

A legal status of paper currency in view of Muslim Scholars in the Sub-Continent

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ABSTRACT:

This study was conducted to determine the relevant fatwas of different clerics of different school of thoughts regarding paper currency and further to discuss the pros and cons and explanations regarding it, given by Muslim scholars, in the Sub-Continent. The paper currency is a new concept whose existence and something similar to it did not exist in the era of “Quroon-e-Uoola” (قروونِ اولی) i.e. early days of Islam. Therefore its status is neither mentioned in Quraan nor in Sunna nor discussed in the lives of “Aaima-e-Mujtah-e-deen” implying four ‘fiqhi’ Imam i.e. Imam Abu Hanifa, Imam Shafai, Imam Malik and Imam Hanbal (R.A). Islam is the most comprehensive religion owing to its inclusive teachings that has the capacity and depth to be a shining light for human being in every areas of life through its guidance. The Imams meanwhile have prescribed such principles and rules in accordance with the teaching of Quraan and Sunnah which provides us with resolution of our problems and disputes for good. Therefore, the same guidance (Quran, Sunna and fiqhi rulings) aids us in shedding light on the issue of paper currency after undertaking an analysis at length. The results would be different since different people have different opinions, causing a debate among various scholars, while making it debatable. Our scholars just as well have different point of views about the status of paper currency in light of Islamic jurisprudence since each of them has developed their opinions according to their research carried out by them respectively.

Keywords: School of thought, Fatwas, Quroon-e-Uoola, Aaima Mujtah-e-deen.

Introduction:

In 1911, Allama Syed Ahmed Nek Hussain gathered and collected almost all scripts written on different paper currencies in circulation all over the world. He critically analyzed the rules applied by the concerned authorities in view of Shariah. What came to light as a result was that words like “the amount will be paid to bearer on demand” were included in all cases. No such writing was found in the meanwhile on small value of it, except for their face value. A common understanding resulting from that about these pieces of paper became widespread with the notion that they are just a reference of debt that contained a promise to pay off gold / silver coins.

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The authorities understood that, it was sufficient enough to write down just the face value on small value of paper currencies and just as well there was a common understanding about it. Both types of denomination therefore were treated alike and it was commonly referred to the law of general bank currency i.e. certificate of debt. All kinds of liabilities regarding paper money were passed onto the government for paying to bearer on demand¹. In the same manner, the same script was also clearly written on the notes issued in the sub-continent for denominations of Rs.5 to Rs.1000 except Re.1 on which only its face value was written and this small value of rupee was not returned in case it was lost. However, paper currency of all denominations was treated in the same way under the law of currency in the sub-continent, as discussed above. Further, there were striking similarities and resemblances on the scripts (regarding liability and its pay-off) written on the paper currency of all countries which is enough to show its reality in the light of law and custom.

Now, we will discuss the status and rulings of paper currency in the light of Shariah and principles of jurisprudence. It would be helpful in understanding it with respect to ‘Tanqeeh-e-Manaat’; which means to find out the basic reasons applicable to the permissibility or impermissibility of it.

Understanding of Paper Currency & its reality

Indian scholars were the first ones, who started a discussion on it in view of shariah while it was in its early stages, besides, it was neither discussed nor did the notion took hold before this. Ulema initially considered it as certificate of debts, Maal-e-muta-qawwam (مال المتقوم) means value-able (the thing which has its own value) and coins of the day etc. Later on, more viewpoints related to it were delivered with respect to the same jurisprudence. They also covered the matter of zakat and sale purchase with reference to paper currency. In fact, everyone had sufficient arguments in favour of these findings. Hence, it is appropriate to present their thoughts in their own words for changing or making it brief may hurt its sense of meaning and comprehension of views. Their research however had different aspects, which brought about different theories regarding paper currency and we will only discuss the following four points of view of different persuasions.

1. Paper Currency as a Testimonial / Credential reference
2. Paper Currency as a wealth or “Maal”.
3. Paper Currency as a substitute of gold / silver
4. Paper Currency as a ‘Saman’ (price).

