THE RIBA EXIT PROTOCOL

A Step-by-Step System for Nigerian Muslims to Meet Urgent Financial Needs Through Shariah-Compliant Alternatives Without Guilt And Compromise

A NOTE FROM THE AUTHOR

My name is AbdulAzeez Jeboda. I am a student of Islamic knowledge and educator based in Osogbo, Nigeria, with over a decade of teaching Fiqh, Tawheed and Usuulu Tefseer. I have sat with men who were dejected after signing loan documents they knew were wrong. I have counselled women carrying the weight of riba guilt on top of the emergencies that drove them there. I have answered the same question "what else could I have done?" more times than I can count.

The honest answer to that question is more than you knew but nobody told you.

That is why I wrote this guide. This is not to condemn anyone for what they did when they did not know better but to ensure that from this point forward, every Nigerian Muslim who reads these pages knows exactly what else they can do before the emergency arrives, not after.

This guide exists so that the broken look I keep seeing in people's eyes after the loan has already been signed never has to happen to you.

HOW TO USE THIS GUIDE

This guide is divided into three phases. Each phase builds on the one before it, but you do not have to read them in order if your situation is urgent.

If you are currently facing a financial emergency, go to Phase 2 immediately. Find the scenario that matches your situation which could be a medical emergency, business capital, housing, or savings and follow the action steps. Then return to Phase 1 when the emergency has passed.

If you have already taken a riba loan and are carrying the guilt of it, go to Phase 3, Section 1 first. The exit plan begins there. Then read Phase 1 to understand the full picture, and Phase 2 to build your halal toolkit for the future.

If you are reading this before any emergency has arrived, read it in order, from Phase 1 through Phase 3. The reader who understands the full picture before the crisis hits is the reader who never has to choose between their deen and their survival.

If you are a Nigerian Muslim living in the UK, Canada, the United States, or elsewhere outside Nigeria, this guide was written primarily for the Nigerian context, using Nigerian institutions, naira figures, and Nigerian realities but the Islamic structures it describes like Qard Hasan, Murābahah, Mushārakah, Mudārabah, Diminishing Mushārakah are the same structures used by halal finance institutions in your host country. The principles transfer completely. In the UK, institutions such as Gatehouse Bank and Al Rayan Bank offer Shariah-compliant home finance and savings products. In the United States, Guidance Residential and University Bank offer halal home financing. In Canada, institutions including Manzil and Ansar Financial serve the Muslim community's halal finance needs. Use this guide to understand the structures, then apply that understanding to the institutions available in your country.

TOOLS IN THIS GUIDE

Six practical tools are embedded in this guide. Each one is designed to be used immediately, not read once and forgotten.

Tool 1, The "Is This Product Halal?" Checklist contains five questions you apply to any financial product before signing anything. It can be found at the end of Phase 1. Screenshot it, save it and use it every time.

Tool 2, The Nigerian Halal Finance Directory is a curated, verified reference of Shariah-compliant institutions currently operating in Nigeria. They include banks, insurance, investments, microfinance, and community structures. Found at the end of Phase 2.

Tool 3, The Halal Emergency Fund Planner is a simple monthly tracker to help you build your personal emergency reserve in a non-interest account. Found at the end of Phase 3.

Tool 4, The Qard Hasan Agreement Template is a simple, Islamically structured written agreement for interest-free loans between friends and family. Found at the end of Phase 3.

Tool 5, The Annual Halal Financial Review Checklist includes Four questions to ask yourself every year to ensure your financial life remains on halal foundations. Found at the end of Phase 3.

Tool 6, The Riba-Free Life Checklist is a comprehensive checklist covering every dimension of your halal financial life. Found at the end of Phase 3.

PHASE 1
(DIAGNOSE)

WHY YOU KEEP ENDING UP AT RIBA'S DOOR

Allah says:

"Those who consume riba cannot stand on the Day of Resurrection except as one stands who is being beaten by Satan into insanity. That is because they say: 'Trade is just like riba.' But Allah has permitted trade and forbidden riba." *Surah Al-Baqarah, 2:275*

The ayah above is not news to you.

You have heard it in khutbahs, read it in Islamic studies textbooks. You may have even quoted it yourself to someone else.

And yet, when the hospital handed you that bill, when the school fees deadline appeared, when your business needed capital to survive, you found yourself scrolling to a cooperative's number, or walking into a bank, or signing a form you knew in your chest was wrong.

This is not because you forgot the ayah.

Or because your iman collapsed.

Or because you chose dunya over deen.

You ended up at Riba's door because nobody ever showed you another door.

That is what this guide is for.

The Misconception Nobody Is Correcting

There is a conversation happening in mosques and Islamic circles across Nigeria that sounds like guidance but is actually leaving people more confused and more vulnerable than before.

It goes like this:

Someone comes to a scholar or an educated Muslim with a financial emergency.

They explain their situation with the hospital bill, the school fees, the business capital gap. They ask what to do.

The answer they receive is almost always one of two things.

The first answer is: **"Riba is haram; Avoid it."** Full stop.

No alternative is offered and no practical path forward is provided.

The person leaves knowing exactly what they walked in knowing that riba is haram but with no new information about what to do instead.

In the absence of a practical alternative, this answer does not protect them.

It only adds guilt to their desperation. Because when the emergency does not wait and the halal option was never explained, the riba loan wins by default.

The second answer is: **"In cases of necessity, it may be permitted."**

This is said vaguely, without conditions, without limits, without any guidance on what necessity actually means in Islamic jurisprudence.

This answer is more dangerous than the first because it sounds like a solution while actually being a blank cheque.

The person leaves feeling relieved, having been given what feels like religious permission for a decision they had already emotionally made, with no understanding of the strict scholarly conditions that surround the darura principle.

Both answers leave the questioner worse off than a complete answer would have.

The first adds guilt without offering an exit.

The second removes guilt without installing the guardrails that the scholars carefully built around the necessity exception.

This guide provides what both of those answers failed to provide.

What riba is, why it is prohibited, what the genuine alternatives are in the Nigerian context, and where relevant, what the scholarly conditions of necessity actually demand before it can be invoked.

How Seriously Allah جل جلاله and His Messenger ﷺ Treated Riba

Before we go further, it is important to sit with the gravity of what we are discussing.

This is not aimed to induce paralysis or despair, but because understanding the severity of riba is what gives this guide its urgency.

This is not a minor discouraged act or makruh.

This is among the gravest prohibitions in the entire Shariah.

Allah جل جلاله does not declare war on those who commit most sins.

He warns, threatens and promises consequences.

But for riba and riba alone, He issues a declaration of war when He says:

"O you who have believed, fear Allah and give up what remains of riba, if you should be believers. And if you do not, then be informed of a war from Allah and His Messenger."
Surah Al-Baqarah, 2:278–279

Read that again. A war from Allah and His Messenger. There is no other sin in the Quran described in these terms.

The Prophet ﷺ reinforced this severity in multiple narrations. In one well-known hadith reported by Ibn Mas'ud رضي الله عنه, he ﷺ said:

"Riba has seventy-three doors. The least of them is equivalent to a man committing zina with his own mother."

Ibn Majah, declared hasan by Al-Albani

Seventy-three doors and the least of which is compared to one of the most reprehensible acts imaginable. This is the scale of what Allah جل جلاله prohibited.

The Prophet ﷺ also cursed every party to a riba transaction without exception. Ibn Mas'ud رضي الله عنه reported:

"The Messenger of Allah ﷺ cursed the one who consumes riba, the one who pays it, the witnesses to it, and the one who writes it down. He said: They are all equal in sin."

Sahih Muslim

And in his Farewell Sermon which is his final address to the entire Muslim community before his death, the Prophet ﷺ used that unrepeatable occasion to abolish riba entirely, declaring all outstanding riba transactions void from that moment. He said:

"All riba of the pre-Islamic period are abolished. The first riba I abolished is that of my uncle Al-Abbas ibn Abd al-Muttalib."

That a matter was given this prominence in the Farewell Sermon, alongside the sanctity of blood, property, and honour tells us everything about its weight in the Shariah.

And yet, this severity is precisely why the scholars of Islam worked so hard across fourteen centuries to develop practical, workable, halal alternatives.

They understood that;
Financial need is real;
Emergencies happen;
Communities need capital to function; And families need resources to survive.

The prohibition was never meant to leave the believer stranded. It was meant to redirect the believer toward a better system.

That better system exists. You simply have not been shown it yet.

What Riba Actually Is At Its Root

Most Nigerian Muslims understand riba as "interest on loans."

That understanding is correct but incomplete, and the incompleteness is dangerous because it means a product can be dressed in Islamic language and still be riba, and you would not recognise it.

To understand riba fully, the scholars of Fiqh have identified two primary categories.

Both are prohibited and appear in the Nigerian financial landscape. You need to recognise them both.

The First Category — Riba al-Nasi'ah (The Riba of Delay)

This is the riba most relevant to your situation.

Nasi'ah comes from the Arabic root meaning delay or postponement.

This is the riba of loans where an increase is charged simply because time has passed.

Every conventional bank loan in Nigeria operates on this principle.

You borrow ₦500,000 today

And because time will pass before you repay, you are required to return ₦500,000 plus an additional amount calculated as a percentage of the principal for every period of time that elapses.

The increase is not compensation for a good delivered or a service rendered.

It is compensation purely for the act of waiting. That is Riba al-Nasi'ah.

This was the riba prevalent in pre-Islamic Arabia where a creditor would tell a debtor:

"Either you repay now, or the amount doubles." Islam came and abolished this structure entirely.

At its root, Riba al-Nasi'ah contains three defining features:

1. Guaranteed increase: The lender is promised more than they gave, regardless of what happens to the borrower.

2. Time as the justification: The increase is not payment for a real good or a real service. It is payment purely for the passage of time.

3. Risk borne by one party only: The lender cannot lose. The borrower bears all the risk. This asymmetry is the essence of the injustice Allah جل جلاله prohibited.

When you understand Riba al-Nasi'ah this way, you begin to see it clearly in products that disguise themselves with Islamic-sounding names.

A "profit-sharing" arrangement where your share of the profit is fixed in advance regardless of actual business performance is Riba al-Nasi'ah or cooperative loan described as a "service charge" that is calculated as a percentage of the loan amount and grows with time is Riba al-Nasi'ah.

The name on the contract does not determine the ruling. The structure does.

The Second Category — Riba al-Fadl (The Riba of Excess)

This category is less immediately obvious but equally important to understand, because it can appear in investment and savings products in ways that catch people off guard.

Riba al-Fadl refers to the exchange of the same commodity in unequal quantities, or the exchange of ribawi items like gold, silver, wheat, barley, dates, salt, and by scholarly extension, money on a deferred basis rather than hand to hand.

The Prophet ﷺ said:

"Gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates, salt for salt, like for like, equal for equal, hand to hand. Whoever adds or asks for an increase has engaged in riba, the giver and the taker being equal in sin."
Sahih Muslim

In practical terms for the modern Nigerian Muslim, Riba al-Fadl most commonly appears in currency exchange transactions conducted on a deferred basis, and in certain investment products where money is exchanged for more money with no real underlying asset or trade involved.

When you invest in a product that simply takes your money and guarantees you a fixed percentage return with no real asset purchased or real trade conducted or real risk shared, that structure carries the characteristics of Riba al-Fadl.

Understanding both categories arms you to evaluate any financial product you encounter not just obvious bank loans, but savings accounts, investment platforms, cooperative dividends, and fintech products with the knowledge to identify riba regardless of what it calls itself.

Why Nigerian Financial Infrastructure Is Built Entirely Around Riba

Modern banking as practised in Nigeria was inherited from a colonial financial system built on European models.

These models were developed in economies where the prohibition of riba was not a governing principle.

But before those models arrived, Muslim civilisations had already developed a sophisticated, fully functional financial system that operated entirely without riba for over a thousand years.

The great trading empires of the Muslim world, from the Abbasid caliphate to the merchants of Andalusia to the caravan traders of West Africa financed their commerce through halal structures that distributed risk fairly, rewarded genuine enterprise, and protected both capital provider and entrepreneur from the tyranny of guaranteed loss.

The instruments they used were not theoretical.

They were practical, tested, and commercially successful across centuries and the instruments include:

Mudārabah: This is where one party provides capital and another provides labour and expertise. The profit is shared according to a pre-agreed ratio, and loss falls on the capital provider alone. This structure financed the silk roads and the spice routes of the Islamic golden age.

Musharakah: This is when two or more parties contribute capital and share both profit and loss in proportion to their investment.

Murābahah: This is when a financier purchases a specific asset and sells it to the buyer at a disclosed markup, payable in instalments. The financier takes real ownership risk before the sale. There is no loan. What happens is a trade.

Ijāraha: This is a leasing structure where the financier purchases an asset and leases it to the user for an agreed rental payment, with ownership transferring at the end of the lease or remaining with the financier.

These structures and several others are not modern inventions of Islamic finance consultants.

They are the documented commercial practices of Muslim traders and scholars across fourteen centuries.

They are grounded in the Quran, authenticated in the Sunnah, and elaborated in the classical Fiqh literature of every madhab.

The reason you have not had access to them is not that they do not exist.

It is that the Nigerian financial system was built on a different foundation and only a few are translated in the Islamic alternative into practical, accessible Nigerian terms.

Why the Halal Alternatives Remain Hard to Find in Nigeria

Within this context, Jaiz Bank stands as the only fully Shariah-compliant commercial bank that has operated in Nigeria since its founding in 2012.

Its existence is significant and its intention is genuine. But it has real, honest limitations that must be acknowledged:

Its branch network, while growing, does not yet reach every state and local government area where Nigerian Muslims live and need financial services.

Its product range, while expanding, does not yet cover every financial need a Nigerian Muslim family or business faces.

And its access requirements including collateral thresholds, documentation standards, and the mandatory domiciliation of income exclude many of the people who need halal finance most urgently.

TAJBank and Lotus Bank have since joined the landscape as fully licensed non-interest banks, expanding the available options.

But all three institutions together still serve a fraction of the Nigerian Muslim population that needs halal financial services.

Beyond these banks, a small number of Takaful providers, microfinance institutions, and cooperative societies operate on Shariah-compliant principles.

But they are not well publicised, well understood, and well distributed across the country.

The result is that the average Nigerian Muslim seeking financial help encounters a landscape almost entirely built on riba and without a knowledgeable guide, has no reliable way to identify which corners of that landscape, if any, offer a genuinely halal alternative.

The Five Mental Traps That Push Muslims Toward Riba

The previous sections explained the external landscape why the Nigerian financial system is built on riba, why halal alternatives are harder to find than they should be and why the guidance offered in most mosques leaves people more confused than equipped.

But the external landscape is only half the picture.

Because many Nigerian Muslims who know exactly what riba is, who have heard the ayah, who have felt the weight of the Prophet's ﷺ words still end up signing the loan document.

And no, this is not because of ignorance.

But because of the way the mind works under pressure.

Financial emergencies do not arrive calmly.

They arrive with a hospital bill in one hand and a deadline in the other.

They arrive at school resumption when fees are due and savings are short.

They arrive in the middle of a business crisis when the alternative to capital is collapse.

And in those moments, the mind does not reason clearly.

It reaches for relief.

And riba, in the Nigerian financial landscape, is always the closest thing to relief on offer.

What follows are the five mental patterns that make that reach feel reasonable even to a Muslim whose iman is intact and whose knowledge of the prohibition is clear. Recognising them is the first step to breaking them.

Trap 1 — "I Will Just Do It This Once"

This is the emergency mindset and it is the most common of the five.

The situation feels exceptional.

The hospital bill is real.

The deadline is real.

The pressure is real.

And so the mind builds a case: **this is a one-time thing. I am not becoming someone who lives on riba. I am just solving this specific problem, this one time, and then I return to normal.**

The problem is that "just this once" rarely is.

This is not because the person is weak or insincere.

But because the conditions that produced the first emergency like no halal emergency fund, no Qard Hasan network, no Takaful coverage are still present after the loan is signed.

The next emergency finds the same landscape.

And the "just this once" logic, having worked the first time, is easier to reach for the second time.

More significantly, "just this once" does not change the ruling.

The Shariah does not have a first-offence discount.

The warning in Surah Al-Baqarah is not addressed to habitual riba users.

It is addressed to every believer who engages in it, in any quantity, on any occasion.

The honest response to the emergency mindset is not guilt.

It is preparation.

The Muslim who builds their halal emergency fund, their Qard Hasan network, and their Takaful coverage before the crisis arrives never needs to invoke "just this once" because the just-this-once scenario never materialises.

Phase 2 and Phase 3 of this guide exist precisely to make "just this once" unnecessary.

Trap 2 — "I Will Repent Later"

This trap is more spiritually dangerous than the first because it misuses genuine Islamic theology to justify a present decision.

The reasoning goes: **Allah جل جلاله is Al-Ghafur, the Most Forgiving. Tawbah is always available. I will take this loan now, solve this problem, and then make sincere repentance when the crisis has passed.**

Every element of this reasoning is technically true. Allah جل جلاله is indeed the Most Forgiving.

Tawbah is indeed always available.

And sincere repentance does indeed cover past sins.

What the reasoning omits is this: the scholars of Islam are unanimous that tawbah made with the intention to commit the sin again is not valid tawbah.

One of the three conditions of sincere tawbah is the firm intention not to return to the sin.

A tawbah planned in advance scheduled after a sin not yet committed does not meet this condition, because the intention to sin is already present at the moment of the "repentance."

The Prophet ﷺ did not say: **"Allah forgives those who plan to repent after they sin."** He said: **"Allah accepts the repentance of His servant so long as the death rattle has not yet reached his throat."** — Ibn Majah.

The condition is sincerity.

Pre-planned tawbah like tawbah used as a permission slip rather than a genuine return is not what those words describe.

There is also a deeper problem.

Every time this trap is used, the spiritual cost of returning to the sin decreases slightly.

The barrier lowers.

What required significant internal justification the first time requires less the second time.

The Muslim who uses "I will repent later" repeatedly is not just committing a sin with a plan to exit, they are gradually reshaping the sensitivity of their own conscience.

The response to this trap is a clear, honest internal question: **If I were planning to never return to this sin, would I be taking this loan right now?** The answer to that question is the answer to whether the tawbah being planned is genuine.

Trap 3 — "Everybody Is Doing It"

Social proof is one of the most powerful forces in human decision-making.

And in the Nigerian financial context, it is weaponised against halal financial practice constantly.

The reasoning is familiar: **Every Muslim businessman I know uses conventional bank loans. The people in my mosque who own houses have conventional mortgages. My colleagues, my neighbours, my relatives, all of them use the same cooperative, the same fintech app, the same bank loan. Am I supposed to be the only one?**

This trap is particularly powerful because it carries a secondary implication that widespread practice among Muslims is evidence of permissibility.

If so many Muslims are doing it, surely it cannot be that serious?

The Quran addresses this reasoning directly:

"And if you obey most of those upon the earth, they will mislead you from the way of Allah."
— Surah Al-An'am, 6:116

The number of people engaging in a prohibited act has never been a factor in its permissibility.

Riba was prohibited when it was the dominant commercial practice of an entire civilisation.

The prohibition did not carry an exemption for market participants.

It was addressed to every believer in every context including contexts where everyone around them was doing exactly what was forbidden.

The Muslim who holds the line when everyone around them is compromising is not being extreme.

They are doing precisely what belief requires.

And more practically, the Muslim who holds the line is the one who builds the habits and the infrastructure that eventually make the halal option accessible to the community around them.

Change in Muslim financial practice does not happen by everyone waiting for everyone else to go first.

Someone has to be the first in their community to migrate their salary to Jaiz Bank; to establish the mosque welfare fund; to formalise the Qard Hasan circle.

To demonstrate that halal financial practice is not theoretical, it is liveable.

That person does not need to announce themselves. They simply need to act.

Trap 4 — "Allah Knows My Situation"

This trap is the most intimate of the five because it is addressed to Allah جل جلاله directly and it sounds, on the surface, like tawakkul.

The reasoning: **I have tried. I have looked for halal options. The situation is genuinely hard. Allah جل جلاله knows my heart. He knows I am not someone who takes riba lightly. He knows what I am facing. Surely He will not hold this against me given everything I am carrying.**

The spiritual instinct here of turning to Allah جل جلاله, acknowledging His knowledge of our circumstances is correct and good.

The problem is how that instinct is being used.

It is being used to bypass the scholarly framework of darura, the strict, conditional exception that the scholars built precisely for genuine hardship cases and replace it with a personal, unilateral assessment of one's own necessity.

Allah جل جلاله does indeed know your situation.

He also revealed the ruling on riba with full knowledge that His servants would face financial hardship, emergencies, and genuine need.

The darura exception exists because He knows these things.

The strict conditions around that exception exist for the same reason.

They are not bureaucratic obstacles placed between you and mercy.

They are the framework through which mercy is properly accessed.

The response to this trap is not to dismiss the sentiment but to redirect it.

If Allah جل جلاله knows your situation, bring that situation to a qualified scholar and have it assessed against the darura conditions.

If it qualifies, you have a legitimate scholarly basis to proceed.

If it does not qualify, you have been protected from a rationalisation that felt like trust but was closer to presumption.

Tawakkul, genuine reliance on Allah جل جلاله means doing everything within your capacity through halal means and then releasing the outcome.

It does not mean bypassing halal means and calling the bypass trust.

Trap 5 — "There Is No Other Way"

This is the most dangerous trap of the five not because it is the most spiritually sophisticated. It is not.

But because it is the most final.

It closes the mind to alternatives before they have been genuinely sought.

The reasoning: **I have looked. There is nothing. No family member can help. No Islamic bank will give me what I need. No cooperative offers a halal product. There is simply no other way.**

In some genuine darura cases, after exhaustive effort, this conclusion may be correct.

But in the vast majority of cases where Nigerian Muslims invoke it, it is reached before the alternatives have been genuinely exhausted, often before they have been seriously explored at all.

"There is no other way" frequently means:

I have not asked my family because I am embarrassed.

I have not approached my mosque because I did not know they have a welfare fund.

I have not contacted Jaiz Bank because I assumed I would not qualify.

I have not spoken to the hospital about a payment plan because I assumed they would refuse.

I have not identified a potential Qard Hasan lender because I have not built that network.

Each of these is an unexplored door.

And none of them is a door that has been knocked on and found locked.

This guide exists specifically to address this trap. Every chapter of Phase 2 is a door that "there is no other way" claims does not exist.

Every tool at the back of this guide is a key to one of those doors.

The Qard Hasan network, the community welfare fund, the cooperative structure, the Islamic bank products, the Takaful coverage, the Zakat eligibility are not theoretical consolations.

They are real options that Nigerian Muslims are using today, in the same cities, facing the same financial pressures.

The honest response to "there is no other way" is to return to Phase 2 of this guide and work through every scenario methodically not skimming, not assuming but working through each option, making each enquiry, having each conversation and only after that genuine exhaustion concluding that a halal path is unavailable.

In most cases, the path will appear before the exhaustion is complete.

A Final Word on the Five Traps

These traps are not signs of weak faith.

They are the predictable responses of a human mind under financial pressure in a system built entirely around riba.

Recognising them does not make you spiritually deficient. It makes you honest.

The Muslim who can name the trap they are falling into the moment they are falling into it has already broken half its power.

The other half is broken by the toolkit in Phase 2.

The Real Cost of Riba And What the Loan Actually Takes From You

The spiritual cost of riba has already been established in this guide.

Allah جل جلاله declared war. The Prophet ﷺ cursed every party to the transaction.

The scholars of every madhab across fourteen centuries are unanimous on the prohibition.

But there is another cost that many Nigerian Muslims feel more immediately than the spiritual one.

And they are the financial cost, the domestic cost and the psychological cost.

This cost shows up not on the Day of Resurrection but in the months and years after the loan document is signed in bank alerts, in family arguments, in sleepless nights, in businesses that never recovered, and in households that never stabilised.

This section is for the Nigerian Muslim who needs to see both costs clearly because the decision to avoid riba is stronger when it is grounded in the full picture not only in what it costs before Allah

جل جلاله, but in what it costs here, in naira, in relationships and in peace of mind.

The Hidden Price Tag of a Quick Loan

Consider a scenario familiar to thousands of Nigerian Muslims.

Mallam Yusuf runs a small provision store in Ilorin.

His supplier has offered him a bulk discount of ₦500,000 in stock at a 20% reduction and available for one week only.

He has ₦200,000 saved and needs ₦300,000.

A friend tells him about a fintech app. The app approves him in four minutes. The terms include ₦300,000 disbursed and repayable over six months at a monthly fee of 10% of the original loan amount.

Mallam Yusuf does the mental calculation quickly.

Six months and can pay it back from the business income. He signs.

Here is what the full calculation actually looks like.

Principal repayment per month: ₦50,000

Monthly fee: ₦30,000
Total monthly payment: ₦80,000
Total repaid over six months: ₦480,000

Mallam Yusuf borrowed ₦300,000 and repaid ₦480,000.

The loan cost him ₦180,000, 60% of the amount he borrowed in six months.

Now examine what that ₦180,000 represents in his business reality.

His provision store earns a net margin of approximately 15% on sales.

To generate ₦180,000 in net profit at 15% margin, Mallam Yusuf needs to turn over ₦1,200,000 in sales just to break even on the cost of the loan.

The bulk discount he was chasing? It saved him ₦100,000 on stock that would have cost ₦500,000 at full price.

He paid ₦180,000 to save ₦100,000.

The opportunity cost is negative. The loan did not fund his growth. It consumed it.

This is not an extreme example. It is a conservative one.

Many Nigerian fintech platforms charge effective annual rates that exceed 100% when all fees, like processing fees, insurance fees, management fees, late payment penalties are included.

The speed and accessibility of these products is marketed as their value.

Their actual value to the borrower is consistently negative.

The Debt Cycle (How One Loan Becomes Five)

The most destructive financial pattern in most households is not a single riba loan. It is the cycle that single loan initiates.

It works like this;

The first loan is taken for a genuine emergency like medical, school fees, business capital, etc.

The monthly repayment is manageable at the time of signing but the repayment obligation reduces the monthly cash available for household expenses.

When the next month's school fees arrive, or the next medical bill, or the next business shortfall, the household is already weaker than it was before the first loan.

The first loan's repayment is consuming the buffer that would have absorbed the second shock.

So a second loan is taken, sometimes from a different source, to cover the repayment of the first while addressing the new emergency.

Now there are two repayment obligations running simultaneously.

The household's monthly cash position is weaker still.

