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## Why Paper Money is Essentially Haram (Forbidden)

### Why Paper Money is Essentially Haram (Forbidden)?

And they sold him (Hazrat Yusuf AS) for a reduced price – a few *dirhams* (*silver coins*) – and they were, concerning him, of those content with little.

(Holy Quran 12: 20)

And among the People of the Scripture is he who, if you entrust him with a great amount [of wealth], he will return it to you. And among them is he who, if you entrust him with a [single] **gold coin (Dinar)**, he will not return it to you unless you are constantly standing over him [demanding it]. That is because they say, “There is no blame upon us concerning the unlearned.” And they speak untruth about Allah while they know [it].

(Holy Quran 3: 75)

### Introduction

Dirham and Dinar (Silver & Gold coins) were the major currencies for use for everyday transactions from the time of the Holy Prophet (PBUH) until the end of the Ottoman Empire (Khilafat Usmaniyyah) in the early 20<sup>th</sup> century.

Government officers were present in Ottoman Empire who regularly checked the purity of gold and silver coins. **It is believed by many economists that the last free and fair market was that of the Ottoman Empire**

Hazrat Ubaida bin al-Simit (RA) reported Allah’s Messenger (PBUH) as saying:

**“Gold** is to be paid for by gold, **silver** by silver, **wheat** by wheat, **barley** by barley, **dates** by dates, and **salt** by salt, like for like and equal for equal, payment being made hand to hand. If these classes differ, then sell as you wish if payment is made hand to hand. “

[Sahih Muslim, Book 10, Hadith 3853]

**What is common to all these six things (highlighted or boldened)?**

1. All were used as medium of exchange in the market

**If there was shortage of gold or silver coins they would use dates, wheat, barley etc**

2. All these six things had INTRINSIC VALUE i.e. it could be backed up by silver or gold coins or commodities

Dirham & Dinar were being used even before the advent of the Holy Prophet (PBUH) as mentioned in Surah Yusuf above.

So SUNNAH MONEY was either gold or silver coins or a *commodity that had a shelf life* (like wheat, barley, dates and salt)

Animals (e.g. camel, sheep, goat etc) were not used as money (they do not have a shelf life as they may die any time)

### Use, properties of Sunnah Money

1. Medium of exchange e.g. buying commodities in the market, paying barber for haircut etc
2. Measure of value of labor
3. **It has intrinsic value**
4. Money should preserve its value throughout the years i.e. Gold and silver preserved their values throughout the years.
5. The intrinsic value of money or commodities of equal amount should be the same e.g. **the value of 5 US Dollars should be equal to the value of 5 Pakistani rupees**

**Points 3-5 DO NOT HOLD WITH MODERN PAPER MONEY! WHY? WHAT HAPPENED TO MONEY? IS THIS PERMISSIBLE IN ISLAM?**

### Answer in Holy Quran

“ . . . do not deprive people of what is rightfully theirs by diminishing the value of their things (such as their labor, merchandise, property etc).”

(Qur'an, al-'Araf, 7:85; Hud, 11:85; al-Shu'ara, 26:183)

So such like paper money that loses its value, according to this basic order of the Holy Quran, is essentially Haram.

One can imagine if this diminishing in value of money keeps on occurring at the country level, the country will ultimately become **enslaved**.

Also read this blog concerning Riba (Interest, Usury):

<http://www.drnaumanshad.wordpress.com/2016/01/02/1556/>

### Start of Paper Money

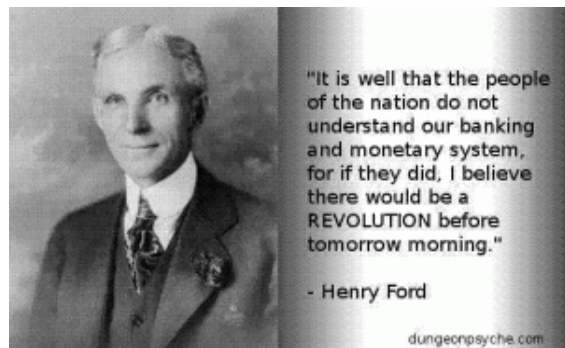
17<sup>th</sup> Century Bank of England issued first known paper money of the modern times. It was redeemable i.e. one could put gold in the bank and get equivalent amount of paper money in return or return paper money to the bank and get back their gold, meaning at first paper currency had intrinsic value.

Once governments began printing paper money, or real currency, these notes were considered to be as good as gold. Theoretically, everyone who held paper currency could go to a bank or financial institution and convert their currency into physical gold. **This is what became known as the gold standard.** Originally, the governments only printed as much currency as they had physical gold to back it up. It was okay until that point.

But then the banks started printing much much more paper money than the Gold it had in its vault, meaning the paper currency lost its intrinsic value. (this was the basis of fractional reserve banking discussed ahead). Some bankers even sold most of the gold when they saw few people coming to get their gold deposits.