1. Paper Currency-Testimonial / Credential reference

Almost all scholars of the Sub-Continent including Moalana Ashraf Ali Thanvi, Mufti Muhammad Shafi and Allama Rasheed Ahmed Gangohi shared the same opinions and were like minded about the fact that paper currency was a certificate of debt. They opposed all those who termed it as goods/commodity(Maal), price (saman) a substitute of gold/silver or equal to gold/silver. There was also convergence of views among them for paying zakat on the specific level of its deposits for the purpose of saving.

1.1 Justification

The promise inscribed on the currency notes² for paying the amount to bearer on demand in the form of gold / silver was the most important justification in favour of this opinion.³ It was a real proof to prove it as debt's certificate, lending credence to this idea and other than that, Allama Syed Ahmed Husseini writes; "Although, the time for exchange with real assets was not mentioned on paper currency but the statement '*the amount will be paid on demand to bearer*' is enough to prove it as certificates of debts." (Raza S.A, 1951)

1. The powers that be who are responsible to decide and direct the affairs to compensate damage, sullied or expired notes seek assurances in connection with it, while focusing on its serial number at around the same time.
2. It can never be sold ala goods, since, it is a reference of debt and, it can neither be equal to them itself nor does it have a physical existence. Besides, it is just a piece of paper.
3. Briefly, the commitment or certification of the relevant authority who are entrusted with the task of issuing paper currency based on the deposits of gold / silver which they were holding onto before issuance substantiates the fact that, it could be exchanged with the real wealth at any time, making it a credible or a legit document.

1.2 Contradiction with the rules of Shariah

1. Here, we see a conflict with the mandatory principle of Shariah where "Purchaser and Buyer both will have to show possession of asset before exchange of one asset with another apropos forward sale" (Siddiqui, 1984). According to the principle of shariah, the transaction will not be permissible if one asset is available but another one against which the sale is being made is not available. Paper currency on the other hand cannot be treated as an asset and it simply represents a reference of it which is present somewhere else. It would be considered as "sale of debt for debt" (بيع الدين بالدين) in the event of its transaction with paper money which is not permitted in Islam.

2. The question that arises here is how can zakat be collectible and be valid at the same time on such kind of testimonials / Credentials reference in a situation wherein one has no possession of wealth.

3. Another conflict comes to the fore when we purchase gold / silver with paper currency. According to shariah, the exchange of similar things with difference is prohibited due to interest and these include the following articles and produce namely, gold, silver, wheat, barley, salt and dates. The exchange of gold / silver with paper money in this context may not be permissible as it is a reference of its deposits. The exchange of barley with wheat is permissible with difference and both items (مبيع) further to that effect should neither be on credit nor should it be hidden.

4. It is worthwhile to state that, the exchange of the same denomination of paper currency would not be permissible in view of the above principle until and unless it is made with other denomination such as the exchange of Rs. 100 with two notes of Rs.

50. It would be treated as sale of debt for debts in the light of jurisprudence and is deemed unlawful in shariah.

1.3 Conclusion

The quality that sets Islam apart from other religions of the world is its emphasis on its preaching about all aspects of life, and it also serves as a blue print for its followers to obey and follow it, while, adhering to it. A Muslim's thoughts and actions must always be determined by the principle of Islam. Mufti Taqi Usmani describes the propensity of Shariah for his followers in his book;

فيه حرج عظيم والمهود من الشريعة السمحة في مثله السعة والسهولة - الخ

“This is a great and unbearable loss which is unavoidable. Shariah has the scope in it to facilitate and make things easier for one and all”⁴.

