

## The Permissibility of OneCoin according to the Shariah

07<sup>th</sup> December 2016

بسم الله والحمد لله والصلاة والسلام على رسول الله

**RE: RESPONSE STATEMENT TO THE RECENT ARTICLE “ONECOIN RESEARCH PAPER ISLAMIC RULING” DATED 16<sup>TH</sup> NOVEMBER 2016 BY M. SUHAIL PATEL AND THE ARTICLES ISSUED BY MUFTI AMJAD MOHAMMED.**

All-Mighty Allah declares in the Quran:

يَا أَيُّهَا الَّذِينَ آمَنُوا إِن جَاءَكُمْ فَاسِقٌ بِنَبَأٍ فَتَبَيَّنُوا أَن تُصِيبُوا قَوْمًا بِجَهَالَةٍ فَتُصْبِحُوا عَلَىٰ مَا فَعَلْتُمْ نَادِمِينَ

(Surah Hujraat 49: verse 6)

*O ye who believe! If a wicked person comes to you with any news, ascertain the truth, lest ye harm people unwittingly, and afterwards become full of remorse for what ye have done.*

This article is a response to several articles issued by scholars from the UK over the course of the year. It is clear from the writings and video content displayed online, the lack of understanding in the field of Digital currency by the authors of these articles as well the use of unreliable content due to which the principles of Fatawa have been overlooked. It is clear from the articles that the authors had already concluded that OneCoin is a scam and a Ponzi scheme without understanding what these words mean.

It is imperative to follow the basic principles of Ifta when issuing a Shar'i ruling. see:

تصوّر الصورة المسئول عنها

فمهمة المفتي قبل كل شيء ان يفهم الواقعة الجزئية التي سئل عنها فهماً دقيقاً ، وان يتصوّرهما  
تصووراً صحيحاً، لأن الحكم علي الشيء فرع عن تصوّره، فلو تصوّر المسئلة تصوّراً خاطئاً، أخطأ في  
الجواب لا محالة، فلا يجوز للمفتي ان يتعجل في الجواب ان كان هناك إبهام في السؤال، فيجب عليه  
ان يزيل ذلك الإبهام بمراجعة المستفتي، أو بالطرق الأخرى، حتي تتبين له صورة المسئلة بوضوح،  
(اصول الإفتاء وآدابه للشيخ تقي العثماني : ص ٣٠٢)

The very first ruling of impermissibility was issued by a Mufti Amjad Mohammed from Bradford on the 2nd Jamada al-Ukhra 1437 corresponding to the 12th March 2016 establishing OneCoin to be impermissible due to some questionable clauses found in its terms and conditions that do not conform to the Shariah.

A OneLife independent marketing affiliate contacted him via emails and requested him to retract his verdict as the terms and conditions had been updated by OneCoin. **The terms and conditions were no longer questionable.** Thereafter, less than two months later the ruling of impermissibility was retracted on the article issued on 24th Rajab 1437 corresponding to the 2nd May 2016 and **granted permissibility.** Both of these articles can be accessed on his website here under the business questions section: [www.amjadmohammed.com](http://www.amjadmohammed.com)

He then released a video on YouTube dated the 29<sup>th</sup> October 2016 announcing the impermissibility of OneCoin from his own department “Markaz Al-Ifta” after the FCA report was released on the 26<sup>th</sup> September 2016. According to this statement on his YouTube channel, the FCA has implied the word ‘**fraud**’ on the statement; hence, this renders all previous articles as void and this ruling as valid.

<https://www.youtube.com/watch?v=dyPGsZamIYc>

**Firstly:** The FCA is not a government body as mentioned in the YouTube video. The Financial Conduct Authority is an independent regulatory body, which regulates financial institutions. It clearly states on the statement that;

***“This firm is not authorised by us and we do not believe it is undertaking any activities that require our authorisation. However, we are concerned about the potential risks this firm poses to UK consumers”.***

**The FCA does not believe that OneCoin is involved in any activity that requires their authorisation.**

**Secondly:** The FCA has issued a warning about potential risks to UK consumers. They are investigating OneCoin with the City of London Police. This investigation has **not yet concluded**, hence, we do not know if any crime was committed. The FCA has **NOT** issued any findings. Therefore, **the Islamic ruling of permissibility has NOT changed** merely due to suspicion. Rather a caution is advised whilst there is still ongoing investigation from the FCA.

