

The Status of Currency and its Exchange between Two Countries ♦

In the present era, gold and silver no more remain common men's currency and the paper currency has replaced such valuable commodities in the trading exchange. The worldwide legislations have also validated paper notes as 'sum' in themselves and they no longer remain to be just the promise of the issuing authority to pay the mentioned money and made it compulsory to accept paper currency as a valid sum. In another words, the status of the paper notes in the common practice has become legally valid. After taking stock of the effects caused by the concept on some of the accepted principles of Shariah due to its comprehensive and almost universal impact on mankind, the theologians and experts, assembled on the occasion of the Fourth Seminar of the Islamic Fiqh Academy, agreed upon the following points.

- 12.1 Currency-notes are just not the proof and reference rather they are 'sum' in themselves and according to the Islamic Shariah their position is that of a 'sum', both technically and legally.
- 12.2 In the present age, the paper currency has replaced the 'amount' in term of the created commodities such as gold, silver, copper, precious stones, etc. and the mutual exchange generally goes by the paper currency only. Therefore, the currency notes have also become equal to real sum in view of Shariah. Hence, it is not valid to exchange currency notes within a country with any reduction or increase.
- 12.3 The currencies of two different countries are actually two different commodities; therefore, the exchange of a sum in the currency of one country with that of another is permissible with reduction or addition according to the mutually accepted difference.
- 12.4 *Zakāt* is obligatory on the currency notes.
- 12.5 The *Nisāb* of currency notes shall be equal to that of silver.
- 12.6 On the question of accepting the devaluation or appreciation of the value of currency in terms of purchase value in the injunctions Shariah, there are two opinions in the Seminar. Therefore, appropriate decision will be taken in this regard in some latter Seminar.

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