

# Loans and currency – keeping within the guidelines of the Laws of *Ribis*

## A general guide

1. A loan **may** be advanced in **local** currency with a stipulation that it be returned, without interest, in the **same** currency.
2. A loan **may** be advanced in **foreign** currency with a stipulation that it be returned, without interest, in the **same** currency, if the borrower already **possesses**, when receiving the funds, **at least something** (one dollar or even one cent) in that currency.
3. A loan **may not** be advanced in **one currency** with a stipulation that it be returned, without interest, in a **different currency** if the stipulated exchange rate is the one current at the **commencement** of the loan.
4. A loan **may** be advanced in **local** currency with a stipulation that it be returned, without interest, in a **foreign** currency if the stipulated **exchange rate** is the one which will be current when the loan is **repaid**.
5. A loan **may** be advanced in **foreign** currency with a stipulation that it be returned, without interest, in a **different** currency if the stipulated **exchange rate** is the one which will be current when the loan is **repaid**, if the borrower already **possesses**, when receiving the funds, **at least something** (one dollar or even one cent) in that currency.
6. The above notwithstanding, if the contract is worded in such a way so that the terms used between the lender and borrower do not imply an explicit loan and could be understood as a purchase of foreign currency conversion, then the “loan” **may** be advanced in **one currency** with a stipulation that it be returned, without interest, in a **different currency**, even if the stipulated exchange rate is the one current at the **advancement** of the funds, so long as the “borrower” already **possesses**, when receiving the funds, **the entire amount of currency** that s/he will be obligated to return on the due date.
7. For actual currency conversions, that is, not a loan, one **may always purchase** currency if the buyer **does not have to wait** to receive the funds he purchased, even if the buyer or seller profits from the transaction.