

SALE BY BARTER IN ISLAMIC LAW

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frazashraf@pujc.edu.pkDOI: <https://doi.org/10.5281/zenodo.17310342>**Keywords**

Sale, Exchange, Barter, Riba, Munabadha and Mulamasa, Mozabana.

Article History

Received: 11 August 2025

Accepted: 21 September 2025

Published: 10 October 2025

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Abstract

As compared to other religions, Islam recommends and ordains honesty in business transactions due to its nature of regulating the entire issues of human's life. Islam should not be regarded as modern religion having no concerns with social, political and economic life of the people, it should also not be regarded as certain rigid doctrines only. In fact it is a body of rules consisted of Substantive, procedural and case laws in shape of Quran and Sunnah of Holy Prophet PBUH. Law of sale in modern era has been taken towards a new direction through development and advancement of technology and evolution in jurisprudence of business law and shall remain exposed to amendments and practices adopted by Modern Developed states. These advancements do not cater and paves the way of developing and underdeveloped countries in the capital markets. On the other hand, Principles of Islamic law as treasured in the holy Quran and Sunnah create an atmosphere of equality and prohibit certain activities which lead towards destructions and inequality. The purpose of this paper is to highlight the glittering rules of sale by barter under Islamic law for the purpose of clearing the confusion in the new generation caused by the conventional world which hinders the practice of Islamic principles laid down in the Holy Quran and Sunnah.

INTRODUCTION

Islam is not only a religion limited to rituals or spiritual beliefs; it is a holistic framework of life that includes moral, social, political, and economic aspects. Within this extensive framework, Islamic business law is essential for guaranteeing equity, transparency, and justice in all economic activities. The law of sale (Bay') holds a pivotal role, as it directly regulates transactions involving the exchange of goods and services, whether through barter or monetary means. Barter, as humanity's initial trading method, was transformed by the advent of money, which enhanced economic interactions by minimizing inefficiencies and fostering specialization. Nonetheless, contemporary monetary systems—despite their complexity—frequently perpetuate inequality, speculative profits, and

exploitation, so contradicting the ethical principles inherent in Islamic jurisprudence. Islamic law, originating from the Qur'an and Sunnah, delineates standards for permissible commerce and forbids transactions based on injustice, deceit, or usury (riba). The Qur'anic directives and Prophetic traditions collectively underscore fair conduct, adherence to contracts, and the avoidance of exploitative tactics. The Prophet Muhammad (PBUH) denounced inequitable barter practices and instituted reforms that substituted them with transparent, consensual transactions, therefore eradicating ambiguity (gharar) and usury. Unlike the traditional perspective that perceives trading solely as an economic imperative, Islam elevates commerce to a moral obligation subject to divine accountability.

In contemporary times, global marketplaces, digital currencies, and capitalist trends have transformed economic connections, frequently sidelining the spiritual and ethical aspects of commerce. This research seeks to reexamine and elucidate the fundamental concepts of barter and sale under Islamic law, offering clarification to contemporary generations who may view Islamic trading ideas as antiquated or impracticable relative to mainstream financial systems. The article briefly highlights conventional approach and Islamic approach in detail enduring economic ethics and its capacity to foster social justice and equitable prosperity by examining historical and jurisprudential viewpoints.

Research Methodology:

This study employs a qualitative and doctrinal technique, principally based on the examination of Islamic legal texts and comparative economic viewpoints. The research rigorously analyzes fundamental Islamic texts—the Qur'an, Hadith, and traditional legal interpretations (Fiqh)—to clarify the legal and ethical principles governing sale and barter. The secondary sources comprise scholarly commentaries, recent academic publications, journal articles, and current legal analyses pertaining to Islamic commercial law, monetary systems, and trade ethics. A comparative analytical method is utilized to juxtapose Islamic exchange principles with traditional and capitalist economic frameworks, especially considering technological progress and contemporary trading patterns. The study includes a historical analysis to examine the shift from barter to monetary systems, evaluating how Islamic jurisprudence evolved in response to changing business conditions while maintaining ethical integrity.