**Note:** This is not the first time the FCA has prematurely warned consumers about a Crypto Currency. **In 2013 it issued a similar warning to consumers with regards to Bitcoin.** See: <https://www.fca.org.uk/news/news-stories/european-warning-virtual-currencies>

Three days later, OneCoin released an **Official Press Release** dated 29<sup>th</sup> September 2016 where they have clearly objected and expressed their disappointment in the approach of the FCA with regards to the warning they have released prior to any contact with the company see: <https://www.onecoin.eu/uploads/media/default/0001/01/882ed171c8ead1d047045d34270bc913450f3d6.pdf>

Whilst we patiently await the FCA’s findings. Just over a month later on the 16<sup>th</sup> Nov 2016 a biased article was released online by M. Suhail Patel from Bolton, UK and circulated via the following sites [www.nawadir.org](http://www.nawadir.org) and [www.wifaqululama.co.uk](http://www.wifaqululama.co.uk) alleging the impermissibility of OneCoin.

When we took a careful look through this article, we discovered that the references from the very first page throughout the full eighteen page document was cited from unreliable and biased websites which have a right wing agenda against most (if not all) multi-level marketing and network marketing companies. These websites such as “BehindMLM”, “Cointelegraph” and others have been exposed online for their misleading and biased views. Many companies are trying to sue them. These sites have been quoted over a dozen times in M. Suhail Patel’s article. See:

<https://www.businessforhome.org/2016/03/klaus-bardenhagen-and-michael-turton-behind-mlm-bloggers/>

<https://medium.com/@iandemartino/more-on-cointelegraph-by-a-former-writer-b4e1058b37ca#.3ly37q615>

To add to the unreliability of this article, there are links to sources that have been cited which **DO NOT even exist**; see ref no 20: <http://onecoin-finland.webnode.fi/news/onecoinin-maajohtaja-tommi-vuorisen-mediatiedote/>

Please note that during the writing of this article, we were unable to access [www.behindmlm.com](http://www.behindmlm.com). The site seems to no longer exist.

عَنْ أَبِي هُرَيْرَةَ قَالَ قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ كَفَى بِالْمَرْءِ كَذِبًا أَنْ يُحَدِّثَ بِكُلِّ مَا سَمِعَ

(صحيح مسلم)

Sayyiduna Abu Hurairah (Radiyallahu Anhu) reported: The Messenger of Allah, peace and blessings be upon him said, *"It is enough falsehood for someone to speak of everything he hears."*

It is clear as daylight from the above that a message is being forwarded to the masses with such confidence yet very little thought is put into its reliability. Furthermore...

## Endorsement Retracted

Furthermore, the most senior Scholar from the original endorsement in the article in question, has retracted his endorsement after learning about the gross discrepancies and misinformation used to gain his endorsement. The same cannot be said regarding the remaining endorsees. Both articles before and after have been uploaded onto the following sites: [www.nawadir.org](http://www.nawadir.org) and: [www.wifaqululama.co.uk](http://www.wifaqululama.co.uk)

Original article: <https://dl.dropboxusercontent.com/u/6186163/8.%20onecoin-research-paper-islamic-ruling.pdf>

Amended article: <https://dl.dropboxusercontent.com/u/6186163/9.%20onecoin-research-paper-islamic-ruling%20updated.pdf>

**This speaks volumes with regards to the lack of factual research and scholarship displayed. It is imperative for scholars who author, along with those who endorse, to ensure that correct information is provided before an article is declared as factual and even more when issuing a Shar'i ruling**

Throughout this lengthy and arduous article, OneCoin was not contacted directly for a single piece of information. Rather, all the information regarding the company, its dealings and its individuals has been taken directly from unreliable third party websites as discussed above and from independent marketing affiliate's websites which are not official representations of the company.