The third shock and it always finds even less buffer.

By the time a Nigerian Muslim household is carrying three or four simultaneous loan obligations, the mathematics have become impossible.

The combined monthly repayments exceed the monthly income.

Every month ends in a deficit. Every deficit is addressed with another loan.

The cycle has become structurally built into the household's financial architecture in a way that ordinary income cannot escape.

This is not a hypothetical; it is the lived reality of a significant number of Nigerian Muslim families.

The imam who sees it in his community knows it.

The Islamic scholar who counsels families knows it.

The cooperative treasurer who watches members borrow from one pool to repay another knows it.

The entry point to this cycle is almost always a single "manageable" loan taken under pressure.

What Riba Does to a Marriage

Money is the most common source of conflict in Nigerian marriages. Riba-based debt amplifies every dimension of that conflict.

The financial pressure of loan repayments creates a chronic stress in the household that does not resolve between repayment dates.

It is present at every meal, every family discussion, every decision about spending.

The husband who is managing a loan obligation he has not disclosed to his wife carries the weight of both the debt and the concealment.

The wife who discovers a loan obligation she did not know about faces both the financial shock and the trust violation simultaneously.

In households where riba debt has become structural, where multiple loans are running, where each month ends in deficit, the conflict is no longer episodic. It is the permanent atmosphere of the home.

Children raised in this atmosphere absorb its effects without understanding their source.

The tension, the arguments about money and the instability become the emotional furniture of their childhood.

The Prophet ﷺ described the home as a place of sakinah, tranquility and peace. A household whose financial foundation is riba-based debt is a household under permanent siege from within.

What Riba Does to a Business

A business that grows through riba-based financing is building on a foundation whose cost is invisible at the beginning and catastrophic at the end.

The pattern is consistent across Nigerian Muslim businesses of every size.

The loan is taken to fund growth, inventory, equipment, a new location, etc.

The growth materialises, revenue increases and the business looks healthy.

But a fixed percentage of every naira of revenue is now committed to debt service before the owner sees any of it.

The growth is real.

The ownership of that growth belongs partly to the lender.

When the business hits a difficult period, a slow season, a supply disruption, a market shift, the revenue falls but the debt obligation does not.

The business that was generating enough to cover costs, repayments, and owner income suddenly cannot cover all three.

The owner begins deferring repayments.

Late payment penalties accumulate.

The outstanding balance grows.

The business that survived the market difficulty now faces a financial structure that the market difficulty alone would not have created.

Many Nigerian Muslim businesses that collapsed were not killed by the market.

They were killed by the debt service structure they built during the growth phase.

The riba that looked like fuel on the way up became an anchor on the way down.

A halal business that grows more slowly and funded through Mushārakah, Mudārabah, and genuine profit-sharing is a business whose difficult periods do not automatically become existential crises.

When the revenue falls, the profit-sharing partner's return falls with it.

The risk is shared and survival is more likely.

The Psychological Cost Nobody Talks About

There is a cost to riba that does not appear in any repayment schedule.

It does not show up in a bank statement and it cannot be calculated in naira.

It is the cost of carrying the knowledge.

The Nigerian Muslim who has taken a riba loan and knows it is haram does not simply carry a financial obligation.

They carry a spiritual weight that sits in the background of every salah, every du'a, every Ramadan fast and every family gathering.

The guilt is not dramatic or incapacitating, it is quiet, persistent, and exhausting.

It affects the quality of worship.

A Muslim who knows their financial foundation carries something Allah جل جلاله prohibited finds it harder to approach Him with the openness and confidence that worship requires.

The du'a that should rise freely is weighed down by the awareness of what sits beneath it.

It affects the relationship with rizq.

A Muslim carrying riba debt finds it harder to trust in Allah's جل جلاله provision because they feel they have already compromised the channel through which that provision was supposed to flow.

It affects the willingness to give.

A Muslim whose monthly cash is consumed by riba repayments gives less in sadaqah, contributes less to mosque welfare funds, attends fewer community financial discussions because the subject is too close to home.

These are not spiritual failures.

They are the predictable psychological consequences of living with a financial arrangement that the heart knows is wrong.

The Muslim who builds their financial life on halal foundations even if those foundations are smaller, even if the growth is slower does not carry this weight.

Their salah is lighter.

Their du'a is more open.

Their giving is more free.

Their relationship with their rizq is more trusting.

This is not a small thing.

It is, arguably, the most valuable thing this guide can help you protect.

Your Guilt Is Real But It Is Misdirected

Before we go further, this needs to be said plainly.

If you have already taken a riba loan, for surgery, for school fees, for rent or for any reason, the guilt you feel is a sign of a living conscience and a connected heart.

That guilt is not a punishment; it is your iman speaking. Do not silence it.

But do not let it crush you either.

Allah جل جلاله says:

"And whoever does evil or wrongs himself but then seeks forgiveness of Allah will find Allah Forgiving and Merciful." Surah An-Nisa, 4:110

The scholars of Fiqh are clear that a person who entered a riba transaction out of genuine necessity, with no knowledge of a halal alternative, and who sincerely repents, is not in the same position as one who chose riba knowingly and carelessly.

Your first step, if you are carrying this weight, is tawbah which is sincere repentance, a genuine intention not to return to it, and where possible, an effort to exit the transaction as quickly as your circumstances allow.

Your second step is this guide.

Because the best form of tawbah from a sin rooted in ignorance is to acquire the knowledge that removes the ignorance.

You are already doing that.

What Phase 2 Will Give You

In the next section of this guide, you will move from diagnosis to action.

We will walk through the financial scenarios that push Nigerian Muslims toward riba, most frequently.

Scenarios like medical and personal emergencies, cooperatives, business capital needs, housing, savings and investments, digital finance, Zakat, women's specific questions, and education financing.

For each scenario, you will find the halal structures that apply and how they work in plain language, the Nigerian institutions that currently offer genuinely Shariah-compliant products named and honestly assessed, a clear action step you can take today, and the red flags that tell you a product is riba in Islamic clothing.

But before you turn to Phase 2, use the tool on the next page.

It is the single most immediately useful thing in this guide and it will serve you for the rest of your financial life.

TOOL 1 (THE "IS THIS PRODUCT HALAL?" CHECKLIST)

Apply these five questions to any loan, investment, or finance product before you sign anything. Take five minutes now to understand each question. It will save you years of regret.

How to use this checklist:

Read each question carefully. Apply it to the specific product being presented to you, not to the institution's general reputation, not to the Islamic-sounding name on the brochure, but to the actual structure of what you are being asked to sign. If the product fails any single question, it is not halal regardless of what it is called. If the institution cannot answer any single question clearly, that inability is itself an answer.

Question 1 — Is there a guaranteed increase on money lent?

If the lender is promised back more than they gave, regardless of business performance, regardless of outcome, that increase is riba. A fixed "profit" that never varies with actual results is not profit. It is interest with a different name. Ask: "If my business loses money this month, does my payment to you change?" If the answer is no, if your payment is the same regardless of your outcome, that fixed obligation on a loan is the signature of riba.

✅ Halal: Return varies with actual outcome | ❌ Riba: Return is fixed and guaranteed

Question 2 — Is time the only justification for the extra payment?

In a halal transaction, any extra payment above the principal is compensation for a real good, a real service, or a real shared risk. If the only reason you are paying more is because time has passed, that is riba. Ask: "What real asset did you purchase, or what real service did you provide, that justifies the markup?" A halal institution will answer this specifically and clearly. An institution charging riba will give a vague answer about "the cost of money" or "market rates."

✅ Halal: Extra payment tied to real value exchanged | ❌ Riba: Extra payment tied only to time elapsed

Question 3 — Who bears the risk?

In every halal finance structure, risk is shared. The financier can lose. If the contract is designed so that only you can lose and the institution is guaranteed its return no matter what happens to you, that asymmetry is the signature of riba. Ask: "If the asset you purchased for me loses value, who bears that loss?" In a genuine Murābahah, the institution bore real ownership risk before selling to you. In a disguised loan, it never owned anything and bears nothing.

✅ Halal: Risk shared between both parties | ❌ Riba: All risk on borrower, lender guaranteed

Question 4 — Does the extra amount increase if you are late?

Penalty clauses that add to your debt the longer you take to pay are Riba, regardless of what they are called. Ask: "What happens exactly if I miss a payment?" A genuinely Shariah-compliant institution will tell you that any late payment obligation goes to charity, not to the institution. The total amount you owe cannot increase because of delay. If the institution's answer is that your debt grows with lateness, that growth is riba.

✅ Halal: Fixed administrative fee donated to charity, or no penalty | ❌ Riba: Debt increases with delay

Question 5 — Can you get a straight answer about how the profit is calculated?

Halal finance is transparent by nature. If you ask an institution to explain exactly how their "profit rate" or "service charge" is calculated and they cannot give you a clear, simple answer or the answer sounds identical to how a conventional bank calculates interest, trust that instinct. Ask: "Can you show me the purchase documentation for the asset you bought before selling it to me?" If they cannot produce it, the Murābahah they are describing is a loan in Islamic clothing.

✅ Halal: Clear, transparent calculation tied to real assets | ❌ Riba: Vague, percentage-based, time-dependent

Screenshot this page. Save it to your phone. Return to it every time a financial product is presented to you. It will save you from riba dressed in Islamic clothing.

PHASE 2
APPLY

YOUR HALAL FINANCE TOOLKIT FOR NIGERIAN REALITIES

Allah says;

"Allah has permitted trade and forbidden riba."
Surah Al-Baqarah, 2:275

Phase 1 gave you the diagnosis.

You now understand what riba is at its root, why the Nigerian financial system is built entirely around it, and why ending up at riba's door was a knowledge problem not a faith problem.

Phase 2 gives you the toolkit.

This section is organised around the financial scenarios and topics that push Nigerian Muslims toward riba most frequently.

Read the scenario most urgent to your situation first.

Then read the rest.

Because the emergency that is not yours today may be yours tomorrow and the Nigerian Muslim who is prepared does not have to choose between their deen and their survival.

A Note on the Fiqh Positions in This Section

The rulings presented in this guide reflect the dominant position of the majority of classical scholars across the four recognised madhabs namely Maliki, Hanafi, Shafi'i, and Hanbali unless otherwise stated.

Where the madhabs differ meaningfully on a practical point, that difference is noted briefly.

The Maliki and Hanafi positions are given particular weight given their historical and contemporary prevalence among Nigerian Muslims.

No ruling in this guide should replace direct consultation with a qualified scholar for your specific situation.

What this guide provides is foundational knowledge enough to help you ask the right questions, evaluate products correctly, and avoid the most common traps.

THE FOUR MOST IMPORTANT HALAL ALTERNATIVES TO INTEREST-BASED FINANCING

Before we walk through the specific scenarios in Phase 2, you need to understand the four halal financing structures that appear repeatedly throughout this guide.

These are not theoretical concepts invented by modern Islamic finance consultants.

They are the documented commercial practices of Muslim traders, scholars, and communities across fourteen centuries that are tested, refined, and grounded in the Quran and the Sunnah.

Every halal financing solution in Phase 2 is built on one or more of these four structures.

Understanding them here before the scenarios means that when you encounter them in context, you are not meeting them for the first time. You are applying what you already understand.

1 MURĀBAHAH (Cost-Plus Sale)

What It Is

Murābahah is a sale transaction and not a loan. In Murabahah, a financier purchases a specific asset that you need and sells it to you at a disclosed markup, payable in instalments over an agreed period.

The word Murābahah comes from the Arabic root for profit because the financier earns a legitimate profit from a real trade transaction.

The critical difference from a conventional loan is that the financier must actually purchase and own the asset before selling it to you.

This ownership, even if brief, is what makes the transaction a genuine sale rather than a disguised loan.

The financier bears real ownership risk during the period between purchasing the asset and selling it to you.

That risk is what justifies their profit.

The price is fixed and disclosed from the outset.

It does not change if you are late with a payment.

That fixedness is what distinguishes Murābahah from interest because interest grows with time and delay.

The Murābahah price is agreed once and remains constant.

A Nigerian Example

Hajiya Fatimat needs a ₦800,000 commercial sewing machine for her tailoring business. She cannot pay the full price upfront.

Under a Murābahah arrangement, Jaiz Bank, for example, purchases the sewing machine directly from the supplier for ₦800,000 and takes ownership of it.

Jaiz Bank then sells the machine to Hajiya Fatimat for ₦960,000 This means a disclosed ₦160,000 markup that represents the bank's profit, payable over twelve monthly instalments of ₦80,000.

Hajiya Fatimat knows exactly what she is paying.

The machine is hers from the day of sale.

The price will not increase if she is late.

The bank earned its profit from a real trade transaction involving a real asset it genuinely owned.

Compare this to a conventional loan where Hajiya Fatimat borrows ₦800,000 at 20% annual interest. She repays the principal plus interest that grows with the outstanding balance and increases if she misses payments.

The bank never owned anything.

The extra payment is compensation purely for the passage of time.

That is riba.

When Murābahah Is Useful

Murābahah works for any situation where you need a specific asset and cannot pay the full price immediately.

It could be vehicle purchase, equipment purchase for a business, inventory purchase for a trader, home purchase through diminishing Musharakah, a Murābahah variant where ownership transfers gradually, electronic appliance purchase, agricultural equipment, etc.

Common Mistakes and Red Flags

1. The institution never actually purchases the asset: If the money goes directly from the bank to you rather than from the bank to the supplier, the institution has not taken ownership.

What is described as Murābahah is actually a cash loan with a markup.

This is the most frequently violated condition of Murābahah in Nigeria.

Always ask, did you purchase this asset before selling it to me? Request the purchase documentation.

2. The price increases with late payment: If your outstanding balance grows because you missed a payment, that growth is riba. A genuine Murābahah price is fixed from the outset.

3. The markup is described as a percentage rate rather than a fixed naira amount: A fixed naira markup is a trade profit. A percentage rate that adjusts with the repayment period is functionally interest.

Where to Find It in Nigeria

Jaiz Bank, TAJBank, and Lotus Bank all offer Murābahah financing for assets including vehicles, equipment, and property. Apply Tool 1 before signing any Murābahah agreement to verify that the institution genuinely takes ownership of the asset before the sale.

2 — MUSHĀRAKAH (Full Partnership)

What It Is

Mushārakah means partnership. This means two or more parties each contribute capital to a joint enterprise and share both the profits and the losses in proportion to their respective contributions.

This is the structure that most honestly reflects the Islamic principle of shared risk.

In a conventional loan, the lender is guaranteed their return regardless of what happens to the borrower's business.

In a Mushārakah, every party is genuinely exposed to the outcome profit when the enterprise succeeds, loss when it does not.

No party is guaranteed anything. That shared exposure is the essence of halal finance.

Profit ratios between partners can be agreed freely, they do not have to mirror the capital contribution ratios exactly.

A partner who contributes less capital but brings significant expertise, relationships, or active management may negotiate a higher profit share than their capital alone would suggest.

Loss ratios, however, must mirror capital contributions. This is a firm scholarly condition across all four madhabs.

A Nigerian Example

Usman has identified a market for quality packaged groundnut oil. He has ₦500,000 in savings, supplier relationships built over years, and the expertise to manage the operation. He needs ₦3,000,000 in total capital.

Three people from his circle agree to contribute ₦2,500,000 combined. Together, they structure a Musharakah.

Usman contributes ₦500,000 approximately 17% of the total capital. The three investors contribute ₦2,500,000, approximately 83% of the total capital.

They agree on a profit-sharing ratio that reflects Usman's active management role: 40% of profits to Usman, 60% to the investor group.

Loss, if it occurs, is shared according to capital contribution: Usman bears 17% of any loss, the investors bear 83%.

When the business earns ₦700,000 in a good quarter, Usman receives ₦280,000 and the investor group receives ₦420,000.

When a slow season produces a loss of ₦200,000, Usman bears ₦34,000 and the investors bear ₦166,000.

Neither party is guaranteed a return. Both parties are genuinely in the enterprise together. That is Mushārakah.

When Mushārakah Is Useful

Musharakah is useful when;

- Business expansion requires capital beyond what one party possesses.

- Planting season capital is structured as a Mushārakah between a farmer and an investor in agricultural ventures

- Multiple parties are co-investing in land or building in property development.

- Members of a mosque pool capital for a halal investment that generates income for community welfare.

- Or any situation where two or more parties can bring different resources like capital, land, expertise, relationships to a shared enterprise.

Diminishing Mushārakah is a particularly versatile variant: one partner gradually buys out the other's share over time, thereby reducing their co-ownership until full ownership transfers. This is the structure most widely used for halal home financing globally and the structure Jaiz Bank uses for its home finance product in Nigeria.

Common Mistakes and Red Flags

1. Fixed profit payments regardless of actual business performance: If your Mushārakah partner is promised a fixed monthly return and that fixed return is not a profit share, it is an interest. A genuine Mushārakah return varies with actual business results.

2. Mushārakah used as a label for a conventional loan: Some financing arrangements describe themselves as Mushārakah but do not involve the financier bearing genuine loss risk. If the financier is guaranteed their capital back regardless of business performance, that arrangement is not Mushārakah.

3. Undocumented arrangements: Mushārakah partnerships without written agreements governing profit ratios, loss allocation, and exit terms create disputes. Always document.

Where to Find It in Nigeria

Jaiz Bank, TAJBank, and Lotus Bank offer Mushārakah-based financing for business and housing. Community Mushārakah arrangements between trusted individuals documented with a written partnership agreement are available at no institutional access cost. Tool 4 in this guide provides the Qard Hasan template; a Mushārakah agreement template is available in the bonus package accompanying this guide.

3 — IJĀRAH (Islamic Leasing)

What It Is

Ijārah means leasing. In this system, a financier purchases an asset and leases it to a user for an agreed rental payment over an agreed period.

The financier retains ownership of the asset throughout the lease period. The user pays for the right to use the asset, not for ownership of it.

This matters because it changes the risk structure entirely.

Under a conventional hire purchase arrangement with interest, the user is borrowing money to eventually own the asset and paying interest on the outstanding balance.

Under Ijārah, the financier genuinely owns the asset, bears the ownership risks associated with it, and earns a legitimate rental income for providing a real service which is the use of the asset.

Ijārah Muntahia Bittamleek is a lease ending in ownership. It is a common variant where ownership transfers to the user at the end of the lease period through a separate gift or sale contract.

This is the structure used for halal home financing where the institution purchases the property, leases it to the buyer, and transfers ownership at the end of the lease.

Critically, the lease contract and the ownership transfer contract must be separate. They cannot be made mutually conditional at the time of signing.

A Nigerian Example

Mallam Kareem needs a delivery truck for his logistics business. The truck costs ₦4,500,000. He cannot purchase it outright and does not want an interest-based hire purchase arrangement.

Under an Ijārah arrangement, a Shariah-compliant financier purchases the truck for ₦4,500,000 and becomes its registered owner.

The financier leases the truck to Mallam Kareem for thirty-six months at a monthly rental of ₦150,000.

During the lease period, the financier owns the truck. Major maintenance and insurance costs associated with ownership remain the financier's responsibility.

Mallam Kareem pays the monthly rental for the right to use the truck in his business.

At the end of the thirty-six months, a separate agreement drafted independently of the lease transfers ownership of the truck to Mallam Kareem for a nominal amount.

Total paid: ₦5,400,000 over thirty-six months. The financier earned ₦900,000 from a genuine ownership and leasing arrangement.

Mallam Kareem paid for real use of a real asset owned by the financier.

Compared to a conventional hire purchase, Mallam Kareem borrows ₦4,500,000 at 18% annual interest. The bank never owns the truck. The extra payment is compensation purely for time. That is riba.

When Ijārah Is Useful

Ijarah is useful for;

- Vehicle acquisition like cars, trucks, motorcycles, tractors;
- Equipment use like generators, industrial machinery, agricultural equipment;
- Property acquisition through Ijārah Muntahia Bittamleek;
- Medical equipment for a clinic or business;
- Or any situation where you need to use an asset over time rather than purchasing it immediately.

Common Mistakes and Red Flags

1. The financier never takes ownership of the asset: If the Ijārah provider sends money directly to you to purchase the asset yourself, they have not taken ownership. The arrangement is a cash loan, not a lease.

2. Major maintenance is made the user's responsibility: Under a genuine Ijārah, the financier, as owner, bears the costs of major maintenance and structural repairs. If the contract places all ownership costs on the user while the financier retains legal title, the structure has shifted away from genuine Ijārah.

3. The lease and ownership transfer contracts are made mutually conditional: If the lease agreement says "ownership will transfer at the end of the lease" as a term of the lease itself rather than as a separate subsequent agreement, the structure is disputed. The two documents must be genuinely independent.

4. Rental payments that increase with delay: A genuine Ijārah rental is fixed. If the monthly rental amount grows because a payment was missed, that growth carries the character of riba.

Where to Find It in Nigeria

Jaiz Bank offers Ijārah-based financing for vehicles and equipment. TAJBank offers Ijārah products.

For property, Ijārah Muntahia Bittamleek is available through Shariah-compliant cooperative structures where institutional products are not accessible. Apply Tool 1 before signing any Ijārah agreement.

4 — MUDĀRABAH (Capital and Labour Partnership)

What It Is

Mudārabah is a partnership between capital and expertise. One party who is the Rabb al-Mal, or capital provider contributes the funds.

The other party who is the Mudarib, or working partner contributes labour, expertise, and active management.

Profit is shared between them according to a pre-agreed ratio.

Loss falls entirely on the capital provider unless the loss was caused by Mudarib's negligence or deliberate misconduct.

This structure is among the most anciently documented in Islamic commercial history.

The Prophet ﷺ himself used it before his prophethood when he was managing the trading capital of Sayyidah Khadijah رضي الله عنها on a Mudārabah basis, while earning a share of the profits from his expertise and effort while she bore the capital risk.

The great Muslim trading empires of the classical period were built substantially on Mudārabah arrangements between capital-rich merchants and skilled traders.

The asymmetry of loss allocation falling on the capital provider alone reflects a fundamental Islamic principle: the person who contributes only money and has not expended effort or expertise should bear the financial risk of loss, because the Mudarib has already expended something irreplaceable, their time and labour.

A Nigerian Example

Alhaja Ramota has ₦1,500,000 in savings. She wants to invest in halal business and has no time to manage a business herself and no specific trading expertise.

Yusuf is an experienced fabric trader with strong supplier relationships, a loyal customer base, and the operational capacity to expand but has limited capital.

They structure a Mudārabah where Alhaja Ramota contributes ₦1,500,000 as Rabb al-Mal.

Yusuf contributes his expertise, supplier relationships, and active management as Mudarib.

They agree that profits will be split 35% to Alhaja Ramota and 65% to Yusuf reflecting the significant active role Yusuf plays.

When the business generates ₦400,000 profit in a quarter, Alhaja Ramota receives ₦140,000 and Yusuf receives ₦260,000.

If the business suffers a genuine commercial loss not caused by Yusuf's negligence of ₦200,000 in a slow quarter, Alhaja Ramota bears the full ₦200,000 loss.

Yusuf bears no financial loss but he has spent months of his time and effort without compensation. That is the Mudarib's share of the loss: their time.

At the end of an agreed period, Alhaja Ramota's capital is returned to her and the arrangement concludes.

Alhaja Ramota invested halal. Yusuf accessed the capital halal. Both parties bore genuine risk. Both parties shared genuine reward.

When Mudārabah Is Useful

Mudarabah is useful for;

- Halal savings investment when a capital provider wants to invest without active management;
- Business capital for an entrepreneur who has expertise but insufficient funds;

- Agricultural investment where a capital provider funds a farmer's planting season on a profit-sharing basis;

- Community investment pools when a mosque welfare fund invests its reserves in a Mudārabah arrangement with a trusted member entrepreneur.

  Any situation where one party has capital and another has expertise, and both parties can honestly agree on a profit-sharing ratio and loss allocation.

Common Mistakes and Red Flags

1. Fixed profit payments rather than a share of actual profits: A Mudārabah profit share must be a percentage of actual profits not a fixed monthly payment. If the capital provider is promised ₦50,000 per month regardless of business performance, that fixed payment is interest, not a profit share. In a genuine Mudārabah, both parties accept that the profit share varies with actual results.

2. The Mudarib guarantees the capital: The capital provider bears loss risk in a genuine Mudārabah. If the arrangement requires the Mudarib to guarantee return of the full capital regardless of business outcome, that guarantee converts the arrangement into a loan. The Mudarib cannot guarantee capital except in cases of their own negligence or misconduct.

3. No documentation of profit ratio and terms: Undocumented Mudārabah arrangements create disputes, particularly around profit calculation, the definition of negligence, and exit terms. Always document the arrangement clearly before capital is deployed.

4. Mudarib uses capital for purposes other than the agreed activity: The capital must be used for the specific activity agreed. A Mudarib who uses Alhaja Ramota's trading capital for personal expenses has transgressed the terms of the arrangement and bears liability for the capital accordingly.

Where to Find It in Nigeria

TAJBank offers Mudārabah-based savings and investment accounts. In the system, you deposit funds and the bank deploys them in halal commercial activity while returning your profit share quarterly

Community Mudārabah arrangements between trusted individuals is one where one party provides capital and another provides expertise for a specific business venture. This requires no institutional access and can be structured directly between parties with proper documentation.

Bringing the Four Together And How They Work in Your Life

These four structures are not alternatives to each other. They are tools in a toolkit and each suited to different situations.

When you need an asset: Use Murābahah or Ijārah. The financier either sells you the asset at a markup (Murābahah) or leases it to you with optional ownership transfer (Ijārah).

When you need capital for a business and you have expertise: Use Mudārabah. A capital provider funds your enterprise in exchange for a profit share.

When you and others are building something together: Use Mushārakah. All parties contribute capital and share both profit and loss.

When you are buying a home gradually: Use diminishing Mushārakah. You and the financier co-own the property, with your ownership increasing as you make acquisition payments.

The Bridge to Deeper Understanding

What you have read in this chapter is enough to answer the question this guide was built around: **"I need money, what are my halal options?"** You now know that halal alternatives exist, what they are called, how they work in Nigerian life, and where to find them.

For those who want to go further like entrepreneurs seeking to raise capital, structure partnerships, evaluate financing proposals, negotiate profit ratios, and build businesses using these models in depth, the complete treatment is in **Halal Capital: The Nigerian Muslim Entrepreneur's Complete Guide to Shariah-Compliant Business Financing, published by Darul Hikmah.**

That book picks up exactly where this chapter ends.