The data collection strategy is library-based, utilizing classical Islamic law literature and contemporary economic theory. The research use content analysis to understand legal decisions, Qur'anic texts, and Hadith within context, utilizing analytical reasoning to assess the relevance of these principles in modern trading settings. The aim is to comprehend the jurisprudential foundations of barter and sale in Islam and to examine their ongoing significance as paradigms for ethical and equitable trade in the global economy.

Conventional Approach:

Exchange means transfer of one commodity for another. Accordingly, any business or commercial contract involving transfer of goods for goods or one product in exchange for money-is called exchange. Exchange in the primitive era was by means of barter only i.e., goods were exchanged for goods. Due to rigidity, and inconvenient, and unfair method of exchange in the barter, man developed an alternative route in shape of money which is now a universal mode of exchange, and sale. Keeping in view, Aristotle's theory "man is a social animal" it has now become more, crucial to the existence of human, and his inability to produce his entire necessities of life by himself. Therefore, the exchange gained its vital position in finances of human, further, as it synchronizes and regulates production and their consumption. Tadele defined Barter as "a form of non-monetary exchange in which all trades are required to balance in some appropriate sense (Tadele, 2000)". The medium of exchange varied from time to time in accordance with the needs and place of man. Generally, exchange existed in two forms: goods versus goods, and exchange of commodity for money. Ancient and medieval eras practiced Barter exchange & trade as a routine matter, and is still in practice in the agricultural sectors of under-developed countries, However, and typically the process of exchange has specified place to exchange for money due to its easy and instant translation of the value of commodities & services into the terms of money (Homer, 1996).

In traditional economic theory, "exchange" encompasses all business transactions in which products or services are transferred—either directly (barter) or through monetary means—from one party to another by mutual consent. In early human societies, barter (goods-for-goods exchange) was predominant, yet it involved considerable friction: in addition to the double coincidence of wants (the necessity for each party to possess what the other desires), there were challenges related to divisibility (certain goods cannot be divided), absence of a durable store of value, perishability, and complications in deferred payment or credit. These constraints hindered extensive trade, specialization, and the evolution of inter-societal commerce (Je vons, 1876; Menger, 1892; Hull & Sattath, 2021).

Throughout history, communities have embraced many forms of money, beginning with commodity money (such as cattle, shells, and metals), progressing to metallic coins, followed by paper currency, and ultimately evolving into electronic or digital money, serving as a medium of exchange, unit of account, store of value, and standard of deferred payment. These functions diminish transaction costs and facilitate more efficient and scalable economic systems (Hull & Sattath, 2021; Howden, 2022). The progression of trade is intricately linked to social, legal, cultural, and political frameworks: trust and norms are essential for the effective operation of money; governmental power frequently contributes to ensuring convertibility or the status of legal tender (Gontier et al., 2021; Orrell & Chlupaty, 2016). The notion that barter inherently preceded money has been contested; several researchers, such as David Graeber, contend that systems of debt, credit, or obligation may have existed prior to formal currency, suggesting that trade may have been more mythological than prevalent practice. These findings indicate that currency originated in more intricate socioeconomic contexts, frequently associated with administrative or religious authority, taxation, state development, or ritual obligations (Graeber, 2011; Faridi, Nasir, & Sheikh, 2024). Academics and scholars investigate the significance of reciprocity, trading, and equality in pre-modern society. Aristotle regarded currency (*nomisma*) not just as economic infrastructure, but as a political institution rooted in concepts of fairness, reciprocity, and civic responsibility. Consequently, trading is not only transactional but integrated inside social connections (Eich, 2019). Recent agent-based computational models demonstrate that money can spontaneously arise in barter economies when specific agents specialize in production. Once a commodity gains increased "sale ability" (i.e., widespread acceptance), it is likely to evolve into the medium of exchange (Oświecimka, Drożdż, Gębarowski, Górski, & Kwapien, 2013).

