

Corporate Gifts

Many startup businesses are created through an agreement in which an investor provides funding with a heter iska contract. May the business owner send the investor annual corporate gifts, or an extravagant Shalach Manos on Purim?

Poskim disagree whether the restrictions of *avak ribbis* apply to parties of an *iska* partnership. Some permit these gifts as dividends, while others consider them gratitude for the loan portion of the *iska* agreement, and forbidden.

If one expects to encounter such situations, it is better to structure the *iska* contract as a *kulo pikadon* in which there is no loan taking place.

When a business is incorporated, Rav Moshe Feinstein z"l rules that they may borrow (though not lend) with *ribbis*, and therefore in our case there would be no issue at all. Other *poskim* are stringent however, and require a corporation to draft a *heter iska*, which in our case would be best serviced by a *heter iska kulo pikadon*, as mentioned above.