It takes you from knowing what the structures are to knowing how to deploy them in deals, in partnerships, in agricultural ventures, in property development, and in building a genuinely halal business at every scale.

HIRE PURCHASE; IS IT HALAL?

Before evaluating any hire purchase arrangement, you need to know which type it is. The structure determines the ruling and the two types have different Islamic analyses.

The Two Types of Hire Purchase

Nigerian hire purchase arrangements fall into two distinct structures. They look similar on the surface. In the sense that, you take an asset and pay for it over time but their legal and Islamic structures are fundamentally different.

Type 1 — You own it from day one

You agree to buy the asset. Ownership and possession both transfer to you immediately at the point of agreement.

You pay the total agreed price over instalments. The seller's remaining interest is purely financial; they are owed money, nothing more. They do not own the asset once the agreement is signed.

This structure is closest to Murābahah which is a deferred sale where the price is fixed upfront and paid over time. You bought the asset and you are paying for it in instalments.

Type 2 — You use it but do not own it until the final payment

You take possession of the asset and use it throughout the payment period.

But legal ownership remains with the seller until every instalment is paid.

Only the final payment transfers ownership to you.

This is where the name "hire purchase" originates. You are hiring the asset while simultaneously purchasing it.

Until the last naira is paid, it legally belongs to the seller.

This structure is closest to Ijārah Muntahia Bittamleek, a lease ending in ownership.

You are a lessee using an asset owned by the seller, making acquisition payments alongside rental use, until ownership transfers at the end.

Most Nigerian hire purchase arrangements like vehicles from dealerships, electronics from retailers, equipment from suppliers fall into Type 2. The seller retains legal ownership until fully paid.

How to Identify Which Type You Are Dealing With

Ask the seller one question before signing anything:

"If I miss three payments and you repossess this item, who legally owns it right now?"

If the answer is you, it is Type 1. Ownership is already transferred. The seller is recovering a debt secured against your asset.

If the answer is them, it is Type 2. They still own it. They are recovering their own property.

The answer to this question tells you which Islamic analysis applies.

The Halal Evaluation — Type 1 (Murābahah-Style)

For a Type 1 hire purchase to be permissible, three conditions must be met simultaneously:

Condition 1 — The total price is fixed and disclosed before the agreement is signed.
You must know the exact total you will pay before you commit, nor approximately.

A seller who quotes you a price and says "we will calculate the final total once we know how long repayment takes" has not fixed the price and that uncertainty makes the arrangement impermissible.

Condition 2 — The price does not increase after the agreement is signed.
The total agreed at signing is the total owed at completion regardless of how long repayment takes. If a clause in the

agreement allows the outstanding balance to grow because time has passed, that growth is Riba al-Nasi'ah.

Condition 3 — Late payment does not cause the outstanding balance to grow by a percentage.
A fixed administrative fee for late payment one that goes to charity, not to the seller is permissible. A percentage-based penalty that adds to the outstanding balance is riba, regardless of how small the percentage is.

If all three conditions are met, the Type 1 hire purchase is permissible. You bought an asset at a disclosed price payable over time. That is a valid sale.

The Halal Evaluation — Type 2 (Ijārah-Style)

For a Type 2 hire purchase to be permissible, the same three conditions above apply plus two additional conditions that arise from the ownership structure:

Condition 4 — The seller genuinely bears the risks of ownership during the payment period.
If the seller owns the asset throughout the payment period, they must bear the costs associated with ownership. Costs like major structural maintenance, insurance against the asset's total loss, and the risk that the asset's value falls.

A seller who retains legal ownership but transfers all ownership risks and costs to the buyer is claiming the benefits of a deferred sale while using the legal structure of a lease. That inconsistency undermines the Islamic validity of the arrangement.

In practice, ask who is responsible for major repairs during the repayment period. If the answer is you, despite the seller still owning the asset, the arrangement is not structured as a genuine Ijārah.

Condition 5 — The ownership transfer at the end is documented separately from the hire arrangement.
Under Ijārah Muntahia Bittamleek principles, the lease contract and the ownership transfer contract must be genuinely independent.

They cannot be made mutually conditional at the time of signing because that conditionality reintroduces the structure of a disguised sale-loan.

In practice, most Nigerian hire purchase agreements bundle the ownership transfer into the original contract as an automatic consequence of completing all payments.

Scholars differ on whether this bundling undermines permissibility.

The more cautious position followed by the Maliki school requires genuine separation.

The Hanafi school is more accommodating of bundled arrangements if the transfer is clearly documented, even within the same contract.

If you are using a Type 2 hire purchase arrangement and want to be on the safe side, request that the ownership transfer be documented in a separate agreement signed at or near the time of final payment.

The Red Flags That Apply to Both Types

Regardless of which type of hire purchase you are evaluating, these red flags indicate riba in the arrangement:

A percentage-based late payment penalty: Whether the product is Type 1 or Type 2, a clause that says "late payments attract X% per month on the outstanding balance" is Riba al-Nasi'ah. The outstanding balance grows with time. That growth is riba. Walk away or negotiate the removal of this clause before signing.

A price that varies with the repayment period: "The price depends on how many months you choose" where a longer repayment period means a higher total price, calculated as a percentage is a time-based charge on money. That is interest, not a trade profit.

Insurance charged as a percentage of the outstanding balance: Mandatory insurance calculated as a percentage of what you still owe is a hidden charge on the outstanding balance is functionally identical to interest.

The seller disclaiming ownership risk while retaining legal title: In a Type 2 arrangement, a seller who keeps legal ownership but makes you responsible for all maintenance, insurance, and asset risk has structured an arrangement where they get the security of ownership without bearing its burdens. This is not a genuine Ijārah.

A Practical Nigerian Example

Alhaji Bello wants to buy a ₦2,400,000 vehicle from a dealership.

The dealership offers two structures:

Structure A: You drive the car away today. The logbook is in your name from day one. You pay ₦2,880,000 over twenty-four months at ₦120,000 per month. If you miss a payment, the dealership can sue you for the debt but the car is yours.

This is Type 1, a Murābahah-style deferred sale. The ₦480,000 premium is the seller's disclosed profit for deferred payment. The total is fixed and the car is yours. This is permissible provided the late payment clause does not contain a percentage-based penalty.

Structure B: You drive the car away today. The logbook remains in the dealership's name until your final payment. You pay ₦2,880,000 over twenty-four months at ₦120,000 per month. If you miss three payments, the dealership repossesses the car because they still own it.

This is Type 2, an Ijārah-style arrangement. The dealership owns the car throughout. You are using it while making acquisition payments. This is permissible provided the total price is fixed, the late payment clause contains no percentage penalty, and the dealership bears genuine ownership risks during the repayment period.

In both cases, apply Tool 1 before signing. The late payment clause is the most critical check. If the outstanding balance can grow after the contract is signed, do not sign.

Your Action Step

Before signing any hire purchase agreement in Nigeria:

Ask one question to identify the type: who legally owns this asset right now?

Then apply the three conditions for Type 1, or the five conditions for Type 2.

Then run Tool 1 on the complete contract while paying particular attention to the late payment clause, the insurance clause, and the price variation clause.

A hire purchase arrangement that passes all relevant conditions and Tool 1 is a permissible way to acquire an asset you cannot pay for outright.

A hire purchase arrangement with a percentage-based late payment penalty is riba, regardless of how the rest of the contract is structured.

The name "hire purchase" tells you nothing. The contract tells you everything.

SCENARIO 1 (MEDICAL & PERSONAL EMERGENCIES)

This is where most Nigerian Muslims first encounter riba under pressure. The emergency is real, the timeline is short, the conventional loan is right there and nobody has ever shown them what else to do.

Here is what else to do

The Halal Structures That Apply

Structure 1 — Qard Hasan (The Benevolent Loan)

Qard Hasan is the most straightforward halal solution for personal emergencies and it is the structure the Prophet ﷺ explicitly encouraged between Muslims.

A Qard Hasan is a loan given purely for the sake of Allah جل جلاله, with no increase, no profit, no service charge, and no condition attached beyond the return of the exact amount lent.

The lender gives ₦200,000.

The borrower returns exactly ₦200,000, nothing more.

The reward for the lender is entirely with Allah جل جلاله.

The Prophet ﷺ said:

"Whoever relieves a Muslim of a burden from the burdens of the world, Allah will relieve him of a burden from the burdens of the Hereafter."
— Sahih Muslim

And specifically regarding Qard Hasan, it is reported that the Prophet ﷺ said:

"On the night of my ascension I saw written on the gate of Paradise: 'Charity brings ten times its reward and a loan brings eighteen times its reward.' I asked Jibreel: 'Why is a loan better than charity?' He said: 'Because the beggar asks when he has something, but the one who takes a loan does so only out of need.'"
— Ibn Majah, declared hasan

A practical Nigerian example:

Abdullahi is a 34-year-old civil servant in Ibadan. His wife needs surgery and the hospital bill is ₦450,000. His savings cover ₦100,000. He needs ₦350,000.

Rather than approaching a cooperative charging 25% interest, Abdullahi calls his older brother in Lagos who lends him ₦150,000.

He speaks to his closest friend from the mosque who lends him ₦100,000.

He approaches his father-in-law, who has been asking how he can help. He lends him ₦100,000.

In three conversations, he has raised ₦350,000 with no interest, no guilt, and no monthly payment that grows if he is late.

He uses Tool 4, the Qard Hasan Agreement Template to document each arrangement separately with each lender.

His brother, his friend, and his father-in-law each have a written record of exactly what was lent, and Abdullahi has a clear repayment plan of ₦50,000 per month distributed across the three lenders that he commits to in writing.

His wife has her surgery. His iman is intact. His monthly obligation is manageable.

And three people in his community have earned a reward with Allah جل جلاله that no bank account can replicate.

This is how the system Islam designed is supposed to work.

How to access Qard Hasan in practice:

The primary source of Qard Hasan is your personal network which are your family, close friends, and members of your mosque community.

This is not a weakness or an embarrassment. It is the system Islam designed for exactly this purpose.

To make a Qard Hasan arrangement properly Islamic and to protect both parties, it must be documented. This is not distrust, it is the Quranic instruction. Allah says,

"O you who have believed, when you contract a debt for a specified term, write it down."
— Surah Al-Baqarah, 2:282

Tool 4 at the back of this guide contains a simple Qard Hasan Agreement Template.

It takes five minutes to complete and protects both the lender and the borrower.

The Fiqh position: All four madhabs are unanimous that Qard Hasan is not only permissible but among the most rewarded financial acts in Islam.

Any condition attached to a Qard Hasan that benefits the lender, even a gift, a favour, or preferential treatment renders it riba according to the majority position.

As a result, it is not permissible for the borrower to give a gift to the lender during the loan period, unless there was a previous habit of exchanging gifts between them.

Structure 2 — Takaful (Islamic Cooperative Insurance)

Most Nigerian Muslims facing medical emergencies do so without any financial preparation because conventional insurance involves elements of gharar (excessive uncertainty) and sometimes riba in its investment component. This makes it impermissible under the dominant scholarly position.

Takaful is the halal alternative. In a Takaful arrangement, participants contribute to a shared fund with the intention of mutual assistance.

When a member faces an emergency, the fund covers their needs from that pool.

Any surplus remaining in the fund at the end of the period is returned to participants or donated to charity.

For medical coverage specifically, **Noor Takaful's Noor Health** is currently the only dedicated Shariah-compliant HMO product from a licensed Takaful operator in Nigeria.

Contact Noor Takaful directly or through their digital platform RAHA by Noor to enquire about health coverage.

For general Takaful coverage, Family Takaful, Motor Takaful, and Property Takaful, all five licensed operators offer relevant products.

See the full Takaful chapter in Phase 3 for a complete guide to every operator and their products.

The Fiqh position: The dominant scholarly position across all four madhabs holds that conventional insurance is impermissible due to gharar and riba.

Takaful as structured above is permissible under the majority view.

The Maliki school historically had reservations about certain cooperative insurance models but the contemporary dominant Maliki position, including that of major West African scholarly bodies, accepts properly structured Takaful.

Structure 3 — Community Welfare Funds (Bayt al-Mal Model)

Some mosques and Islamic organisations in Nigeria operate informal welfare funds.

These are pools of money contributed by members and disbursed to those in need, either as Qard Hasan or as outright gifts.

These are underutilised, under-publicised, and in many cases the person in financial distress does not know to ask.

Speak to the imam or administrator of your mosque before approaching any external institution for emergency financing.

The fund that your community contributions have built may already be waiting for exactly your situation.

If no welfare fund exists in your mosque, Phase 3 of this guide will show you how to propose and structure one.

Red Flags: Emergency Finance Products That Are Riba in Disguise

1. "Interest-free loan" with a mandatory membership fee calculated as a percentage of your loan amount: If the fee is proportional to the loan size and scales with the loan term, it is riba regardless of what it is called.

Make sure to run the numbers. If the total cost of borrowing ₦200,000 for six months is ₦230,000 and that ₦30,000 gap, whatever it is called, is the riba.

2. Cooperative "development levy" charged monthly on outstanding balance: If it grows with time and with the amount owed, it is riba. The name "levy" does not change the structure.

3. "Takaful" products that invest your contributions in conventional interest-bearing instruments: Ask explicitly: where are participant contributions invested? If the answer includes treasury bills, conventional bonds, or fixed-deposit accounts at conventional banks, that product has a riba component in its investment structure.

4. Fintech emergency loan apps: Apps like Carbon, FairMoney, Branch, and similar platforms are conventional interest-based lenders operating at effective annual rates that frequently exceed 100% when all fees are included. Their speed and accessibility are not worth the spiritual and financial cost. They are riba. Do not use them.

Your Action Step for Scenario 1

Before the next emergency arrives, not after, do three things:

First, identify two or three people in your life who you could approach for a Qard Hasan of between ₦50,000 and ₦200,000 if you needed it. Have that conversation now, not in crisis. Let them know you would do the same for them.

Second, save Tool 4, the Qard Hasan Agreement Template to your phone today.

Third, speak to your mosque about emergency welfare provisions. If none exist, you now have the knowledge to propose one.

COOPERATIVES: WHAT EVERY NIGERIAN MUSLIM NEEDS TO KNOW BEFORE JOINING ONE

Cooperatives are everywhere in Nigeria.

We have the civil servant cooperative at the ministry, the mosque cooperative that has been running for fifteen years,the market women's cooperative, the teachers' cooperative, the professional association cooperative, and the thrift and credit society that your colleague has been urging you to join since your first week at work.

For many Nigerian Muslims, the cooperative is the first and sometimes the only structured financial institution they have ever had access to.

It predates their relationship with any bank.

It has been there through salary delays, school fees crises, medical emergencies, and business capital gaps.

And yet most Nigerian Muslims who belong to cooperatives have never asked the question this chapter is built around:

Is my cooperative actually halal?

This is not because they do not care but because nobody has ever told them the question needs to be asked. This chapter answers it.

Why Cooperatives Need Their Own Chapter

Throughout this guide, cooperatives have appeared as a halal financing option and rightly so. A genuinely structured Islamic cooperative is one of the most powerful halal financial tools available to Nigerian Muslims.

The Prophet ﷺ encouraged mutual financial assistance between Muslims.

The classical scholars developed detailed frameworks for cooperative financial arrangements.

The community-based financial structures that sustained Muslim civilisations for centuries were cooperative in nature.

But the word "cooperative" in the Nigerian context covers a wide range of structures.

Some are genuinely halal; some carrying riba in their core design, and some that began as halal structures and drifted into riba through poorly drafted bylaws or accumulated practice.

The cooperative's community character, its familiarity, and its Islamic-adjacent reputation as a "community finance" tool have made it one of the most common channels through which Nigerian Muslims inadvertently enter riba transactions often without realising it, often for years.

What Makes a Cooperative Genuinely Halal

A cooperative is halal when its financial operations are structured around three principles.

Principle 1 — Loans are given without increase

Members who borrow from the cooperative repay exactly what they borrowed, nothing more with no interest, no service charge, no development levy and no administrative fee calculated as a percentage of the loan amount.

The cooperative's operating costs like management, administration, record-keeping are covered by membership contributions, not by charges on loans.

This is Qard Hasan at a collective level. The cooperative pools the community's generosity and channels it toward members in need, with the full return of principal as the only obligation.

Principle 2 — Returns to savers come from halal activity

If the cooperative pays any return on members' savings or share capital contributions, that return must come from genuine halal commercial activity like trade, asset leasing, Mushārakah investment not from interest charged on loans to other members.

A cooperative that collects savings from members, lends those savings to other members at interest, and distributes the interest collected as "dividends" to savers has constructed a complete riba cycle. The saver receives riba. The borrower pays riba. The cooperative is the channel through which the prohibited transaction flows.

Principle 3 — Late payment consequences do not involve debt growth

When a member is late on a repayment, the cooperative's response must not include adding to the outstanding balance. There should be no penalty interest, no late payment charge calculated as a percentage of what is owed.

A cooperative may charge a fixed administrative fee for late payment provided that fee goes to charity, not to the cooperative's income pool or it may simply record the lateness and address it through the cooperative's governance process.

The Most Common Way Nigerian Cooperatives Become Riba

1. The service charge trap

This is the most common entry point for riba in Nigerian cooperatives. The cooperative lends ₦200,000 to a member and charges a "service charge" or "administrative fee" of 5% per month on the outstanding balance.

The language sounds different from interest. The intention, frequently, is genuine, the cooperative needs income to function.

But the structure is identical to conventional bank interest. A percentage charge on an outstanding balance, accruing over time, is Riba al-Nasi'ah regardless of what it is called.

Run the numbers on any service charge before accepting a cooperative loan. If borrowing ₦200,000 for six months at 5% monthly service charge costs you ₦260,000 in total repayment, that ₦60,000 is riba.

2. The dividend trap

Many Nigerian cooperatives pay annual dividends to members based on their savings or share capital contributions. The critical question is: where does the dividend come from?

If the cooperative's income comes from service charges on loans to members and the dividend is a distribution of that income, then the dividend is a distribution of riba.

The member receiving it is receiving riba income, regardless of whether they personally took a loan.

Ask your cooperative: what is the source of the income from which dividends are paid? If the answer is loan charges on members, the dividend is riba.

3. The penalty trap

Many cooperative bylaws include penalty clauses for late repayment structured as percentage additions to the outstanding balance. A bylaw that says "late repayment attracts a penalty of 2% of the outstanding balance per month" is building riba into the cooperative's governance.

4. The savings interest trap

Some cooperatives pay members a fixed percentage return on savings held with the cooperative. This is straightforwardly riba, identical in structure to a conventional bank savings account.

How to Review Your Cooperative's Bylaws

Every registered cooperative in Nigeria has a set of bylaws. Request a copy from the secretary or executive. Read it against these five questions.

Question 1 — How are loan charges structured?

Does it specify a charge, however named, on loans to members calculated as a percentage of the loan amount or outstanding balance? If yes, that charge is riba.

Question 2 — What happens when a member is late on repayment?

Does it specify a percentage-based penalty on the outstanding balance? If yes, that penalty structure is riba.

Question 3 — Where does the cooperative's income come from?

If the primary income source is charges on member loans, the entire income pool carries a riba component.

Question 4 — How are dividends calculated and from what source?

If drawn from loan charges, the dividend is a riba distribution.

Question 5 — Where are member savings and cooperative funds deposited?

If in a conventional savings account earning interest, that interest income is riba entering the cooperative's pool.

Questions to Ask Before Joining Any Cooperative

"If I borrow ₦100,000 from this cooperative and repay it over six months, what is the total amount I will repay?"

The halal answer is ₦100,000.

"What happens if I am late on a repayment?"

The halal answer involves either no financial consequence or a fixed administrative fee that goes to charity.

"What is the source of income from which dividends are paid?"

The halal answer is genuine halal commercial activity.

"Does the cooperative have a Shariah advisory arrangement?"

A cooperative serious about Islamic compliance will have either a qualified scholar on its advisory committee or a formal relationship with one.

What to Do If Your Current Cooperative Is Not Halal

Make sincere tawbah. Follow the exit plan in Phase 3, for any outstanding loan obligation. And make a deliberate decision about your continued membership.

The stronger and cleaner position is to either work with the cooperative's leadership to reform its structure, using the framework in the next section or to redirect your cooperative contributions toward a genuinely halal alternative.

How to Propose a Halal Cooperative Structure

A halal cooperative operates on three financial pillars.

Pillar 1 — Qard Hasan loan fund
Members contribute to a shared loan fund. Loans are disbursed at zero charge. Repayment is of the exact principal lent. Operating

costs are covered separately through a fixed membership contribution not through loan charges.

Pillar 2 — Halal investment pool

Members who wish to grow their savings contribute to a separate investment pool invested in genuinely halal instruments like Sukuk, Shariah-screened equities, Murābahah trade finance through Islamic financial institutions, or direct Mushārakah investments in member businesses. Returns are distributed as genuine profit shares and variables, tied to actual performance.

Pillar 3 — Governance and documentation

All transactions are documented. Loan agreements use the Qard Hasan template. Investment arrangements specify profit-sharing ratios clearly. Late payment consequences are fixed administrative fees directed to charity. Funds are held in a non-interest account at Jaiz Bank, TAJBank, or Lotus Bank.

To register formally with the Corporate Affairs Commission, you need a minimum of ten members, a written constitution incorporating the halal principles above, a registered name, and the applicable registration fee.

Common Cooperative Tricks to Watch For

1. "Loan processing fee" calculated as a percentage of the loan amount: If it scales with the loan, it is functionally a charge on the money lent. Treat it as riba.

2. "Insurance premium" charged on cooperative loans: Ask what exactly is being insured, by whom, and what the payout mechanism is. If the answers are vague, it is a loan charge dressed as insurance.

3. "**Welfare contribution" deducted from loan disbursement:** A cooperative that disburses ₦180,000 when you applied for ₦200,000 has effectively lent ₦180,000 while requiring repayment of ₦200,000. The ₦20,000 difference is riba.

4. Forced share purchase as a condition of loan access: If the share purchase price is tied to the loan amount and functions as a de facto charge on borrowing, it is riba.

5. "Late penalty" that becomes part of the next loan: A cooperative that rolls unpaid late penalties into the principal of a renewed loan has compounded riba.

The Cooperative That Actually Works

A genuine halal cooperative requires three things: honest bye-laws, trustworthy governance, and committed members. The model that has worked in Nigerian Muslim communities in embryonic form is the mutual assistance circle.

In this form, there should be members who know each other, contributions that are made in the spirit of mutual support, loans that are given without increase and documentation that protects both parties.

The cooperative was never supposed to be a riba channel dressed in community clothing. It was supposed to be exactly what its name describes, a cooperative act of mutual support. That is what it can be, when it is built correctly.

SCENARIO 2 — BUSINESS CAPITAL

In this scenario, you have a business or you want to start one and you need capital to buy inventory, purchase equipment, or take on a contract to expand and every financing option your bank offers involves riba. What do you do?

The Halal Structures That Apply

Structure 1 — Mudārabah (Capital and Labour Partnership)

Mudārabah is one of the oldest and most celebrated halal financing structures in Islamic commercial history. It is the structure the Prophet ﷺ himself used before his prophethood when he was managing the trade capital of Sayyidah Khadijah رضي الله عنها on a profit-sharing basis.

In a Mudārabah arrangement, one party is the Rabb al-Mal, the person who provides the capital. The other party is the Mudarib, the person who provides the labour, expertise, and management.

Profit is shared between them according to a pre-agreed ratio. Loss falls entirely on the capital provider, unless the loss was caused by the Mudarib's negligence or misconduct.

A practical Nigerian example:

Alhaji Musa wants to expand his building materials business but needs ₦1,000,000 in additional inventory capital. He approaches a willing investor like a mosque colleague who has been looking for halal investment opportunities and proposes a Mudārabah arrangement. They agree that profits from the expanded business will be split 60% to Alhaji Musa and 40% to the investor for twelve months. At the end of twelve months, the investor's capital is returned and the arrangement concludes with no interest and riba just genuine shared enterprise.

The Fiqh position: Mudārabah is unanimously permissible across all four madhabs. The key conditions are that the profit-sharing ratio must be agreed and stated clearly before the arrangement begins; that loss falls on the capital provider alone absent negligence; and that the capital must be a known, specific amount. The Maliki school holds that the Mudarib may not be held liable for normal commercial losses only for losses resulting from transgression of the agreed terms.

Structure 2 — Mushārakah (Full Partnership)

Where Mudārabah involves one party providing all the capital, Mushārakah involves two or more parties each contributing capital and sharing both profit and loss in proportion to their respective contributions.

A practical Nigerian example:

Usman has identified a market for quality packaged groundnut oil. He has experience, supplier relationships, and ₦500,000 in savings. He needs ₦3,000,000 total. Three people from his circle contribute ₦2,500,000 combined. Together they agree on a profit-sharing ratio reflecting Usman's active management role which is 40% to Usman and 60% to the investor group.

When the business earns ₦700,000 in a good quarter, Usman receives ₦280,000 and the group receives ₦420,000. When a difficult quarter produces a loss, both bear it proportionally.

The Fiqh position: Mushārakah is unanimously permissible across all four madhabs. Profit ratios need not exactly mirror capital contribution ratios but loss ratios must mirror capital contribution ratios according to the majority position.

Structure 3 — Murābahah for Asset Purchase (Cost-Plus Sale)

When a business needs a specific asset and cannot pay the full price upfront, Murābahah provides a halal instalment solution.

In a Murābahah arrangement, the financier purchases the specific asset the business owner needs and then sells it to the business owner at a disclosed markup, payable in instalments. The key Islamic requirement is that the financier must take real ownership of the asset before selling it.

A practical Nigerian example:

Hajiya Fatimat needs a ₦800,000 commercial sewing machine for her tailoring business. An Islamic bank purchases the machine from the supplier for ₦800,000, takes ownership, and then sells it to Hajiya Fatimat for ₦960,000, a disclosed ₦160,000 markup that is payable over twelve monthly instalments of ₦80,000.

The markup is not interest. It is the institution's profit from a real trade transaction involving a real asset. The price is fixed from day one and does not increase if Hajiya Fatimat is late, that would be riba.

The Fiqh position: Murābahah is permissible under the dominant view of all four madhabs provided the conditions of real ownership, disclosed markup, and fixed price are met.

The Maliki school requires that the financier bear genuine ownership risk before the sale is concluded. A Murābahah where the financier never actually takes possession of the asset is not a valid Murābahah under the Maliki position; it is a loan with interest.

