

Q: (5): (a) Banks charge a commission for providing a Guarantee to clients purchasing goods etc. Can such a commission be added to the costs of the client?

(b) Can the Finance Company charge a commission for providing a Guarantee for goods purchased by its client?

A: Any fee charged on a Guarantee is not permissible in Shariah. Therefore, any amount paid as a fee for a? Guarantee cannot be added to the cost of the Commodity in a transaction of Murabahah.

Contemporary fatawaa