

Islamic Finance & the Responsibility of the Ulama

By Mufti Moosa Badat Sahib

Khalifah of Faqeehul Ummat Mufti Mahmood Hasan Sahib Gangohi (R.A.)
Senior Imam & Khateeb Masjid-e-Mahmoodia, Batley, U.K.

The following is a summary of a speech delivered by Mufti Moosa Badat Sahib, at a seminar organised by Rabetah Al-Ulama Al-Islamiyyah, Batley, U.K. [www.rabetah.com] on Islamic Finance at Masjid Mahmoodia, Batley, West Yorkshire on Sunday 12 June 2005.

The seminar was organised for the Ulama (Islamic Scholars) of West Yorkshire, UK, to create a greater understanding of the concept of Islamic Finance and its applicability in western countries. It was held under the patronage of Mufti Muhammad Taqi Usmani Sahib a renowned scholar and specialist on Islamic Finance

The speech was well received by the audience and it was felt by many that the speech be transcribed and translated from Urdu into English for the benefit of the English speakers

Translated & Prepared by: Shaykh Khalil

In the Name of Allah the Most Compassionate the Most Merciful.

All praise is due to Almighty Allah, and peace and blessings be upon Muhammad the final Messenger, his Family and his Noble Companions.

Honourable Chair, Respected *Ulama* and guests. It is a source of extreme happiness and joy that today we are honoured with the presence of the renowned scholar, Chief Justice, Shaikhul Hadith (Professor of Hadith) Mufti Muhammad Taqi Usmani Sahib.

Firstly, I wish to thank Mufti Sahib on behalf of Rabetah Al-Ulama Al-Islamiyyah and on behalf of the Muslims of Batley for availing us this opportunity despite his busy itinerary. May Allah grant Mufti Sahib the best of rewards in both worlds. May Allah accept his endeavours and grant divine acceptance in his religious tours. We also ask Allah to grant Mufti Sahib a long and blessed life. *Ameen*

I also wish to thank all other guests and participants for attending this seminar - may Allah reward all of you. *Ameen*

The subject of today's seminar is Islamic Finance, on which our honourable guest will shortly deliver a detailed presentation.

As an introduction, I wish to point out the following.

Deen and Shariah consist of different branches, i.e., *Aqaa'id* (beliefs), *Ibaadaat* (worship), *Akhlaaq* (moral character), *Mua'sharat* (social etiquettes) and *Mua'malaat* (mutual dealings & transactions).

The branch of *Mua'malaat* holds the same amount of significance as the other branches of Deen. If *Mua'malaat* are correct, our *rizq* (sustenance) will be halal, which in turn will influence other branches of Deen.

Contemporary times have created a great number of innovative finance tools. This has resulted in business and enterprise becoming a highly specialised and technical area of study.

It is therefore imperative that *Ulama* acquaint themselves with knowledge of this subject, so that they may implement the Sharee' principals. Expertise in this area will also give *Ulama* a toolkit with which they can guide Muslims, in particularly business men who wish to run their businesses according to Sharee' principals.

On this point, I wish to quote the words of our honourable guest, from his article 'Islam and Modern Economics & Commerce' which states:

“As it is necessary for an *Alim* (Islamic Scholar) to understand the laws of the Qur'an and Sunnah, it is also necessary to be aware of the *Urf* (protocols) facing Muslims. Without this knowledge, he will be unable to form an accurate opinion in Sharee' *masail* (precepts). It is stated in the biography of Imam Muhammad ibn al-Hasan al-Shaybani (R.A.) that during the period when *Fiqh* (Islamic Jurisprudence) was being compiled, he would routinely visit the market place and sit with traders in order to understand the manner of business dealings. He would keenly observe the ways in which transactions were being carried out in the market. It is apparent that the purpose of this exercise was not for his personal interest in business, but rather to understand the protocols of business transactions. Therefore, it is incumbent for an *Alim* and especially for a *Faqih* (Jurist) and Mufti to acquaint himself with this knowledge, so that when a question is posed he has an insight into the context of the question. Without this he will be unable to form an accurate opinion.

Furthermore, it is said that in a community or society where un-Islamic business dealings are prevalent, the Mufti is not only responsible for issuing fatwa but is also responsible for *dawah* (propagation). His responsibility will not be discharged by issuing verdicts that such and such a thing is haram, but, as a *daee* (propagator) it is also incumbent upon him to guide people to Islamically acceptable alternatives.

The story Prophet Yusuf *alaihis salaam* is mentioned in the Qur'an. When he was requested to interpret the King's dream, Yusuf *alaihis salaam* first proposed a solution to the problem and then interpreted the dream. The Qur'an says: Ye shall sow seven years as usual, but that which ye reap, leave it in the ear, all save a little which ye eat. [12:47]

From this verse it is apparent that the true *daee* should not suffice himself with only proclaiming something as haram. He should also strive to offer an alternative solution to the problem”.

I pray to Allah that He gives us true understanding of our responsibilities and accept each one us for the service of His Deen. *Ameen*

And our last call is that all Praises be to the Lord of the worlds and Peace and Blessings be upon the Master of the Messengers, his Family and his Companions.