This is the condition most frequently violated by institutions claiming to offer Murābahah in Nigeria.

Always ask: did you actually purchase this asset before selling it to me? If the answer is no, walk away.

Red Flags — Business Finance Products That Are Riba in Disguise

1. Murābahah arrangements where the institution never actually purchases the asset: If the money goes directly from the institution to you without the institution taking ownership of a specific asset, that is a loan, not a sale.

2. "Islamic" cooperative business loans with monthly "development charges" on the outstanding balance: Calculate the total cost. If it mirrors a conventional interest rate, it is one.

3. Fintech business loan platforms: Quick business capital apps in Nigeria operate on conventional interest structures. Their speed is not worth the spiritual cost.

Your Action Step for Scenario 2

Before approaching any institution for business financing, prepare three things:

First, be specific about what you need the money for. Halal finance structures work with specific assets and specific purposes not general cash injections.

Second, apply Tool 1 to every product presented to you before signing anything.

Third, if institutional finance is not accessible to you right now, consider a Mudārabah or Mushārakah arrangement with a trusted community member and document it properly with Tool 4.

For a comprehensive treatment of every halal business financing structure available to Nigerian Muslim Entrepreneur's, including Salam, Istisna', and detailed guidance on supplier credit under Islamic law, see **Halal Capital: The Nigerian Muslim Entrepreneur's Complete Guide to Shariah-Compliant Business Financing**, published by Darul Hikmah.

SCENARIO 3 — HOUSING

For example, you need a home, your family is growing and renting indefinitely is not stable but a conventional mortgage is riba. What are your options?

The Halal Structures That Apply

Structure 1 — Diminishing Mushārakah (Shrinking Partnership)

This is the most widely used halal structure for home financing globally and the one that most closely replicates the practical outcome of a conventional mortgage, without the riba.

In a Diminishing Mushārakah arrangement, the buyer and the financier co-own the property.

The buyer makes two payments each month: a rental payment for the financier's share of the property and an acquisition payment that gradually purchases the financier's share until the buyer owns the property entirely.

A practical Nigerian example:

Ibrahim wants to buy a three-bedroom house in Osogbo priced at ₦8,000,000.

He has ₦2,000,000 saved which is 25% of the purchase price.

He approaches Jaiz Bank, which contributes the remaining ₦6,000,000. Ibrahim and Jaiz Bank now co-own the property in a 25/75 ratio.

Each month, Ibrahim pays two amounts: a rental payment for Jaiz Bank's 75% share calculated at the prevailing fair market rent for that portion and an acquisition payment that buys a small additional percentage of Jaiz Bank's share

As the months pass, Ibrahim's ownership grows from 25% toward 100%.

When Ibrahim's ownership reaches 100%, the arrangement concludes. He owns the house outright. No interest was charged and no loan was taken.

The Fiqh position: Diminishing Mushārakah is permissible under the dominant scholarly view. The Maliki school accepts it provided the rental and acquisition components are clearly distinguished in the contract and the rental amount is tied to genuine market rental value.

In Nigeria, Jaiz Bank offers a home finance product structured on Diminishing Mushārakah principles. Enquire directly at your nearest Jaiz Bank branch for current product terms and geographical availability.

Structure 2 — Ijārah Muntahia Bittamleek (Lease Ending in Ownership)

In this structure, the financier purchases the property and leases it to the buyer for an agreed rental period.

At the end of the lease, or progressively throughout it, ownership transfers to the buyer through a separate gift or sale contract.

The key Islamic requirement is that the lease contract and the ownership transfer contract must be separate documents. They cannot be made conditional on each other at the time of signing.

A practical Nigerian example:

Hajiya Ruqayyah has identified a two-bedroom flat in Abuja valued at ₦12,000,000. She approaches a Shariah-compliant cooperative that offers Ijārah Muntahia Bittamleek.

The cooperative purchases the flat and becomes its registered owner. It then leases the flat to Hajiya Ruqayyah for five years at a monthly rental of ₦200,000.

At the end of five years, a separate agreement signed independently of the lease transfers ownership to her for a nominal sum of ₦100,000.

The Fiqh position: It is permissible under the dominant view with the conditions stated above. The Maliki school requires particular care in ensuring the two contracts are genuinely independent documents.

Structure 3 — Community Housing Cooperative (Waqf-Backed Model)

A group of Muslims pool regular contributions into a shared fund managed on Waqf or Mushārakah principles. When the fund reaches a sufficient amount, it purchases or builds a property for one member, who then continues contributing to finance the next member's property.

Red Flags — Housing Finance Products That Are Riba in Disguise

1. Rent-to-own schemes where the "rent" is calculated as a percentage of the purchase price plus a time-based markup: If the total amount you pay is the purchase price plus a percentage that grows with the loan term, that is a mortgage with different language.

2. "Islamic mortgage" products offered by conventional banks through an "Islamic window" without verifiable Shariah board oversight: Ask for the Shariah board certificate and the specific contract structure.

3. Housing cooperative schemes with guaranteed annual returns to contributors: A genuine cooperative shares risk. A guaranteed return regardless of the cooperative's performance is riba.

Your Action Step for Scenario 3

First, contact Jaiz Bank's home finance division and request a full explanation of their Diminishing Mushārakah product. Use Tool 1 to evaluate what they present.

Second, speak to your mosque or Islamic organisation about whether a community housing cooperative exists or could be established.

Third, if neither option is currently accessible, begin building your halal emergency fund with home ownership as the stated long-term goal.

SCENARIO 4 — SAVINGS & INVESTMENTS

For example, your salary comes in and you want it to grow but every savings account at a conventional bank pays interest. Every fixed deposit is riba. What are your halal options for growing your wealth in Nigeria today?

The Halal Structures That Apply

Structure 1 — Non-Interest Current and Savings Accounts

The first and most immediate step for every Nigerian Muslim is to move their savings from a conventional interest-bearing account to a non-interest account at a Shariah-compliant institution.

A practical Nigerian example:

Maryam is a secondary school teacher in Kano. She is earning ₦85,000 per month. Her salary is paid into a conventional bank savings account that credits her with approximately ₦1,200 in monthly interest.

She has never thought about this interest before, it simply accumulates. But it is riba. Every naira of that interest is impure income accruing in her name.

Maryam opens a non-interest savings account at Jaiz Bank. She transfers her salary domiciliation to the new account.

Her money is now pooled with other deposits and invested by Jaiz Bank in halal trade and asset-backed activities.

At the end of each quarter, she receives a profit share, not interest based on the actual returns from those halal activities.

Some quarters it is more than the conventional bank paid. In some quarters, it is less. The return varies because it is tied to real performance which is precisely what makes it halal.

She also disposes of the accumulated interest in her old account by giving it to a local Islamic charity without the intention of spiritual reward, as an act of purification rather than generosity.

The Fiqh position: Keeping money in a conventional interest-bearing savings account and accepting the interest is impermissible under the dominant view of all four madhabs. Interest received must be disposed of in charity without the intention of reward.

Structure 2 — Sukuk (Islamic Investment Certificates)

Sukuk are Shariah-compliant investment certificates that represent ownership in a real underlying asset not a debt obligation. Returns come from the income the asset generates, not from interest.

The Federal Government of Nigeria has issued sovereign Sukuk through the Debt Management Office to finance specific infrastructure projects.

These are among the most accessible halal investment instruments available to Nigerian Muslims and are reachable through licensed stockbrokers and through Jaiz Bank and TAJBank.

The Fiqh position: Sukuk structured as genuine asset-backed ownership certificates are permissible. Sukuk structured to guarantee a fixed return regardless of the underlying asset's performance are disputed. Verify the specific structure of any Sukuk before investing.

Structure 3 — Halal Equity Investment

Investing in the shares of Nigerian companies whose primary business is halal and whose financial structure does not involve excessive conventional debt is permissible under the dominant scholarly view.

Screen companies individually against Shariah criteria like halal core business, acceptable debt ratios, purification of any impermissible dividend income before investing.

Structure 4 — Halal Ajo (Cooperative Rotating Savings)

The traditional Yoruba Ajo and Esusu rotating savings systems are among the most culturally familiar financial structures for Nigerian Muslims.

A practical Nigerian example:

Eight Muslim women in a Yoruba neighbourhood in Ibadan run an Ajo together. Each contributes ₦20,000 per month. Every month, one woman receives the full ₦160,000 pool. The rotation continues until every woman has received once in eight months for eight members.

To make this halal, contributions are kept in a non-interest account during the rotation period.

No penalty for late contribution is structured as a percentage increase on the amount owed.

The arrangement is documented with each member's name, contribution amount, rotation schedule, and agreed terms.

Red Flags — Investment Products That Are Riba in Disguise

1. Fixed-return investment schemes promising a guaranteed monthly percentage: If the return is guaranteed regardless of how the underlying investment performs, that is riba.

2. "**Halal" investment apps that invest your funds in conventional treasury bills or fixed deposits:** Ask explicitly where your money is invested. Using Opay, Palmpay, or similar platforms for payment and transfer is generally permissible, but their savings features that pay returns on stored balances are riba and must not be used.

3. Ponzi-adjacent "Islamic investment" schemes: If the returns are implausibly high, the investment mechanism is vague, and recruitment of new members sustains the returns, this is fraud dressed in Islamic language. It is doubly haram.

Your Action Step for Scenario 4

First, open a non-interest savings account at Jaiz Bank, TAJBank, or Lotus Bank and move your primary savings there.

Second, research Nigerian sovereign Sukuk as a halal vehicle for medium-term savings goals. Enquire at Jaiz Bank or TAJBank about current issuance and minimum investment thresholds.

Third, apply Tool 1 to every investment opportunity presented to you.

When You're Ready to Grow; A Note on Halal Investing

This guide has focused on what it promises, a practical system for meeting financial needs through halal alternatives, escaping riba debt, and building the protection that makes riba unnecessary. If you have worked through all three phases, you have done something most Nigerian Muslims have never done deliberately: built a financial life on a halal foundation but a foundation is not a destination, it is a starting point.

Once your Emergency Fund is built, your conventional debt is discharged, your savings are in a non-interest account, and your household's basic financial protection is in place, the next question is natural and legitimate:

Where do I put money when I have it, so that it grows through halal means?

The proper answer to that question is not "leave it in a savings account." Islam encourages productive deployment of wealth not hoarding, passive accumulation, but genuine investment in real assets, real enterprises, and real economic activity. The Prophet ﷺ himself was a merchant. The greatest Muslim civilisations were built on trade, partnership, and productive investment.

The framework for thinking about halal wealth-building follows four stages:

Stage 1 — Protect: This is when an emergency fund has been built, conventional debt has been discharged, a non-interest account has been established. This is where this guide has taken you.

Stage 2 — Preserve: This is when basic savings are growing in a non-interest account, Takaful coverage is in place, Zakat is being paid correctly and Capital is protected from loss and impurity.

Stage 3 — Grow: This is possible by investing in Nigerian Sovereign Sukuk, Shariah-screened equities on the Nigerian Stock Exchange, and profit-sharing savings accounts at Jaiz Bank, TAJBank, or Lotus Bank. This shows real returns from real halal activity.

Stage 4 — Multiply: This is when you engage in Mushārakah partnerships, agricultural investments, real estate, and larger business ventures structured on genuinely halal principles.

Before investing in anything, apply this seven-question filter:

- What exactly generates the profit?
- Is real ownership involved?
- Is the profit guaranteed regardless of performance?
- Who bears the risk if the investment performs poorly?
- Is there excessive uncertainty in the contract?
- Is the underlying business halal?
- Can I clearly explain in one sentence how money is made?

If any question produces an unclear answer, do not invest.

One warning that cannot be overstated is that the Nigerian investment landscape is saturated with schemes that use Islamic language to attract Muslim money into haram structures.

Structures like guaranteed monthly returns, "managed forex accounts," cryptocurrency doubling schemes, "islamic investment" platforms whose actual structure is a Ponzi and should all be avoided. If the return is guaranteed, the mechanism is vague, and the numbers are implausibly high, it is fraud, not investment. It is doubly haram. Walk away without apology.

A MUSLIM'S GUIDE TO NIGERIAN FINTECH APPS

Fintechs are growing every day. You use them every day but do you know which features are halal and which are riba in your pocket?

Nigerian Muslims are among the most active users of fintech platforms on the continent. Think of Opay, PalmPay, Kuda, Moniepoint, Carbon, FairMoney, Branch, Aella, Cowrywise, Risevest, these apps have become the financial infrastructure of daily life for millions of Nigerians, including millions of Muslims.

They are fast, accessible and are on your phone right now.

And most Nigerian Muslims using them have never stopped to ask which features are halal, which are riba, and which occupy the uncertain middle ground that requires careful navigation.

This chapter answers that question, app by app and feature by feature so that you can use Nigerian fintech with clarity rather than either blind participation or unnecessary avoidance.

The Four Categories of Fintech Features

Category 1 — Permissible without condition

This includes payment transfers, bill payments, airtime purchases, wallet-to-wallet transactions, and payment collection for halal businesses.

Category 2 — Permissible with condition

These are features that are structurally halal but require a specific condition to be met. That is, primarily that money stored in a fintech wallet is not automatically enrolled in an interest-bearing product.

Category 3 — Not permissible

These are savings features that pay returns on stored balances, loan products charging time-based fees on outstanding balances, and investment products investing in interest-bearing instruments.

Category 4 — Requires investigation

These are features whose permissibility depends on the specific product terms like cashback programmes, referral bonuses, and certain investment products.

Opay

Permissible features:

Opay's core wallet for receiving money, making transfers, paying bills, buying airtime, and making payments at merchant terminals.

Not permissible:

Features like OWealth, Opay's savings feature pays daily returns on stored balances. These returns are interest. Do not activate OWealth. If you have funds in OWealth currently, withdraw them, dispose of any accumulated returns in charity without the intention of reward, and do not reactivate the feature.

The correct way to use Opay:

Use the main wallet for transactions. Withdraw funds to your non-interest bank account promptly. Do not activate any savings or investment products within the app.

PalmPay

Permissible features:

PalmPay's wallet for transfers, payments, and bill settlement.

Not permissible:

PalmPay's savings features pay returns on stored balances. These returns are interest. The same ruling as OWealth applies.

The correct way to use PalmPay:

Transactional use only. Move funds to your non-interest bank account promptly.

Moniepoint

Permissible features:

Moniepoint's core business account and POS payment processing services, operating a POS business through Moniepoint, receiving business payments, making transfers, and managing business cash flow are all permissible.

Requires investigation:

Moniepoint offers business loans based on transaction history. These are conventional interest-based products. Apply Tool 1 before accepting any financing offer from Moniepoint.

The correct way to use Moniepoint:

Full use of payment processing and business account features. Complete avoidance of loan products unless they pass Tool 1.

Kuda Bank

Permissible features:
Kuda's current account for salary receipt, transfers, and bill payments for transactional use only.

Not permissible:

Kuda's savings features pay interest on stored balances. Kuda's loan products like Kuda Borrow are conventional interest-based loans. Do not use either.

The correct way to use Kuda:

Transactional current account use only, while migrating your primary banking relationship to a fully non-interest institution.

Carbon (formerly Paylater)

Permissible features:

Carbon's payment and transfer features for transactional use.

Not permissible:

Carbon's loan products operate at effective annual rates frequently exceeding 30%. Carbon Invest invests in conventional treasury bills and fixed-income instruments. Do not use Carbon's loan or investment products.

FairMoney

Not permissible:

FairMoney's primary product is conventional interest-based loans. Do not use it. The speed of approval and absence of collateral requirements are not benefits that outweigh the spiritual and financial cost.

Branch

Not permissible:

Branch operates exclusively as a conventional interest-based lender. Do not use its loan products.

Aella

Not permissible:

Aella's loan products are conventional interest-based. Aella's savings products pay interest on stored balances. Do not use them.

Requires investigation:

Aella offers health insurance products. Apply the Takaful test before using. Confirm whether contributions are held in a genuinely separate fund, overseen by a Shariah board, and invested in halal instruments. If these conditions are not met, use a licensed Takaful operator instead.

Cowrywise

Not permissible:

Cowrywise's investment products include conventional money market funds, treasury bill funds, and fixed-income products. The returns are interest. Do not use Cowrywise for savings or investment.

The halal alternative:

A profit-sharing investment account at Jaiz Bank, TAJBank, or Lotus Bank.

Risevest

Permissible with conditions:

Risevest's US stock investment feature is permissible provided the companies purchased pass Shariah screening halal core business, acceptable conventional debt ratios, minimal impermissible income sources. Purify the equivalent proportion of any dividend from impermissible income sources by giving it to charity without the intention of reward.

Not permissible:

Risevest's fixed-income products and real estate investment trusts that invest in conventional interest-bearing instruments. Do not use these features.

Buy Now Pay Later

Buy Now Pay Later or BNPL has expanded rapidly in the Nigerian market. Several products now allow consumers to purchase goods immediately with some percent as down payment and pay in instalments over weeks or months.

Nigerian Muslims are using them for electronics, appliances, school supplies, and household goods often without understanding the structure behind them.

The halal evaluation of BNPL depends entirely on the specific product's structure. The name "Buy Now Pay Later" describes a payment timing arrangement, not a financial structure. What matters is what happens between the purchase and the final payment.

The critical question for any BNPL product are:

Is the total amount you repay fixed and agreed at the time of purchase or does it grow with time, with the outstanding balance, or with late payment?

A BNPL product where you agree to pay ₦60,000 for a ₦50,000 item in three instalments of ₦20,000 with the total price fixed from the outset and no additional charge for lateness is structurally similar to a permissible deferred sale. The ₦10,000 premium is the seller's compensation for deferred payment, disclosed and agreed before the transaction begins.

A BNPL product where you pay a processing fee calculated as a percentage of the purchase price, plus a monthly fee on the outstanding balance, plus a late payment penalty that grows with time is riba, regardless of how it is marketed.

Nigerian BNPL Products Evaluated

CDcare

CDcare occupies a unique position among Nigerian BNPL products and deserves more detailed evaluation than the others because its founders explicitly designed it with Muslim customers in mind.

CDcare charges zero extra fees. This means, you pay the normal market price for the item, with payments spread over weekly or monthly instalments.

Once you have paid 50% of the cost, the item is delivered to you, and you complete the balance over time.

This base structure, zero interest, fixed market price, delivery after 50% payment is structurally the cleanest BNPL model available to Nigerian Muslims today.

The buyer pays exactly what the item costs in the market, spread over time, with nothing added. That is a permissible deferred payment arrangement (Murābahah-style).

Ownership Structure: Type 1 or Type 2?

Before evaluating CDcare, you need to apply the one-question test from your hire purchase framework:

Ask CDcare: "If I miss three payments after delivery and you repossess this item, who legally owns it right now?"

If the answer is you, it's Type 1 (Murābahah). That means ownership is transferred at 50% delivery. CDcare is recovering a debt secured against your asset.

If the answer is them, it's Type 2 (Ijārah Muntahia Bittamleek). CDcare still owns it. They are recovering their own property.

Most BNPL services use Type 2 structures (ownership stays with the seller until 100% paid). If CDcare is Type 2, two additional conditions apply beyond the base three.

The Halal Concern is The Late Payment Clause

CDcare charges a 3% late payment fee every week on weekly instalments and a 10% late payment fee every month on monthly instalments on the amount due, after the grace period has elapsed.

There is no limit to the late payment fee chargeable once an item has been delivered.

This is the critical flaw.

A percentage-based charge on an outstanding balance (even just the overdue instalment), with no cap, accumulating with every missed payment cycle is Riba al-Nasi'ah, regardless of how clean the base structure is.

The total amount owed grows with time. That growth is the definition of the riba of delay.

This matches the red flag in your hire purchase evaluation: "A percentage-based late payment penalty is riba, regardless of how the rest of the contract is structured."

Yellow Flags: Structural Concerns Requiring Clarification

Before using CDcare, clarify these points:

Yellow Flag 1 — Ownership Transfer Documentation

If CDcare is Type 2 (seller owns until final payment), the ownership transfer should be documented separately from the hire arrangement.

Most BNPL services bundle it into the original contract.

The Maliki school requires genuine separation for Type 2 permissibility, while Hanafi is more accommodating of bundled arrangements if properly documented.

If you follow Maliki principles and CDcare is Type 2, request separate ownership transfer documentation at final payment.

Yellow Flag 2 — Late Fee Destination

Your Condition 3 states: "A fixed administrative fee for late payment for one that goes to charity, not to the seller is permissible." Clarify whether CDcare's 3%/10% goes to CDcare's profits or to charity. If retained by CDcare, it's definitively riba (seller benefits from delay). If it goes to charity, it's more nuanced but still problematic since it's percentage-based rather than fixed.

Yellow Flag 3 — Delivery After 50% Creates Partial Ownership Uncertainty

The 50% delivery threshold creates uncertainty about whether ownership transfers immediately or remains contingent on full payment. This needs clarification via the one-question test above.

The Practical Guidance for Nigerian Muslims

CDcare is permissible to use provided you are certain you can make every payment on time within the grace period.

The buyer who makes every payment on schedule pays exactly the market price with nothing added. That transaction is halal.

The buyer who misses payments enters a riba structure through the late payment clause.

The percentage-based penalty that compounds with every missed cycle is riba regardless of the intentions behind the original arrangement.

So if you use CDcare:

1. Treat every payment deadline as a firm obligation
2. Set reminders for all payment dates
3. Contribute to the Major Expenses Fund before starting a CDcare plan so instalments are funded from savings rather than from month-to-month income that may fall short

4. If you genuinely cannot make a payment, contact CDcare within the grace period and arrange to return the item before the late payment clause activates if possible
5. Run Tool 1 on the complete CDcare contract, pay particular attention to the late payment clause, the insurance clause (if any mandatory insurance exists), and the price variation clause (confirm no variation with repayment period)

Addressing the Key Question: "Isn't It Riba and the Same as Hire Purchase?"

The late payment clause IS riba, the same type of riba (Riba al-Nasi'ah) as problematic hire purchase. However, the base structures differ.

CDcare has zero base interest and the price is fixed upfront at market price. Most hire purchases have built-in interest and the price sometimes varies with the repayment period.

The practical difference is that CDcare is halal if you pay on time, while most hire purchases are riba regardless of payment behavior because interest is built into the base price.

The warning is that if you use CDcare and miss payments, you enter the same riba structure as hire purchase. Treat every deadline as firm.

Carbon Zero

Carbon's BNPL product allows purchases at partner merchants with repayment spread over instalments.

The structure includes processing fees and interest charges on the outstanding balance. The effective annual rate when all fees are included makes this a conventional interest-based product. This is not permissible.

CredPal

CredPal offers instalment purchasing at partner retailers with fees charged on the credit extended. The fee structure is percentage-based and time-dependent. It functions as interest on a deferred payment. This is not permissible in its current structure.

Easybuy

Easybuy offers consumer electronics and appliances, primarily smartphones on instalment plans with a fixed total price quoted at the point of sale. The structure where the total repayment amount is disclosed and fixed before the transaction is closer to a permissible deferred sale than a conventional loan.

Easybuy enforces late payment by remotely locking the device until payment is made. The lock is removed immediately upon payment.

This mechanism is a use restriction rather than a permanent ownership retention tool. It compels payment the way a physical repossession threat compels payment, but is reversed the moment the obligation is met.

The halal concern is therefore the same as CDcare, not an ownership defect but a late payment consequence. The critical question is whether any percentage-based fee is added to the outstanding balance during the lock period or after a missed payment. If Easybuy adds a percentage-based charge to the outstanding balance for late payment, that charge is Riba al-Nasi'ah and the product carries riba in its late payment structure.

Review the specific late payment terms in Easybuy's current agreement before committing. Apply Tool 1 specifically to the late payment clause. If the outstanding balance can grow because of a missed payment, do not use the product. If the only consequence of late payment is the device lock, which is removed immediately upon payment with no addition to the outstanding balance, the product is permissible to use provided every payment is made on time.

The practical guidance mirrors CDcare exactly: treat every payment deadline as a firm obligation, fund your instalments from savings before starting a plan rather than from month-to-month income that may fall short, and contact Easybuy within the grace period if a payment is at risk.

AjoMoney

AjoMoney's BNPL product is structured around community savings circles with instalment purchasing layered on top. The specific fee structure and late payment terms require individual evaluation against Tool 1. Request the full terms before committing.

The halal BNPL standard:

For any BNPL product to be permissible, it must meet all of the following:

The total repayment amount is fixed and disclosed at the point of purchase before you agree to anything.

No additional fee, charge, or penalty is added to the outstanding balance after the purchase is complete.

The seller or financier has genuine ownership of the goods before selling them to you on deferred terms, not a cash advance that you use to buy the goods yourself.

Late payment does not cause the outstanding balance to grow by any percentage-based amount.

The practical guidance:

Before using any BNPL product, ask one question: "If I am late with a payment, does the total amount I owe increase?" If the answer is yes, the product carries riba in its late payment structure.

The BNPL product that quotes you a fixed total price at the outset as the same amount you will pay whether you are on time or late, covering only the outstanding principal with no percentage-based additions is the only BNPL structure that passes Tool 1.

If no such product is available for a purchase you need to make, the halal alternatives are a direct negotiated payment plan with the seller, a Qard Hasan arrangement from your network, or saving toward the purchase through the Major Expenses Fund until you can pay outright.

A Note on Referral Bonuses and Cashback

Referral bonuses are permissible because they are commercial incentives paid for a real service. The condition includes that the underlying transaction must itself be permissible. A referral bonus for introducing someone to a riba lending platform is not permissible.

Cashback programmes are permissible and they are commercial discounts applied after the fact. A cashback on a permissible purchase is permissible.

The Fintech Decision Framework

Before activating any feature on any Nigerian fintech app, apply this three-question test:

Question 1 — Is this feature a payment channel or a financial product?

Payment channels are permissible. Financial products require further examination.

Question 2 — If it is a financial product, does it pay or charge a return tied to time or balance?

Any return paid on a stored balance, or any charge calculated as a percentage of an outstanding balance growing with time, is riba.

Question 3 — If it is an investment product, where exactly are my funds invested?

Halal includes real assets, Shariah-screened equities, Sukuk, trade finance.
Riba includes treasury bills, conventional bonds, fixed deposits, money market funds in interest-bearing instruments.

ZAKAT AS A FINANCIAL SOLUTION AND WHAT MOST NIGERIAN MUSLIMS DO NOT KNOW

This guide has spent considerable pages showing you how to access halal financing like Qard Hasan, Mudārabah, Mushārakah, Takaful, Islamic banks, cooperative structures. All of these are genuine solutions. All of them belong in your halal finance toolkit.