But they were caught when many people came at once to get their gold, only to find the bank had no gold, and thus bank closed with bankers running away with the money and gold

**This was the beginning of the big fraud by the Zionist bankers**



### **Bretton Woods Conference 1944**

Some things were agreed upon by all participating countries including Muslim countries like Saudi Arabia (BrettonWoods Agreement):

1. Only the US dollar can be redeemed in gold as 35 dollars an ounce (because USA had more than 75% of the world's gold reserves)
2. **All other currencies were defined in relation to the dollar (Not in gold). This was according to the country's gold reserves and other factors decided by IMF)**
3. So all other countries had to convert their currency to dollar in order to get gold
4. In other words the US dollar took over as the gold standard system
5. Only central banks of the government could do this (redeem gold), not on an individual basis
6. No interchange of currencies can take place except through dollars; e.g. for converting Pakistani rupees to British pound, the rupee is first converted to dollar and then the dollar is converted to the pound
7. Prohibition of use of gold as money
8. IMF and Central Banks (discussed ahead) also came out from this Brettonwoods agreement

**WHERE WERE THE SCHOLARS OF ISLAM AT THIS TIME? Why did they not object to this agreement? Were they sleeping?**

### **International Monetary Fund & World Bank**

These came about after the fraudulent Bretton Wood Agreement.

The IMF is provided with a fund, composed of contributions of member countries in gold and their own currencies. The original quotas were to total \$8.8 billion. When joining the IMF, members are assigned "quotas" reflecting their relative economic power, and, as a sort of credit deposit, are obliged to pay a "subscription" of an amount commensurate with the quota.

**The subscription is to be paid 25% in gold or currency convertible into gold** (effectively the dollar, which was the only currency then still directly gold convertible for central banks) and 75% in the member's own currency.

Quota subscriptions are to form the largest source of money at the IMF's disposal. The IMF set out to use this money to grant loans to member countries with financial difficulties. Each member is then entitled to withdraw 25% of its quota immediately in case of payment problems. If this sum should be insufficient, each nation in the system is also able to request loans for a foreign currency.

In the event of a deficit in the current, Fund members, when short of reserves, would be able to borrow foreign currency in amounts determined by the size of its quota. In other words, the higher the country's contribution was, the higher the sum of money it could borrow from the IMF. Members were required to pay back debts within a period of 18 months to five years. **This continuous cycle lead to more and more debt and inflation within a country & ultimately the country became totally enslaved.**

**World Bank works similarly. Both IMF & World Bank continue to enslave the 3<sup>rd</sup> world today.**

### US breaking the Bretton Woods Agreement in 1971

In 1971 British government gave US 3 billion dollars to be redeemed for gold according to the Bretton woods agreement. US President at the time, Mr. Nixon refused because **US DID NOT HAVE ENOUGH GOLD TO REDEEM THAT MUCH AMOUNT OF CASH!**

Bretton Woods' agreement collapsed (Nixon Shock) with USA having no shame whatsoever, not even offering any apology and stating they had every right to do whatever they wanted!

This is when ALL countries went off the gold standard

**Paper money was now obviously 100% haram which our ulema (religious scholars) again failed to recognize**

### Petrodollar-2nd Fraud by the United States

Henry Kissinger of USA tricked Saudi King Shah Faisal in making another rule: **that all transactions of oil by all countries will be made in US dollars**. No country could buy or sell oil except in US dollars. So the Bretton Wood fraud was replaced by the Petrodollar fraud, and oil became just like gold standard.

**This is most likely the interpretation of the following Hadith:**

**“The Messenger of Allah (PBUH) said: “The time is near when the River Euphrates will uncover a treasure/mountain of gold. Whosoever may be alive at that time, should not take anything of it.”**

Read the other major signs of End Times which unknowingly have taken place:

<http://www.drnaumanshad.wordpress.com/2017/01/07/major-signs-of-the-end-times-the-sequence-of-their-coming/>

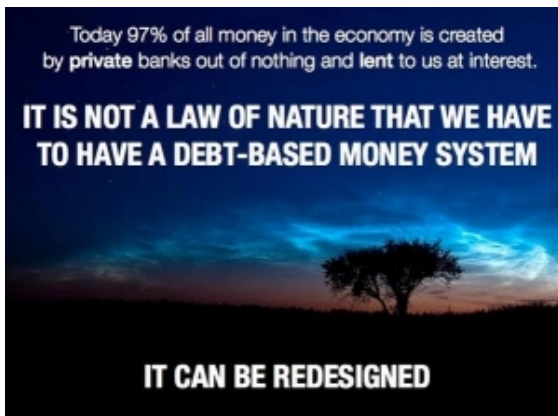
**Another narration states: “The Hour will not come to pass before the River Euphrates dries up to unveil a mountain of gold, for which people will fight. Ninety-nine out of one hundred will die (in the fighting) and every man amongst them will say: ‘Perhaps I may be the only one to remain alive (and thus possess the gold).’” [Sahih Muslim]**

**That mountain or treasure of gold is oil, which became the ‘Gold standard’ after this Petro-dollar agreement!**

And again our Islamic scholars never spoke up !