The medium of exchange is dynamic; it evolves in response to technological advancements, social intricacies, administrative scope, and levels of interconnectedness from local to interregional commerce. In Pakistan and several emerging countries, barter persists in subsistence or rural areas,

as well as during monetary crises; nonetheless, monetary exchange predominates in most urban and interregional commerce. Currency systems have evolved significantly: transitioning from commodity or metallic money to the widespread use of paper currency in the modern era, followed by credit and debt systems, then digital and electronic money. Recently, cryptocurrencies and central bank digital currencies are being investigated as advanced stages in the evolution of exchange mechanisms (Faridi, Nasir, & Sheikh, 2024; Hull & Sattath, 2021). Consequently, trading is fundamental to human economic existence. It facilitates specialization, increased productivity, commerce among distant or culturally diverse populations, and accumulation. In the absence of a stable medium of exchange, the synchronization of production and consumption is hindered, credit mechanisms fail, savings become challenging, and economic progress is obstructed.

Types of Shariah Contracts:

Shariah Schools of thoughts, keeping in view time and place have defined and classified the contracts in their own way. The following are widely accepted in classification of contracts: - Contracts of Transfer of Ownership, Contracts of Elimination, Contracts of Removing Restrictions, Contracts of Imposing Restrictions, Contracts of Partnership, Contract of Security and Contracts of Safekeeping (Ali, 2010). The holy Quran rightly says...

"O you who believe! Fulfil all your covenants (Quran, 5:1)". "Fulfil (every) engagement, for (every) engagement will be enquired into (on the Day of Reckoning) (Quran 17:34). "O you who believe! Eat not up your property among yourselves in vanities: But let there be amongst you Traffic and trade by mutual good-will (Quran 4:29). "And when the (Friday) prayer is finished, then may you disperse through the land, and seek of the Bounty of Allah: and celebrate the Praises of Allah often (and without stint): that you say prosper (Quran 62:10). "Allah has permitted trade and forbidden usury (Quran 2:275)". "And O my people! Give just measure and weight, do not withhold from the people the things that are their due: commit not evil in the land with intent to do mischief. That which is left you by Allah is best for you, if you (but) believed! but I am not set over you to keep watch (Quran 11:85).

Permitted and Prohibited Sources of Income in Islam: Earning of wealth through trade was encouraged by the Holy Prophet. He has said that Allah has mercy on him who is generous when he buys and when he sells and when he demands his dues (Translation of Sahih Muslim, Book 10:). Under Islamic Law the best way for earning is agriculture, handicraft, calligraphy and all those means that are free from unfairness and riba. Trade in wine, swine, dogs, cats, singing girls, idols and furs of dead animals have been forbidden by him. He condemned artificial rise in price. Withholding of cereals or any commodity for profiteering is also prohibited. Such profiteers, according to the Prophet, may suffer leprosy or poverty. Barter trade is allowed. Honest traders, according to the Prophet, are to be placed in the ranks of prophets, pious ones and martyrs (Qardawi, 2022). The Best earnings is that of a laborer ensures his work with attention and respect for the employer. Moreover, under Islamic law all worldly professions are permitted, that includes professions and trades, provided that they are explicitly forbidden. On the hand, Islamic law does not allow any religious matter without its proof. Islamic laws allow muslims to conduct their business that are declared halal (lawful). Revenue cannot be generated through prohibited sources of income. For instance... trade in swine, wine, idols, and dead bodies of animals are haram (unlawful). A true Muslim shall never conduct business in thin and transparent stuff for women due to its prohibition of use by women is haram. The skin of a dead animal which may be used to make shoes and the tusk of an elephant is allowed but selling its tusk is haram (Rahman, 1984). The above principle allows the jobs and trades but with the below mentioned exceptions:

Riba (interest):

A Muslim shall not regard the attractive financial reward, gain in the business of Liquor, Pornography, gambling and shall not engage himself in those creativities which may seem to be profitable but involving Riba, for instance... to work in a company (a commercial bank) of which the source of revenue is riba, or gambling (like a casino). Similarly, it is not allowed to trade in stocks of such companies (Abdullah, 2010). The Holy Quran rightly highlights that...

