

Permissibility Of Profit In Sub-Leasing A Rented Item

Ref: IEC.0098

Date:01-11-2023

What do the scholars of Islam say about this issue: We rent out tents and decoration items for events like weddings, funerals, birthdays, etc. We also provide labor services for these events. Sometimes, we don't have items available for rent, so we rent them from a nearby shop, add our profit, and then rent them out again while sending our labor force. We pay the labor ourselves. Is it permissible for us to make such a profit?

Note:The inquirer has clarified that we do not charge separately for labor from the customer. Instead, we set a rate that includes all labor charges. Sometimes, when five workers are required, we manage the work with three workers. Since the tent setup and decoration work is completed as agreed, the customer has no objection.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجواب بعون الملك الوهاب اللهم هداية الحق والصواب

In this case, it is permissible for you to rent the decoration items from another shop, add your profit, and rent them out further.

The detailed ruling is as follows: Renting an item and sub-leasing it for the same or a lesser amount is permissible, but

there are some conditions for renting it out at a higher rate, if they had not been found in the given scenario, it would have been impermissible for you to sublease the items at a higher rate.

If one rents something and leases it out for a higher rent, the presence of any one of the following conditions is sufficient for its permissibility:

1. There should be an addition made in to the item that increases its value, such as painting a rented house.
2. The rented item should be sub-leased against a genus other than the genus paid as the rent in the first lease.
3. Rent the item along with something else and set a combined rental price for both items.

In your case, the third condition applies, so renting out the decoration items for a higher rate is permissible for you.

Regarding sub-leasing an item for a higher rate, it is mentioned in "Durr-e-Mukhtar":

”ولو أجر باكثر تصدق بالفضل الا في مسألتين: اذا أجرها بخلاف الجنس او اصلح فيها شيئاً“

Translation: If someone rents an item and sub-leases it for a higher amount, the excess should be given in charity, except in two cases: if it was rented against a different type of asset or if some addition was made in the item."

Under the phrase “بخلاف الجنس”, Allama Shami (رحمة الله عليه) states:

”وكذا اذا أجر مع ما استأجر شيئاً من ماله يجوز ان تعقد عليه الا جاره فانه تطيب له الزيادة“

Translation: Similarly, renting out an item for a higher rate is also permissible if the person adds something from

his side to it and leases it along with the rented item. In this case, the profit from the higher rent will be permissible.

(Durr-e-Mukhtar with Raddil Muhtar,

Vol. 6, Page 29, Beirut)

In "Fatawa Razawiyya," Imam Ahmad Raza Khan (رحمة الله عليه) outlines the permissibility of sub-leasing for a higher amount as follows:

”زیادہ لینا صرف تین صورت میں جائز ہو سکتا ہے ورنہ حرام:

1. زمین میں نہر یا کنواں کھودے یا اور کوئی زیادت ایسی کرے جس سے اس کی حیثیت بڑھائے۔۔۔
2. جس شے کے عوض خود اجارہ پر لی ہے اس کے خلاف جنس کے اجارہ کو دے۔۔۔
3. زمین کے ساتھ کوئی اور شے ملا کر مجموعاً زیادہ کرائے پر دے کہ اب یہ سمجھا جائے گا کہ زمین تو وہی روپیہ سیگھ کو دی گئی اور باقی زیادت جس قدر ہو دوسری شے کے عوض رہے۔“

Translation: Charging a higher rent is permissible in only three cases; otherwise, it is haram:

1. If an improvement is made to the land, such as digging a canal or well, or any other addition that increases its value...
2. If the item is rented against the payment of a different genus of asset than the one it was paid by him for renting initially...
3. If another item is added to the land and then rented together at a higher rate, in this case it will be considered that the land was rented on a Rupee per Bigha (an Indian land measurement unit), and the additional rent pertains to the other item.

(Fatawa Razawiyya, Vol. 19, Page 489, Raza Foundation, Lahore, selected extracts)

In "Bahar-e-Shariat," it is mentioned:

”مستاجر نے مکان یا دکان کو کرایہ پر دیدیا اگر اتنے ہی کرایہ پر دیا ہے جتنے میں خود لیا تھا یا کم پر جب تو خیر اور زائد پر دیا ہے تو جو کچھ زیادہ ہے اُسے صدقہ کر دے۔ ہاں اگر مکان میں اصلاح کی ہو اُسے ٹھیک ٹھاک کیا ہو تو زائد کا صدقہ کرنا ضرور نہیں یا کرایہ کی جنس بدل گئی مثلاً لیا تھا روپے پر دیا ہوا شرفی پر اب بھی زیادتی جائز ہے۔“

Translation: If a tenant rents out a house or shop for the same rent or less, it is fine. However, if it is sub-leased for a higher amount, the excess should be given in charity. However, if an addition is made to the house, then the excess does not need to be given in charity, or if the type of rental has changed, such as it was in silver coins initially but it was sub-leased in gold coins, then the excess is permissible.

(Bahar-e-Shariat, Vol. 3, Page 124,
Maktaba-tul-Madina, Karachi)

واللہ اعلم عزوجل ورسولہ اعلم صلی اللہ تعالیٰ علیہ وآلہ وسلم

Written by

Abu Muhammad Mufti Ali Asghar Attari Madani

16th Rabi' al-Thani 1445 AH / 1st November 2023

Translated By Maulana Abdul Wajid Madani