## Negative Press and Media

Furthermore, opinions have been taken from the direct competitors and rival Crypto Currencies, such as Bitcoin and Ethereum. Overwhelming online negativity is not sufficient to issue a Shar'i ruling of impermissibility since even Bitcoin was a victim of such negativity. Articles of impermissibility of Bitcoin from a Shar'i perspective is yet to be seen. See:

<http://www.debate.org/opinions/is-bitcoin-a-scam>

<https://www.theguardian.com/money/2014/mar/01/paypal-bitcoin-scam-ebay>

<http://www.dailyherald.com/article/20150613/business/150619551/>

<https://www.good.is/articles/why-bitcoin-is-a-scam>

(Disclaimer: The above websites are not necessarily reliable but have been used to show mass negativity regarding Bitcoin in its initial stages of development)

The Daily Mirror has been used to defame OneCoin and the OneLife Network. The article that was published in the tabloid is mere speculations and assumptions. The Daily Mirror is **NOT** regarded as a reputable medium of news; rather, it is a tabloid which itself has been embroiled in scandalous activity in the past and has very little credibility to show for itself; see:

<https://www.theguardian.com/media/2015/may/21/daily-mirror-owners-ordered-to-pay-1-2m-to-celebrity-phone-hacking-victims>

**Hence using such tabloids as reference for an Islamic Ruling is TOTALLY UNACCEPTABLE.**

## Investigations and Compliance

As we have already discussed the UK based investigation into OneCoin; similarly, other investigative bodies in various countries worldwide have also investigated and concluded without any criminal charges. In contrast to this, many investigative bodies worldwide have issued their legal opinions with positive conclusions. All of which can be found in an IMA's back office under the legal documents section.

M.Suhail Patel states: *"Conclusion: the sheer number of investigations and warnings for fraudulent activities across so many countries is huge cause for concern. Many investigations are ongoing while some have already reached the conclusion that it is a pyramid scheme."*

This is the opinion of M. Suhail Patel and is in no way factual evidence to show that OneCoin is conclusively illegal. Nor does multiple investigations or ongoing investigations render OneCoin illegal as we have discussed with regards to the FCA report.

## Public Exchange

I would like to remind those whose history may be a little rusty. Bitcoins Genesis block was mined on the 3<sup>rd</sup> of January 2009 and was not publically traded on any exchange until the 6<sup>th</sup> February 2010. See: <http://historyofbitcoin.org/>

OneCoin is not publically traded at this moment in time on any exchange except internally and will be traded publically in the near future as announced in the One life Mastermind event in Bangkok on the 1<sup>st</sup> October 2016. Hence, a company not being on the open exchange as of yet, does not mean that it is not a Crypto currency.

## Credibility of Dr. Ruja Ignatova

Many allegations have been made against Dr. Ruja Ignatova, her credibility and her background. It is sufficient to quote **McKinsey and Company** the largest consultancy firm in the world to verify if she was a consultant and associate partner with them or not see:

<http://www.mckinsey.com/industries/financial-services/our-insights/at-a-crossroads-corporate-banking-in-eastern-europe>

To associate oneself with McKinsey and Company, it requires credibility next to none along with the necessary calibre of education and qualifications.

Dr Ruja is a very reputable individual within the finance world. Two websites were **suspended** for defamation of Dr. Ruja: [www.onecoinscam.com](http://www.onecoinscam.com)  
<http://onecointrust.com/scam/01/>

It begs the question as to what level of scholarship was used to derive such conclusions against the reputation and credibility of Dr Ruja Ignatova.

In the article it is mentioned: *"Claims that Ruja Ignatova (founder of OneCoin) appeared on Forbes magazine cover, when in fact it was a **paid advert**"*

On the 4th September 2015, Dr. Ruja Ignatova **clearly states** that she paid to appear on the cover of Forbes Magazine and thereafter did an interview with them.

Interviewer: *"You appeared on the cover of Forbes. Is this an editorial content or was it paid advertising?"* (translation)

Dr Ruja: *"We paid to appear on the cover of Forbes and thereafter they did an interview with me."* (translation)

Article is in Bulgarian; see:

[http://www.capital.bg/biznes/finansii/2015/09/04/2603737\\_nashata\\_ideia\\_beshe\\_onecoin\\_da\\_stane\\_kato\\_facebook/](http://www.capital.bg/biznes/finansii/2015/09/04/2603737_nashata_ideia_beshe_onecoin_da_stane_kato_facebook/)

See how Forbes Brand Voice works: <http://www.brandvoice.com/how-it-works/>

And the companies that have used it in the past:

<http://www.brandvoice.com/why-forbes/>

<http://www.forbes.com/sites/lewisdvorkin/2015/02/17/inside-forbes-the-next-step-in-our-brandvoice-native-ad-platform/#5fb2381be842>

Paid advertisements and paid media coverage to promote ones business **IS NOT a deception nor a crime; rather, a norm in the business world.**

