آلے کے ذریعے اس کا تدارک کرنے کی بجائے، شریعت کی پہچان کے ذریعے اس کا مقابلہ کرنے کی ہر ممکن کوشش کی جانی چاہیے۔ اس سلسلے میں چلی کے حالیہ تجربے کی طرف اشارہ کیا جا سکتا ہے۔ چلی عوامی اخراجات میں زبردست کمی اور کرنسی کی شرح مبادلہ میں ایڈجسٹمنٹ کے ذریعے افراط زر کو کنٹرول کرنے میں کامیاب رہا جس کی وجہ سے درآمدات میں اضافہ ہوا جس کی وجہ سے گھریلو قیمتیں کم ہو گئیں۔

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(وَمَا عَلَيْنَا إِلَّا الْبَلْغُ الْمُبِينُ)

اور ہمارے ذمہ صرف واضح پیغام پہنچا دینا ہے (القرآن 36:17)

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فیصلوں پر تنقید تو بین عدالت نہیں: عدالتوں کی قانونی حیثیت ان کے فیصلوں کے معیار پر منحصر ہے اور فیصلوں پر بے جا تنقید تو بین عدالت نہیں ہے، اسلام آباد ہائی کورٹ (IHC) نے تو بین عدالت کی درخواست خارج کرنے کے بعد اپنے تفصیلی حکم میں ہفتہ کو مشاہدہ کیا۔

<https://www.dawn.com/news/1709493>

اللہ تعالیٰ نے ان کے دلوں پر اور ان کے کانوں پر (ان کی اپنی بدنیتی اور سوء اختیار کی بنیاد پر) مہر کر دی ہے اور ان کی آنکھوں پر پردہ ہے اور ان کے لیے بڑا عذاب ہے (قرآن 2:7)³⁶⁷

³⁶⁶ Indexation - An Islamic Evaluation. By S. M. Hasanuz Zaman,

http://eprc.sbu.ac.ir/File/Article/Indexation-An%20Islamic%20Evaluation_93414.pdf

³⁶⁷ <https://trueorators.com/quran-translations/2/7>

ربا کے قرآنی تصور کی تفہیم

ربا کا قرآنی نظریہ فیات کرنسی اور اسلامک بینکنگ

تحقیقی جائزہ

Fiat Currency and Islamic Banking

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ ﴿٢٧٨﴾ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ ۗ وَإِن تُبْتُمْ فَلَكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلُمُونَ وَلَا تُظْلَمُونَ ﴿٢٧٩﴾

اے ایمان والو! اللہ سے ڈرو اور ربا (سود) لینا چھوڑ دو اگر تم مومن ہو (۲۷۸) اور اگر تم باز نہ آؤ تو اللہ اور اس کے رسول (ﷺ) سے جنگ ہے اور اگر تم سود لینے سے توبہ کرو، تو تمہارا اصل سرمایہ پر حق ہے؛ نہ تم (قرضدار) سے (زیادہ مانگ کر اسے) ن ظلم نہ کرو اور تمہارے ساتھ بھی (تمہارے اصل سرمائے میں خور دبرد کرکہ) ظلم نہیں کیا جائے گا (البقرہ ۲۷۹)

"اصلی سرمائے" (اموال) کی قدر و قیمت کی حفاظت، کوئی تعبیر نہیں بلکہ اللہ کا ایک غیر مبہم حکم ہے، جسے تاویلات کے ذریعے نظر انداز نہیں کیا جاسکتا، اگر ایسا کیا جائے تو یہ اللہ کے الفاظ کے معانی میں تحریف ہے، حق کو چھپانا (کتمان حق) گناہ کبیرہ ہے جس کی سزا جہنم کی آگ میں ہے: "تم سچ کو باطل کے ساتھ کیوں ملاتے ہو اور جانتے بوجہتے حق کو چھپاتے ہو؟" (قرآن 3:71) "اللہ نے فرمایا، ... "اور تم پر ظلم نہیں کیا جائے گا، یعنی تمہارا اصل سرمایہ کم نہیں ہو گا، بلکہ تمہیں وہی ملے گا جو تم نے قرض دیا ہے، بغیر کسی اضافہ یا کمی کے، رسول اللہ صلی اللہ علیہ وسلم نے حجۃ الوداع کے موقع پر فرمایا: "بے شک سود کا ہر معاملہ جاہلیت (دور جاہلیت) مکمل طور پر منسوخ ہے، آپ صرف اپنا سرمایہ واپس لیں گے، بغیر کسی اضافہ یا کمی کے [اقتباس ابن کثیر] (لہذا افراط زر کی وجہ سے روپے کی قدر میں کمی کی تلافی ضروری ہے)

اللہ اور رسول صلی اللہ علیہ وسلم کے ساتھ جنگ میں علماء کا کردار

افراط زر (inflation) یا بنکنگ سسٹم کی کمزوری کی وجہ سے جمع کنندگان کے اصل سرمائے کی قدر میں کمی کو پورا کرنا قرآن (2:279) کے عین مطابق ہے جبکہ اکیسویں صدی کے جاہل اسے ربا کہتے ہیں اس طرح سے وہ اللہ اور رسول اللہ ﷺ کے خلاف جنگ میں شامل ہیں کیونکہ: ".. انہوں نے اللہ کے نازل کردہ احکام کو ناپسند کیا، لہذا اللہ تعالیٰ نے ان کے اعمال کو ضائع کر دیا" (قرآن 47:9) ³⁶⁹