But there is one solution that precedes all of them in the Islamic financial system. One solution that requires no repayment and that Allah جل جلاله Himself designated specifically for people in financial difficulty. And that is Zakat.

The Eight Categories And Why They Matter Here

Allah جل جلاله did not leave the distribution of Zakat to human discretion. He did it Himself. He says:

"Zakah expenditures are only for the poor and for the needy and for those employed to collect it and for bringing hearts together and for freeing captives and for those in debt and for the cause of Allah and for the

traveller, an obligation imposed by Allah. And Allah is Knowing and Wise."
— Surah At-Tawbah, 9:60

Three of these eight categories are directly relevant to Nigerian Muslims facing financial difficulty today.

Category 1 — Al-Fuqara and Al-Masakeen (The Poor and the Needy)

Al-masakeen, under the Hanafi definitions, are those whose income or assets partially meet their needs but fall short of sufficiency. A person who earns income but whose income does not cover their essential household expenses falls within this category.

A civil servant whose salary does not cover their household's essential needs by the end of the month may be al-miskin is eligible to receive Zakat to cover the shortfall between their income and their essential needs.

The question is not whether you own anything. The question is whether what you own and earn is sufficient for your essential needs. If the honest answer is no, you are in one of the categories Allah جل جلاله designated as Zakat recipients.

Category 2 — Al-Gharimeen (Those Burdened by Debt)

Al-gharimeen, those burdened by debt are explicitly named among the eight Zakat recipients in the Quran. A Muslim who has incurred genuine debt that they cannot repay from their own resources is eligible to receive Zakat specifically to discharge that debt.

Under the dominant Maliki and Hanafi positions, the conditions for eligibility as a gharim are: the debt must be genuine, the debt must have been incurred for a permissible purpose, and the debtor must not possess assets beyond their basic needs sufficient to discharge the debt.

This is not a loophole. It is the Islamic financial system working as designed. Allah جل جلاله built debt relief into the Zakat system because He knew His servants would face genuine financial difficulty.

Category 3 — Ibn Al-Sabeel (The Stranded Traveller)

Contemporary scholars have extended this principle to cover situations of temporary acute need where a person's resources are insufficient for an immediate, specific crisis. This is a minority application and should not be invoked without scholarly consultation.

How to Access Zakat in Nigeria — Practical Steps

Step 1 — Identify your local Zakat distribution channel

Speak to your imam or mosque administrator directly. Do not let cultural embarrassment prevent this conversation. Receiving Zakat is a right designated by Allah جل جلاله, not charity in the diminishing sense that word carries in Nigerian culture.

Step 2 — Contact established Zakat organisations

The National Zakah and Waqf Authority, NAZAWA coordinates Zakat collection and distribution in the FCT. State Zakat boards exist in Kano, Zamfara, Sokoto, Kebbi, and others. The Muslim Welfare Association and similar organisations in Yoruba-majority areas operate Zakat and welfare distribution programmes.

Step 3 — Be honest and specific

State the nature of your need. State if it is for medical, educational, debt discharge, household shortfall, the amount required, and the reason your own resources are insufficient.

Step 4 — Understand what Zakat can and cannot cover

Zakat can cover immediate household needs for those who qualify as fuqara or masakeen, debt repayment for those who qualify as gharimeen, and specific crisis needs within the recognised categories. Zakat cannot be used for luxury expenses or purposes outside the eight designated categories.

What Zakat Payers Need to Understand

If you pay Zakat, consider: do you know of anyone in your community genuinely burdened by debt they cannot discharge?

Do you know of families whose income genuinely does not meet their essential needs?

The most effective Zakat reaches people whose genuine need matches the categories Allah جل جلاله designated.

The Connection Between Zakat and Riba Prevention

Every Nigerian Muslim who takes a riba loan for a need that Zakat could have covered represents a failure of the Zakat system not of the individual.

The Zakat system was designed, in part, to make riba unnecessary. A community in which Zakat is collected properly, distributed effectively, and reaches those genuinely eligible is a community in which the conditions that push people toward riba are substantially reduced.

The riba problem in the Nigerian Muslim community and the Zakat problem in the Nigerian Muslim community are not separate issues. They are the same issue, seen from opposite ends.

WOMEN'S FINANCIAL QUESTIONS: A DEDICATED GUIDE FOR NIGERIAN MUSLIM WOMEN

This section addresses the specific questions Nigerian Muslim women face. These are questions rooted in their specific legal rights under Islamic law, their specific vulnerabilities in the Nigerian social and economic context, and the specific situations that bring them to riba's door in ways that differ from their male counterparts.

Scenario 1 — My Husband Took a Riba Loan Without Telling Me

Under Islamic law, a wife is not financially liable for her husband's debts. Your personal wealth like your savings, your jewellery, your business income, your inheritance is yours and cannot be claimed by his creditors without your consent. The Maliki school is explicit as they rule a wife's separate property is not accessible to discharge her husband's obligations.

What are you obligated to do?

You are obligated to do nothing because you did not sign the loan document. The sin of the riba transaction is not transferred to you by virtue of marriage.

However, If you choose from love, the desire to restore household stability, and genuine willingness to contribute your personal wealth toward helping your husband exit the riba loan, that contribution is yours to make. Document it properly using Tool 4 if it is a loan rather than a gift.

But then, have the conversation with your husband. A household's financial decisions affect both parties. Share Phase 3 Section 1 of this guide with your husband.

Scenario 2 — I Am a Widow Managing Finances Alone for the First Time

Your Immediate Rights

Your husband's estate must be distributed according to the Islamic law of inheritance before any other financial arrangement is addressed.

Your share as a wife is one-quarter of the estate if there are no children, and one-eighth if there are children in addition to your mahr if it was unpaid.

These are fixed by divine instruction in Surah An-Nisa. If family members are pressuring you to waive your inheritance rights, seek the guidance of a qualified Islamic scholar immediately.

Your husband's debts:

His debts are discharged from the estate before distribution to heirs. You are not personally liable for his debts beyond your inherited share of the estate.

Building financial stability as a widow:

Open your own non-interest account at Jaiz Bank, TAJBank, or Lotus Bank immediately.

Ensure your inheritance and any income flows into an account in your name that you control directly.

Identify two or three trusted people who can support your financial decision-making during this transition not to make decisions for you, but to help you make informed decisions yourself.

Scenario 3 — I Am a Single Mother Building Financial Stability

If you are divorced with children, your former husband is obligated under Islamic law to provide nafaqah (financial maintenance) for your children until they reach maturity.

Document the shortfall if he is not meeting this obligation and seek redress through family mediation, Islamic arbitration, or the court system.

Building your halal safety net:

The halal emergency fund is particularly critical for a single mother. Even ₦5,000 per month into a non-interest account builds a meaningful buffer over twelve months. Build your Qard Hasan network deliberately in calm, not in crisis.

Your Zakat eligibility

A single mother whose income does not meet her household's essential needs is eligible to receive Zakat as a miskinah. A single mother carrying debt she cannot discharge is eligible as a gharimah. Do not let cultural reluctance prevent you from accessing what the Shariah has designated for your situation.

Scenario 4 — I Am a Muslim Businesswoman Growing a Halal Enterprise

Under Islamic law, a married woman's business income is entirely her own. Her husband has no claim on her earnings.

Her zakatable wealth is calculated on her own assets independently of her husband's. Her financial decisions about her business are hers to make.

Accessing halal business financing

Every halal business financing structure in Scenario 2 of this guide is fully available to Muslim women. Jaiz Bank, TAJBank, and Lotus Bank offer business financing products without gender restriction.

The savings group as a halal capital tool

The Muslim women's savings circle structured as a halal Ajo is one of the most powerful business capital tools available. A group of ten women contributing ₦20,000 monthly generates ₦200,000 per rotation enough to fund meaningful business investment without any riba exposure.

Scenario 5 — My Household Is Carrying Riba Debt and I Want to Help Fix It

What you can do

Initiate the honest audit in Phase 3 Section 1.

Bring the picture clearly, calmly, without accusation to your husband as a shared project.

Contribute to the halal emergency fund as a shared household goal.

Build the Qard Hasan network on your side of the family.

What you should not do

Do not take a riba loan in your own name to cover a household obligation your husband's riba loan already created. Do not use your personal savings without conscious, deliberate choice and proper documentation.

STUDENT LOANS AND EDUCATION FINANCING: A GUIDE FOR NIGERIAN MUSLIM STUDENTS AND PARENTS

Education is among the most important investments a Nigerian Muslim family makes. But the cost of education in Nigeria and for Nigerian Muslims pursuing education abroad has reached a level where many families cannot cover it from savings or income alone. And the financing options that present themselves most visibly are almost entirely conventional interest-based products.

The Fundamental Question; Does Education Qualify as Darura?

The honest answer is, in most cases, no.

A specific school, university, or programme at a specific time is not, in most cases, irreplaceable in the way that a life-saving medical procedure is irreplaceable. The child who cannot access a university place this year due to insufficient financing is not facing the same category of harm as the patient who cannot access surgery this week.

This does not mean education financing is unimportant. It means the halal alternatives must be genuinely exhausted before concluding that no halal path exists.

The Nigerian Education Loan Fund; What You Need to Know

The Nigerian Education Loan Fund (NELFUND) provides loans for students in federal tertiary institutions. The scheme has been described as interest-free by its proponents.

The guidance is, do not accept this description without verification. Request the full loan agreement documentation before signing anything. Apply Tool 1 to the specific product. If the agreement confirms that only the principal is repayable, with no interest, no time-based fee, then the product is permissible. If it contains any charge that grows with time or with an outstanding balance, it is riba.

The responsibility to verify is yours. Government descriptions of financial products are not Shariah opinions.

Foreign Student Loans

UK Student Loans

The UK student loan system charges interest linked to the Retail Price Index plus a percentage addition. This is riba. The UK government has committed to introducing a Shariah-compliant alternative. Investigate its current status before assuming it is or is not available.

US Federal Student Loans

US federal student loans charge interest. They are riba.

Canadian Student Loans

Canadian federal and provincial student loans are interest-bearing. The same ruling applies. Ansar Financial and similar Canadian Islamic finance institutions have explored halal education financing. Investigate its current availability.

The Halal Alternatives for Education Financing

Alternative 1 — Scholarships and Bursaries

The Islamic Development Bank offers merit scholarships for students from member countries including Nigeria. The Federal Government of Nigeria scholarship board offers bilateral and special scholarships. State government scholarships exist in several states. International scholarships like Commonwealth, Chevening, Fulbright, DAAD are open to Nigerian students. Begin the application process early.

Alternative 2 — Family Qard Hasan

A family Qard Hasan arrangement for education costs works exactly as described in Scenario 1. The lender provides the amount needed, the student repays exactly that amount after graduation, documented with Tool 4. Have this conversation before concluding that no halal alternative is available.

Alternative 3 — Employer and Workplace Education Financing

If you are already employed, some Nigerian employers offer study leave with pay or salary advances for education costs that covers the advances of future salary, repayable by deduction from subsequent payments with no interest addition. These are permissible.

Alternative 4 — Advance Savings in a Non-Interest Account

A parent who saves ₦20,000 per month from the time a child is born has accumulated ₦4,320,000 by the time the child reaches university age without any interest, without any riba, and without any repayment obligation if you have the means to do that. The earlier the saving begins, the more powerful the accumulation.

Alternative 5— Work and Study

Income earned from halal employment during the study period is halal. It reduces the financing gap. It builds professional experience. The discipline required is significant. The financial and spiritual benefit of arriving at graduation debt-free is equally significant.

THE NIGERIAN HALAL FINANCE DIRECTORY

This is a curated reference of Shariah-compliant institutions currently operating in Nigeria. Every institution listed has been included on the basis of a clear Shariah-compliant mandate, institutional structure, and CBN or NAICOM licensing.

BANKING

Jaiz Bank Plc
Jaiz Bank is Nigeria's pioneer full non-interest commercial bank, licensed by the CBN since 2012 and listed on the Nigerian Exchange Group. It operates nationwide with branches concentrated across northern Nigeria and selected southern cities including Lagos and Abuja. It operates under a dedicated Shariah Advisory Board.

Products they operate that are relevant to this guide are Murābahah, Ijārah, Istisna', Mudārabah, Mushārakah, Salam, home finance on Diminishing Mushārakah principles, SME and consumer financing, and non-interest savings and current accounts.

Important access note: Jaiz Bank requires you to domicile your salary or business proceeds with them as a condition of accessing financing products. Transitioning your main account to Jaiz Bank is a prerequisite, not merely a preference.

Website: jaizbank.com

TAJBank Limited

It is a full non-interest commercial bank licensed by the CBN, operating under an Advisory Council of Experts.

Products they operate that are relevant to this guide are Murābahah and Mudārabah financing, Mudārabah time deposits with profit-sharing returns, Wakālah investment services, Sukuk investment products, and non-interest accounts.

Website: tajbank.ng

Lotus Bank

This is a recently established full non-interest commercial bank with an independent Shariah Advisory Board and an internal ongoing Shariah Compliance function. It is particularly focused on digital accessibility.

Their products that are relevant to this guide include Asset-backed and trade-based financing, halal investment fund investing in equities, leases, and trade finance contracts, and non-interest deposit accounts.

Website: lotusbank.ng

UNDERSTANDING "FUND SEPARATION" AT NON-INTEREST WINDOWS

Some conventional banks offer "Islamic banking windows." Fund separation is the critical test for any such window. Meaning that, the money deposited by customers using the Islamic window is kept in a completely separate pool, held in dedicated accounts, managed separately, invested only in halal instruments, and never commingled with funds used for conventional interest-based lending.

When you enquire about a non-interest window at a conventional bank, ask these questions explicitly:

"Is my deposit kept in a separate account from your conventional deposits?" A satisfactory answer names the specific account structure and confirms legal separation.

"Who is on your Shariah board and what is their mandate?" A satisfactory answer names specific qualified scholars with verifiable credentials who have authority to approve and reject products.

"Where exactly are my funds invested?" A satisfactory answer names specific halal asset classes. An unsatisfactory answer mentions treasury bills, government bonds, or fixed deposits at conventional institutions.

If you cannot get clear answers to all three questions, the window is a label, not a structure. Proceed only to fully licensed non-interest banks.

INVESTMENTS

Nigerian Sovereign Sukuk

This is the Federal Government of Nigeria infrastructure Sukuk issued through the Debt Management Office, Asset-backed, Returns from asset income, not interest. You can access it through licensed stockbrokers and Jaiz Bank or TAJBank.

Phase 2 is complete. Turn the page to Phase 3 where we build a financial life so firmly grounded on halal foundations that the next emergency finds you ready.

PHASE 3
MAINTAIN

BUILDING A RIBA-FREE FINANCIAL LIFE LONG TERM

Allah says, "And whoever fears Allah, He will make for him a way out. And will provide for him from where he does not expect. And whoever relies upon Allah — then He is sufficient for him."
— Surah At-Talaq, 65:2–3

Phase 2 gave you the toolkit. You now know the halal structures that apply to every major financial scenario you will face. You have a directory of institutions you can walk into with confidence. You have the checklist that protects you from riba dressed in Islamic clothing. Phase 3 gives you the long game.

Because knowing what to do in a crisis is not enough. The Nigerian Muslim who only prepares for financial emergencies will always be one crisis away from riba's door. What Phase 3 builds is something more permanent and that is a financial life structured so firmly on halal foundations that the next emergency, when it comes, finds you ready.

We begin with the most important chapter in Phase 3 with the system that makes riba unnecessary before it becomes tempting.

BUILDING YOUR FAMILY'S ANTI-RIBA PROTECTION SYSTEM

Every tool in this guide like the halal finance directory, the Qard Hasan template, the cooperative evaluation framework, the darura conditions is a response to a crisis already in progress.

This chapter is different.

This chapter is built for the Muslim who is reading this before the crisis arrives;

The one who wants to construct a financial life so firmly grounded on halal foundations that when the emergency comes, the answer is already in place before the question is asked.

The system described here is not complex. It does not require significant wealth to begin. It does not require sophisticated financial knowledge to maintain. It requires three things: a clear understanding of what you are building, the discipline to build it consistently, and the tawakkul to trust that what you build on halal foundations will carry barakah that no riba-based alternative can replicate.

This is your family's Anti-Riba Protection System.

Why Most Nigerian Muslim Households Are One Crisis Away from Riba

Before building the system, understand why most Nigerian Muslim households do not have one.

It is not a lack of income. Nigerian Muslim households at every income level face the same structural vulnerability. Income arrives. Expenses consume it. Nothing remains at the end of the month. The next crisis finds the household exactly as the last crisis left it without a buffer.

This is not a moral failure. It is the predictable result of a financial architecture that has no designated place for preparation. Every naira has a destination like rent, food, school fees, utilities, transport, family obligations and the destination for preparation does not exist in the architecture.

The Anti-Riba Protection System creates that destination. It builds preparation into the architecture before the month begins, not after it ends.

The Five Funds

The system is built on five dedicated funds. Each fund has a specific purpose, a specific target, and a specific set of rules governing when it can be accessed. Each fund is held in a non-interest account either a separate account for each fund or clearly designated portions of a single non-interest account with written tracking.

The five funds are not built simultaneously. They are built in sequence. One is completed before the next is begun so that the household's financial energy is concentrated rather than dispersed.

Fund 1 — The Emergency Fund

The purpose of this is to cover unexpected, urgent household needs, medical emergencies, sudden loss of income, urgent household repairs, family crises that would otherwise require immediate external financing.

The target should be three months of essential household expenses. Calculate this using Tool 3 in this guide. Calculate rent, food, utilities, school fees equivalent, medical costs, and essential transport . Multiply the monthly total by three. That is your target.

The contribution should be a fixed percentage of monthly income, minimum of ten percent, ideally fifteen to twenty percent transferred to this account on the day income arrives, before rent, food or any other expense, not what is left over at the end of the month but what comes first at the beginning of it.

Rules of access: This fund is touched only for genuine unplanned emergencies not for planned expenses, desires dressed as needs, and opportunities. A medical bill that arrives without warning is an emergency but school fees that are due at the beginning of every term are not an emergency, they are a planned expense that belongs in Fund 3.

Why it prevents riba: The emergency fund is the direct replacement for the emergency loan. Every naira in this fund is a naira that does not need to be borrowed from a cooperative, a fintech app, or a conventional bank when the crisis arrives.

Building it from zero: If your current savings are zero and three months of expenses feels impossibly distant, begin with one month. Then two. Then three. A household with ₦50,000 in a halal emergency fund is more protected than a household with nothing even if the target is ₦300,000.

Fund 2 — The Medical Fund

The purpose is to cover medical expenses, consultations, medications, procedures, hospital admissions for every member of the household.

Why it is separate from the Emergency Fund: Medical expenses are the single most common trigger for riba debt in Nigerian Muslim households. A household whose emergency fund is depleted by a medical crisis has no buffer remaining for the next emergency. Separating the medical fund protects the emergency fund's integrity.

The target should be six months of estimated annual medical expenses divided by two. This is a rolling reserve that covers the household's typical medical cost exposure.

Contribution should be a fixed monthly amount based on your household's medical history and risk profile. Even ₦5,000 per month builds ₦60,000 annually which is enough to cover most routine medical needs and contribute meaningfully to larger ones.

Takaful as a complement: The Medical Fund and Takaful coverage are not alternatives, they are complementary layers of protection.

The Medical Fund covers routine and moderate medical costs. Noor Health from Noor Takaful covers catastrophic medical events whose cost would overwhelm even a well-funded Medical Fund. Build both.

Rules of access: Medical expenses for any household member only.

Fund 3 — The School Fees Fund

The purpose is to ensure that school fees for every child in the household at every level of education are available when due, without any need for external financing.

Why school fees produce riba debt: School fees are one of the most predictable expenses a Nigerian household faces. They arrive at the same time every term, in amounts that are known in advance. And yet they are among the most common triggers for cooperative loans and fintech borrowing in Nigerian Muslim households because the household's financial architecture does not designate a savings destination for them between payment dates.

The target should be the total annual school fees for all children in the household, divided by twelve.

Contribution should be a fixed monthly amount as calculated above, contributed on income arrival day alongside the Emergency Fund contribution.

Rules of access: School fees and directly related educational expenses only.

What this eliminates: The termly panic. The cooperative loan at the beginning of every school term, the fintech app opened under deadline pressure. The household with a functioning School Fees Fund arrives at every payment date with the money already saved.

Fund 4 — The Major Expenses Fund

The purpose is to cover large, planned household expenses like home repairs, vehicle maintenance, major appliance replacement, Hajj savings, family events that are predictable in their eventual arrival even if not in their exact timing.

The target should be an estimated annual budget for major household expenses, divided by twelve.

Rules of access: Planned major household expenses only.

Fund 5 — The Sadaqah and Zakat Fund

For families with a considerable amount of income flow every year, the purpose of this fund is to ensure that the household's Zakat obligation is met correctly and on time every lunar year, and that regular sadaqah is a built-in feature of the household's financial life rather than an afterthought.

Why it belongs in the system: A household whose financial life is built on halal foundations is a household in ongoing relationship with Allah جل جلاله as the true owner of all wealth. Building Zakat and sadaqah into the architecture, rather than leaving them to whatever remains at the end of the month ensures they happen consistently.

Your annual Zakat obligation should be calculated correctly using the NSCIA gold nisab standard and the methodology in **Zakāt Simplified: Your Wealth Has a Right** (This another publication from Darul Hikmah) divided by twelve as a monthly provision plus a fixed monthly sadaqah amount if you are capable of doing so.

Zakat disbursement should be to eligible recipients and Sadaqah should be disbursed to mosque welfare funds, Islamic education institutions, community welfare causes, and individuals in need.

The Sequence of Building

First, fully fund the Emergency Fund to its three-month target. This is the foundation; nothing else should be built until it's in place.

Second, fund the Medical Fund to its target. Once the general emergency buffer is in place, a dedicated medical buffer is the next most urgent protection.

Third, contribute to the School Fees Fund each month, timed to the academic calendar.

Fourth, allocate a monthly provision to the Sadaqah and Zakat Fund as an ongoing commitment.

Fifth, make a monthly contribution to the Major Expenses Fund to save for planned large expenditures.

The Community Layer Beyond the Household

The five funds protect the individual household, but even a well-prepared household faces crises that exceed its individual capacity. This is why the community layer is important.

The Qard Hasan Network:

Every household in your Anti-Riba Protection System should be embedded in a Qard Hasan network of five to ten trusted individuals who have made an explicit mutual commitment to provide interest-free assistance to each other in genuine emergencies. This network does not cost anything to build. It requires only the conversation and the documentation when a need arises.

The Community Welfare Fund:

The third layer is the mosque's welfare fund. If your mosque has one, contribute to it regularly and know how to access it. If it does not, propose one.

Takaful:

The fourth layer is Takaful, a cooperative mutual protection through the five licensed Nigerian Takaful operators. For medical emergencies of a scale that would overwhelm even a well-funded Medical Fund, Noor Health from Noor Takaful provides the backstop that individual savings cannot.

The Barakah Dimension

The Prophet ﷺ said:

"No wealth has ever decreased because of sadaqah."
— Tirmidhi

The Muslim who builds their financial life on halal foundations is not only making rational financial decisions. They are establishing the conditions under which Allah's جل جلاله barakah can flow into their provision. Barakah is not a mystical abstraction. It is the quality that makes halal wealth sufficient.

The Muslim who builds their Anti-Riba Protection System is not only protecting themselves from riba. They are building the conditions for barakah and that is a return on investment that no financial model can calculate.

TAKAFUL; THE MISSING LAYER IN MOST NIGERIAN MUSLIM FINANCIAL PLANS

Most Nigerian Muslims who have worked through Phase 2 of this guide may ask a version of the same question at some point:

"What happens if I build all of this; the emergency fund, the Qard Hasan network, the halal accounts and then a catastrophe arrives that overwhelms everything I have built?"

The catastrophic medical bill, the fire that destroys a business, the death of the household's primary earner, the vehicle accident that creates a liability beyond any emergency fund's capacity are not hypothetical fears. They are the events that destroy Nigerian Muslim households financially not because the households were unprepared in ordinary ways, but because no individual household, however disciplined, can self-insure against catastrophic loss alone. This is precisely what Takaful was designed for.

What Takaful Is And What It Is Not

Takaful is not Islamic insurance in the sense that a conventional insurance policy is rebranded with Arabic terminology. It is a structurally different arrangement built on a different principle entirely.

In conventional insurance, you pay a premium to a corporate insurer. The insurer profits from the gap between premiums collected and claims paid. The contract is a speculative exchange. You pay a certain amount for an uncertain future payout.

This structure contains two elements the majority of scholars across all four madhabs have identified as impermissible: gharar which means excessive contractual uncertainty and, in many products, riba in the investment of premium income. Takaful eliminates both.

In a Takaful arrangement, participants contribute to a shared fund not as premium payments to a corporate insurer, but as voluntary donations to a collective pool established for mutual assistance.

The intention is not speculative exchange but mutual support (ta'awun) which the Quran explicitly commands:

"And cooperate in righteousness and piety, but do not cooperate in sin and aggression."
— Surah Al-Ma'idah, 5:2

When a participant faces a covered loss, the fund covers it from the pool. When the fund generates a surplus at the end of the period more was contributed than was paid out in claims, that surplus belongs to the participants, not to a corporate entity. It is returned to them or donated to charity.

The operator manages the fund on a Wakālah basis, charging a management fee for its services. It does not own the fund. It does not profit from unpaid claims.

The Five Licensed Takaful Operators in Nigeria

All five operators are licensed by NAICOM and operate under Shariah Advisory Boards.

1. Jaiz Takaful Insurance Plc

This is Nigeria's pioneer Takaful operator, licensed in 2016 and headquartered in Abuja.

Products include Motor Takaful, Agric Takaful, Fire and Property Takaful, Engineering Takaful, Marine Cargo Takaful, Family Takaful covering life protection and education plans, and Retirement Takaful.

Visit any Jaiz Bank branch and request a referral to Jaiz Takaful, or contact Jaiz Takaful directly at their Utako, Abuja office.

Website: jaiztakafulinsurance.com

2. Noor Takaful Plc

This is Nigeria's first full-fledged composite Takaful operator, licensed in 2016 and headquartered in Ikoyi, Lagos. It is one hundred percent indigenous Nigerian shareholding and recently generated a ₦1 billion participant surplus returned to participants rather than retained as corporate profit.