### Fiat Money

**Currency that is not backed by any type of physical asset or reserve is called fiat money (which does NOT HAVE INTRINSIC VALUE).** This term comes from the Latin and means something to the extent of “as you wish.” The current fiat money system is essentially worldwide, since every country followed the path of the U.S. shortly after we went off the gold standard in 1971.



### How does modern paper money (Fiat Money) lose its Value & lead to inflation?

One of the major risks of fiat currency is that it relies on the confidence people have in the currency and in the nation backing it. There have been many instances of hyperinflation literally destroying this full faith and credit of a national currency.

In many cases, the government itself will intentionally devalue or debase its currency. Why would something like this occur? The main scenario for this is that the government has borrowed too much money and is deeply in debt and it finally comes to realize it cannot pay.

In Roman times, debasement took the form of minting coins with less and less of the actual metal (gold and silver) used. Today, this happens in the form of the printing press. If a government cannot pay its bills, then it simply turns on the printing press and creates more currency.

As this goes out into circulation, you have the situation of more dollars, euros, etc. chasing the same amount of goods and services. **Simple economic theory teaches that such a situation will lead to higher prices also known as inflation.**



**It is also illustrated in the example below:**

Suppose your grandfather died in 1971 & left an estate of 100 gold coins which one inherited. And suppose further, that since you were a baby the money was kept securely stored away for you.

Twenty five years later in 1996, you asked for your money. The box in which it was stored was opened & you were given the same amount of 100 gold coins. Your money had neither increased nor decreased. It remained almost the same. Gold had functioned successfully as money. It had succeeded in performing one of the most important functions of money, i.e. to be a store of value. It has faithfully performed this function for all of recorded human history.

Now, let us suppose that in 1971, those who were entrusted with the 100 gold coins decided to convert them from real money into artificial money. They felt that paper was a more appropriate and reliable form of money than gold.

They were highly impressed by the strength of the American dollar. And they trusted because the American dollar itself proclaimed: In God we trust. And so they converted the gold coins (100 ounces of gold) into American dollars and obtained US \$3500 in 1971. They put the money away very securely.

In 1996 you asked for your money and they then brought you the American dollars (3500). You went to the gold market and they gave you only 8 ounces of gold for this amount of money. A great tragedy had occurred during those 25 years. 92% of your wealth had been lost. Paper had failed miserably as money. It did not function as a reliable store of value.

**Your loss was someone else's gain- the modern day money changers or bankers or whatever you would like to call them had ripped you off by deception. That is riba.**

There is perhaps no other medium through which more of mankind are touched by riba today than through paper money. It is through the universal prevalence of fraudulent paper currency today (i.e. paper currency) which now dominates mankind, that the prophecy of the Prophet (PBUH) regarding Riba has now been fulfilled:

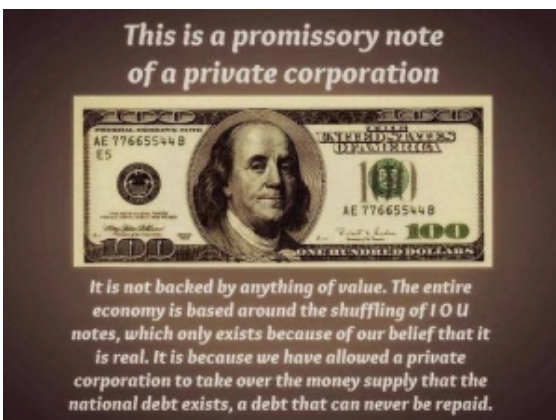
“Hazrat Abu Hurairah reported that the Holy Prophet (PBUH) said: A time will come over mankind when not a single person will remain who does not consume riba, and if one does not consume it, its vapor (or alternatively its dust) will reach him.”

(Ahmad, Abu Daud, Nasai, Ibn Majah)

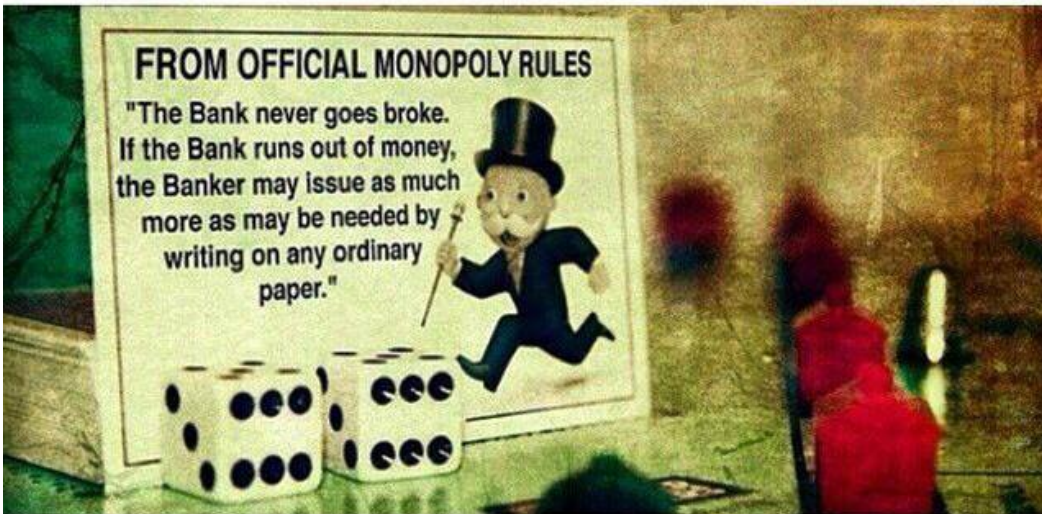
### **Federal Reserve Bank and Central Banking**

