The first and second questions of Fatwa no. 6543

Q 1: I am a car dealer and I offer cars for sale on credit. Some purchasers ask me

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to state in the contract that they bought the car directly from the agency. It should be
noted that I buy the cars directly from the agency then sell them to the purchasers.
However, some purchasers insist on stating in the contract that they bought the car
directly from the agency. Some other purchasers ask me not to write their names or my
name in the contract so that they can sell the car without any documents. Your
Eminence, I make these two types of transactions with my own money but I do not take
any down payment from the purchasers. I would like your Eminence to enlighten me: Are
these transactions lawful or not?

A: It is permissible for you to buy the car directly from the agency in your name, and then sell it to a
second purchaser after holding and possessing it, whether or not you bought it in cash or on credit,
even if you will sell it at a price higher than that for which you bought it for. However, you should not
state in the contract that the second purchaser bought it directly from the agency because this is a lie
and it may also result in some problems. If you have not taken the car from the agency and have not
taken possession of it, then selling it to a second purchaser is invalid whether it is in cash or on
credit. This is so even if you will sell it to him at the same price that you bought it for. The Prophet
(peace be upon him) forbade selling commodities till they are taken possession of or owned by the
purchaser.

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