Chapter on Salam

The second question of Fatwa no. 437

Q 2: What is the ruling if a person is in need and takes a sum of money from someone on condition that the borrower gives the lender a fixed amount of wheat or corn after a certain period before they become ripe?

A: If the borrower delivers the fixed amount, it will be considered Salam (payment in advance) which is a kind of sale. It will be valid with seven conditions which are: First: Salam can be affected in those commodities whose quality and quantity can be specified exactly. Second: The quality of the commodity (intended to be purchased through salam) shall be fully specified leaving no ambiguity which may lead to dispute. Third: If the quantity of the commodity is quantified in weights according to the usage of its traders, its weight must be determined, and if it is quantified through measures, its exact measure must be known. Fourth: The exact date and place of delivery must be specified in the contract. Fifth: The commodity should be commonly available and present at the time and place of delivery. Sixth: The price shall be paid in advance at the session of concluding the contract. Seventh: The contract shall be concluded on the basis of guarantee on the part of the seller. However, if the buyer pays the price for an existing property, it will be valid. The evidence that forms the legal foundation of Salam is Allah's command: "O you who believe! When you contract a debt for a fixed period, write it down..."

Ibn `Abbas (may Allah be pleased with them) said: "I testify that the loan which its commodity will be delivered on a fixed date was made lawful by Allah in His Book." He then recited the Ayah. (Related by Sa`id). The proof from the Sunnah is what Ibn `Abbas (may Allah be pleased with them) narrated that the Prophet (peace be upon him) came to Madinah and the people used to pay in advance the price of fruits to be delivered within one or two years. Thereupon, he stated: Whoever pays money in advance, should pay it for a known, specified weight and measure with a fixed date. ) (Agreed upon by Al-Bukhari and Muslim). May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family and Companions!