The Zionists control today's international monetary system. In this system money is created out of thin air by the Central Banks including the US Federal Reserve **which is a private bank unanswerable to the US government.**

The Federal Reserve gives out **interest-based loans** to the United States Government basically out of thin air. **Right now the USA is in more than 17 trillion dollars in debt to the Federal Reserve, which is increasing by the second, and will never be able to be repaid back. In other words USA will remain forever enslaved to the owners of the Federal Reserve.**

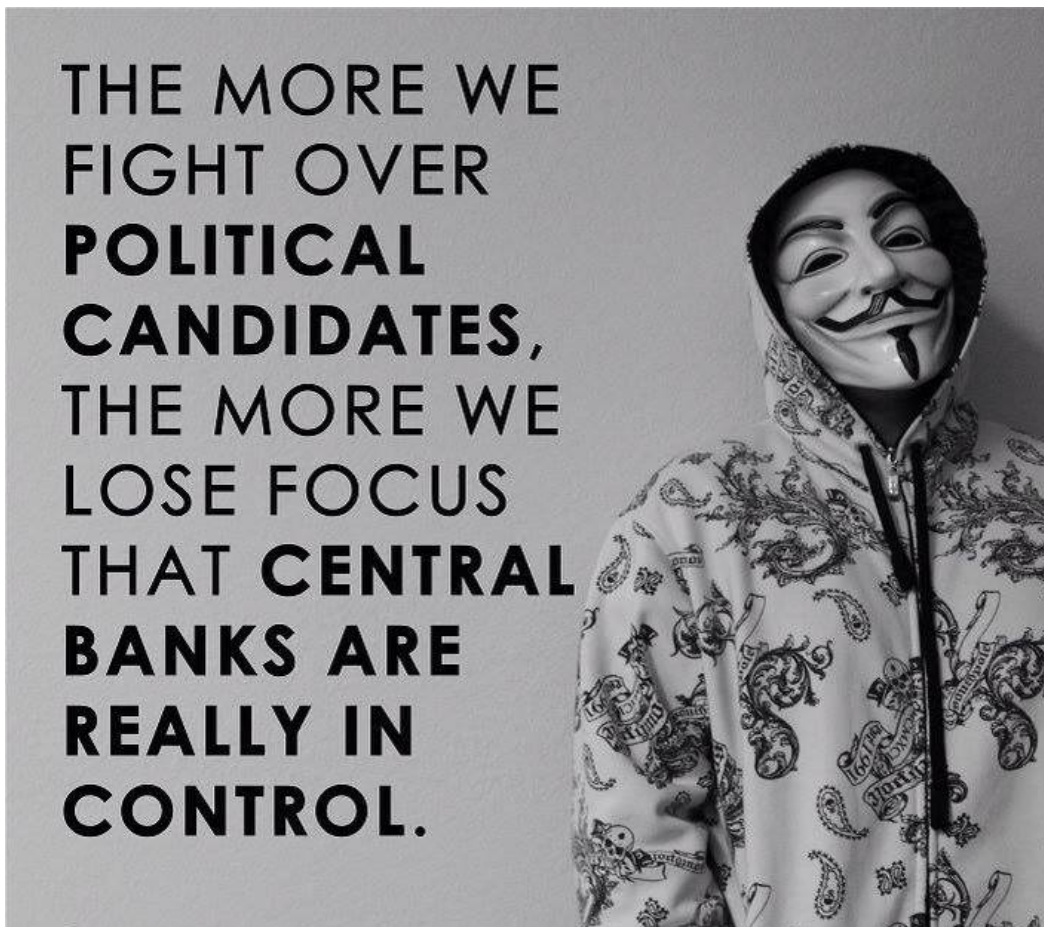






Central banks of other countries were introduced in the Brettonwoods agreement (discussed above)

**All other central banks throughout the world are also owned by the same private bankers (mainly Rothschilds and Rockefeller families) and print and control the country's money under supervision & control of the International Monetary Fund and World Bank.**