"They say, trade is like interest and Allah has allowed trade and prohibited interest (Quran 2:275)" "Whatever you pay as interest, so that it may increase in the property of (other) men, it does not increase with Allah (Quran 30:39)". "O you who believe, do not take interest, doubling and quadrupling, and keep your duty to Allah, so that you may prosper (Quran 3:130)". "O you who believe, observe your duty to Allah and give up what remains (due) from interest, if you are believers. But if you do not do it, then be warned of war from Allah and His messenger; and if you repent, then you shall have your capital. Do not exploit and be not exploited (Quran, 2:278-79)"

The Muslim legislators did not really clear the confusion between the interest and usury. Riba' is derived from raba' which means increase, appears identical in all-purposes. However, the True Prophet Mohammed PBUH convicted and prohibited in specific the riba' el-jahiliyyah (the riba' of the age of ignorance) to double the amount in return of loan in case of default the loan in specified period. This practice putts debtors in greater difficulty (Yves J. Moissoner J.Y., 2014).

Prostitution:

Similarly, Islam prohibits obscene songs, producing sexually provocative material, working in night clubs, pubs, brothels, dance halls, sexually provoking dancing or erotic activities, or such writing, Selling and making musical instruments, adultery, sex for money.

A painful punishment waits in this world and the next for those who like indecency to spread among the believers. God knows and you do not (Quran 24:19). Nor shall you compel your handmaidens to whoredom—for they too ardently desire to be chaste—in order for yourselves, thereby, to seek the fleeting things of the life of this world. But should one so compel them—then the compeller is guilty, while after their having been so compelled, God is All-forgiving of such handmaidens, and mercy giving towards them (Quran 24:33).

The Sayings of the Holy Prophet Muhammad (PBUH) also confirms in the following words... "The Prophet cursed the lady who practices tattooing and the one who gets herself tattooed, and one who eats (takes) Riba' (usury) and the one who gives it. And

he prohibited taking the price of a dog, and the money earned by prostitution, and cursed the makers of pictures (Bukhari, 259). Musaykah, a slave-girl of some Ansari, came and said: My master forces me to commit fornication. Thereupon the following verse was revealed: "But force not your maids to prostitution (when they desire chastity (Abu-Dawood: 954). Abdullah ibn Ubayy ibn Salul used to say to his slave girl: Go and fetch something for us by committing prostitution. It was in this connection that Allah, the Exalted and Glorious, revealed this verse: "And compel not your slave-girls to prostitution when they desire to keep chaste in order to seek the frail goods of this world's life, and whoever compels them, then surely after their compulsion Allah is Forgiving, Merciful (Quran 24:33, Muslim, 1415)".

Business in Swine:

Islamic Law prohibits the trade of idols, swine, or any other thing of such kind. Islamic law forbids the purchase of statues and more sturdily the manufacture of them (Abul A'ala Mawdodi, 1959 & Hashim M. 2012). "Indeed, Allah has forbidden you to sell intoxicant, carcass, pig, and idol." Then a companion asked him, "O Messenger of Allah, what about the fat of carcass?. This oil (from that fat) are used to oil the boat, animal's skin, and as fuel for the lamps." He said, "No, those are unlawful." Then the Prophet -peace and prayer of Allah be upon him- told them about the condition of the Jews. "Allah has cursed the Jews. When Allah forbade the animal's fat, they melted it (by heat thus the fat turned into oil), then they sold it, and they ate from the result of that sale" (Bukhari, 2236, Muslim, 1581 & Abu Daud. 3486).

Manufacturing intoxicants and drugs: Any promotion and participation in alcoholic items, whether their production, supply, or eating & drinking are prohibited under Islamic law. Moreover, the Messenger of Allah has cursed those who use such items (Beekun, 1997). Allah forbids in the Holy Quran that "You who believe, intoxicants (khamr) and gambling, idolatrous practices, and (divining with) arrows are repugnant acts—Satan's doing—shun them so that you may prosper. With intoxicants and gambling, Satan seeks only to incite enmity and hatred among you, and to stop you

remembering God and prayer. Will you not give them up? (Quran, 5:90-91).