The understanding of paper currency as testimonial / Credential reference or Certificate of debts prima facie has legal obligations as it has been discussed above. The rules which are applied on “hawala” are also applicable to the paper currency, resultantly; the payment through it would be permissible in a situation where “hawala” is permissible. Shariah underlines that purchasing of gold / silver through such notes will not be permissible if they are the testimonial / credential reference or certificate of gold / silver deposits. Besides that, the exchange of gold for gold and silver for silver are not permissible further to that end. It is called “Bay Surf⁵”. It is a situation wherein transfer of possession is necessary between two individuals. Further on, in a scenario where a person obtains the possession of gold, the transaction would not or should not happen in the case of one individual obtaining the possession of gold / silver, while the other gets the reference document i.e. paper currency since, it is out of the question. Similarly, the payment of zakat would not be acceptable unless and until the recipient of it converts it into gold / silver from the relevant authority or in the event of purchasing commodities / goods through the currency notes. However, there is an exception, in case of loss of paper currency by the recipient of zakat before getting possession of goods / commodities while exchanging these notes, it will still remain due.

2. Paper Currency as a ‘Maal’

Ulema-e-Bareli and Rampur including Molana Imam Ahmed Raza Barelvi, Muhammad Irshad Hussain Ahmed, Muhammad Aijaz Hussain, Abu Qasim Muhammad Muzammil, Muhammad Inayatullah, Muhammad Abdul Jaleel bin Muhammad Abdul Haq Khan and Hamid Hussain (R.A) termed paper currency as “Maal” means commodity / goods. They opposed all those scholars, who termed it as “certificate of debt”. There was a complete concurrence among them when it comes to paying zakat on the specific level of its deposits and its exchange with difference. Imam Raza seconded his views in his famous Journal named “كفل الفقيه الفاهم في احكام القرطاس والدرهم” in the following words;

”اماصله فمعلوم انه قطعة كاغذ والكاغذ مال متقوم وما زادته هذه السكة الارغبة للناس اليه وزيادة

في صلوح ادخاره. للحاجات وهذا معنى المال اي مايبيع اليه الطبع ويمكن ادخاره للحاجة الخ.

“It is well known that it is a piece of paper that has a commercial value and at the same time, it appeals to the public on account of it being able to substantiate itself against the coins. Next, people used it to accumulate hoards of their savings in order to keep it for future use. Besides, commodities / goods have the same potential and it is widely accepted across the board, thereby, meeting the requirement of time”⁶.

Further, Allama Kamal ud din Abdul Wahid Ibn-e-Hammam writes in Fateh alqadeer;

لوبياء كاغذة بالف يجوز ولا يكره الخ.

“In fact, there is no any abomination if someone sold a piece of paper in Rs. 1000”⁷.

Briefly, the exchange of paper currency with difference, and sale of same piece of paper in different denominations, both are permissible. But, it would not be so, if someone demanded Rs. 100 against the credit amount of Rs. 90. In fact, it may be exchanged like commodities, subject to assurance of government / State with the acceptance of public; because value of something and commodity both are different in nature.

The word ‘Maal’ or goods / commodities may be divided into four forms to understand its origin more clearly, which are stated under (Raza, 1951).

1. The goods which are precious by themselves don’t require any certification like gold and silver for they always remain precious in every form.
2. The goods which are “مبيع” (things which are sold) such as Cloths, weapons, or Beast / cattle.
3. The goods that carry a price (ثمن) with them and are sold items (مبيع) for some reasons like مقاربه و موزونات و موزونات و موزونات implying weighable and countable things, coupled with those which are same in size for instance apples and eggs etc.
4. The goods which are "اشارت مصطلحه" meaning considered to be precious under the law namely paper currency which has no value by itself and in other respects, is a medium of exchange and at the same time, it has a commercial value owing to the State.

2.1 Justification

1. The word “Maal” means proving the ownership of something by someone under the principle of Islamic jurisprudence and the government in like manner has declared paper currency as “Maal” gaining a wide acceptance and so therefore, it would be termed as ‘Maal’ in the light of Fiqh.
2. The exchange of paper notes with each other on difference is permissible in the light of above definition.
3. It can neither be measured nor weighted like other commodities, but, they are valued for their face value specified by the authority.
4. The real “saman” are only gold and silver, but, government may use other

instruments as it holds onto its deposits. Similarly, these pieces of paper will be a real manifestation of the real money in legal terms, thus, they are treated as valuable things.

