

Legal Concept of Interest

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Abstract

Majority of Muslim scholar forbid interest by considering it as usury and minority of them allow it.

In the Syrian law there is a huge confusing in the concept of "interest". Most of the jurists think that it is a simple compensation although that the interest has two large concepts: civil and commercial.

The interest in accordance with the civil concept is a compensation for damages. The law provides three different methods to fix the value of interest as compensation:

- interest rate to be fixed by the courts.
- Interest rate to be fixed by agreement of the contracting parties
- And interest rate to be fixed by law.

The date from which the interest start to run is usually the date of the judicial claim.

As for the interest in accordance with the commercial transaction is a benefit and should be added to the compensation.

The commercial interest has general concept which is fixed by the commercial law in accordance with the customs. And has a special concept as the case is in the banking interest and the interest in the international trade.