Support of injustice:

"My Lord hath commanded justice" (Quran, 7:29). Islamic law strictly prohibits to promote and support of injustice, as doing a forbidden act is haram. Similarly, a muslim cannot be a part of any army, force that is fighting against Muslims, and nor he can join any organization which is hostile to Islam and fights its believers (Damirchi, 2011). 'Stand up firmly for justice, as a witness to God, even as against yourselves or your parents or your kin, and whether it be against rich or poor" (Quran, 4:135). "If anyone does evil or wrongs his own soul, but afterwards seeks God's forgiveness, he will find Him most forgiving and merciful" (Quran 4:110). "Act against those who oppress people and transgress (sin) against justice. They will have an agonizing punishment - though, if a person is patient and forgives, this is one of the greatest things" (Quran, 42:42-43).

Islamic Approach:

Money in shape of various coins was in circulation among the developed communities in the beginning of sixth century AD (the early era of Islam. The traders from Arab were well aware of the coins and frequently used them in their trade) but sale through barter was in practice too, and most of the businesses especially agricultural contracts were still conducted under barter system. Briefly, the Holy Prophet Muhammad (PBUH) while establishing a small Islamic state at al-Madinah undoubtedly saw the foundations of injustice, exploitation, and usury and so many other economic problems in the sale under barter system (Chaudhry, 1999). He, therefore, under the Command of Allah replaced barter system by exchange with money. Following Hadiths of the Prophet of Islam highlight His defiance towards exchange having the element of Riba and other ills..

"To sell wheat for wheat, barley for barley, dates for dates is 'Riba' except when sold from hand to hand (Bukhari, 2170). Abu Hurairah (R.A) and Abu Saeed (R.A) narrated that "the Holy Prophet appointed a man as tax collector to Khaybar. He returned to him with best dates. So, He (the Prophet) enquired: "Is every date of Khaybar like this"? "No by Allah" he said "O Prophet! verily we take one sa'a of this for

two sa'a and two sa'a for three sa'a. The Prophet said: Don't do it, sell (your) dates for Dirhams and then purchase the best dates for Dirhams" (Muslim 3620). According to Abu Saeed Khudri that one day Bilal came to the Messenger of Allah with green variety of dates. The Messenger of Allah enquired, "wherefrom did you bring this"? Bilal replied, "We had dates of inferior quality, we therefore, gave two Sa'a of that quality in exchange for one Sa'a of this (superior) quality with the object of presenting it to the noble Prophet." On hearing this the Prophet PBUH said: "...this is clear riba. Don't do it again, rather when you wish to acquire dates of superior quality, first sell your dates of inferior quality for money, and then purchase dates of superior quality therewith" (Bukhari, 2201, 2202). Further, "If you want to do such an exchange, first sell your dates (for money or another commodity) and then buy other ones" (Bukhari, 2145). The Prophet PBUH said: "While exchanging gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates and salt for salt, exchange like for like (in equal measure) and exchange at spot. Whosoever paid more than what he received or demanded more than what he gave, verily he dealt in riba. Both the payee and the receiver are equal in violating the Law of God" (Muslim 2971).

The Prophet PBUH rightfully ordered: "While exchanging gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates and salt for salt, exchange like for like (in equal measure). Whosoever gave more or took more, verily he made a riba deal. However, you are permitted to exchange gold for silver, wheat for dates, or barley for dates as you wish (in equal or unequal measures) provided that, such an exchange is at spot" (Tirmizee 1161). The Prophet said: "Do not sell gold for gold unless equal in weight, and do not sell silver unless equal in weight" (Bukhari, 2176). Two traders enquired from the Prophet about their joint trade in barter, He said: "If it is at spot, it is all right. But if it involves loaning then it is not permissible" (Shafi, 1996). Once Ibne Umar (R.A) asked the Prophet PBUH about the legitimacy of his transactions on selling of camels for gold coins and receiving the payments in silver coins, and the Holy Prophet PBUH replied that "it was all-right to take dirhams (instead of dinars) provided that, the count of dirhams had been

according to the then prevailing exchange rate and you had settled the accounts before leaving the market" (Nasae 4506).