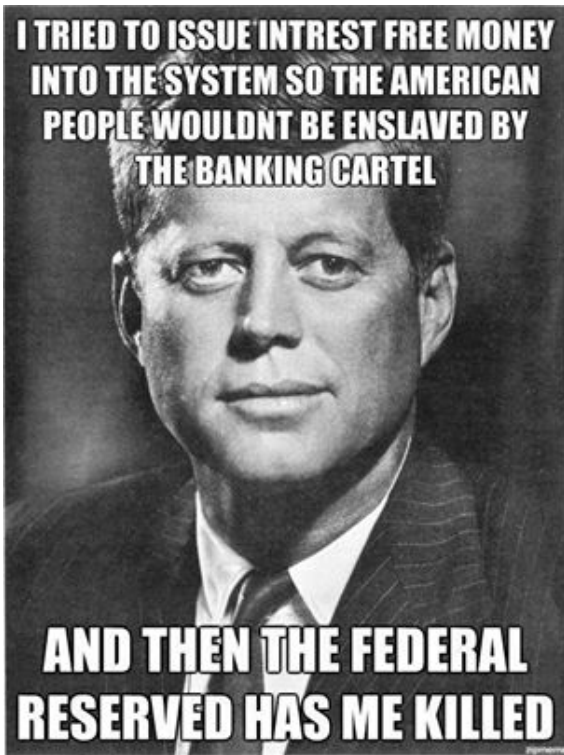


**Central banks give off loans to the government with interest. Government goes into debts it will never be able to pay off. So it is 'forced' to sell off its national assets to prevent collapse of the national economy.**

Governments can also impose extra taxes, increase tax rates, cause inflation, deprice value of the currency etc to pay off debts to the central bank.

They even killed their own President to prevent the exposure!





**In the year of 2000 there were seven countries without a Rothschild owned Central Bank:**

Afghanistan, Iraq, Sudan, Libya, Cuba, North Korea and Iran

**The 'best' 'Islamist' 'Muslim' countries Pakistan, Saudi Arabia, Turkey & now Afghanistan have a Rothschild owned interest based Central Bank!**

Afghanistan, Iraq and Libya were thus attacked and also because Libya & Iraq went against the petrodollar agreement.

**Now there are only 3 left: Iran, Cuba and N. Korea (other countries like Venezuela may also be included; in short very few countries left)**

Iran may be next in line to be attacked/targeted



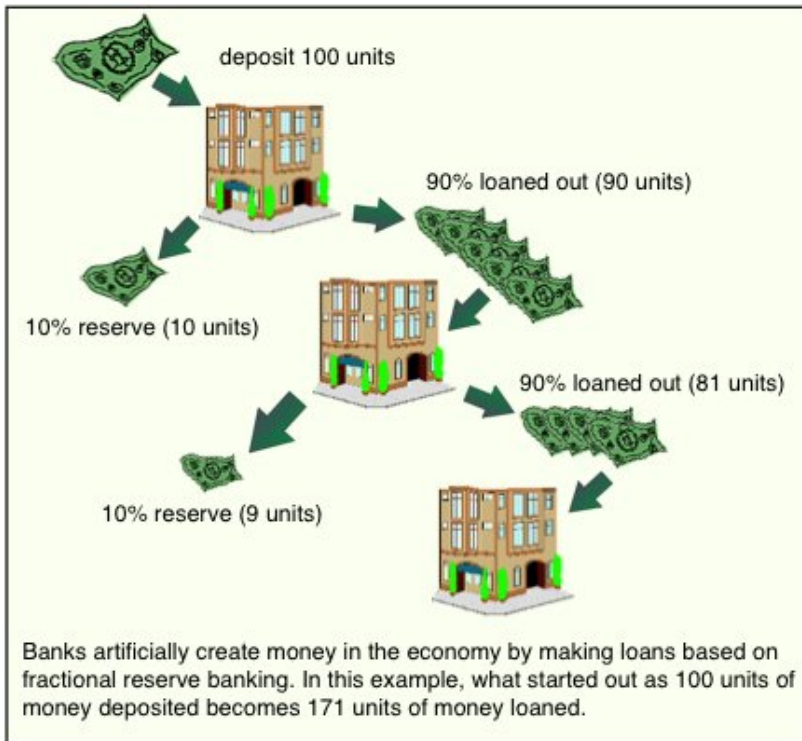
**IMF has forbidden trade in gold coins!**

### **Fractional Reserve Banking**

**Fractional-reserve banking** is the practice whereby a bank holds reserves that are a fraction of the amount of its liabilities attributable to customer deposits (its origin discussed earlier)

Fractional-reserve banking is the current form of banking practiced in most countries worldwide, which is all **based on interest**, and **which obviously leads to even more inflation** with current paper money.

**Today banks are allowed to loan out at least ten times the amount they actually are holding (fractional reserve),** so while you wonder how they get rich charging you 11% interest, it's not 11% a year they make on that amount but actually 110%.