Products include Agric Takaful,Motor Takaful, Fire and Property Takaful, Engineering Takaful, Marine Cargo Takaful, Family Takaful covering life protection, education, and retirement plans.

In November 2024, Noor Takaful launched Noor Health, a dedicated Shariah-compliant Health Maintenance Organisation. This is currently the only dedicated halal health coverage product from a licensed Takaful operator in Nigeria. If medical coverage is your primary Takaful need, Noor Health is the product to investigate first. Access through Noor Takaful directly or through their digital platform RAHA by Noor.

Website: noortakaful.ng

3. Hilal Takaful Nigeria Limited

It is a licensed operator headquartered in Ikeja, Lagos.

General Takaful products include Motor Vehicle Takaful covering all vehicle types including tractors and heavy vehicles, Marine Cargo Takaful for internationally transported goods, Engineering All Risks, Asset Protection, Liability to Third Parties, Goods in Transit, Group Schemes, Credit Cover, and Mortgage Protection.

Family Takaful products include Educational Takaful Scheme, a group scheme particularly designed for Islamic schools covering nursery through tertiary level, paying the child's educational costs if the parent or guardian dies. Takaful Investment Plan structured on Mudārabah principles. Marriage Made Easy, a flexible plan covering marriage expenses for the participant or their children.

Website: hilaltakaful.com.ng

4. Crown Takaful Insurance

This is a licensed operator headquartered in Abuja.

General Takaful products include Motor, Fire, Engineering, Property.
Family Takaful products: Education plans, Retirement, Health coverage.

Website: crowntakaful.com

5. Salam Takaful Insurance Limited

It is a licensed operator headquartered in Kano, making it the most accessible Takaful operator for Muslims in the Northwest and Northeast. It was licensed in 2019.

Products include Motor Takaful, Fire and Property Takaful, Engineering Takaful, Marine Cargo Takaful, Family Takaful covering life protection, education, and retirement plans.

Contact: 65 Ibrahim Taiwo Road, Fagge, Kano.

Abuja Branch: Lagos House, Ralph Shodeinde Street, Central Area, Abuja, FCT

Lagos Branch: No. 248 Ikorodu Road, Obanikoro, Lagos
Website: https://www.salamtakaful.online/

Community Option; Pegro Takaful Cooperative Society Limited

This is not a NAICOM-licensed Takaful operator but a registered cooperative society operating on Takaful principles. In Pegro, they pooled contributions, mutual assistance, and shared risk. For communities where the licensed operators' products are not yet accessible, a cooperative structured on genuine Takaful principles offers a community-level alternative. Apply the same fund separation and governance tests described in this chapter before joining.

Address
Suite 4, Hadiza House, No.7 MD Yusuf Road, Kano, Nigeria.

Contact Number: +2349091773576

Website: https://pegrotakafulcoop.com

The Five Types of Takaful Coverage Every Nigerian Muslim Should Know

Family Takaful Life and Income Protection

Family Takaful covers the household against the financial consequences of the death or permanent disability of the primary earner. If the participant dies during the coverage period, the fund pays a specified sum to the family that covers living expenses, debt obligations, and the continuation of household financial plans.

Every Nigerian Muslim household with dependents should have some form of family Takaful. It is not a luxury; it is the financial expression of the Islamic obligation to provide for one's family, extended through Takaful to cover the period after the provider is gone.

Available from all five licensed operators.

Health Takaful — Medical Coverage

Health Takaful covers medical expenses for covered participants and their families. **Noor Health** from Noor Takaful is currently the only dedicated Shariah-compliant HMO product from a licensed Takaful operator in Nigeria. Crown Takaful also offers health coverage within its Family Takaful range.

The combination of a personal Medical Fund and Noor Health coverage creates two layers of medical financial protection: the fund for routine and moderate costs, and Takaful for catastrophic medical expenses. This two-layer model eliminates the primary scenario that drives Nigerian Muslim families toward riba-based emergency loans.

Available from Noor Takaful (Noor Health), Crown Takaful.

Motor Takaful — Vehicle Coverage

Motor Takaful covers vehicles against accidental damage, fire, theft, and third-party liability. For Nigerian Muslims who own vehicles, personally or for business, Motor Takaful replaces conventional motor insurance with a halal alternative that meets the same CBN and FRSC regulatory requirements for road use.

Do not renew your conventional motor insurance at the next expiry date. Contact the nearest licensed Takaful operator and switch to Motor Takaful instead.

Available from All five licensed operators.

Property and Fire Takaful — Asset Protection

Property and Fire Takaful covers homes, business premises, and assets against fire, flood, theft, and related risks. A business owner whose ₦3,000,000 in inventory is covered by a Takaful fund that will replace it in the event of loss does not need to take a riba-based emergency business loan to rebuild.

Available from All five licensed operators.

Educational Takaful — Children's Education Protection

Educational Takaful offered specifically by Hilal Takaful through their Educational Takaful Scheme covers a child's education costs if the parent or guardian dies before the child completes their education. If the covered parent dies, the fund covers the child's school fees from that point through the agreed educational level.

Available from Hilal Takaful Nigeria.

How to Evaluate Any Takaful Product Before Enrolling

Question 1 — Is the participant fund genuinely separated from the operator's funds?

Your contributions must go into a dedicated participant fund which is a separate, ring-fenced pool that belongs to the participants collectively, not to the operator. Ask explicitly, is there a separate Takaful fund account? Is it legally separated from the company's operating funds?

Question 2 — Who is on the Shariah board and what is their mandate?

Ask for the names of the scholars on it and what authority they have or check their websites in the Advisory Board section.

Question 3 — Where are participant contributions invested?

The fund's investment policy must direct contributions exclusively into halal instruments like Sukuk, Shariah-screened equities, trade finance. Ask specifically, are any contributions invested in treasury bills, conventional bonds, or fixed deposits at conventional banks? If yes, the fund has a riba component.

Question 4 — What happens to surplus?

In a genuine Takaful fund, the surplus belongs to the participants. It may be returned to them, carried forward for future claims, or donated to charity. An operator that retains surplus as corporate profit has not structured a genuine Takaful fund.

Your Action Steps for Takaful

This week:

Contact Noor Takaful about Noor Health if medical coverage is your most urgent need. Contact the Takaful operator most geographically accessible to you about Motor Takaful if you own a vehicle and plan to switch from conventional motor insurance at your next renewal date.

This month:

Have a deliberate conversation with your household about Family Takaful. Identify the coverage amount that would sustain your family's essential needs for two years in the event of your death or permanent disability. Request a quote from at least two of the five licensed operators. Compare the participant fund structure, the Shariah board oversight, and the surplus distribution policy.

This year:

Complete your Takaful coverage across the categories relevant to your household; Family, Health, Motor, and Property where applicable.

A Note on Conventional Insurance You Currently Hold

If you currently hold conventional insurance, plan the transition to Takaful at the next renewal date or earlier if the operator can facilitate a mid-term switch. Use the intervening period to research the Takaful product that best meets your needs and to apply the four evaluation questions above.

The transition from conventional insurance to Takaful is a deliberate, informed migration from a structure that carries impermissibility to one that carries both halal foundation and genuine mutual protection.

Make the migration at the earliest reasonable opportunity.

THE EXIT PLAN IF YOU ARE ALREADY IN A RIBA LOAN

This section is written without judgment.

Many Nigerian Muslims reading this guide took a conventional loan before they fully understood the ruling. Some took one knowing it was wrong but feeling they had no alternative. Some are realising mid-sentence that the arrangement they entered last month carries the spiritual weight of riba. Wherever you are, the response is the same.

Step 1 — Tawbah First

Before anything else, make sincere tawbah. The conditions of sincere tawbah are three and they are: genuine regret for what was done, cessation of the sin where possible, and a sincere intention not to return to it.

Allah جل جلاله says:

"Say: O My servants who have transgressed against themselves by sinning, do not despair of the mercy of Allah. Indeed, Allah forgives all sins. Indeed, it is He who is the Forgiving, the Merciful."
— Surah Az-Zumar, 39:53

Two things must be understood clearly.

First, tawbah does not erase your financial obligation to the lender. You still owe what you borrowed. The spiritual weight of the transaction is lifted through sincere repentance. The contractual obligation remains and must be honoured.

The Prophet ﷺ said: **"Delay in payment by a wealthy man is wrongdoing."** (Bukhari and Muslim). Repay what you owe and do it as quickly as your circumstances allow.

Second, the quality of your tawbah is not measured by how quickly you can exit the loan. It is measured by the sincerity of your intention, the genuineness of your regret, and the firmness of your commitment not to return to riba once this obligation is discharged.

Step 2 — The Honest Audit

List every conventional financing obligation you currently carry. For each one, record four things: the institution and product name, the current outstanding balance, the monthly repayment amount, and the remaining number of months until full discharge.

Do not guess; pull the actual statements. This audit gives you a clear, honest picture of your position so that you can plan your exit with intelligence rather than anxiety.

Step 3 — Calculate Your Exit Timeline

Once you have the complete picture, calculate the date on which your last conventional obligation will be fully discharged assuming you make all payments on schedule.

This date is your horizon. Everything you build from now is oriented toward it. Mark it and make du'a toward it. It is the day your financial life becomes fully halal provided you stop adding new riba obligations between now and then.

Step 4 — Stop Adding

Do not take any new riba-based financing during the exit period not for any reason that falls short of genuine darura which is addressed in full in the next chapter.

A business opportunity will appear, an emergency will arrive, a well-meaning person will say: "Just take the quick loan, you can sort out the Islamic finance later." The exit plan collapses the moment you add a new riba obligation while trying to discharge existing ones.

Hold the line. Phase 2 gave you the halal alternatives. Use them.

Step 5 — Accelerate Where Possible

If your financial circumstances allow, make additional payments above your scheduled monthly obligation to reduce the outstanding balance faster. Every naira paid above the scheduled amount reduces the remaining principal and shortens your time inside the riba arrangement.

Step 6 — Dispose of Accumulated Interest Correctly

If your conventional savings account has accumulated interest, give it to charity without the intention of spiritual reward. It is not sadaqah. It is the disposal of impure wealth as an obligation of purification. Then migrate to a non-interest account so that no further interest accumulates.

THE DARURA QUESTION: WHEN DOES GENUINE NECESSITY PERMIT WHAT IS OTHERWISE FORBIDDEN?

The question is not: "Is riba permissible?" It is not. The prohibition is absolute, unanimous across all four madhabs, and among the most severely treated prohibitions in the entire Shariah.

The question is: "Is there a condition of genuine necessity in which a Muslim who has exhausted every halal alternative is temporarily permitted to use what is otherwise forbidden, in order to prevent a harm that Islamic law recognises as catastrophic?"

This is a legitimate jurisprudential question. The answer is yes with conditions so strict that most situations people describe as emergencies do not actually qualify.

The Foundational Principle

The scholars established:

"Al-daruratu tubihul-mahzurat."
Necessities permit what is otherwise prohibited.

This principle is derived from Quranic evidence. Allah جل جلاله says regarding prohibited food:

"He has only forbidden to you dead animals, blood, the flesh of swine, and that which has been dedicated to other than Allah. But whoever is forced by necessity, neither desiring it nor transgressing its limit, there is no sin upon him."
— Surah Al-Baqarah, 2:173

An Important Scholarly Debate You Need to Know

Some classical and contemporary scholars argue that the darura principle, while clearly established for prohibited food, does not transfer with equal force to financial prohibitions like riba. Their argument is that food prohibition and financial prohibition operate in fundamentally different ways in Islamic law. A person denied food faces a physical threat to life that has no alternative resolution. A person in financial difficulty, they argue, can almost always find some halal path, however difficult.

The majority position of contemporary Islamic finance scholars including the Fiqh Council of the Organisation of Islamic Cooperation and the majority of West African Islamic scholars holds that darura can apply to financial prohibitions including riba, but only under conditions more stringent than those applied to other necessity cases.

The practical implication is the threshold for darura in financial matters is higher than it is in other areas of the Shariah. The conditions are stricter. And the self-certification of necessity i.e.deciding on your own that your situation qualifies is more dangerous in financial matters than in almost any other domain.

This is why the guidance that follows is firm on one point above all others, do not invoke darura in financial matters without consulting a qualified scholar.

The Critical Distinction Between Hajah and Darura

Hajah means need or hardship. This is a situation genuinely difficult, where avoiding the impermissible requires real sacrifice. Hajah does not automatically permit what is otherwise impermissible.

Darura means necessity in its strictest sense which is a situation where adhering to the prohibition would lead to genuine, serious, imminent catastrophic harm with no halal alternative available after genuine exhaustion.

The gap between these two concepts is vast. Most situations described as emergencies in everyday Nigerian Muslim life are Hajah, genuine hardship and not darura.

The Five Conditions of Darura

All five conditions must be present simultaneously. The absence of any single condition means darura does not apply.

Condition 1 — The harm must be actual, serious, and imminent

It must not be speculative, distant, merely uncomfortable or financially damaging, threatening life, critical health, or irreplaceable welfare happening now or about to happen.

Condition 2 — All halal alternatives must be genuinely exhausted

Every halal option must have been genuinely pursued and genuinely unavailable. This means before darura can be invoked, one must have approached family for Qard Hasan, spoke to your mosque's leadership about emergency assistance, contacted Islamic microfinance institutions, negotiated payment plans with the hospital or school or creditor, identified assets to liquidate, approached potential Mushārakah partners, and sought non-repayable grants.

Condition 3 — Only the minimum necessary is permitted

Even where darura genuinely applies, the permission extends only to what is strictly necessary not a naira more than the specific gap that halal means could not fill.

Condition 4 — The permission is specific to this emergency on this occasion

This should not be a general license or a recurring permission. Each new situation requires a fresh assessment against all five conditions.

Condition 5 — Sincere intention to exit and return to halal alternatives

The permission of darura is inseparable from the genuine intention to exit the impermissible arrangement as quickly as circumstances allow.

What Typically Does Not Qualify as Darura

1. A business opportunity that will make you more profitable but can be pursued more slowly through halal channels.

2. Wanting to grow at the same pace as competitors using riba-based financing.

3. Cash-flow pressure that is uncomfortable but not threatening immediate survival.

4. School fees where negotiated payment plans with the school have not been attempted.

5. Housing needs where safe, if cramped alternative accommodation exists.

What May Qualify as Darura With Scholarly Consultation

1. A medical emergency where failure to obtain immediate funds will result in serious irreversible harm or death, where all halal financing channels have been genuinely exhausted, and where the minimum necessary cannot be obtained through any halal means.

2. A situation where failure to discharge an existing legitimate financial obligation will result in criminal prosecution or imprisonment and where no halal source of funds is available after genuine exhaustion.

The Practical Guidance

Before invoking darura, exhaust every halal alternative completely and honestly. Document what you attempted and why each was unavailable.

Then, approach a qualified Islamic scholar with genuine Fiqh training who can assess your specific situation, not a friend who knows some Arabic, not an online fatwa platform.

The Prophet ﷺ said: **"Leave what makes you doubt for what does not make you doubt."** (Tirmidhi).

The permission of darura, where it genuinely applies, is a mercy from Allah جل جلاله for His servants in their most difficult moments. It is not a loophole or a convenience. It is a last resort surrounded by conditions, limited in scope, and inseparable from the intention to return to what is halal the moment circumstances allow.

DOES MY SITUATION QUALIFY AS DARURA?

The darura section above has given you the full scholarly framework. This framework is a companion to that section not a replacement for it. It translates the scholarly conditions into a sequential decision process that you can work through honestly when you are under financial pressure.

Do not use this framework as a checklist to justify a decision already made. Use it as a mirror.

STEP 1 — DEFINE THE HARM

Write down, in one sentence, the specific harm you are trying to prevent, not "I need money." The specific, concrete harm.

Now ask, does this harm threaten life, critical and irreversible health, or essential welfare in a way that is immediate and cannot wait?

↓ **YES** — Proceed to Step 2.

↓ **NO** — This is hajah, not darura. Return to Phase 2 and work through the halal alternatives more thoroughly.

STEP 2 — VERIFY THE TIMELINE

Is this harm happening now or about to happen within a timeframe that genuinely cannot accommodate a halal solution?

↓ **YES** — Proceed to Step 3A.

↓ **NO** — Go to Step 3B before concluding darura applies.

STEP 3A — THE HALAL EXHAUSTION TEST

Work through each of the following halal options. For each one, write down what specific action you took to pursue it and why it was unavailable.

Option 1 — Qard Hasan from family members.
Did you approach your parents, siblings, aunts, uncles, and adult children directly and explicitly ask? Not a hint; ask directly.
If yes and genuinely unavailable, tick and move on. If not attempted, attempt it before proceeding.

Option 2 — Qard Hasan from mosque community members.
Did you approach trusted members of your mosque community in direct, private conversation?
If yes and genuinely unavailable, tick and move on. If not attempted, attempt it before proceeding.

Option 3 — Mosque welfare fund.
Did you speak directly to your imam or mosque welfare committee and ask explicitly?
If yes and genuinely unavailable, tick and move on. If not attempted, attempt it before proceeding.

Option 4 — Zakat eligibility.
Does your situation qualify you as a gharim or miskin? Did you approach a Zakat distribution channel?
If yes and genuinely unavailable, tick and move on. If not attempted, attempt it before proceeding.

Option 5 — Direct negotiation with the creditor.
Did you approach the hospital, school, landlord, or relevant party directly and negotiate a payment plan?
If yes and genuinely unavailable, tick and move on. If not attempted, attempt it before proceeding.

Option 6 — Asset liquidation.
Do you have any assets like jewellery, electronics, vehicle, savings that could be liquidated to reduce the gap?
If yes and genuinely unavailable, tick and move on. If not attempted, consider it before proceeding.

↓ **ALL SIX OPTIONS GENUINELY EXHAUSTED** — Proceed to Step 4.

↓ **ANY OPTION NOT GENUINELY ATTEMPTED**, Return and attempt it. The difference between "I tried and it was not available" and "I assumed it would not be available" is the difference between genuine darura and rationalised permission.

STEP 3B — FOR SITUATIONS WITH AVAILABLE TIME

Use the available time to work through the seven options in Step 3A. Many situations that feel like emergencies are genuine hardship combined with the psychological pressure of a deadline. The Muslim who has five days before a deadline and spends those five days actively pursuing halal alternatives finds that in most cases the halal alternative emerges within that window.

STEP 4 — CALCULATE THE MINIMUM NECESSARY

If all six options have been genuinely exhausted and the harm is genuinely immediate, calculate the minimum necessary precisely.

If the surgery costs ₦380,000 and your Qard Hasan network covered ₦200,000, your Zakat eligibility covered ₦80,000, and asset liquidation produced ₦30,000, the minimum necessary from an impermissible source is ₦70,000 not ₦380,000. Write the number down. It is the ceiling.

↓ Proceed to Step 5.

STEP 5 — CONSULT A QUALIFIED SCHOLAR

This step is not optional; it is a condition.

A qualified scholar means a person with genuine training in Fiqh al-Mu'amalat. Present your situation with the documentation from Steps 1 through 4.

↓ **SCHOLAR CONFIRMS DARURA APPLIES**, Proceed to Step 6.

↓ SCHOLAR DETERMINES DARURA DOES NOT APPLY,
Return to Phase 2. There is a halal path; find it.

STEP 6 — ACT WITH THE EXIT INTENTION FIRMLY IN PLACE

Make sincere tawbah before signing anything. Take only the minimum necessary amount calculated in Step 4. Begin the exit plan from the moment the emergency passes. Maintain the firm intention not to return to this situation.

One Final Reminder

This framework is not designed to make darura harder to reach. It is designed to make the path through it honest.

The Muslim who works through this framework honestly and finds that their situation genuinely qualifies, proceeds with a clear conscience and a legitimate scholarly basis.

The Muslim who works through it honestly and finds that one of the halal options they had not fully pursued was actually available, avoids a burden they would otherwise have carried for years. Both outcomes are mercy.

THE LONG-TERM FRAMEWORK: BUILDING A HALAL FINANCIAL LIFE

The exit plan gets you out. The darura framework protects you in genuine emergencies. This section builds what keeps you from needing either.

Pillar 1 — The Halal Emergency Fund

The single most powerful protection against riba is a financial reserve that makes borrowing unnecessary.

The Prophet ﷺ said: **"Tie your camel, then put your trust in Allah."** (Tirmidhi). Tawakkul is the spiritual posture of a person who has done everything within their capacity and then releases the outcome to Allah جل جلاله. Building an emergency fund is the financial equivalent of tying your camel.

The target is three months of essential household expenses held in a non-interest account at Jaiz Bank, TAJBank, or Lotus Bank as opined earlier. The method is this; a fixed percentage between ten and twenty percent of every month's income is transferred to the emergency fund account on the day income arrives, before any other spending decision is made.

See Tool 3, the Halal Emergency Fund Planner at the end of this phase to track your progress monthly.

Pillar 2 — The Non-Interest Banking Migration

If you have not already done so, move your primary banking relationship to a Shariah-compliant institution today.

Open an account at Jaiz Bank, TAJBank, or Lotus Bank. Transition your salary or income deposit to that account. Move your primary savings there. Every day your salary sits in a conventional savings account earning interest is another day impure income accumulates in your name. The migration costs nothing. The spiritual cost of delay is real.

Pillar 3 — The Community Qard Hasan Network

Build your Qard Hasan network before you need it. Identify five to ten people from your family members, close friends, trusted mosque colleagues who you could approach for interest-free financial assistance in a genuine emergency, and who could approach you for the same. Have this conversation explicitly. Make the mutual commitment known.

What a well-functioning community Qard Hasan network looks like:

Mallam Ibrahim's mosque in Osogbo has thirty active members in its Qard Hasan circle. Each member has registered a maximum lending capacity, the amount they can lend without financial strain. The circle has a simple governance: a trusted elder who receives requests, verifies the need, and identifies available lenders. Every transaction is documented with a signed agreement. Every repayment is acknowledged in writing.

When Usman's mother needed surgery for ₦380,000, and Usman had only ₦80,000, the elder contacted four members of the circle. Within forty-eight hours, ₦300,000 was assembled from four Qard Hasan loans of ₦75,000 each. Usman's mother had her surgery. Usman repaid each lender over eight months. Not a single naira of interest was paid.

Maintain the network through reliability. When you borrow from it, repay promptly. When someone draws from it, give without resentment.

Pillar 4 — The Annual Halal Financial Review

Once a year, conduct a deliberate review of your financial life against four questions:

Question 1 — Is every account I hold at a non-interest institution?

If any conventional savings accounts remain, close them. Dispose of accumulated interest correctly and migrate.

Question 2 — Is every financing obligation I carry structured on genuinely halal terms?

Apply Tool 1 to every existing arrangement. If any arrangement fails the checklist, begin the exit plan.

Question 3 — Is my Zakat correctly calculated on my net zakatable wealth?

Outstanding halal financing obligations are deductible from your zakatable wealth. For a comprehensive, step-by-step guide to calculating Zakat accurately in the Nigerian context, see **Zakāt Simplified: Your Wealth Has a Right**, published by Darul Hikmah.

Question 4 — Is my emergency fund at its target level?

If it has been drawn down during the year, what is the plan to rebuild it?

This annual review is not an accounting exercise. It is an act of stewardship and the stewardship of wealth held in trust from Allah جل جلاله, accounted for before Him on the Day the Prophet ﷺ described: **"The feet of the son of Adam shall not move**

from before his Lord on the Day of Resurrection, until he is asked about five things; his wealth, where he earned it and how he spent it." (Tirmidhi)

See Tool 5, the Annual Halal Financial Review Checklist at the end of this phase.

Pillar 5 — Evaluating Every New Financial Product

From this point forward, no financial product enters your life without passing Tool 1.

Not because you distrust every institution but because the Nigerian financial market is saturated with products that use Islamic language to attract Muslim money into structures that are riba by any honest analysis. The checklist takes five minutes. The consequences of skipping it can last years. Make it a habit, automatic and non-negotiable.

Pillar 6 — Establishing or Joining a Community Financial Structure

The long-term vision of halal finance in Nigeria is not individual Muslims navigating a hostile financial system alone. It is Muslim communities rebuilding the cooperative financial infrastructure that Islamic civilisation developed and sustained for a thousand years.

If your mosque has a welfare fund, contribute regularly.

If your mosque has no welfare fund, propose one. The structure is simple, voluntary monthly contributions from willing members, managed transparently by a trusted elder or committee, disbursed as Qard Hasan to members in genuine need, documented with Tool 4.

If your community wants to formalise a cooperative, register it with the Corporate Affairs Commission as a cooperative society. The registration process requires a minimum of ten members, a written constitution or bye-laws, a registered name, and a registration fee. CAC registration gives the cooperative legal standing, enables it to open a dedicated non-interest bank account in its name, and protects every member under Nigerian cooperative law.

A formally registered Islamic cooperative can grow from a small Qard Hasan circle into a structure offering group Murābahah for equipment purchases, Mushārakah investment pools for business capital, and eventually with sufficient accumulated capital contributions toward members' housing needs.

TOOL 3 — THE HALAL EMERGENCY FUND PLANNER

Track your emergency fund monthly until you reach your target. Your target is three months of essential household expenses.

Step 1 — Calculate Your Monthly Essential Expenses

Rent or housing costs: ₦ _______________
Food and household supplies: ₦ _______________
Utilities — electricity, water, gas: ₦ _______________
School fees — monthly equivalent: ₦ _______________
Medical and health costs — monthly average: ₦ _______________
Transportation — essential only: ₦ _______________
Other essential costs: ₦ _______________

Total Monthly Essential Expenses: ₦ _______________

Emergency Fund Target (multiply by 3): ₦ _______________

Step 2 — Set Your Monthly Contribution

My monthly income: ₦ _______________
My monthly contribution to emergency fund (minimum 10%): ₦ _______________
Target completion date at this contribution rate: _______________

Step 3 — Monthly Tracking

Month 1: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 2: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 3: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 4: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 5: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 6: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 7: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 8: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 9: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 10: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 11: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

Month 12: Balance ₦ _______________ | Contributed ₦ _______________ | % of target ______

TOOL 4 — THE QARD HASAN AGREEMENT TEMPLATE

In the Name of Allah, the Most Gracious, the Most Merciful

"Who is it that would loan Allah a good loan so He may multiply it for him many times over?"
— Surah Al-Baqarah, 2:245

Date: _______________

The Lender

Full Name: ________________________________

Phone: ________________

The Borrower

Full Name: ________________________________

Phone: ________________

The Loan

Amount: ₦ ____________ (in words: __________________________________)

Purpose: ____
__

This loan is a Qard Hasan, an interest-free loan given in accordance with Islamic principles. No additional amount of any kind whether described as interest, profit, service charge, fee, gift, or any other term is owed by the Borrower beyond the principal sum stated above.

