

The Shariah Ruling Concerning Fluctuation of A Currency After A Deal Has Been Concluded.

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What do Islamic scholars say about the following scenario? We work in the export sector. We entered into a business deal with a European party using Euros as a currency. At the time of the deal, one Euro equaled 273 PKR. The party made half of the payment immediately in Euros, and we mutually agreed that the remaining half would be paid upon delivery. When the goods were delivered, the Euro was valued at 276 PKR. (At that moment in time) I received the agreed-upon amount in Euros, and when I converted it to PKR, I received 276 PKR for one Euro. What is the ruling according to Shariah in this situation? Should I have accepted the originally agreed-upon amount or should I have accepted less?

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجواب بعون الملك الوهاب اللهم هداية الحق والصواب

Once a business agreement is made in a specific currency, the buyer is obligated to pay only the agreed-upon amount in that currency, regardless of whether the currency's value increases or decreases afterward. The seller can demand only the agreed-upon amount. In the asked situation when the deal was made on an agreed-upon number of Euros, the buyer was obliged to pay the agreed-upon number of Euros only, even if the value of Euro had increased afterward. So, when the buyer paid the agreed-upon amount of Euros, deal got (perfectly) valid. And the extra amount which you received due to increase of exchange rate of Euros from the second

installment, is also halal and pure as this extra amount/increment is due to devaluation of Pakistani currency against Euro. But keep in mind that this ruling is applicable only when the remaining half payment was agreed-upon to be in Euro and your query also states the same categorically.

Allama Shami رحمه الله عليه while mentioning the rulings regarding the increase and decrease of currency after (finalization of) a transaction writes in his booklet "تنبيه الرقود على مسائل النقود":

”ان زادت فالبيع على حاله، ولا يتخير المشتري كما سيأتي، وكذا ان انتقصت لا يفسد البيع، وليس للبائع غيرها“
Translation: “if the value of Dirham or coins increases, the sale (بيع) will remain as it is and the buyer will not have Khayar (choice) as I will mention it later. And if the value of Dirham or coins decreases, sale will not be Fasid (invalid) and the seller will not receive anything other than agreed upon amount of Dirham and coins.”

(Rasail Ibn-e-Aabdin, Tanbih-ur-Roqood Ala Masailin-Noqood, Vol. 02, Page 59, Suhail Academy)

He further mentions:

”فاما اذا غلت فان ازدادت قيمتها، فالبيع على حاله ولا يتخير المشتري واذا انتقصت قيمتها ورخصت فالبيع على حاله ويطالبه بالدرهم بذلك العيار الذي كان وقت البيع“

Translation: “if there is Inflation and the value of coins increases, the sale will remain as it is and a purchaser will not have Khayar (choice) and when there is deflation and the value of coins decreases, the sale will also remain as it is and the seller will demand only that quality of Dirhams which were agreed upon at the time of sale.”

(Rasail Ibn-e-Aabdin, Tanbih-ur-Roqood Ala Masailin-Noqood, Vol. 02, Page 60, Suhail Academy)

It is stated in the book Durr-e-Mukhtaar:

”لو نقصت قيمتها قبل القبض فالبيع على حاله (اجماعا ولا يتخير البائع (و) عكسه (ولو غلت قيمتها وازدادت فكذلك البيع على حاله، ولا يتخير المشتري ويطالب بنقد ذلك العيار الذي كان) وقع (وقت البيع) فتح“
Translation:” if the value of coins decreases before one takes it into his possession the sale will remain as it is according to the unanimous

opinion and a seller will not have a choice (Khayar). And if the matter is opposite to it i.e. the value of coins increases, the sale will also remain as it is and the purchaser will not have a choice and he (i.e. purchaser) will be asked to pay the same quality of currency (نقد) which was agreed-upon at the time of sale.”

(Durr-e-Mukhtaar, Vol. 05, Page 269, Beirut)

Sadrush Shariah Badrut Tariqah Mufti Amjad Ali Azami رحمه الله عليه states in his book Bahar-e-Shariat: “if Paisas or Rupees are still in use but have got devalued, the sale will remain intact and the seller will not have a choice to cancel it, same is the ruling when the value increases as the sale will remain intact and the purchaser will not have a choice to cancel it and in both these scenarios the same rupees (i.e. agreed upon currency) will be paid.”

(Bahar-e-Shariat, Vol. 02, Page 830, Maktabah-Tul-Madinah)

والله اعلم عز وجل ورسوله اعلم صلى الله تعالى عليه وآله وسلم

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