Book of Sales

Sale Contract

The first and second questions of Fatwa no. 11170

Q1 and 2: I own a car showroom and I deal in used cars. Some people trade in used cars and I buy used cars. Sometimes, when concluding a contract, we write the name of the seller and all the related information and he signs the contract but we leave the name of the buyer unsigned for a long time till a buyer comes to purchase the car. Then, we write his name in the space of the buyer. Is this practice permissible? Is the contract valid? The reason why we do this is that if we buy a car, it stays in the showroom till a buyer comes to purchase it. Then, when a buyer purchases it, we conclude a contract with his name on it. Another reason is if I sign the contract as the first purchaser, I will have to pay money to transfer the possession of the car to the second purchaser.

I have many cars which I sell through installments for people who want to buy them. After the buyer purchases the car from me, they sell it without transferring its possession to themselves. Is this permissible— as I mentioned above? I appreciate your Fatwa. May Allah reward you best!

A 1 and 2: It is obligatory to mention both parties; the seller

and the purchaser in the contract of sale to confirm the legal commitment. However, mentioning one party upon concluding the contract and leaving the other party’s name unsigned till the car is sold to a second buyer may be harmful. Therefore, it is not permissible to do so.

May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family, and Companions!

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