Using a Bank-Provided Financial Aid for Other than the Specified Purpose - 4 /Dec/ 2019

question| Is it permissible to use financial aids granted by banks in the Islamic Republic of Iran to individuals and entities for purposes other than those specified in the agreement?

answer| Most bank-provided financial aids—except for non-interest loans (qarḍ al-ḥasanah)—are arranged in such a way that the recipients do not actually come to own the funds they receive. Rather, the terms of the agreements underlying the financial aids specify that the banks' clients (i.e., the recipients of the funds) are authorized to use the funds granted to them on behalf of the bank (i.e., the real owner of the funds) for the purposes expressed in the agreement. As such, to use the funds for other purposes amounts to "adverse dominion" (taṣarruf 'udwānī)[1] and is thus canonically impermissible and renders one liable to compensate the received funds should they be inadvertently lost.

[1] Taṣarruf 'udwānī, or adverse dominion, denotes the illegitimate exploitation of another's property.