

Fatwas related to usage of Interest money

Question: 16966

We have masjid a/c in one bank and baitul maal a/c is another bank. in masjid a/c we have shops deposit amount and masjid income like (monthly subscriptions and shops rents) every 6 months we get interest. so we transfer the interest amount to baitul maal a/c. my question is can we transfer interest amount to baitul maal a/c or can we construct toilets in masjid premises or can we paid interest amount to municipal property tax for shops. or can we use this interest amount for legal matters. my another question is Baitul mal is a halal amount like (Zakat and Fitr) can we mix the interest amount in that. because if we move the interest amount in to baitul maal a/c again after 6 months we get interest on (baitul maal a/c). is it permissible? if not can we create a fresh a/c in that only interest amount we deposit and we use needy people according to the situation. one more questions is Where do we use this interest amount can u please mail briefly so that we can follow inshallah.

Answer

(Fatwa: 1795/1437/L=1430)

You should remember the actual amount of both the accounts and whatever additional amount the bank gives, give it to poor, needy, widows etc as charity without the intention of reward. It is not allowed to construct toilet in the premises of masjid with this money. However, there is some room to pay the property tax of municipal shops with the money of interest. It is not allowed to use interest money in judicial affairs.

2. You can keep interest money in *Baitul Mal* account but it will be necessary to remember the interest amount and the interest received on it. In order to avoid from all these things it is better to open another account. The interest money should be spent on poor, needy, widows etc without the intention of reward.

Allah knows Best!

Darul Ifta,
Darul Uloom Deoband

<http://www.darulifta-deoband.com/home/en/Interest--Insurance/16966>

Question: 121

Interest received from a non-Islamic bank into my account .. Does the interest given to the poor physically have to be from that account or can the equivalent interest amount be given from another account or other savings.

(Fatwa: 373/M=374/M)

The interest received from any bank must be given to the poor and the payment should be from the same account in which it was received. Though, the interest amount is mixed in one single amount as deposited

money and it is difficult to separate one from another, but the amount of interest should necessarily be given to the poor. It is not good to give the same amount of money (equal to interest) from any other account and use the interest money for himself. Therefore, it should be from the same account in which it was received.

Allah knows Best!

Darul Ifta, Darul Uloom Deoband

<http://www.darulifta-deoband.com/home/en/Interest--Insurance/121>

Question

I would like to ask the following questions:

1. Is insurance Halaal?
2. What is the ruling on medical aid and hospital plan?
3. What can interest earned from the bank be used for?

Can it be used for: The poor (non-Muslim and Muslim)

Islamic benefit

Paying taxes to the government

Helping poor family members?

Answer:

In the Name of Allah, the Most Gracious, the Most Merciful.

As-salāmu ‘alaykum wa-rahmatullāhi wa-barakātuh.

1/2) Conventional insurance, medical aid schemes and hospital plans are not permissible according to Shari’ah since they contain the inherent elements of Qimar (gambling) and Gharar (future uncertainty) which have been expressly prohibited in the Shari’ah.

3) In principal, it is not permissible for one to deposit money into an interest bearing account. One should immediately transfer the money into a non-interest bearing account if such an account is available. However, it is permissible to deposit one’s money into an interest bearing account if there is no other alternative.

In principal, one should return the interest money accrued from one’s bank account to it’s owner. However, if that is not possible, then the interest money accrued from the bank should be expended on the poor and needy (who are the valid recipients of Zakaat whether they are Muslim or non-Muslim) without the intention of receiving any reward since such money is tainted.[\[1\]](#)

Interest money can also be given to one’s poor relatives who are entitled to receive Zakaat, Islamic institutions and other charitable organizations.[\[2\]](#)

Interest money cannot be used for one’s personal expenses.[\[3\]](#)

And Allah Ta’āla Knows Best

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**Checked and Concurred by,
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http://www.askimam.org/public/question_detail/21518

Question

Kindly advise how interest money can be used

Answer

In the Name of Allah, the Most Gracious, the Most Merciful.

As-salāmu ‘alaykum wa-rahmatullāhi wa-barakātuh.

In principle, interest monies should be dispensed to the poor and needy, whether they are Muslims or non-Muslims without the intention of reward since such money is tainted. [1]

Interest money can also be given to one’s poor relatives who are the valid recipients of Zakaat, charitable organizations and Islamic Institutions. [2]

And Allah Ta’āla Knows Best

**Ismail Desai,
Student Darul Iftaa, Durban, South Africa**

**Checked and Approved by,
Mufti Ebrahim Desai.**

http://www.askimam.org/public/question_detail/23200

Question

Assalamu alaikum, I got 2300 rupees as bank interest, Generally I know that we have to give to poor without expecting rewards. My friend is in urgent of money, he is in financial crisis and he ask me around 2000 rupees as loan. Can I give him this amount as gift or sadaqah without expecting reward? Do I need to inform him that this money is interest money? He is a nice islamic guy and he needs Money for his Wife delivery.

Answer

In the Name of Allah, the Most Gracious, the Most Merciful.

Assalāmu ‘alaykum wa Rahmatullāhi Wabarakātuh

Interest money should be disposed off by giving it to the poor and needy. You may give the amount in reference to your friend as sadaqah without the intention of gaining reward. It is not necessary for you to inform him that it is interest money. You may state to him that the money is a gift to him. [1]

And Allāh Ta’āla Knows Best

Jibrān Kadarkhan, Student Dārul Iftā, Mauritius

Checked and Approved by: Mufti Ebrahim Desai

Note: For more questions on Interest money, please visit the link below;

http://www.askimam.org/public/question_detail/36904 **OR**

Visit the **Dar-ul-ifta** Website of any Global Islamic Seminary/Institution.