Please refer to the following research paper for further factual evidences with regards to Dr Ruja Ignatova: <http://drrujaignatova.com/Dr-Ruja-Ignatova.pdf>

## One World Foundation

The One World Foundation speaks for itself, the children it has supported and the projects it is currently involved in. Unfortunately, organisations sometimes are influenced by the negativity portrayed by these unreliable websites due to which they have refused or returned the donations offered to the needy as with the case with SEVA. In an interview on the 4<sup>th</sup> September 2015 Dr Ruja responded:

*"We donated money, which they denied. Someone wrote to them and asked them what is OneCoin? And is it possibly a pyramid scheme. They said they do not know and cannot investigate, and decided to refund us. For me personally it is a pity."* (Translation)

[http://www.capital.bg/biznes/finansii/2015/09/04/2603737\\_nashata\\_ideia\\_beshe\\_onecoin\\_da\\_stane\\_kato\\_facebook/](http://www.capital.bg/biznes/finansii/2015/09/04/2603737_nashata_ideia_beshe_onecoin_da_stane_kato_facebook/)

<https://www.youtube.com/watch?v=UyytkVpTIM0>

<https://www.onelife.eu/en/positive-impact/projects>

Due to targeted negativity towards SEVA on accepting the donation, this Canadian Charity foundation was forced to refund funds to the company. It had accepted a donation prior to this but returned the second donation due to negative media influence.

An independent marketing affiliate contacted SEVA directly to clarify and understand what actually happened. See: <https://www.youtube.com/watch?v=fGL6Sx-GOc>

**It is an unfortunate circumstance that needy charities become victims of negative press to the extent that they are unable to accept much needed funds for their causes.**

## Islamic Finance Options

For the Muslim community, Dr Ruja has implanted the **Shariah Compliant CoinSafe**.

Recently on 18<sup>th</sup> November 2016 Dr Ruja Ignatova again expresses her commitment to meeting the needs of Muslims; particularly those who have limited access to financial services.

This time, she is addressing an audience of global leaders from the Islamic Banking and Islamic Microfinance sectors in Nairobi, Kenya; a country that has already implemented digital currency on a national scale at the 6th Global Islamic Microfinance Forum.

<http://www.ifccleaders.com/single-post/2016/11/18/Dr-Ruja-Ignatova-Islamic-Microfinance-Forum-Nairobi-Kenya>

## Conclusion

It is evident throughout the article written by M.Suhail Patel that a **negative approach** has been taken in the sense that no word of positivity has been highlighted, despite the article being a research paper. In Issuing an Islamic ruling on any matter, it is **imperative** to weigh both sides of the scale before a conclusive judgement is made. Throughout the article the word “**claim**” has been cited to incite a negative impression towards a particular event or announcement etc. Whereas company targets and visions are not claims, e.g. OneCoin aims to have one million merchants in the near future. This does not necessitate that if OneCoin does not reach its target, it is a scam or a Ponzi scheme.

As far as the element of risk and reward is concerned, this is no different from similar financial industries, e.g. the stock market, shares, and bonds etc. Purchasing any Crypto currency from an open exchange does not guarantee any reward nor protection against losses.

We can now conclude that the information provided in the article written by M. Suhail Patel is not fit to be categorised as a research paper let alone accepted as an Islamic ruling, despite the Quranic verses and Ahadith quoted out of context due to the unreliability of the article as a whole.

In regards to caution of authenticity as quoted above, All-Mighty Allah clearly states in the Quran:

ان جاءكم فاسق بنبأ فتبينوا

In M. Suhail Patel and M. Amjad Mohammed's articles, this verse was very much overlooked just to prove that OneCoin is a Ponzi scheme or a scam.

**Thus, it has already been established that the terms and conditions of OneCoin/OneLife are legitimate and the contract of OneLife compensation plan remains permissible according to the Shariah.**

والله اعلم بالصواب

## Disclaimer

This article is not an official response, nor representation of the company; rather, it has been prepared by an independent marketing affiliate in response to the article written by M. Suhail Patel and previous articles and video released by Mufti Amjad Mohammed.

For further information regarding the company, its business dealings and its Crypto Currency, please contact the company directly:

### **OneCoin Head Office Address:**

Unit 1203, Armada 2, plot JLT-PH2-P2A  
Jumeirah Lakes Towers  
Dubai, UAE

### **OneLife Representative Office:**

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Sofia 1000, Republic of Bulgaria

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