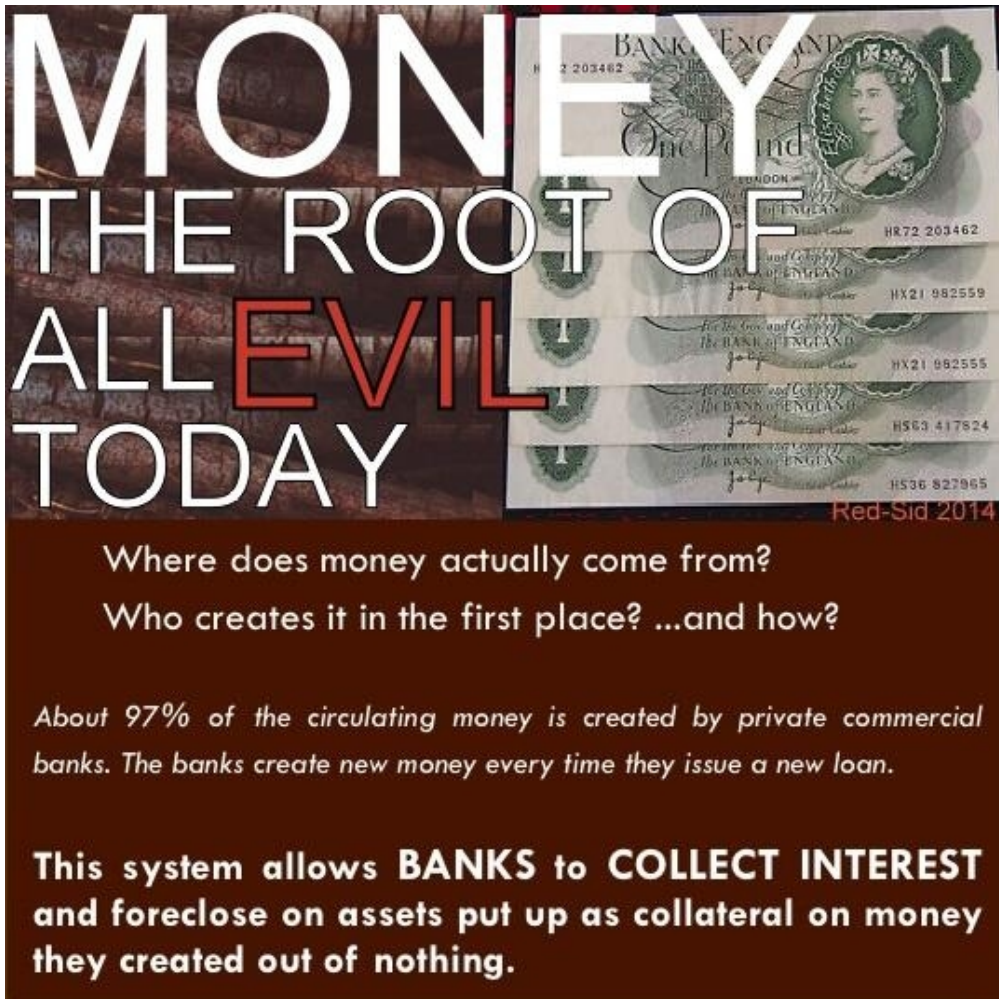


### Interest Based Banking- Leading to even more Inflation

Use of paper money is confounded by interest based banking through which the rich get more richer and the poor get more and more poor. Rich people deposit their money in banks and their deposits multiply many fold through interest earned from the saving deposits.

Also the rich and influential people like politicians get interest-based loans from banks and later waiver the loans off.

**Both this deposit and loan of interest based money benefit the rich and only lead to further inflation through wide budget deficits**



The IMF and World Bank through the central banks decide who runs the government including who wins the elections, who becomes part of the international establishment, who becomes the prime minister, who stays in government etc

These chosen people in return will further hidden agenda of the global bankers, otherwise they will be displaced by other chosen people. It becomes a vicious cycle.

**So it becomes a certainty that whoever is in power in a country with a central bank have been chosen by the global elite to act as proxies and carry out their agenda, probably at the cost of the people of the nation.**

#### Summary of the Different Means of Inflation through Paper Money

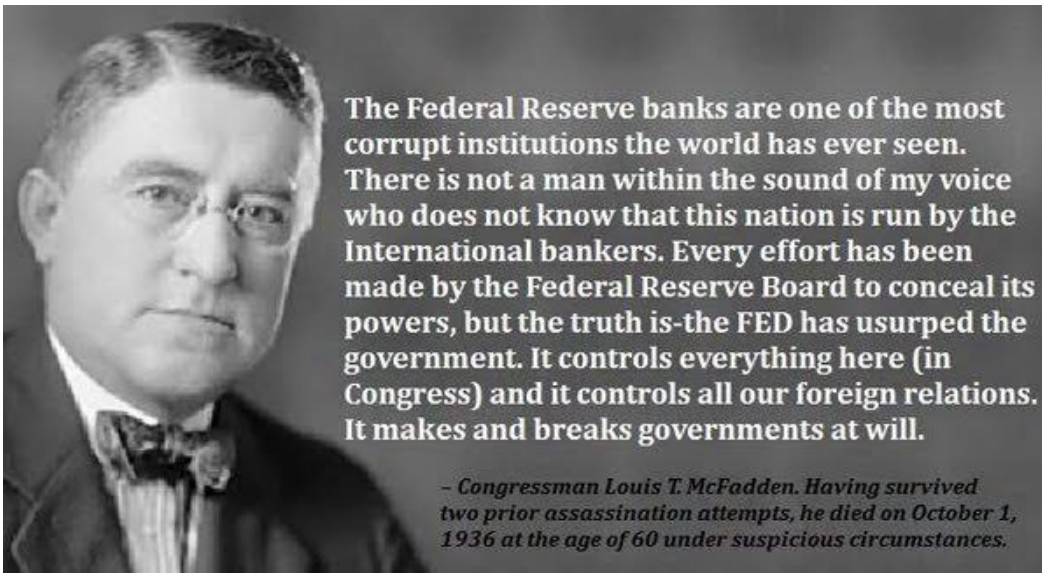
"... do not deprive people of what is rightfully theirs by diminishing the value of their things (such as their labor, merchandise, property etc)."