Similarly, Exchange of goods versus goods of the same kind prohibited provided that the quantity is same and equal and possession is transferred on spot. Though sale by barter was tolerated (with due limitations) owing to their frequency, but the at the same were not measured desirable. In so many instances the Holy Prophet PBUH directed to His followers to not to conduct the sale under barter system. He rather directed Them to purchase the required commodity with money and sell Their commodities for money. The purpose is to abolish the riba in sales and to boost the implementation of money as medium of sale & purchase. Sale by barter means exchange of goods for goods whereby no money is involved; each of the two commodities constitute both the price and the object (Chaudhry M. S., 2003). The word bay in Arabic denotes that when the ownership of an asset between buyer and seller is exchanged for money or through barter. In Bay transactions the seller offers the price of the goods and the buyer has the option to accept or reject to buy or seller offers the goods with costs so that the buyer may agree along with the profit margin, the prior transaction is called musawamah, while the later transaction is called murabahah (Finance, R. S. 2019).

The transaction between two persons, either of tangible goods for tangible goods, or intangible goods for an equivalent liability, or of a lien for a lien ... these transactions are either spot, or deferred for both, or spot for one and deferred for other. Delay from both the parties is prohibited by Ijma (one of the sources of Islamic, in case of no clear ruling in Quran and Sunnah) either in tangible assets, or in liabilities as its quantity to a prohibited exchange of a liability for a liability. Observing further, ibn Rushd observed the three methods of sale in the society where money and goods are in existence: ... when two goods are exchanged, goods for money is called sale "bay", and when money is exchanged for money, first serves as currency and the other is deemed commodity, such transaction is termed 'sarf' (Rushd, 2015). Hence, Deferred or spot transactions are allowed (Hitti, 2007). The transaction, and contracts between the parties must be in writing and the Holy

Quran particularly makes its mandatory in the following words...“O you who believe! When you deal with each other in transactions involving future obligations in a fixed period of time, reduce them into writing (Quran 2:282) (Qur'an 2: 282). However, Spot transactions need not be evidenced in writing but witnesses are recommended. ... but if it be a transaction which you carry out on the spot among yourselves, there is no blame on you if you reduce it not to writing. But take witnesses whenever you make a commercial contract” (Quran 2:282).

Under Islamic law there must be Ma'al ul Aqd (Consideration) in a contract, according to Imam Hanbal & Imam Shafi'i, the 'usufruct' may be regarded as subject matter and therefore may be exchanged as subject matter in a transaction, however Maliki and Hanfi Schools don't agree with this view point. According to Prof. Kamali most scholars of later periods side with the Shafi'i and Hanbali schools on this matter. Similarly, jurists argue that a single transaction relates to barter rather than signing one contract to determine more than one identifiable transaction, thus buyer and seller should as a substitute enter into each transaction under a separate deed (Kamali, 1991). Here is a significant condition, if followed properly helps in preventing extortionate promises being made out of an underlying contract that may be acceptable by themselves (Kamali, 1996). The parties must fix the price at the time of entering into a sale contract which makes the seller in ownership until the delivery of goods. In this regard the jurists recommends that the parties must shake hands or signature which signifies the conclusion of a contract (Hassan, 2002). Though a sale by barter cannot be made conditional upon a future event, conditions may be imposed upon the sale, for example the implementation of a service contract on a manufactured item sold to a buyer, or the availability of a warranty against defective goods (daman) (Obaidullah, M. (1999).

Both the buyer and seller may be given an option, khiyar al-majlis, to cancel a transaction during a given period after conclusion of that transaction. The Hanafi school limits the period of this option to three days, whilst other scholars do not precisely define the period of time allowed. Some have used khiyar as the theoretical basis for modern day

'Islamic option' products whilst others have based arguments for the permissibility of options on the existence of the contract of bay' al-urban. Bay' al-urban involves a deposit that may be forfeited in the event that the depositor does not complete the purchase of the specified good by a specified date. However, it would seem that whilst khiyar is widely accepted as a valid contract under Islamic law, few jurists permit bay' al-urban (Al Zaabi, O. S. (2010).