2.2 Contradiction with the rules of shariah

1. In fact, we did not find any illegality in the light of jurisprudence, but, there is a high chance of riba in the following circumstances;

a) If the exchange of similar goods is transacted thereupon it is termed Riba ul qadr Ma'a jans.

b) If someone exchanged Rs. 100 with Rs. 110 then excess amount will be considered riba and said to be Riba Al-Fadle.

c) Similarly, if any excess amount is charged over a credit transaction then it would be considered Riba An-Nasiyah which is prohibited in the light of Shariah.

This kind of riba is also known as Riba al Qard (ربا القرض), Riba al Jahiliyya (ربا الجهلييه)

and Riba al Quraan (ربا القرآن). It was strongly prohibited in the teachings of previous heavenly religions.

2. However, a principle of jurisprudence is quoted that "paper money and silver are both different commodities on the grounds that papers are 'Ma'adood' denoting countable things, while silver is 'Mozoon' implying weight able". Therefore, Riba Al-fadl and Riba Al Nasiyah will both not be applicable on paper money.

3. It is also common in the same way like printed papers and is employed instead of rupya (silver coin) and so therefore, its exchange with difference must be allowed. However, it is an illusion which may be cleared after having some knowledge of Jurisprudence.

4. The payment of zakat will not be valid on the deposits of paper currency except when it is used for the purpose of trading.

5. Mudharabat is not allowed in case of paper money according to shariah and other than that, it applies to dirham, dinar, Naqood or real money, while paper currency is a reference / hawala to it, which is deposited in the form of gold / silver.

2.3 Conclusion

The most important question that arises here is if there should happen to be that the paper currency loses its value or there is erosion in it, consequently, it begs the question whether or not riba will apply. We may understand it here and now, and a case in point is if someone borrowed Rs. 10,000/- some years back, he or she will have to return twice the original amount i.e. Rs. 20,000/- or lesser value of its actual amount on account of fluctuation. In fact, the above mentioned case carries weight and over and above that, riba and currency fluctuation have a marked difference between them which are mentioned below.

1. Profitability is compulsory in interest, while, it is not mandatory in the above case. In fact, the interest refers to a situation when profitability becomes an essential part of a transaction.

2. The profit is earned through riba, consisting of rent and value of a particular period. However, in this case, a decrease / increase in the quantity of rupee are related to its value, which may be maintained or may be increased. Therefore, the particular difference amount is not said to be rent or value of a particular duration (Qasmi, 2003).

The above clarification is sufficient to shed light regarding pin pointing the difference between riba and fluctuation in the currency value and likewise, it has been thoroughly discussed in the books of all jurisprudence as well, showing uniformity. If there is riba in the transaction, then, it would not be in accord with Islamic principles.

In addition, Riba al fadl (ربا الفضل) and Riba al Nasiyah (ربا النسيئة) are not applicable on paper currency by virtue of the fact that, neither paper notes are countable nor weight able or similar in size or same as commodities / goods. It is worth noting here that, they are just a piece of paper and are quite different in their nature, hence, there is no reason for riba al fadl.

Scholars have mentioned and have issued and passed different fatwas regarding paying zakat on things that include land, livestock, gold, silver, goods / commodities and money etc. Thus, status of paper currency is subject to government's will and commitment; moreover, if it takes back its certification or sees a wane in it, resultantly, there would be a question mark around its financial standing. It gains merit to note that paper money has nothing to do with Maal and it can be exchanged at about the same time as and when it is lost or damaged. Further, to this effect, goods / commodities can't be exchanged if it is used once.

3. Paper Currency as a substitute of gold / silver

According to this thought paper currency is considered a substitute to gold / silver and it is on top of that neither a certificate of debt and 'Urooz' nor does it have 'samaniat'. It is already in use under the law of currency while becoming in vogue. The same orders that apply to gold / silver will also apply on this legal money. There was a complete concurrence and amity of views between Molana Abdul Haq Lakhnavi and Molana Fateh Muhammad Taib (R.A) in connection with it. Molana Lakhnavi writes in his fatwa;

"This artificial money in fact is not equivalent to real money for all its worth and it is treated as currency in like manner by law. It is safe to say that it has no base despite being considered as natural money. It also has no 'samaniat' by itself and is understood as saman as emphasized in all rulings owing to its association with the law of currency".⁸

3.1 Justification

1. Here, there is no contradiction with this viewpoint that paper money is a substitute of gold / silver and is used as a medium of exchange having a similar status akin to rupaya. Further, it has also replaced real money completely and so all the rules relating to gold / silver will also apply on it.