(Qur'an, al-'Araf, 7:85; Hud, 11:85; al-Shu'ara, 26:183)

**How one is being deprived of one's wealth:**

1. Bretton Wood's Agreement
2. Use of Fiat Money
3. IMF & World Bank (through interest based loans)
4. Petrodollar
5. Central banking system
6. Fractional Reserve Banking
7. Interest based banking

So, value of your money keeps on diminishing and diminishing until the poor ends up in so much debt that he has to sell off his property.



### **Paper Money has led to Another Bigger Fitna (Evil): Digital or Electronic Currency**

Electronic money has all the same qualities as paper money mentioned above, but it is even a bigger fitna as big central banks like the federal reserve bank are now able to ‘produce’ money out of thin air by just typing in to their computers!

Read details here: <https://drnaumanshad.wordpress.com/2016/01/02/1556/>

### **Collapse of Modern Monetary System & US Dollar**

It is obvious such an unnatural monetary system cannot sustain itself and even the Zionists know that! They know it will collapse as US dollar collapsed in 1973 and the Wall Street shut down in 2008. So now it's not a question of ‘**will it collapse**’ but ‘**when will be the final collapse**’ of the US dollar!

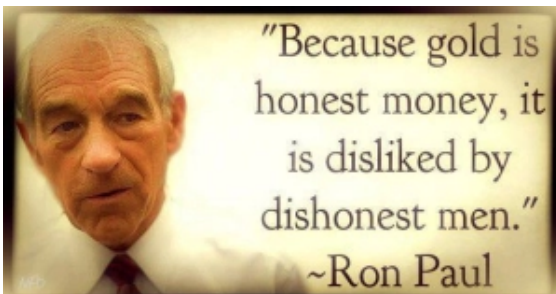
This may partially bring about the end of paper money but ultimate end to paper money will be brought about by Hazrat Isa (AS) and Imam Mehdi (AS).

See the blog:

<https://drnaumanshad.wordpress.com/2015/04/18/the-countdown-to-malhama-armageddon-world-war-3-after/>

### **Return to the Gold Standard**

There is an increasing demand by different governments and politicians like Ron Paul of US to return to the Gold Standard, after seeing the failure of paper money.



### **Prophecy of Holy Prophet Regarding Dinar & Dirham**

Hazrat Miqdam bin Ma' dikarib narrated that the Prophet (PBUH) said:



“A time is certainly coming to mankind when only the dinar and dirham will be of use.” (Ahmad)

### What to Do Until Then?

Even the Christians tried to do away with this evil system, why can't we?

## SOLVING THE WORLD FINANCIAL CRISIS

### Current Monetary System (Worldwide)

- Interest-bearing Currency

Example –  The United States

“Federal Reserve Note”



- Issued by private banks and then loaned to the government at interest.
- Income Taxes go to pay Private Banks.
- Private Bankers and Politicians can inflate currency at will, destroying its purchasing power and stealing from the people.
- An ever-increasing national debt enslaves entire nations of people.



President Lincoln

- Issued US Notes in 1862.
- Assassinated in 1865.

### The Ideal Monetary System

- Interest-free Currency

“United States Note”



- Issued by the Government interest free.
- No Income Tax
- No Inflation
- No National Debt



President Jackson

- Issued US Notes in 1828.
- Two Assassination Attempts were made on his life.

*With this information, Together we can re-write history.*

On the authority of Abu Sa'eed al-Khudree (may Allah be pleased with him) who said: I heard the Messenger of Allah (peace and blessings of Allah be upon him) say, “Whosoever of you sees an evil, let him change it with his hand; and if he is not able to do so, then [let him change it] with his tongue; and if he is not able to do so, then with his heart — and that is the weakest of faith.” [Muslim]

1. Think bad of it in heart; pray for quick ending to paper money
2. Spread this message
3. Do not put your money in savings accounts to get profits. And try not to get interest based loan from the banks. If one has got loan, one should try to pay it off as quickly as possible
4. Countries including Pakistan should do away with central banks and interest based banking
5. Countries including Pakistan should try to get as less loans as possible from IMF etc and try to pay off their loans as quickly as possible
6. Try as much as one can to bring an end to paper money
7. Why don't so called Islamic Banks try to revert to Sunnah money or even call for reversion?
8. Start dealing with Sunnah money (gold and silver money) at the micro (village) level if possible as is being done in some places in Malaysia
9. Reside reclusively in that village (like Ashabi-Kahf) and wait for a return to good times. See blog: <https://drnaumanshad.wordpress.com/2013/08/30/political-messages-of-the-chapter-of-the-cave-surah-tul-kahf/>



### **Good News: A Fatwa in this Regard:**

<http://www.bogvaerker.dk/fatwa.html>

“Therefore we declare a Fatwa in Granada, for all the Muslims, by which:

‘After examining all the aspects of paper-money, in the Light of the Qur’an and the Sunna, we declare that the use of paper-money in any form of exchange is usury and is therefore haram. It is not permitted for the Muslim to accept or to give paper-money in a commercial transaction. It is an obligation on the Muslims to abandon usury and to introduce new media of exchange, or money, and the best way is to follow the sunna of the Messenger of Allah, salallahu alaihi wa salaam, by using gold and silver, or any other merchandise commonly accepted as a medium of exchange. APPLICATION OF THE FATWA “The use of paper-money in any form of exchange is usury and is therefore haram”.