Naturally, individuals will not always be in a position to conduct exchange transactions on the basis of a simultaneous exchange of cash for goods or services (in other words as spot transactions). Where one of the two countervalues to an exchange transaction (cash, goods or services on the other) is not exchanged simultaneously, certain rules, and some exceptions to those rules, apply (Obaidullah, M. (2001). A number of matters are conditional in the commodity (Muthman) that is being sold and the thing which is taken in return for the commodity as an exchange (Thaman):

It is obligatory that the quantity (of both) is known by means of weight, volume or number. That the two (the seller and buyer) are capable of being taking the commodity and payment into possession. According to this, it is not proper to sell an animal that has fled from its owner. That the particular affective qualities are specified for the value of the two exchanged items (Iwadhain) and for the interest of people to conducting business with them (meaning, the commodity and payment). That the rights of the individuals other than the two parties (the seller and buyer) should not be connected to the two exchanged items. According to this, it is not allowed to sell something that a person has pawned (Rahn-meaning something given as security) without the person's permission. As such, it is permissible for the seller to give in exchange for cash a benefit of his possessions, like someone who buys a carpet, then, he authorizes the use of his house for the seller as an exchange for the carpet that he purchased (Issue 742).

Banned forms of Barter:

Abu Huraira (Allah be pleased with him) reported that Allah's Messenger (may peace be upon him) forbade (two types of transactions) Mulamasa and Munabadha. Islam has banned two forms of sale

contract that were prevalent before Islam. These were Munabadha and Mulamasa. In neither of these was the purchaser offered an opportunity to examine the thing purchased. Munabadha means that the seller should throw the cloth to the buyer before he has carefully examined it. The very act of throwing the cloth will mean that the bargain has been struck. Mulamasa means touching the cloth without examining it, i.e. the buyer was just supposed to touch the cloth to strike the bargain. Both these forms of transaction were prohibited because in either case the purchaser got no opportunity to examine the things sold to him, and the bargain was likely to prove unduly disadvantageous to one side.

Mozabana:

It is the exchange of fresh fruits for dry ones in a way that the quantity of the dry fruit is actually measured and fixed, but the quantity of the fresh fruit to be given in exchange is guessed while it is still on the trees (Mishkat, 2710). The Holy Prophet (may peace be upon him) has forbidden this exchange because the quantity of the fruit on the trees cannot be definitely Determined and the transaction is just a leap into the dark (Kitab Al-Buyu). In fact, Islam demands that goods and commodities for we should go to the open market and the seller or his agents must be aware of the state of the market before proposals are made for the purchase of goods or communities in bulk. He should not be taken unaware, no advantage be taken of his ignorance of the state of the market, and the prevailing prices. All this is clearly laid down by the Prophet (may peace be upon him) (Shirazi, F. 2016).. As mentioned above, Islam tries to be fair to both parties to a transaction. Any step on the part of one, that is advantageous to him and disadvantageous to the other, is not permissible. The seller is expected to make the defects (if any) in the goods manifest to the buyer, nor is the buyer expected to take undue advantage of the ignorance of the seller.

Characteristics of Barter

Both the buyers and the sellers have the option to withdraw the transaction before leaving the meeting (Where the bargain is struck). 'Umar (Allah be pleased with them) reported Allah's Messenger (may peace be upon him) as saying: Both parties in a

business transaction have the right to annul it so long as they have not separated; except in transactions which have been made subject to the right of parties to annul them. The exchange in barter is determined by the interest which each side has in the object of the other and by the interest and satisfaction that both sides get from the transaction. The objects to be exchanged should, therefore, have direct consumption values for both participants.

The transactors in barter are on their own. The objects are not measured against some external criterion but are substituted for one another by an internal balance. This implies that in barter transaction there is a lack of integration of exchange ratios set by a third party or factor.