2. If someone lost an amount of Rs. 100 then he or she may claim its return in terms of its face value rather than making a demand for a piece of paper and that does not mean to obtain the price of it when it is converted into money because it has no

value as such. The purpose however is to demand its legal value which is written on it. Both rupya and paper currency in addition are treated on an equal footing during the transaction which adds substance to this notion.

3. Paper money on all accounts has purchasing power on account of having ‘samaniat’.

3.2 Contradiction with the rules of Shariah:

1. It was used against the deposits of gold / silver at the time when it was in circulation and there was no contradiction about it coupled with that. Besides, it cannot be exchanged no matter what during a transaction. Metallic silver on top of that were used across the world by governments for a period of time. Further on, it is not equal in value to gold / silver. The above example signifies that this is not a strong argument.

2. Paper currency was issued against 100% deposits of gold / silver in early days, but it does not meet its original standard in this day and age, making the application of zakat and riba doubtful on it.

3.3 Conclusion

1. It will in fact remain a piece of paper and along with that cannot be a substitute of gold / silver legally or a replacement for it.

2. Another factor is that its status is subject to a written promise on it which keeps its status intact till the fulfillment of the order.

3. Metallic coins (Fuloos) were in circulation in India as well as other countries like currency notes but, they were never granted the status akin to gold / silver.

4. Therefore, separate orders will apply with regard to payment of zakat and interest on them.

4. Paper Currency as a Price or ‘Saman’

In fact, paper currency cannot be on a par with gold / silver but it is considered as ‘price’ or ‘saman’ legally. It means they are not price or ‘saman’, referring it to the law of currency. Molana Abdul Haq Lakhnawi and Molana Fateh Muhammad Taib, both shared the same opinions and were like minded in regard to the matter. They termed paper currency as consumable coins, which are treated as price or ‘saman’ by the law whereby they are enforced legally making them acceptable for all without any excuse. If it is made up of gold / silver thereupon it would be called real money rather than legal money (Raza, 1951). This official money besides may be divided into two types and are mentioned below;

1. ‘Muta-qawwam’ (المُتَقَوِّم) means something that is precious for instance ‘fuloos’ which has some value of material subsequent to its taking the shape of a coin. Besides, this value will be as it is even at the time of when it is scraped or put out of use.

2. ‘Mub-tazal’ (مبتذل) means such a material of coins which has almost no value before and after taking shape.

4.1 Justification

1. The testament which is written on paper money is just like a debt which is

acceptable like a coin, and we have no option to accept or reject it in the same way like other commodities. We have an opinion and that is to accept it like we accept coins. It merits noting here that orders applied on coins would also be applied on paper currency.

2. This opinion negates the view point by all accounts that paper money is certificate of debt or substitute of gold / silver or an asset. According to this idea, paper notes are price (saman), having intrinsic / official value and may be termed as 'Fuloos' in view of Islam. Almost all religious and non-religious scholars have supported this notion about it including Mufti Taqi Usmani, Mufti Ismatullah and Ulema-e-Darul Uloom Deoband.

3. It is crystal clear from our discussion that paper currency is not a reference of debt on the grounds that it on a par with fiat currency. A majority of scholars that said have termed it as fuloos with respect to shariah orders and likewise, it also falls under the law of currency lawfully.

4. Issuing paper currency is the prerogative and privilege feat of the state under the law, besides no individual has a right to do so.

5. Nowadays, huge quantities of coins are used during transactions without knowing their affiliation and the same holds true for paper currency. This thinking does not run within the society of saving it in the context of gold / silver deposits. The above example underscores that only paper currency is considered as reference / certificate of debt, urooz or substitute of gold / silver deposits.