Repayment

The Borrower shall repay the exact sum of ₦ ____________ no more and no less.

Repayment schedule:

Single payment due on: ____________________________ (if applicable)

Or instalments:
₦ _______________ due on _______________
₦ _______________ due on _______________
₦ _______________ due on _______________
₦ _______________ due on _______________

Total repayment: ₦ _______________ (must equal the original loan amount exactly)

Hardship Clause

If the Borrower faces genuine financial hardship, he or she shall notify the Lender immediately. Both parties shall agree in good faith on revised terms, in accordance with:

"**And if someone is in hardship, then let there be postponement until a time of ease."**
(Al-Baqarah 2:280)

Signatures

Lender: ____________________________ Date: __________

Borrower: ___________________________ Date: __________

Witness 1: ___________________________ Date: __________

Witness 2: ___________________________ Date:

____

Both parties are advised to retain a signed copy of this agreement.

TOOL 5 — THE ANNUAL HALAL FINANCIAL REVIEW CHECKLIST

Banking

Every account I hold is at a non-interest institution — yes or not yet.

I have disposed of any accumulated conventional interest income correctly — yes or not yet.

Financing

Every financing obligation I carry has passed Tool 1 — yes or not yet.

I have not added any new riba-based financing since my last review — yes or not yet.

Emergency Fund

My emergency fund is at its three-month target — yes or not yet.

If it was drawn down this year, I have a plan to rebuild it — yes or not yet.

Zakat

I have calculated my Zakat correctly this lunar year, accounting for outstanding financing obligations — yes or not yet.

I have paid my Zakat before the deadline — yes or not yet.

Takaful

I have Family Takaful coverage in place — yes or not yet.

I have Health Takaful coverage through Noor Health or Crown Takaful — yes or not yet.

My Motor Takaful is in place and my conventional motor insurance has been cancelled — yes or not yet.

Community

I contribute to or have proposed a community welfare fund — yes or not yet.

I am part of or have proposed a halal cooperative savings arrangement — yes or not yet.

Products

I have applied Tool 1 to every new financial product I encountered this year — yes or not yet.

TOOL 6 — THE RIBA-FREE LIFE CHECKLIST

Complete this checklist honestly before closing this guide.

The Foundation

I have made sincere tawbah for any riba transactions in my past — yes or not yet.

I hold my primary savings and salary in a non-interest account — yes or not yet.

I have disposed of any accumulated conventional interest income correctly — yes or not yet.

The Emergency Protection

I have a halal emergency fund of at least one month's essential expenses — yes or not yet.

I have identified at least three people I could approach for Qard Hasan in a genuine emergency — yes or not yet.

I have saved Tool 4 to my phone — yes or not yet.

I have spoken to my mosque about emergency welfare provisions — yes or not yet.

Takaful Coverage

I have Family Takaful coverage in place — yes or not yet.

I have Health Takaful coverage through Noor Health or Crown Takaful — yes or not yet.

My vehicle is covered by Motor Takaful rather than conventional insurance — yes or not yet.

The Ongoing Vigilance

I apply Tool 1 to every new financial product before signing — yes or not yet.

I conduct an annual review using Tool 5 — yes or not yet.

I calculate my Zakat correctly each lunar year — yes or not yet.

The Exit (For Those Currently in a Riba Loan)

I have completed an honest audit of every conventional financing obligation I carry — yes or not yet.

I have calculated my exit timeline — yes or not yet.

I have committed to taking no new riba-based financing during the exit period — yes or not yet.

I have explored Islamic refinancing options with Jaiz Bank or TAJBank — yes or not yet.

The Community

I contribute to or have proposed a community welfare fund at my mosque — yes or not yet.

I am part of or have proposed a halal cooperative savings arrangement — yes or not yet.

PART 4
END MATTER

10 REAL-LIFE NIGERIAN FINANCIAL SCENARIOS AND WHAT TO DO INSTEAD

Most financial guidance is written around concepts. This appendix is written around situations that talks about the specific, familiar, Nigerian moments when the pressure to reach for a riba option feels most intense.

For each scenario, you will find the situation as it actually arrives, the riba option most Nigerian Muslims reach for, the halal alternatives available, and the first action step to take today.

Read the scenarios most relevant to your current situation first. Then read the rest because the emergency that is not yours today may be yours tomorrow.

Scenario 1 — Medical Emergency

The situation:

Hajiya Ramota's husband has been diagnosed with a condition requiring surgery. The hospital has quoted ₦380,000 for the procedure. The surgery cannot wait. Their savings cover ₦80,000. They need ₦300,000 within seventy-two hours.

The riba option most people reach for:

A cooperative loan at 20-25% monthly service charge, or a fintech app offering instant disbursement. Borrowing ₦300,000 this way costs between ₦360,000 and ₦525,000 in total repayment depending on the term. This a riba burden added on top of the medical crisis.

The halal alternatives:

First, the Qard Hasan network. Three to five family members or trusted mosque community members each contributing ₦60,000 to ₦100,000 assembles the full amount without interest, without guilt, and without a growing monthly obligation. Document each arrangement with Tool 4.

Second, the mosque welfare fund. Before approaching any external institution, speak to the imam or welfare committee. A crisis of this nature like medical, urgent, affecting a community member is precisely what welfare funds exist for if it is available in your Mosque.

Third, Zakat eligibility. A household whose savings are ₦80,000 against a ₦380,000 medical bill, with no other significant assets, may qualify for Zakat as masakeen or gharimeen. Approach your mosque's Zakat committee honestly if there is any.

Fourth, hospital payment negotiation. Many Nigerian hospitals will accept a significant upfront payment and a structured balance. Pay the ₦80,000 immediately. Negotiate a payment plan for the remaining ₦300,000. Ask explicitly. Many families do not ask because they assume the answer is no. Sometimes, it is not.

Fifth, Noor Health from Noor Takaful. If Hajiya Ramota's household had enrolled in Noor Health before the emergency, this is exactly the crisis the fund exists to cover. This scenario illustrates precisely why health Takaful coverage should be in place before the need arrives.

Scenario 2 — School Fees Crisis

The situation:

Ustaz Kamaldeen's children's school fees are due in five days. Combined fees for three children total ₦210,000. His salary was delayed this month and he has ₦45,000 available. He needs ₦165,000.

The riba option most people reach for:

The workplace cooperative offers to disburse ₦165,000 with a 10% monthly service charge deducted at source, meaning he receives ₦148,500 and repays ₦165,000 plus charges over four months. Total repayment: approximately ₦231,000 for a ₦165,000 need.

The halal alternatives:

First, direct negotiation with the school. Approach the school's bursar with the ₦45,000 available and an honest explanation of the salary delay. Request permission for the children to resume while the balance is paid within two to three weeks when the salary clears. Many Nigerian schools will accommodate a short-term payment arrangement for a reliable parent.

Second, Qard Hasan from a family member for the two to three week gap between now and salary clearance. This is not a large ask, it is a short-term bridging arrangement that costs the lender nothing and saves Ustaz Kamaldeen months of riba repayment.

Third, the School Fees Fund which this scenario illustrates the need for. A household contributing ₦17,500 monthly to a dedicated school fees account would have ₦210,000 accumulated by the end of twelve months, eliminating this crisis entirely.

Scenario 3 — Business Inventory Gap

The situation:

Alhaja Sikirat runs a fabric business in Oshodi market. A supplier is offering her a bulk purchase of ₦600,000 in Ankara fabric at a 25% discount, available for one week. She has ₦250,000 liquid and needs ₦350,000 to take the full opportunity.

The riba option most people reach for:

A quick business loan from a fintech platform disbursed within hours, with a monthly fee of 8-10% of the loan amount. Borrowing ₦350,000 at 8% monthly for four months costs ₦462,000 in total repayment of ₦112,000 in riba charges on a transaction intended to generate profit.

The halal alternatives:

First, find a Mushārakah arrangement with a trusted partner. A mosque colleague or family member contributes the ₦350,000 as their share of a joint purchase. Alhaja Sikirat contributes her ₦250,000 and her expertise, supplier relationship, and market access. Profit from the sale of the inventory is shared at an agreed ratio, say 60% to Alhaja Sikirat for her active role and 40% to the partner for their capital with no interest, just genuine shared enterprise.

Second, a Mudārabah arrangement. The partner provides the full ₦350,000 as capital. Alhaja Sikirat manages the purchase, storage, and sale entirely. Profit is split at an agreed ratio. If the inventory sells at a loss, which fabric inventory rarely does, the capital loss falls on the partner, not Alhaja Sikirat.

Third, taking a smaller share of the bulk purchase. If ₦250,000 is what is available halal, buy ₦250,000 worth of the discounted fabric rather than borrowing to buy ₦600,000 worth. A smaller halal profit is worth more than a larger riba-financed one.

Scenario 4 — House Rent

The situation:

Malam Bello's annual rent of ₦480,000 is due in three weeks. He has ₦200,000 saved. He needs ₦280,000. His landlord does not accept partial payment and is not willing to negotiate a quarterly arrangement.

The riba option most people reach for:

A rent loan from a cooperative or rent financing fintech which is increasingly common in Nigerian cities at effective rates that add ₦50,000 to ₦100,000 in charges to the total repayment.

The halal alternatives:

First, Qard Hasan from two or three family members who contribute ₦90,000 to ₦140,000 each assembled and repaid over six to eight months from monthly income. Documented with Tool 4.

Second, renegotiation with the landlord. The landlord's preference for annual payment is a preference, not an immovable condition in most cases. An approach with ₦200,000 upfront and a documented commitment to pay the balance within sixty days backed by evidence of income resolves many rent gaps without any external financing.

Third, a deliberate move to more affordable accommodation at renewal. A household spending more than 30% of its monthly income on rent is structurally vulnerable to this crisis every year. The long-term solution is accommodation whose cost fits within the household's halal financial capacity.

Fourth, the Major Expenses Fund which this scenario illustrates the need for. A household saving ₦40,000 monthly toward annual rent accumulates ₦480,000 in twelve months, arriving at every renewal date fully prepared.

Scenario 5 — Generator or Appliance Purchase

The situation:

Hajiya Bilkisu's refrigerator has stopped working. She runs a small food business like zobo, kunu, and cooked food from home and the refrigerator is essential to the business. A replacement costs ₦185,000. She has ₦60,000 available.

The riba option most people reach for:

A hire purchase arrangement from an electronics retailer with a monthly instalment plan that includes a financing charge effectively adding ₦30,000 to ₦50,000 to the purchase price through time-based charges.

The halal alternatives:

First, a halal instalment purchase directly with the retailer. Negotiate a payment plan of ₦60,000 upfront and ₦62,500 per month for two months with the total price fixed at ₦185,000 from the outset, no additional charge for the deferred payment. Many retailers will accept this arrangement, particularly from established customers, especially when a meaningful upfront payment is made. The condition that makes it halal is that the total price is fixed and agreed before the arrangement begins, and it does not increase if a payment is slightly late.

Second, Qard Hasan from one family member for the ₦125,000 balance, repaid over three months from business income. The refrigerator is a business asset; it generates the income that repays the loan.

Third, a refurbished appliance. A functioning refurbished refrigerator at ₦60,000 to ₦80,000 within Hajiya Bilkisu's current cash solves the immediate business problem while she saves toward a new appliance through the Major Expenses Fund.

Scenario 6 — Wedding Expenses

The situation:

Malam Idris's daughter is getting married. The agreed wedding costs total ₦750,000. He has ₦400,000 saved. The shortfall is ₦350,000. The wedding date is two months away.

The riba option most people reach for:

A personal loan from a cooperative or conventional bank with charges that add ₦70,000 to ₦150,000 to the repayment burden, typically at a time when the household's finances are already stretched by wedding preparations.

The halal alternatives:

First, do a deliberate reduction in the wedding's scope. The Islamic wedding, a nikkah conducted according to the Sunnah, does not require expenditure beyond the mahr and a modest waleemah. The Prophet ﷺ said: **"The most blessed nikkah is the one with the least burden."** A wedding whose cost exceeds the household's halal financial capacity has exceeded the Sunnah's guidance regardless of social expectation. The ₦400,000 available may be sufficient for a waleemah that is genuinely Sunnah-compliant.

Second, Qard Hasan from family members who are themselves invested in the wedding's success. A father's brothers, the groom's family's contribution, close family friends assembled as interest-free loans documented with Tool 4 and repaid over twelve months.

Third, a two-month delay to the wedding date. Two additional months of saving at ₦100,000 per month adds ₦200,000 to the available funds reducing the Qard Hasan requirement to ₦150,000 rather than ₦350,000. A wedding delayed by two months to be celebrated on halal foundations is better than a wedding held on schedule on riba foundations.

Scenario 7 — Hajj Savings

The situation:

Brother Abdurrahman has wanted to perform Hajj for seven years. The current cost from Nigeria is approximately ₦2,800,000 per person for example. He has ₦600,000 saved across several years of irregular saving. He is fifty-two years old and increasingly aware that Hajj is an obligation he has not yet fulfilled.

The riba option some people reach for:

A Hajj financing scheme offered by some travel agencies and cooperative societies that finances the gap between available savings and the full Hajj cost, with repayment on return. Some of these schemes charge time-based fees on the financed amount. They are riba dressed in the language of spiritual facilitation.

The halal alternatives:

First, a structured monthly saving plan with a specific target date. ₦2,800,000 minus ₦600,000 leaves a gap of ₦2,200,000. At ₦92,000 per month, this gap is closed in twenty-four months. Brother Abdurrahman can perform Hajj at fifty-four, debt-free, on entirely halal savings. Open a dedicated Hajj savings account at Jaiz Bank or TAJBank today. Name it and make it specific. Transfer to it first on every salary day.

Second, a family Hajj pool. Two or more family members saving toward Hajj together and pooling monthly contributions into a shared non-interest account to reach the individual target faster through collective discipline and mutual accountability.

Third, IsDB and other halal Hajj grant schemes. The Islamic Development Bank and some state-level Islamic welfare organisations maintain Hajj support programmes for Muslims who cannot fund the full cost independently. Investigate availability through your state's Islamic affairs ministry or the IsDB Nigeria office.

Scenario 8 — Farming or Agricultural Capital

The situation:

Malam Garba is a smallholder farmer in Kebbi State. The planting season is six weeks away and he needs ₦450,000 for seeds, fertiliser, and labour costs. Last year's harvest was sold and the proceeds consumed by household expenses over the past months. He has ₦80,000 available.

The riba option most people reach for:

Take an agricultural loan from a microfinance bank or cooperative society, with service charges that consume a significant portion of the harvest proceeds before Malam Garba sees any income from the season's work.

The halal alternatives:

First, a Salam contract with a trusted buyer. In a Salam arrangement, the buyer pays the full purchase price for a specified quantity of agricultural produce upfront before the harvest. Malam Garba receives ₦450,000 now in exchange for committing to deliver a specified quantity of his harvest at a specified future date with no interest. This is a genuine trade transaction. The buyer takes the risk of price movement. Malam Garba takes the risk of the harvest's success. Risk is shared.

Salam is available informally through established grain merchants and buyers who know Malam Garba's farming history and trust his delivery. It is also available formally through Islamic microfinance institutions in northern Nigerian states.

Second, a Mushārakah arrangement with a fellow farmer or community investor. Two parties pool capital, Malam Garba contributes his ₦80,000 and his land, labour, and farming expertise. The partner contributes the remaining ₦370,000. Profit from the harvest is shared at an agreed ratio. If the harvest fails due to weather or circumstances beyond their control both parties bear the loss proportionally.

Third, state agricultural support grants. SMEDAN, the Bank of Industry's agricultural windows, and state-level agricultural development programmes offer non-repayable grants and subsidised input support for smallholder farmers. These are permissible. Investigate what is available in the State specifically through the state's Ministry of Agriculture.

Scenario 9 — Car Purchase

The situation:

Sister Zainab is a nurse in Abuja. Her workplace is not accessible by public transport and she has been spending ₦35,000 per month on transport. A reliable used car costs ₦2,200,000. She has ₦800,000 saved. She needs ₦1,400,000.

The riba option most people reach for:

A conventional car loan from a bank or a hire purchase arrangement from a car dealership with effective annual rates that add ₦400,000 to ₦700,000 to the total cost of the vehicle over the loan term.

The halal alternatives:

First, Murābahah financing through Jaiz Bank or TAJBank. The bank purchases the specific vehicle Sister Zainab has identified from the seller, takes ownership, and sells it to her at a disclosed markup payable in monthly instalments. The markup is fixed from the outset. The total cost is known before the arrangement begins. Apply Tool 1 to verify the specific product terms before signing.

Second, a Diminishing Mushārakah arrangement. Sister Zainab and a halal finance partner co-purchase the vehicle. She pays monthly — part rental for the partner's share, part acquisition payment buying the partner's share gradually. She eventually owns the vehicle outright with no interest and just genuine co-ownership.

Scenario 10 — Job Loss or Income Disruption

The situation:

Malam Tunde was made redundant from his position at a manufacturing company in Lagos. He has a wife, two children, and monthly household expenses of ₦180,000. His terminal benefits covered three months of expenses. He is in month two of his job search. He has one month of expenses remaining which is ₦180,000. He has no income.

The riba option most people reach for:

A personal loan to bridge the income gap justified as temporary, manageable, repayable once employment resumes. In reality, a loan taken during unemployment with no income to service it creates a repayment obligation that compounds the financial pressure of the job search.

The halal alternatives:

First, immediate household expense reduction. A household in genuine income disruption reduces to essential expenses only like food, utilities, children's school fees, and critical medical costs. Non-essential expenses are suspended entirely. A genuinely essential budget may be ₦100,000 to ₦120,000 rather than ₦180,000, extending the remaining funds by three to four additional weeks.

Second, Qard Hasan from family members. A job loss is one of the most legitimate Qard Hasan needs in the entire Islamic financial framework because of a temporary income gap in a household that has demonstrated the capacity to earn and will restore that capacity when employment resumes.

Third, Zakat eligibility. A household with no income and depleting savings, with dependents, meets the definition of masakeen under the dominant Maliki and Hanafi positions. Approach your mosque's Zakat committee honestly.

Fourth, the mosque and community welfare fund. A community member facing genuine hardship through job loss with a family to support is precisely the person a mosque welfare fund is designed to assist.

Fifth, immediate income generation from halal alternative sources. Skills that can generate income immediately like teaching, trading, skilled labour, freelance services should be activated without pride. Temporary halal income from any source is better than riba debt taken in anticipation of future employment.

FREQUENTLY ASKED QUESTIONS

These are the questions Nigerian Muslims ask most often about money, riba, and halal finance. Each answer is direct. Where scholars differ, the stronger and more cautious position is given.

SECTION A — BANKING AND ACCOUNTS

Q1. Can I keep my money in a conventional bank?

You may keep money in a conventional bank current account for the purpose of transactions for receiving salary, making transfers, paying bills provided you do not accept the interest the bank offers.

A current account that pays no interest is permissible for transactional use. A savings account that automatically credits interest to your balance is not permissible.

The correct action is to migrate your primary savings to a non-interest account at Jaiz Bank, TAJBank, or Lotus Bank as soon as possible.

If you must maintain a conventional account for transactional reasons like salary domiciliation requirements from an employer, for instance, keep the minimum balance required, accept no interest products, and treat the account as a temporary measure while you complete the migration.

Q2. I already have interest sitting in my conventional savings account. What do I do with it?

Give it to charity without the intention of receiving spiritual reward. It is not sadaqah, you cannot count it as a good deed. It is the disposal of impure wealth, an obligation of purification. Give it to a mosque, an Islamic school, a welfare fund, or any legitimate charitable cause, with the intention of ridding yourself of what is not yours to keep, not with the intention of earning reward.

Then close or freeze the savings feature of that account and migrate to a non-interest institution so that no further interest accumulates.

Q3. Can I receive my salary through a conventional bank?

Yes. Receiving your salary through a conventional bank current account is permissible, provided the account does not pay interest on the balance. The salary itself is halal income. The bank is simply the channel through which it moves. If your employer requires salary domiciliation at a specific conventional bank, comply with the requirement, accept no interest products, and maintain the account for transactional use only while building your primary relationship with a halal institution.

Q4. Is it permissible to use mobile banking apps like Opay, PalmPay, and Moniepoint for daily transactions?

Using these platforms for payments, transfers, and receiving money is permissible. They function as payment channels moving money from one place to another.

What is not permissible is using the savings or investment features these apps offer. Opay's and PalmPay's savings vaults pay returns on stored balances. These returns are interest, regardless of what the apps call them. Do not activate these features. Use the wallet for transactions only. Withdraw to your non-interest bank account promptly rather than storing funds in the app wallet long-term.

Q5. Can I use Kuda Bank?

Kuda is a conventional digital bank. Its savings features pay interest. Using Kuda as a transactional current account for transfers and payments, with no interest product activated, is permissible for transactional use, with the same obligation to migrate your primary savings relationship to a fully non-interest institution.

Do not use Kuda's savings or investment features. The returns they pay are riba.

Q6. Is it permissible to use a POS business account?

Yes. Operating a POS business and holding the settlement account at a conventional bank is permissible, provided the account is a current account with no interest feature activated. The POS business itself is a legitimate service. The commission earned from each transaction is halal income from a real service rendered. Open the settlement account at Jaiz Bank, TAJBank, or Lotus Bank if possible.

Q7. Can I use Paystack, Flutterwave, or similar payment gateways for my business?

Yes. Payment gateways like Paystack and Flutterwave are transaction processors. They move money between buyers and sellers and charge a processing fee for the service. Using them to collect payments for a halal business is permissible. Ensure your settlement account is a non-interest account at a Shariah-compliant institution.

SECTION B — LOANS AND FINANCING

Q8. Can I take a loan from a conventional bank in an emergency?

The default ruling is no. Conventional bank loans are structured on riba and are impermissible under the clear scholarly consensus of all four madhabs.

In a genuine emergency where life, critical health, or irreplaceable welfare is under immediate threat, every halal alternative has been genuinely exhausted, and the minimum necessary cannot be obtained through any halal means, the darura exception may apply. The conditions of darura are strict and are explained in full in Phase 3 of this guide. Do not invoke darura without consulting a qualified Islamic scholar who knows your specific situation.

Q9. Can I take a loan from a cooperative?

It depends entirely on the cooperative's loan structure. If the total repayment exceeds the amount borrowed by any amount tied to time or the outstanding balance, that excess is riba. A cooperative that lends at zero additional cost where you borrow ₦100,000 and repay exactly ₦100,000 is offering a genuine Qard Hasan and is permissible. Apply Tool 1 to any cooperative loan product before accepting it.

Q10. Can I buy things on installment?

Yes, with conditions. Buying on installment where a seller quotes a higher price for deferred payment than for immediate payment is permissible under the dominant Hanafi and Maliki positions, provided the price is fixed and agreed at the time of the contract and does not increase after the contract is signed. The key rule is that the total price must be known and fixed at the time of agreement.

Q11. Is hire purchase halal?

Hire purchase can be either permissible or riba depending entirely on its structure. The complete evaluation framework including the conditions that make it permissible, the red flags that make it riba, and a practical Nigerian example is in the Four Halal Alternatives chapter in Phase 2, under the Murābahah section. Read that section and apply Tool 1 to any hire purchase contract before signing. The single most important check is does the outstanding balance grow if you are late with a payment? If yes, do not sign.

Q12. Can I take a student loan?

The Nigerian Education Loan Fund, NELFUND provides loans repayable after graduation. If the scheme charges no interest and requires repayment of only the principal, it is permissible. If it charges interest or any time-based fee, it carries riba and is impermissible. Request the full loan agreement documentation before signing and apply Tool 1 to verify.

For foreign student loans in the UK, US, Canada, these carry interest and are impermissible under the default ruling. See the full Student Loans section in Phase 2 for a complete treatment of halal education financing alternatives.

Q13. Can I use Buy Now Pay Later services?

Most Nigerian BNPL products are conventional interest-based arrangements and not permissible deferred sales. The complete evaluation of Nigerian BNPL products including Carbon Zero, CredPal, Easybuy, and AjoMoney is in the Fintech chapter in Phase 2.

Note specifically on Easybuy: Easybuy follows the same framework as CDcare. The device locking on late payment is a use restriction that is removed immediately upon payment, not a permanent ownership defect. The permissibility question therefore turns on whether any percentage-based fee is added to the outstanding balance for late payment. If yes, it is riba. If the only consequence is the temporary device lock with no financial addition to the outstanding balance, it is permissible to use with the same caution as CDcare. Review the current late payment terms and apply Tool 1 before committing.

The single question that determines permissibility for any BNPL product is the total repayment amount fixed and disclosed at the point of purchase, with no percentage-based addition for late payment, and does the buyer receive full unencumbered ownership of the asset at the point of sale? If the answer to any part of that is no, the product carries either riba or an ownership defect that makes it impermissible. Apply Tool 1 before using any BNPL product.

The exception worth noting is CDcare whose base structure of zero interest at market price is the closest to a permissible deferred sale available in the Nigerian BNPL market. CDcare is permissible to use provided every payment is made on time within the grace period. The late payment clause as a percentage-based fee on the outstanding amount with no cap is riba and activates the moment a payment is missed. See the full CDcare evaluation in the Fintech chapter in Phase 2.

SECTION C — EMPLOYMENT AND INCOME

Q14. Can I work in a conventional bank?

The dominant and stronger position of the Maliki and Hanafi scholars is that working in a conventional bank in a role that directly facilitates riba transactions like writing loan contracts, processing interest payments, managing interest-bearing accounts is impermissible. The Prophet ﷺ cursed the one who writes down a riba transaction alongside the one who pays and receives it.

The clear directional answer is to seek employment elsewhere. If you are currently employed in a conventional bank, begin seeking an exit. If you work in a role with no direct riba involvement and genuine necessity requires you to remain temporarily while seeking halal employment, make that intention firm and act on it.

Q15. Can I accept a salary that passes through a riba-based payroll system?

Yes. The permissibility of your salary is determined by the nature of your work whether it is halal not by the banking channel through which payment moves.

Q16. Can I work for a company that sells halal products but uses conventional bank financing?

