

### **Bai Muajjal (Sale on deferred payment)**

1. A sale in which the parties agree that the payment of price shall be deferred is called "Bai' Mu'ajjal".
2. Bai' Mu'ajjal is valid if the due date of payment is fixed in an unambiguous manner.
3. The due time of payment can be fixed either with reference to a particular date, or by specifying a period, like three months, but it cannot be fixed with reference to a future event the exact date of which is unknown or is uncertain. If the time of payment is unknown or uncertain, the sale is void.
4. If a particular period is fixed for payment, like one month, it will be deemed to commence from the time of delivery, unless the parties have agreed otherwise.
5. The deferred price may be more than the cash price, but it must be fixed at the time of sale.
6. Once the price is fixed, it cannot be decreased in case of earlier payment, nor can it be increased in case of default.
7. In order to pressurize the buyer to pay the installments promptly, the buyer may be asked to promise that in case of default, he will donate some specified amount for a charitable purpose. In this case the seller may receive such amount from the buyer, not to make it a part of his income, but to use it for a charitable purpose on behalf of the buyer. The detailed discussion on this subject will be found later in this chapter.
8. If the commodity is sold on installments, the seller may put a condition on the buyer that if he fails to pay any installment on its due date, the remaining installments will become due immediately.
9. In order to secure the payment of price, the seller may ask the buyer to furnish a security whether in the form of a mortgage or in the form of a lien or a charge on any of his existing assets.

10. The buyer can also be asked to sign a promissory note or a bill of exchange, but the note or the bill cannot be sold to a third party at a price different from its face value.