Information is critical. Barter occurs mostly in local face-to-face situations where people and the paths of goods are known. In the industrialized countries, computerized barter networks are used to link across states. Most towns and regions have barter cooperatives that also operate by means of newspapers and computer print-outs. But even such 'modern' barter institutions have not avoided the importance of direct personal contact and communication.

Barter transaction itself creates different forms and scales of social bonds. The most important are ... (a) barter exchanges require no further transaction to satisfy the wants of the actors as the relationships created by simultaneous barter are inherently discontinuous and unstable. (b) it is comparatively rare for opportunities of barter to happen spontaneously or by pure chance and then not to recur. (c) the objects which are exchanged are dissimilar and, except in rare conditions of rapid price change, the size and the price of the exchange items do not affect their total marginal utility. (d) barter often pursues the principle of 'equivalencies' but also permits transactions among items or things which are perishable or easily quantified (Tadele F., 2000).

Pros and Cons:

It has both advantages and disadvantages. Even in those days, as today, it must to be realized that by the exchange of goods both parties might gain. One party might have abundance of corn but be short of meat; another might have a surplus of meat but be

requiring corn. Exchange of corn for meat, if properly carried out, would obviously be to the advantage of both parties. Exchange is thus beneficial in that it increases the total utility of a community's wealth. What is comparatively superfluous to one person may be highly desirable to another, and the more efficient the system whereby the respective goods can be exchanged for each other, the greater will be the welfare of the community as a whole. It also permits the abilities of the people to be used to the greatest advantage. A complication of bartering is determining how trustworthy the parties dealing with each other. Both the parties does not have any proof or certification that they are legitimate, and there is no consumer protection or warranties involved. This means that services and goods parties are exchanging may be exchanged for poor or defective items. - On the positive side, there are great advantages to bartering. As mentioned earlier, you do not need money to barter. Another advantage is that there is flexibility in bartering. For instance, related products can be traded such as portable tablets in exchange for laptops. Or, items that are completely different can be traded such as lawn mowers for televisions. Another advantage of bartering is that you do not have to part with material items. Instead, you can offer a service in exchange for an item.

In the most elementary stage exchange may take the form of simple barter which necessitates a double coincidence of articles required and offered. Barter, however, involves certain difficulties as regards the basis on what articles are to be exchanged. For instance, cloth may be plentiful and corn very scarce. What is then the common denominator by which yards of cloth and bushels of corn can be compared? Thus, barter in its crudest form is deficient in that it employs no common measure of value. Its another drawback is the absence of a means of sub-division. It may be concluded that the complex system in which we now live renders simple barter virtually impossible. It is possible in very small and simply organized societies as in ancient times when notwithstanding the various difficulties barter came to be the earliest means of carrying on trade and commerce in those days (Upendra Thakur, (1972).

Conclusion

In conclusion, the transition from barter to contemporary monetary systems exemplifies humanity's ongoing quest for efficiency, equity, and stability in economic interactions. Although traditional institutions have progressed technologically and legally, they frequently sustain inequality, exploitation, and speculative activities that compromise social justice. Conversely, Islam offers a holistic and enduring framework for commerce that incorporates ethical, legal, and moral tenets drawn from the Qur'an and Sunnah. Islamic commercial law regulates trading practices while ensuring that transactions maintain integrity, fairness, and societal welfare. The ban on *riba* (interest), exploitation, and unethical revenue sources highlights Islam's dedication to maintaining economic equilibrium and safeguarding human dignity. The teachings of Prophet Muhammad (PBUH) about equity, mutual agreement, and openness in contracts underscore the divine insight connecting economic justice with spiritual responsibility. Furthermore, although Islam acknowledges barter and conventional trading methods, it governs them through rules that mitigate ambiguity, deception, and detriment. In contemporary society, as the globe adopts digital and globalized economy, the significance of Islamic economic ideas is increasingly evident. They provide a moral framework in the face of increasing commercialization and materialism, underscoring that profit should never compromise ethics or equality. The examination of barter and sale under Islamic law confirms that trade, when aligned with divine principles, transcends ordinary economic gain and serves as a conduit for social justice, societal peace, and moral prosperity.

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