**Note: 1. A specialist in economics, finance, banking would be able to understand this blog better**

Watch this detailed 3.5 hour You Tube clip for better understanding of the prevalent fraudulent monetary system around the world:

The Money Masters Full Documentary- The rise of the bankers



drnaumanshad

□ May 29, 2015

Islam, Politics & Political Islam

Brettonwoods Agreement, End the Fed, Fatwa against Paper and digital money, Federal Reserve, Federal Reserve Bank, Flaws in the Brettonwoods Agreement, Fractional Reserve Banking, Gold Standard, Petrodollar deal and its flaws

## 10 thoughts on “Why Paper Money is Essentially Haram (Forbidden)”

### 1. latif

November 25, 2016 at 6:48 am

yes paper money is haram but what can we do the system is already in place

○ drnaumanshad

November 29, 2016 at 3:13 pm

Some steps that can be taken I have mentioned at the end of the article....

### 2. Anonymous

November 28, 2016 at 7:53 pm

Assalam u Alikum!

Ma Sha Allag it's a very nice and excellent effort to disclose the truth and unviel the dark side of modern economic systems, i hope that this will rise the awareness among people..

Dear writer may i know the reference of an Hadith (to avoid any misconception when i forward this to others, they may ask that)?

Hadith you quoted, “Abu Hurairah R.A narrated that .....”

Kindly please inform me, i am looking forward.

thank you

○ drnaumanshad

November 29, 2016 at 3:08 pm

Jazak Allah. This is a very famous Hadith found in Sahih Sittah books of Imam Ahmad, Imam Abu Daud, Nasai & Ibn Majah).

### 3. omrizkiblog

August 23, 2017 at 11:42 pm

Assalaamualaykum drnaumanshad 🌹

This is well written article, Masya Allah, Allah granted you such knowledge to help enlighten this ummah 🌸 Alhamdulillah.

That's actually unfortunate for most of us, the ordinary people, blinded, fooled and fell into this "bogus money" and monetary system as sheikh imran hosein used to say regarding this fiat money, despite having knowledge related to halal payments system in islam. Yet at the same time despise it. This ignorance kills us.

Just to give some insights, my country Indonesia, had paid all its debt from evil IMF's invisible handcuffs in 2006 (US\$ 9,1B) according to mr. Yudhoyono (6th President) <https://m.facebook.com/SBYudhoyono/posts/940176109381664> in order to free our country from any hidden agenda he said.

But situation is kinda different right now, the handcuffs are not mainly came from IMF, but from other countries like jpn and chn. Though I am less worried but still it probably would create another bad headache in the future.

Also, shariah banks cannot do much here, our central bank just don't have enough power to persuade banks to use gold or silver instead of fiat money. And people favor Gold and silver as investment.

Furthermore, I agree that this bogus money, since they could spend limitless because they can make it as much as they want, they have no intention to help but to handcuffs everyone. I meant it, everyone, they want us to bow to them. That's included the next generation.

I believe people of Pakistan wanted peace of mind too, at least you sir understand what kind of trouble your countries and people have to face and try to solve that problem.

I hate to see this but can't do nothing except pray. Pray to Allah not to punish us because our powerlessness and ignorance.

Last, their plan might already so far ahead, but I believe Allah's plan is better, and He is the best planner.

May Allah SWT protects us all from this test and from trial of Dajjal.

Thank you 🌸

P.s.

I assume you are Pakistani. Please forgive my mistake.

If you wouldn't mind, with your permission. I would like to republish this article sir. Thanks.

Best regards,

Rizki, Indonesia.

o **drnaumanshad**

August 23, 2017 at 11:56 pm

Thank you very much Jazak Allah for appreciation. May Allah help us. Sure go ahead. You may also be interested in related blogs of mine concerning Yajuj and Majuj and how helpless we are right now

#### 4. Muhammad Anas Qasmi

November 5, 2017 at 12:45 pm



Excellent article. May Allah bless you.

You made a typo in point # 7:

7. Why don't so called Islamic Banks try to revert to paper money or even call for reversion?

You probably wanted it to be this way:

Why don't so called Islamic Banks try to revert to SUNNAH money or even call for reversion?

o **drnaumanshad**

November 5, 2017 at 12:48 pm

Thanks Jazak Allah khair!

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**BLOG AT WORDPRESS.COM.**

**UP ↑**