

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Series of Questions Addressed to Scholar Sheikh Ata Bin Khalil Abu Al-Rashtah,
Ameer of Hizb ut Tahrir through his "Fiqhi" Facebook Page

Answers to the Questions:

Ruling on Working with Network Marketing Companies

To Zdig For'Allah and Housseem Eddine

(Translated)

Questions:

Question by Zdig For'Allah

Our respected Sheikh, As-Salaam Alaikum Wa Rahmatullah Wa Barakatuhu, my question is regarding the rule of working with network marketing companies, Barak Allahu feek and protect you to support the dawah.

Question by Housseem Eddine:

As-Salaam Alaikum Wa Rahmatullah Wa Barakatuhu, I would like to ask about the ruling on Q-net company based on the idea of network marketing, with the knowledge that the sales in this company is carried through marketing the products in a network, and the more clients a salesperson gets into the network increases his commission, even if he does not put effort to sell. For example, if the person No. 100 carries out the sale, then the founder of the network receives money, although he has not put in any significant effort, but he receives it only because he is the founder or is one of the parties of the sales network. Please provide us with the answer because this type of sale has spread rapidly in nearly all of the Islamic country including the Arabic countries.

Answer:

Wa Alaikum As-Salaam Wa Rahmatullah Wa Barakatuhu to both of you,

Your questions are about the same subject, and although you did not provide details of the subject, but this kind of selling is widespread. I have received questions about it from more than one area, and I will mention some of the questions that came from Southeast Asia and Central Asia to clarify the picture, then I will respond to this type of sale:

1. Question from Southeast Asia:

"A trading company for health products dealing with its customers as follows:

If a customer bought a health product he gets the right to take the commission on two buyers he brings to the company. Once they buy a health product of the company, each one of them has the right to bring two customers and take commission for that, in addition to the right of the first buyer to take additional commission for the four who were brought by the two customers brought by the first customer. And so on and so forth. Is this permissible?" **End.**

2. Question of Central Asia:

"We have business transactions of the Quest Net company, which are as follows:

"The Quest Net Network has products, and requires anyone who wants to market their products to buy something from these products, and then after their purchase of products, they have the right to also bring others to buy from it for a commission for those they bring. If he was able to bring six customers to buy its products, the company will pay him a commission of 250 dollars, and then the process trickles down. For example, the first marketing customer brings two to buy products from the company, then each of these two customers bring two customers, the total is six, the first marketer receives 250 dollars, the

other two marketers receive nothing until each and every one of them bring six buyers, and then each receive 250 dollars, and the first marketer gets 500 dollars for the fact that all of them are his followers to buy products ...

If the buyer wants to market the company's products, he would receive a fortune! This is the motive behind the incentive purchase of the company's products, i.e. the expectation of attaining a fortune, and not the desire to buy the products, since the value of the product is not worth the tenth of the price set by the company for this product.

But if the buyer was not able to market the products, i.e. to bring buyers to buy from the company, then the product remains in his hand which he bought for an expensive price, without taking any money from the company. This leads to depriving the buyers who are not able to bring others or who are in the last row of buyers. In Central Asia many operate in this manner. Is this transaction permissible?" **End.**

It is clear that the issue is the same with a different number of customers that entitles the marketer who brought them to get a commission for, there was a question from Southeast Asia and Central Asia, no doubt that this is the reality of both your questions, and the answer for them is one, and because the question of Central Asia is the most comprehensive, I will focus on it in the answer:

After considering the reality of the Quest Net company, with its different methods of transactions, and even though the idea is the same, which is that the company deals with marketers who will bring buyers "customers," for it and it will give them a commission in return, under certain conditions, i.e. they are brokers to the company, who bring buyers and take a commission in return ...and from analysing the reality of this transaction shows the following:

First, this type of companies deal with this network of marketing for several products, these companies require from those who market its products to buy something from these products, and then it gives him the right to bring customers to it, in return for a commission, "i.e which makes him a broker for the company who brings buyers and takes commission for that." It does not give him a commission until he brings six of the buyers, according to the question of Central Asia, and until he brings two customers according to the question of the other region, i.e. according to the program prepared by the company for this purpose.

In other words, the first buyer takes a commission for the two, "or six" whom he brought plus another commission for the four customers brought by the first two, or six brought by the first two ...

Marketing continues "brokering" in such a sequence in the form of brokerage or marketing network.

Secondly, this type of trading business is contrary to Islam, and here is the explanation:

1. The company requires the marketer to purchase their products to have the right to become its broker, for a commission, i.e. he brings clients and takes commission in return, whether the commission is after he brings six buyers or after bringing two buyers.

This means that the purchase contract and the brokerage contract are two contracts in a single contract, or two transactions in a single transaction, because each is a condition of another. **This is haram.**

«نَهَى رَسُولُ اللَّهِ ﷺ عَنْ صَفَقَتَيْنِ فِي صَفَقَةٍ وَاحِدَةٍ»

The **“Messenger of Allah (saw) has forbidden two transactions in one transaction”** (Extracted by Ahmad on the authority of Abdul Rahman bin Abdullah bin Masood from his father). It is as if I tell you: If you sell for me, I will hire from you or become your broker or buy from you ... etc. It is clear that this is the reality according to the question, selling and brokerage are in one contract, i.e. the obligating of purchasing from the company is a condition for the brokerage, i.e. marketing for a commission for buyers brought for the company.

2. The brokerage is a contract between the seller and those who bring the customers, and the brokerage commission in this contract must be for the person who brings them to the company, and not for the one brought by others. As the brokerage commission is in the transaction of the company mentioned. The broker “marketer” takes it, in return for customers he brings to buy from the company, as well as the ones brought by others; this is contrary to the brokerage contract.

3. The purchase price from the company is accompanied by exuberant injustice, that the buyer is aware of, however, it is not free from deception as a result of the "twisted" methods used by the company to promote its business so that it leads the buyer to pay the high price for the company's product, which cost a small fraction price ... And all because of what the company promotes of a bright future for the buyer because he will have the opportunity to market the company's product for a commission for the buyers he bring to the company, as well as for the buyers that his first customer will bring!

When the buyer fails to bring buyers, especially those in the last chain of the buyers, he will be entrapped by deception, and loses the high price he paid for the product which is not worth the tenth of the payment! Deception is forbidden in Islam. The Messenger of Allah (saw) said, «الخدیعة فی النار» “**Deception leads to the fire ...**” (Extracted by Bukhari on the authority of Ibn Abi Awfa). The Messenger of Allah (saw) said to the man who deceives in sales: «إِذَا بَايَعْتَ فُقُلًا لَا خِلَابَةَ» “**If you sell and buy then say no Khilabah**” Narrated by Bukhari from Abdullah ibn Umar (ra), and Khilabah is deception. This is the literal text of the hadeeth and its meaning shows that deception is forbidden.

Thus, this transaction is not permitted in Shariah.

In summary, the transaction of the Quest Net company in the manner explained in the questions violates the Shariah, I ask Allah (swt) to help us with His grace and virtues to establish the Khilafah and to implement the economic system in Islam, which shows the pure and transparent economic transactions that provide a comfortable living and tranquil life to all its citizens and Allah is Mighty and Wise.

Wa Alaikum As-Salaam Wa Rahmatullah Wa Barakatuhu

Your brother,

Ata Bin Khalil Abu Al-Rashtah

4 Dhul Qiddah 1436 AH

19 August 2015 CE

The link to the answer from the Ameer's Facebook page:

<https://www.facebook.com/Ata.abualrashtah/photos/a.154439224724163.1073741827.154433208058098/484580778376671/?type=1&theater>