6. The consideration of paper money relating to 'certificate of debt' or 'substitute of gold / silver' might give rise to the possibility of riba during transaction as it has already been discussed before. Simply, this viewpoint may avoid several complications of jurisprudence that they are nothing but have official / legal value or price (saman) and it is relevant to money as explained in the earlier chapter.

7. Paper currency moreover satisfies all characteristics of 'money' which has already been discussed.

Briefly, it is the money which is created and enforced by law while gold / silver has been the real money itself since their inception. It has replaced the real money as time has gone by within the society across the board and it cannot be considered as certificate of debts for this reason. Some other characteristics are mentioned below in tandem with that, making it the most viable medium of exchange.

1. It is on the verge of becoming the best economical alternate for use and at the same time it has the potential to hold the attention of the public as well as holding its influence at large.

2. In the event that it is considered as price or 'saman' thereupon there would be no issue regarding zakat, forward sale, sale of debt for debt, Mudharbat etc during the circulation of it.

3. The world has adopted a monetary system and has moved on from the gold era even though countries including America, China, United Kingdom, Switzerland, Saudi Arab, and Canada have kept reserves of gold, hence, it's worth has not diminished

with time, and the reason for adopting the above is for the sake of human convenience.

4. There is no issue concerning acceptance and identification of paper currency across the world and it is also exempted from geographical limitations and culture.

5. Paper money is a legal document which is enforced by the law.

6. The State Bank of any country has the power to issue paper currency, since that is a privilege feat that it holds. Any change that happens within a democratic dispensation has no effect on the status of it.

7. Riba will not apply on paper currency during transaction with gold / silver if we treat it as price / 'saman'.

Shariah Rules of Paper Currency

Islamic jurisprudence provides basic principle of making verbal acceptance or in writing if 'hawala' (reference) is used. It is a mandatory obligation, but at the same time it may not be exercised in case of paper currency. An important justification in support of this was based on the common understanding of law of currency. The denomination of such currencies is a common knowledge to all for the simple reason that it's apparent worth or face value is clearly written by the relevant authority.

We find another justification in Fatawa-e-Alamgiri in the following words;

"The transaction executed through paper currency may be treated in kind like 'Hawala' implying remitting of money via receipts. In fact, the reference of debts is transferred from one person to another. Specific words are used and expressed to express the acceptance of both parties in connection with hawala. It warrants emphasizing here that this is a two way process wherein the first person should make an offer to the second for the amount being transferred. The Individual receiving the amount should express his willingness for the offer by saying that 'I accept' or 'I agree'. Islamic scholars preferred such a mode as such further to that effect.⁹"

However, this was not in practice during transaction, therefore, this obligation was removed and it was further clarified by the following words;

"It is a common practice in our cities that wholesaler / Sale agents pay the entire amount upfront and thereupon collect it with profit from the third party that shows the expression of acceptance is not necessary¹⁰".

Similarly;

"Any principle / rule of Hawala regarding showing acceptance will not be applied on the transactions which are made with paper currency. As it is acceptable as per Ta'tee¹¹ (تعاطي), which means 'nothing to say during transaction' like "offer and acceptance (Raza, 1951)". Nowadays, coins and paper currency have nothing to do with silver / gold and so therefore its exchange is permissible with any difference. It is well established that this unnamed receipt is the reference of debts which is issued by the government with the promise and the pledge to pay full face value during the time of issuing it publically at anytime and anywhere. Zakat will be applicable on currencies of modern times in the same way that it applies on the deposits of gold / silver.

Finding of the Paper

By the above discussion, it has been cleared that paper currency is an unnamed receipt issued by the government where it is clearly mentioned that “the amount will be paid on demand to bearer at any time”. There is no restriction for claimant; everyone may convert it into rupya. During the transaction through this currency it would be referred to the same reference i.e. all obligation related principles of reference will be applied on paper currency. But, Molana Mufti Ahsanullah Shaiq writes about the current status of paper currency in his book;

“In the beginning, paper currency was considered directly a reference of real money but now with the passage of time it had lost its association with the deposits of gold / silver. Therefore, today paper currency neither has any link with any deposits nor it is convertible into gold / silver coins. However, one denomination of paper currency may be converted into different denomination by the government but holding the same value. In fact, they are customary price, fiat / artificial money or legal money, because, its status had been changed completely. Similarly, the same money had replaced the gold / silver. It means, such currency is not used as a reference or certificate of debt but, it represents an artificial purchasing power, which is totally dependent on the stability of the government. Briefly, everyone is legally bound to accept such money; therefore, they would be considered as legal money”¹².