Yes. The impermissibility of a company's financing arrangements does not transfer to its employees unless the employee's role directly involves managing or facilitating those financing arrangements.

Q17. Can I accept a salary increment or bonus that my employer funds through a conventional bank loan?

Yes. The source of your employer's working capital does not determine the permissibility of the wages they pay you for halal work.

SECTION D — INVESTMENTS AND SAVINGS

Q18. Can I buy shares on the Nigerian Stock Exchange?

Yes, with screening. Investing in the shares of a company whose primary business is halal and whose financial structure does not involve excessive conventional debt is permissible. Screen each company individually. Is the core business halal? Does the company's conventional debt exceed a third of its total assets? Does the company earn significant income from impermissible sources?

Do not invest in shares of banks, conventional insurance companies, breweries, or any company whose primary business is impermissible.

Q19. Can I invest in Nigerian government bonds or treasury bills?

No. Government bonds and treasury bills are interest-bearing debt instruments. The halal alternative is the Nigerian Sovereign Sukuk, issued by the Debt Management Office for specific infrastructure projects. Enquire at Jaiz Bank or TAJBank about current issuance and minimum investment thresholds.

Q20. Can I participate in a pension scheme?

Participating in the Contributory Pension Scheme is a matter requiring honest nuance. The employee and employer contributions are permissible in origin. The complication is that Pension Fund Administrators invest the accumulated funds largely in conventional interest-bearing instruments.

The directional answer is to participate in the scheme, opting out is not practically available to most formal sector employees and forfeiting the employer contribution is an unnecessary loss. Select a PFA that offers a Shariah-compliant fund option where available. At retirement, purify the interest component of your accumulated returns by giving it to charity without the intention of reward.

Q21. Can I save with Ajo or Esusu?

Yes, provided the arrangement is structured correctly. A rotating savings circle where each member contributes a fixed amount and receives the full pool in rotation with no interest, no percentage-based penalty for late contribution, and contributions held in a non-interest account is a permissible and strongly recommended halal savings tool.

Q22. Can I invest in real estate?

Yes. Purchasing property for rental income or capital appreciation is permissible. The only riba concern arises in the financing if the property is purchased using a conventional mortgage. Use Diminishing Mushārakah financing through Jaiz Bank, save until you can purchase outright, or structure a Mushārakah arrangement with a trusted partner.

Q23. Can I use investment apps like Cowrywise or Risevest?

Cowrywise's investment products include conventional money market funds and treasury bill funds. The returns are interest. Do not use Cowrywise for savings or investment.

Risevest's fixed-income products carry riba. Its US stock investment feature is permissible for Shariah-screened companies only. Screen each company individually before purchasing.

SECTION E — BUSINESS QUESTIONS

Q24. Can I sell to customers on credit?

Yes. Selling goods to a customer at an agreed price payable at a future date is permissible provided the total price is fixed and agreed at the time of sale and does not increase after the sale is concluded. You may charge a higher price for deferred payment than for immediate payment. This is permissible under both the Hanafi and Maliki positions.

Q25. Can I take a loan from the Bank of Industry or similar government development finance institutions?

It depends on the specific product. Non-repayable grant funding is permissible. Loan products must be evaluated against their actual terms: if a BOI loan charges no interest and requires repayment of principal only, it is permissible; if it charges interest or any time-based fee on the outstanding balance, it is riba. Request the full loan terms in writing and apply Tool 1

Q26. Can my business have an account at a conventional bank?

Yes, for transactional purposes on the same basis as a personal current account. Do not activate savings or deposit products that pay interest. Migrate your primary business banking relationship to Jaiz Bank, TAJBank, or Lotus Bank as soon as operationally possible.

Q27. Can I use conventional invoice financing or factoring to manage cash flow?

Conventional invoice financing where a financier advances you a percentage of outstanding invoices and charges a fee that grows with time carries riba. The halal alternative is to negotiate extended payment terms directly with suppliers and shorter payment terms with customers managing cash flow through commercial negotiation rather than financing.

Q28. Can I offer cashback or loyalty points to my customers?

Yes. Cashback and loyalty programmes are permissible commercial incentives, discounts and rewards given to encourage customer loyalty. There is no riba in their structure.

SECTION F — INSURANCE AND PROTECTION

Q29. Can I use conventional insurance?

The dominant position of the Maliki and Hanafi scholars is that conventional insurance is impermissible due to gharar and, in many products, riba in the investment component. The halal alternative is Takaful. Nigeria has five licensed Takaful operators namely; Jaiz Takaful, Noor Takaful, Hilal Takaful, Crown Takaful, and Salam Takaful. See the full Takaful chapter in Phase 3 for a complete guide to each operator and their products.

Q30. Can I use the NHIS or state health insurance schemes?

Yes. Government health insurance schemes where contributions fund a pool from which medical costs are covered are closer in structure to Takaful than to conventional insurance. Participate in available government health schemes.

SECTION G — FAMILY AND HOUSEHOLD QUESTIONS

Q31. My husband took a riba loan without my knowledge. Am I sinful?

No! Sin in Islamic law is personal. You are not held responsible for a transaction you did not participate in, consent to, or benefit from knowingly. Make sincere tawbah on behalf of the household's use of the funds and encourage your husband to follow the exit plan in Phase 3 Section 1

Q32. Can a wife use her own money to help her husband exit a riba loan?

Yes, and this is among the most rewarded financial acts available to a Muslim woman. A wife's wealth is her own under Islamic law. If she lends from her wealth to help her husband exit a riba arrangement, she earns the reward of facilitating the exit from a prohibited transaction. Document the arrangement with Tool 4 and agree on realistic repayment terms.

Q33. Can I accept money from a family member who earns from a riba-based job?

If the family member's income is from a halal role, and the riba concern relates to their employer's financing arrangements rather than their personal role, their income is halal and accepting gifts or loans from them is permissible.

If the family member works directly in a riba-facilitating role, the Maliki and Hanafi positions both counsel caution. You may still accept from them in genuine need, but encourage them toward halal employment.

Q34. Can I save for Hajj in a conventional savings account?

No! Saving for Hajj in a conventional interest-bearing account means your Hajj fund is accumulating impure income. Open a dedicated non-interest savings account at Jaiz Bank, TAJBank, or Lotus Bank with Hajj as the stated purpose. Some of these institutions offer specific Hajj savings products. Your Hajj fund deserves to be as clean as the journey itself.

Q35. Can I take a riba loan to fund my child's education?

No, under the default ruling. Education does not automatically qualify as a darura that permits riba. The halal alternatives for education financing are family Qard Hasan networks, scholarships and bursaries from Islamic organisations, saving in advance through a dedicated non-interest account, negotiated payment plans directly with the school, and Zakat from the local Zakat fund. See the full Student Loans section in Phase 2 for a complete treatment.

SECTION H — ZAKAT AND PURIFICATION

Q36. Does taking a riba loan affect my Zakat obligation?

Yes! Outstanding loan obligations are deductible from your zakatable wealth under the dominant Maliki and Hanafi positions. If you owe ₦500,000 in outstanding loan repayments due within the coming year, that amount is deducted from your net zakatable assets before Zakat is calculated.

For a comprehensive, step-by-step guide to calculating Zakat correctly in the Nigerian context, see **Zakāt Simplified: Your Wealth Has a Righ**t, published by Darul Hikmah.

Q37. Can I receive Zakat if I am in debt?

Yes. Al-gharimeen, those burdened by debt are one of the eight categories of Zakat recipients explicitly named in Surah At-Tawbah. A Muslim who has incurred genuine debt that they cannot repay from their own resources is eligible to receive Zakat to discharge that debt. Approach your mosque's Zakat committee or a trustworthy Islamic organisation that distributes Zakat and explain your situation honestly.

Q38. I received interest income last year and spent it without realising it was haram. What should I do?

Make sincere tawbah. Then give an equivalent amount to charity from your current halal wealth without the intention of spiritual reward, as an act of purification. Going forward, migrate to a non-interest account so that the situation does not recur.

SECTION I — DIGITAL AND MODERN QUESTIONS

Q39. Can I use cryptocurrency?

The stronger contemporary position among Maliki and Hanafi scholars is that trading in established cryptocurrencies like Bitcoin for genuine commercial purposes buying and selling in spot transactions is permissible, subject to the condition that the exchange is simultaneous to avoid the deferred exchange concern of Riba al-Fadl.

What is not permissible is cryptocurrency lending at interest, yield farming products that function as interest-bearing deposits, and highly speculative derivative trading. When in doubt, consult a qualified scholar who has genuinely engaged with the fiqh of digital assets.

Q40. Can I use Jaiz Bank's mobile app for all my banking needs?

Yes! Jaiz Bank's mobile application provides access to non-interest accounts, transfers, bill payments, and financing product enquiries. TAJBank and Lotus Bank similarly offer mobile banking. There is no Islamic concern with using digital banking channels at a Shariah-compliant institution.

These answers cover the questions most frequently asked by Nigerian Muslims navigating halal finance in daily life. For situations not covered here, consult a qualified Islamic scholar with training in Fiqh al-Mu'amalat, the jurisprudence of financial transactions. Knowledge is the first protection.

YOUR 30-DAY HALAL FINANCIAL RESET

Most people who read a financial guide finish it with clarity and good intentions and then return to the same financial habits within a week because the guide never told them specifically what to do on Monday morning. This plan fixes that.

It is built for the Nigerian Muslim who has just finished this guide and wants to move from understanding to implementation systematically, without overwhelm, one week at a time.

You do not need to be wealthy to begin. You do not need to be debt-free to begin. You do not need perfect financial conditions to begin. You need thirty days and the willingness to take one action at a time.

BEFORE YOU BEGIN; THE HONEST STARTING POINT

Before Week 1 begins, sit down with a pen and paper and answer four questions honestly:

Question 1: What is my total monthly income from all sources?

Question 2: What is my total monthly essential expenditure like rent, food, utilities, school fees, transport, medical costs?

Question 3: What conventional financing obligations am I currently carrying; cooperative loans, bank loans, fintech debts and what is the total outstanding balance and monthly repayment for each?

Question 4: What is my current savings balance in all accounts combined?

These four numbers are your starting point. Write them down and date the page. You will return to it at the end of thirty days to see what has changed.

WEEK 1 — THE AUDIT

Purpose: See your complete financial picture with clarity.

Day 1 — The Debt Audit

List every conventional financing obligation you currently carry. For each one, record the institution and product name, the original amount borrowed, the current outstanding balance, the monthly repayment amount, and the number of months remaining until full discharge.

Do not guess. Pull the actual statements. Calculate three numbers: total outstanding balance, total monthly repayment commitment, and the date on which your last conventional obligation will be discharged. That discharge date is your targetǹ write it somewhere visible.

Day 2 — The Account Audit

List every financial account you hold in bank accounts, fintech wallets, cooperative savings, pension accounts. For each account, record: the institution, the account type, the current balance, and whether the account is interest-bearing. Identify which accounts are currently accumulating interest in your name.

Day 3 — The Income Audit

Review your income sources. For each source, confirm: is this income from a halal activity? Is it flowing through a halal channel or through a conventional account accumulating interest?

Day 4 — The Insurance Audit

List every insurance product you currently hold; motor, life, health, property. For each one, identify: is this a conventional insurance product or a genuine Takaful product? Note the renewal date for each conventional product. These are your migration windows.

Day 5 — The Expense Audit

Review your last three months of spending. Categorise every expense as essential or non-essential. Calculate your true monthly essential expenditure. Identify any non-essential spending that can be reduced during the thirty-day reset period to free up funds for the actions ahead.

Day 6 — The Network Audit

Write down the names of five to ten people in your life from family members, mosque community members, to close friends who you trust enough to approach for a Qard Hasan loan in a genuine emergency, and who could approach you for the same. Be honest. Do not include names of people you theoretically know, only include people who would genuinely respond if you called them today. If your list has fewer than three names, that is the gap your Week 4 actions will begin to address.

Day 7 — Review and Intention

Spend Day 7 reviewing everything the first six days produced. Make the intention explicitly, sincerely to build a financial life on halal foundations from this point forward. Make du'a. Ask Allah جل جلاله for tawfiq, the ability to align your actions with your intentions.

WEEK 2 — THE MIGRATION

Purpose: Move your financial foundation from conventional to halal.

Day 8 — Open Your Non-Interest Account

Visit Jaiz Bank, TAJBank, or Lotus Bank whichever has a branch most accessible to you and open a non-interest current and savings account. Bring valid ID, your BVN, and a small opening deposit. If you cannot visit in person, all three institutions offer digital account opening. Begin the process today.

This is the single most immediately actionable step in the entire guide. Do not defer it.

Day 9 — Transfer Your Primary Savings

Transfer your primary savings balance from any conventional interest-bearing account to your new non-interest account. If your conventional savings account has accumulated interest, give it to charity without the intention of spiritual reward before transferring the principal.

Day 10 — Migrate Your Salary Domiciliation

Contact your employer's HR or payroll department and request a change of salary domiciliation to your new non-interest account.

This process may take one to two pay cycles to take effect. Initiate it today.

Day 11 — Address Your Fintech Wallets

Go through every fintech app on your phone. Deactivate every savings or investment feature that pays returns on stored balances, think of OWealth on Opay, savings vaults on PalmPay, savings products on Kuda, Carbon Invest, Cowrywise, Risevest fixed income. Withdraw any balances to your new non-interest account. Dispose of any accumulated returns correctly.

Day 12 — The Cooperative Review

Apply the five review questions from the Cooperatives chapter to every cooperative you currently belong to. For each cooperative that fails the halal test, do not take any new loans. Begin the conversation with the cooperative's leadership about structural reform if you are in a position to do so.

Day 13 — Dispose of Accumulated Interest Correctly

Calculate the total accumulated interest across all conventional accounts. Give an equivalent amount from your halal wealth to charity to your mosque's welfare fund, an Islamic school, a community cause without the intention of receiving spiritual reward. Then close or freeze the savings features of the conventional accounts.

Day 14 — Review and Consolidate

Confirm: is your primary savings now in a non-interest account? Is your salary domiciliation migration initiated? Have you deactivated riba-generating fintech features? Have you reviewed your cooperatives? If any action is incomplete, complete it before Week 3 begins.

WEEK 3 — THE FOUNDATION

Purpose: Build the emergency protection that makes riba unnecessary.

Day 15 — Calculate Your Emergency Fund Target

Use Tool 3 in this guide. Add up your monthly essential expenses, multiply by three. Write the number down alongside your Day 1 starting point numbers.

Day 16 — Set Your Monthly Contribution

Decide the fixed percentage of your monthly income that will go to your Emergency Fund on salary day before any other expense. Minimum ten percent. Calculate the number of months at your chosen contribution rate until you reach the three-month target. Write the target completion date.

Day 17 — Set Up the School Fees Fund

Calculate your children's total annual school fees and divide by twelve. That is your monthly School Fees Fund contribution. Begin this contribution alongside the Emergency Fund contribution on your next salary day.

Day 18 — Set Up the Sadaqah and Zakat Provision (Not compulsory if you can't afford it)

Calculate your annual Zakat obligation using the methodology in **Zakāt Simplified: Your Wealth Has a Righ**t. Divide by twelve. Add your intended monthly sadaqah amount. Set this as a fixed monthly provision transferred on salary day.

Day 19 — Build Your Qard Hasan Network

Return to the list of names from Day 6. Call or visit two or three of the people on your list. Have a direct, honest conversation and explain that you are building a halal financial support network and that you would like to make a mutual commitment.

Day 20 — Speak to Your Mosque

Visit your imam or mosque welfare committee today. Ask two questions: does the mosque have an emergency welfare fund, and if so, how does a member in genuine need access it? Does the mosque have a Zakat collection and distribution process?

Day 21 — Review and Commit

Review the week. Are your fund contributions calculated and ready to begin on your next salary day? Has your Qard Hasan network conversation started? Have you spoken to your mosque? The foundation is being built. Week 4 completes the protection layer.

WEEK 4 — THE PROTECTION

Purpose: Add the layers that protect the foundation when it is tested.

Day 22 — Investigate Takaful

Contact at least two of the five licensed Takaful operators namely Jaiz Takaful, Noor Takaful, Hilal Takaful, Crown Takaful, or Salam Takaful and request information about the products most relevant to your household.

If medical coverage is your priority, contact Noor Takaful about Noor Health specifically.

If Family Takaful is your priority, request quotes from at least two operators and apply the four evaluation questions from the Takaful chapter before comparing.

If Motor Takaful is relevant, note your current conventional motor insurance renewal date and plan the switch.

Day 23 — Plan Your Conventional Insurance Migration

For each conventional insurance product identified in Day 4, note the renewal date and the Takaful operator whose product you will switch to at that date. Write these migration dates in your calendar now.

Day 24 — Apply Tool 1 to Every Active Financial Product

Go through every financial product currently active in your life and apply Tool 1 to each one. The products that pass are products you can continue using with confidence. The products that fail, you now have a migration plan from the earlier weeks of this reset.

Day 25 — Review Your Exit Timeline

Return to the debt audit from Day 1. Confirm your exit timeline. If any additional payment above your scheduled monthly obligation is possible, make a plan for it. Commit explicitly to taking no new conventional financing obligations during the exit period.

Day 26 — Write Your Annual Review Date

Write a convenient start date in your calendar as a fixed appointment. Label it: Annual Halal Financial Review. Set a reminder two weeks before so you have time to gather statements and prepare. The review that is scheduled is the review that happens.

Day 27 — Complete the Riba-Free Life Checklist

Turn to Tool 6 in Phase 3. Work through every item honestly. Every "yes" is something you have built in thirty days. Every "not yet" is your next step after this plan ends.

Day 28 — Write a Letter to Your Future Self

Write a short letter of one page addressed to yourself one year from today. Describe the financial life you are building. Name the specific things you want to have achieved like the Emergency Fund target reached, the conventional debt discharged, the Takaful coverage enrolled, the Qard Hasan network active. Seal and date it. Open it in twelve months.

Day 29 — Teach Someone

Identify one person in your life. It could be a family member, a friend, a mosque colleague who would benefit from this guide. Tell them about it.

The knowledge that circulates in a community builds the infrastructure that protects the community. Every Nigerian Muslim who understands halal finance is another person who will not reach for the riba option in a crisis.

Day 30 — Return to Day 1

Return to the four numbers you wrote on Day 1. Write today's equivalent numbers next to them. What has changed? What has migrated? What has been initiated? What has been committed to?

The thirty days are not the destination but the launch. The financial life you are building takes years to complete but the Muslim who has spent thirty days laying the foundation deliberately with clarity intention, the knowledge this guide has provided is building on ground that will hold.

"Whoever takes a path in search of knowledge, Allah will make easy for him a path to Paradise."
— Sahih Muslim

DEAR MUSLIM STANDING AT THE DOOR OF A RIBA LOAN

I know where you are right now. You are not reading this page because everything is fine; you are reading it because something has arrived: a bill, a deadline, a shortfall, a crisis and the conventional loan is right there, one phone call away, and the halal path feels longer and harder and less certain than the pressure you are under.

I know because I have sat with people at exactly this moment. I have watched the calculation happen in real time, the weighing of the spiritual cost against the practical urgency, the reaching for justifications that feel reasonable because the need is real.

And I want to speak to you in this moment not as a scholar delivering a ruling or as an advisor presenting options, but as a Muslim who has spent years watching what riba does to people who thought it was a temporary solution.

You see, when you are standing at the door of a riba loan, you are not making a financial decision. You are making a statement about what you believe.

You are either saying: **I believe that Allah جل جلاله, who prohibited this, has also provided a way out that I have not yet found and I will keep looking.**

Or you are saying: **I believe that this situation is the exception He did not account for and I will resolve it my way.**

The first statement is iman. The second is, at its root, a form of disbelief in Allah's جل جلاله sufficiency. It is not the dramatic, conscious disbelief that announces itself, but the quiet, pressure-induced kind that tells itself it is just being practical.

I am not saying this to condemn you. I am saying it because the moment you name what is actually happening, the moment you call it by its real name rather than by the name of the emergency that is driving it, the decision changes shape.

Yes, the emergency is real. I am not dismissing it but the loan will not fix it.

It will resolve the immediate financial gap, silence the creditor for now, allow the surgery, pay the school fees and cover the rent.

And then, beginning next month, it will begin to take from you something the emergency never would have taken on its own.

It will take a portion of every month's income not for a month, but for months. It will take peace of mind, the quiet, specific anxiety of knowing that a growing obligation sits in the background of every financial decision you make. It will take the freedom of your du'a, the openness with which you approach Allah جل جلاله when your financial foundation is clean, replaced by the weight of something you know is wrong sitting in its foundation.

And it will take something from your community because every Nigerian Muslim who resolves their crisis through riba is one less person building the halal infrastructure that would have resolved it without riba. The emergency passes but the loan stays.

What Tawakkul Actually Looks Like Here

You may have heard tawakkul described as trust in Allah جل جلاله and concluded that tawakkul means accepting whatever outcome arrives, including the riba loan, because Allah جل جلاله knows best. That is not tawakkul. That is resignation dressed in spiritual language.

Tawakkul is what the Prophet ﷺ described when he said: **"Tie your camel, then put your trust in Allah جل جلاله."** — Tirmidhi.

Tying the camel is the exhaustion of every halal means available to you; think of every family member approached, every mosque conversation had, every Islamic institution contacted, every negotiation attempted with the creditor directly. Tawakkul is what comes after that exhaustion and the release of the outcome to Allah جل جلاله when you have genuinely done everything within your halal capacity.

The Muslim who calls the fintech app before calling their brother, before speaking to their imam, before contacting Jaiz Bank, before negotiating with the hospital has not tied the camel. They have simply not tied the camel and called the untying tawakkul. Tie the camel first. Every chapter of Phase 2 of this guide is a rope; use them.

The Provision That Carries Barakah

You see, there is something about halal provision that defies conventional financial calculation and every Muslim who has experienced it recognises it immediately when it is described.

It is the ₦50,000 that covers what ₦80,000 in riba-burdened income could not. It is the unexpected support that arrives from a direction nobody anticipated, at precisely the moment the halal path was running out. It is the business that grows more slowly than competitors using riba financing and proves more durable when the market turns.

This is barakah and it is real. And no, it is not magical thinking; it is the documented experience of Muslims across centuries who built on halal foundations and found that the foundations held in ways that conventional financial analysis cannot predict.

Allah جل جلاله says:

"And whoever fears Allah, He will make for him a way out. And will provide for him from where he does not expect. And whoever relies upon Allah then He is sufficient for him..."
— Surah At-Talaq, 65:2–3

The way out is promise, the provision from unexpected directions is promised but condition is taqwa which is the conscious, deliberate choice to remain within Allah's جل جلاله boundaries even when the pressure to cross them is real.

The riba loan closes the door through which that unexpected provision was going to arrive. It replaces Allah's جل جلاله promised sufficiency with a guaranteed monthly obligation that makes sufficiency structurally less likely.

To the One Who Has Already Signed

If you picked up this guide after the loan document was already signed, this letter is also for you.

You are not beyond reach and definitely not beyond mercy. You are not in a category that the scholars' guidance and Allah's جل جلاله forgiveness cannot cover.

The guilt you feel is your iman speaking and the fact that it is still speaking is itself a mercy. The Muslim whose conscience has been entirely silenced by years of normalised riba does not feel what you are feeling. You feel it because your heart is still connected. That connection is the starting point of everything.

Allah جل جلاله says:

"Say: O My servants who have transgressed against themselves by sinning, do not despair of the mercy of Allah. Indeed, Allah forgives all sins. Indeed, it is He who is the Forgiving, the Merciful."
— Surah Az-Zumar, 39:53

Make tawbah. In fact, make it now, before this page is turned; Have genuine regret; Be firm in your intention not to return; Then follow the exit plan in Phase 3 with the same seriousness with which you would follow a doctor's instructions for a condition that required treatment.

To the One Who Held the Line

If you read this guide and found the halal path, if you made the calls, had the conversations, negotiated with the creditor, assembled the Qard Hasan network, accessed the mosque welfare fund, waited when waiting was what was required, this letter is for you too.

You may not feel the significance of what you did. Yes, the crisis might have passed. The need might have been met and life has continued but what you did was not small.

You demonstrated to yourself, to your family, and to Allah جل جلاله that the halal path is not theoretical. That it works in real Nigerian conditions, under real financial pressure, with real deadlines and real consequences.

You are the evidence that this guide is not idealistic. You are proof that the system Islam designed functions when Muslims choose to use it.

And you have built something in yourself that cannot be taken by the next crisis. The knowledge of what is possible. The network that was tested and held. The habit of reaching for the halal option first not as a sacrifice but as a natural first movement.

That habit will protect you for the rest of your financial life. And it will transfer to your children, who will watch how you handle the next emergency, and the one after that.

The Day the Prophet ﷺ Described

"The feet of the son of Adam shall not move from before his Lord on the Day of Resurrection, until he is asked about five things; his life, how he spent it; his youth, how he used it; his wealth, where he earned it and how he spent it; and what he did with his knowledge."
— Tirmidhi

Two questions about wealth specifically on a Day when the Prophet ﷺ said the feet will not move until they are answered.

The Muslim who built their financial life on halal foundations, struggled for it, chose it when it was harder, held the line when the pressure was real, will stand with answers already prepared.

And no, this is not because they were perfect but because when they knew, they acted; when they fell short, they returned and when they were tested, they did not abandon what they knew was right. That is what this guide was built for.

It is not to produce perfect Muslims with perfect financial lives but to produce Muslims who know clearly, practically, with no excuse of ignorance remaining what the halal path looks like in Nigeria today and who chooses it, deliberately, one decision at a time.

The Du'a That Carries Everything

"Allahumma-k-finee bi halaalika 'an haraamika, wa aghnini bi fadhlika 'amman siwaak."

"O Allah, make what is lawful sufficient for me so that I have no need of what is unlawful, and enrich me through Your bounty so that I have no need of anyone other than You."
— Du'a of the Prophet ﷺ, Tirmidhi

Read this du'a every morning. Read it when the pressure arrives. Read it when the halal path feels longer than you have energy for. Read it when the exit feels far away and the obligation feels permanent.

It is not a du'a for wealth. It is a du'a for sufficiency and for the barakah that makes halal provision enough.

And that, more than any financial strategy, more than any halal product, and more than any carefully structured cooperative or Takaful coverage, is the foundation on which everything else rests.

The sufficiency of Allah جل جلاله for the Muslim who chooses His path.

May He make it sufficient for you, me and every Muslim around the World .

Rooted in Knowledge and Relevant to Life.