

RIBBIS IN UNEXPECTED PLACES

Many common financial transactions involve ribbis, so pitfalls abound for the unaware. Following are some common business activities that can, depending on the circumstances, constitute ribbis.

- Cosigning – cosigning on a loan or car lease, even where the lender isn't Jewish or is a publicly-traded financial institution
- Credit cards – using a friend's credit card (see sidebar)
- Straw purchasing – purchasing a home in someone else's name
- Partners – borrowing done by one partner on behalf of the partnership
- Late fees – charging ongoing late fees in a contract (a one-time late fee for each occurrence is permitted)
- Returnable items – selling goods with an unconditional money-back guarantee
- Foreign currency – Borrowing money in a foreign currency even when returned in same currency
- Factoring – purchasing receivables
- Cash discounts – charging different prices for cash and credit
- Early bird discount – offering a heavily discounted price for paying before a certain date
- Pre-payment discount – paying today to lock in a reduced price for an item that is not yet available