A very special fact about this write up that it included salient features of Urdu literature created on the subject matter during early part of the preceding century, it’s a thorough and in-depth work, touching and going through literature works published while things were taking new shapes and turns specifically in this part of the globe, it meant to investigate and record true situation of that particular era in view of the local experts. In other words, this research work will play its role in bringing the Urdu literary work on the world canvas.

In the present time, world has already ushered not only into the plastic-money-age, but also gone beyond it, where digital currency is gaining importance by every passing day. The journey of money actually kicked off from metal currencies, it was in the point in history, money had its own intrinsic value, however (purposefully), it was replaced by paper currency. It met with great acceptance worldwide, in total contrast to it; peoples never knew what would be paid to the bearer in its exchange at the end. From the very outset public was conscious and a great debate was also started but just to produce nothing, the journey of money continued and now world is switching to digital currency. In Pakistan, people are not very much concerned about this new charisma, they are tuning themselves to it the way accepted paper or plastic money like debit and credit cards. On the other hand however, general public or at least a certain part of population reposes its confidence on gold or silver deposits on account of saving money. Definitely a certain part of them prefers to keep money in foreign currencies rather than rupees. The process of digitization of currency and its growth is dependent on modern technologies and other facilities, and it will take time to get reasonable level of acceptance.

The knowledge level of the subject matter that the Ulema of Indian sub-continent had, can never be compared with modern day ones. The study showed level of their understanding and farsightedness which helped in identifying the areas on which further study work is needed to be done in unfolding the aspects that are not much known. Thus, the aforesaid discussion highlighted a host of issues which were not discussed before regarding it. Cap-a-pie, this study is an attempt to produce a historical reality on the development of monetary system to reach the state-of-the-art sophistication in the Indian subcontinent.

References:

¹Behjat-ul-Mushtaq, p.27, quoted in Saeed Ahmed, R. (1951, February 8). Note ki Haqiqat me Ulema ka ikhtelaf. *Note Ki Haqiqat Aor Us Ki Shariah Ahkam*.

²All are synonymous of Paper currency such as currency note, paper money, bank-notes, in meaning.

³ At the time gold standard was enforced.

⁴ احكام الاوراق النقدية للعثماني، ص 16

⁵ The transaction in which gold / silver is exchanged with each other.

⁶Ahmed Barelvi, R.(n.d.) كفل الفقيه الفاهور في احكام القرطاس والدرهم، Shabbir Brothers, Lahore, p.13

⁷ فتح القدير، كتاب الكفالة، ج 6، ص 324

⁸ مجموعہ الفتاوی، لکھنؤی مولانا عبدالحی، ایچ ایم سعید، پاکستان چوک، کراچی، ج 2، ص 137

⁹ فتاوی عالمگیری، ج 3، ص 365

¹⁰ فتاوی عالمگیری، ج 4، ص 375

¹¹Ta'ati (تعاطی) and Ma'a ta'at (معاطاة) means something exchange mutually against some other things. During transaction both parties understand very well about the price and quality of commodity. It is common understanding; therefore, no one shows their acceptance or willingness verbally. Similarly purchaser acquired the item after paying the amount. Therefore, the reality of Hawala referred exchange of goods i.e. the exchange of paper note without saying such kind of words said to be "Hawala of note"; because everyone knows about the face value of paper notes.

¹² Mufti Shaiq, A. (n.d.). *Jadeed Ma'amlaat ky Shariah Ahkam* (I ed., Vol. I, p. 137). Karachi, Sindh: Darul Isha'at, Karachi.



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