

**ASSALAMU- ALAIKUM WA RAHMATU-ALLAH**

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**King Saud University, Riyadh-Saudi Arabia**

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# SERVICES (BENEFITS) OFFERED TO CHECKING ACCOUNTS HOLDERS

## **RIBA OR NOT?**

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# WHAT IS “RIBA”?

LINGUISTIC APPROACH

GENERAL MEANING

SPECIFIC MEANING

# CHECKING ACCOUNT? *QARDH OR WADEE'AH*

## DEFINITIONS

- CHECKING ACCOUNT
- QARDH
- WADEE'AH

CHECKING ACCOUNT = *QARDH*

*BANKS BORROWS FROM INDIVIDUALS ?!!!!*

# BENEFITS TO THE BANK

- FEE FOR LOW BALANACE.
- FEE FOR SMS SERVICE.
- FEE FOR HARD COPIES OF ACCOUNT STATEMENT.
- ETC.....

# BENEFITS FROM THE BANK

## INTRODUCTORY QUESTIONS

- OFFICIAL OBLIGATION ?CUSTORMARY, OR MANDATORY BY AUTHORITIES?
- AN EQUAL TO COST FEE IN IMPOSED?
- SOLE OR JOINED BENFICIARIES?




- NO OBLIGATION
- NO FEE
- COMMON BENEFIT

## *BENEFIT SCALE*

ACCOUNT HOLDER > BANK = RIBA

ACCOUNT HOLDER < BANK = *SUFTAJAH*

# CONCLUSION

- SOLE/GREATER BENEFIT FOR CLIENT (×)
- SOLE/ GREATER BENEFIT FOR BANK (√)
- MANDATORY  IMPOSE AN AQUIVILANT FEE

**THANK YOU**