اسلامی بینکاری کا دائرہ بہت وسیع ہے جس کی بنیاد قرآن و سنت پر ہونا لازم ہے۔

ظلم سے بچاؤ کیسے ممکن

"جو لوگ حکمت اور بصیرت سے مالا مال ہوں ان کو ہدایت اور رہنمائی ملتی ہے" (قرآن: 2:269)

غیر مستحکم مالیاتی پالیسیوں اور بدعنوانی کی وجہ سے افراط زر (inflation) مہنگائی پیدا کرنے سے سرمایہ کاروں کے ساتھ ناانصافی کی جا رہی ہے، جس سے اصل زر (راس المال / پرنسپل / سرمایہ capital) کی قدر کم ہوتی ہے کچھ عرصہ بعد تو شاید اتنی کم ہو جائے کہ زیرو کے قریب۔ 1947 میں 3.31 روپیہ ایک امریکی ڈالر کے برابر تھا ³⁷⁰ اور اب 230 روپیہ کا ایک ڈالر ہے۔ اس قسم کے نقصان کی تلافی انڈیکسیشن کے ذریعے کی جانی چاہیے۔ تنخواہ اور پنشن کی قدر میں ہونے والے نقصان کی تلافی جزوی طور پر "مہنگائی الاؤنس" کے ذریعے کی جاتی ہے، جو کہ "ربا" نہیں ہے۔ مالیاتی نظام سے پیدا ہونے والی کمپنیشن کی شرح (سود کہنا دھوکہ ہے) مہنگائی کے ساتھ تبدیل ہوتی رہتی ہے، یہ بنیادی سرمایہ کی قدر کے نقصان کی جزوی طور پر تلافی کرتی ہے۔ اللہ کی طرف سے اصل 'راس المال' کی ضمانت ہے تو یہ ربا کیسے بن جاتا ہے، صرف اس صورت میں جب اس کی شرح افراط زر سے زیادہ ہو تو ربا ہے مگر ایسا اکثر نہیں ہوتا۔ اس طرح کی غلط تشریح کرنا، اللہ اور رسول اللہ ﷺ کے حکم کو مسترد کرنا ہے تو یہ اللہ اور رسول صلی اللہ علیہ وسلم کے ساتھ اعلان جنگ ہے۔

دعوت نامہ عام

³⁶⁸ <https://tanzil.net/#2:279>

³⁶⁹ <https://tanzil.net/#47:9>

³⁷⁰ <https://zartash.pk/pakistan-news/pakistani-rupee-versus-us-dollar/>

ہر مومن کو دعوت دی جاتی ہے کہ وہ جہالت اور غلط معلومات کا مقابلہ کرنے کے لیے اس " آگاہی مہم" میں شرکت کریں کیونکہ: "جو کسی نیک مقصد میں اپنے آپ کو (دوسرے کے ساتھ) شامل کرتا ہے اسے اس (نیکی) میں سے حصہ ملے گا، اور جو اپنے آپ کو برائی میں شامل کرے گا تو یہ اس کی ذمہ داری ہوگی، اور اللہ ہر چیز پر قابو رکھتا ہے۔" (قرآن 4:85)

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query="url=https://docs.google.com/viewer?a=v&pid=explorer&chrome=true&srcid=01wRFvbZgFp58ij9LkrjhyieWzjlnk5k3B=en_US.pdf&embedded=true" width="600" height="800" /]

لَا يُكَفِّرُ اللَّهُ نَفْسًا إِلَّا وُسْعَهَا ۗ لَهَا مَا كَسَبَتْ وَعَلَيْهَا مَا اكْتَسَبَتْ ۗ رَبَّنَا لَا تُؤَاخِذْنَا إِنْ نَسِينَا أَوْ أَخْطَأْنَا ۗ رَبَّنَا وَلَا تَحْمِلْ عَلَيْنَا إصْرًا كَمَا حَمَلْتَهُ عَلَى الَّذِينَ مِنْ قَبْلِنَا ۗ رَبَّنَا وَلَا تُحَمِّلْنَا مَا لَا طَاقَةَ لَنَا بِهِ ۗ وَاعْفُ عَنَّا وَاعْفِرْ لَنَا وَارْحَمْنَا ۗ أَنْتَ مَوْلَانَا فَانصُرْنَا عَلَى الْقَوْمِ الْكَافِرِينَ ﴿سورة البقرة ۲۸۶﴾

اللہ کسی منتفس پر اُس کی قدرت سے بڑھ کر ذمہ داری کا بوجھ نہیں ڈالتا ہر شخص نے جو نیکی کمائی ہے، اس کا پھل اسی کے لیے ہے اور جو بدی سمیٹی ہے، اس کا وبال اسی پر ہے (ایمان لانے والو! تم یوں دعا کیا کرو) اے ہمارے رب! ہم سے بھول چوک میں جو قصور ہو جائیں، ان پر گرفت نہ کر مالک! ہم پر وہ بوجھ نہ ڈال، جو تو نے ہم سے پہلے لوگوں پر ڈالے تھے پروردگار! جس بار کو اٹھانے کی طاقت ہم میں نہیں ہے، وہ ہم پر نہ رکھ، ہمارے ساتھ نرمی کر، ہم سے درگزر فرما، ہم پر رحم کر، تو ہمارا مولیٰ ہے، کافروں کے مقابلے میں ہماری مدد کر ﴿سورة البقرة ۲۸۶﴾