

What Is The Ruling On Buying A Digital Prize Bond?

Darulifta Ahlesunnat

(Dawateislami)

Question

What do the honourable Islamic scholars and Muftis of the sacred Shariah say about the introduction of a new digital investment product by the Central Directorate of National Savings (CDNS) called 'Digital Prize Bond (DPB)'. The procedure outlined in its SOPs involves opening a digital savings account, through which the digital prize bond can be purchased. Existing savings account holders can also make purchases. The option to buy Digital Prize Bonds (DPB) is limited to these two account categories, with a minimum purchase requirement of 500 rupees and no upper limit. Upon purchase, no physical instrument is provided; instead, a unique number is registered in the buyer's name, with details accessible through the 'CDNS' mobile app. This number is then included in a draw, and if the bond wins, the prize is transferred to the account. Due to its nature as a savings account, the DPB holder continues to receive monthly profits.

Once a person acquires a Digital Prize Bond (DPB), they are prohibited from selling or transferring it to anyone else. There is no provision for ownership transfer during the holder's lifetime, nor can it be used as collateral. The bonds remain in the name of the registered owner. However, if the DPB holder wishes to withdraw, they can return the bond through the purchasing account, and the funds will be refunded.

Given this detailed information, the question is: Is the purchase of Digital Prize Bonds (DPB) permissible?

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الْجَوَابُ بِعَوْنِ الْمَلِكِ الْوَهَّابِ اللَّهُمَّ هِدَايَةَ الْحَقِّ وَالصَّوَابِ

The Digital Prize Bond (DPB) is an interest-based bond. The stipulated profit earned on it is interest. Therefore, buying it is impermissible and Haraam.

In the case of a Digital Prize Bond (DPB), no actual buying or selling occurs. Instead, an amount is deposited into an account, and in return, a code is received, which is not considered Maal (a commodity with intrinsic value). This absence of a tangible commodity is the reason why there is no potential for its sale, purchase, or transfer of ownership.

The amount deposited against the DPB is classified as a loan. This is supported by the fact that the DPB holder grants permission to utilize this money, and upon withdrawal, they can receive an equivalent amount from the same source, akin to a loan. The monthly profits, inclusion in the draw, and the prize awarded are all outcomes tied to this loan. In a blessed Hadith, profits contingent on a loan are referred to as interest.

Therefore, the Digital Prize Bond (DPB) is an interest-based, making its purchase impermissible and Haraam.

It is incumbent on the Muslims to refrain from purchasing the Digital Prize Bond (DPB). Engaging in usurious dealings, as warned in the Holy Quran, leads one to be in war with Allah Almighty and His Messenger صَلَّى اللهُ عَلَيْهِ وَآلِهِ وَسَلَّمَ. How can a Muslim dare to even imagine fighting against Allah Almighty and the Messenger of Allah صَلَّى اللهُ عَلَيْهِ وَآلِهِ وَسَلَّمَ? Furthermore, the act of usury is explicitly condemned in the blessed Ahadith, with

usurers being declared cursed and deserving of Hell. It is not befitting for a Muslim to subject themselves to such severe warnings merely for the sake of superficial profit.

Allah Almighty has said in the Holy Quran:

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ط ذَلِكِ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ
مِثْلُ الرِّبَا وَمَا أَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا ط

Translation from Kanz-ul-Iman:

Those who consume usury (i.e. interest) will not stand up on the Day of Judgement but stand like the one who is possessed by an evil spirit making him insane; this is because they said, 'Trade is in fact also like usury.' And Allah has made trading lawful and has made usury unlawful. (Surah al-Baqarah, verse: 275)

He has further stated:

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ ﴿٢٧٨﴾ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّن
اللَّهِ وَرَسُولِهِ ء

Translation from Kanz-ul-Iman:

O believers! Fear Allah and give up the remaining usury (owed to you), if you are believers. If you then do not act upon this, so be certain of a war with Allah and His Messenger. (Surah al-Baqarah, verses: 278, 279)

Sayyiduna Jabir رَضِيَ اللَّهُ عَنْهُ has said:

لعن رسول الله صلى الله عليه وسلم أكل الربا وموكله

i.e. The Messenger of Allah صَلَّى اللَّهُ عَلَيْهِ وَآلِهِ وَسَلَّمَ cursed the one who consumes usury and the one who gives usury. (Sahih al-Muslim, Kitab al-Buyu', vol. 3, p. 1219, Beirut)

It is stated in another blessed Hadith that the Holy Prophet صَلَّى اللَّهُ عَلَيْهِ وَآلِهِ وَسَلَّمَ said:

ومن أكل درهما من ربا فهو مثل ثلاث وثلاثين زنية، ومن نبت لحمه من السحت فالنار أولى به

i.e. The one who consumed one dirham of usury, it is equal to committing adultery 33 times. The one whose flesh is nurtured with Haraam; the fire of Hell is more worthy of him. (Al-Mu'jam al-Awsat, vol. 3, p. 211, Dar al-Haramain, Cairo)

It is stated in a blessed Hadith:

كل قرض جر منفعة فهو ربا

i.e. Every debt that yields a profit is usury. (Kanz al-Ummal, Al-Kitab al-Sani, Al-Baab al-Sani, vol. 6, pg. 238, Muassisah al-Risalah)

Allamah Ibn Abidin Shami رَحِمَهُ اللَّهُ عَلَيْهِ has said:

كل قرض جر نفعاً حراماً إذا كان مشروطاً

i.e. Every debt that yields a stipulated profit is Haraam. (Radd al-Muhtar with Durr Mukhtar, Kitab al-Qard, vol. 5, p. 166, published in Beirut)

A'la Hazrat Imam Ahmad Raza Khan رَحِمَهُ اللَّهُ عَلَيْهِ has said: Charging a profit based on a loan is categorically usury and Haraam. It is stated in a Hadith that the Greatest and Final Prophet صَلَّى اللَّهُ عَلَيْهِ وَآلِهِ وَسَلَّمَ has said:

كل قرض جر منفعة فهو ربا

(Fatawa Razawiyyah, vol. 25, p. 223, Raza Foundation, Lahore)

Sadr al-Shariah Mufti Amjad Ali Azami رَحْمَةُ اللهِ عَلَيْهِ has said: If one gave a loan and stipulated that he would take back more than he has given, as is the practice of usurers nowadays that they stipulate one percent or two percent monthly interest, this is Haraam. Likewise, it is impermissible to stipulate any kind of profit. (Bahar-e-Shariat, vol. 2, p. 759, Maktaba-tul-Madinah, Karachi)

وَاللَّهُ أَعْلَمُ عَزَّوَجَلَّ وَرَسُولُهُ أَعْلَمُ صَلَّى اللهُ تَعَالَى عَلَيْهِ وَآلِهِ وَسَلَّمَ

(Allah Almighty knows best and His Messenger صَلَّى اللهُ تَعَالَى عَلَيْهِ وَآلِهِ وَسَلَّمَ knows best.)

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