

Is a Guaranteed Investment a Problem of Ribbis?

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**Case:** A friend of mine approached me and relayed that he has an opportunity to purchase some very rare manuscripts for \$10,000. He believes that these manuscripts can be resold for upwards of \$100,000, and are, therefore, a very good investment.

He would like for me to lend him the money, and in return, he will split the profits. He is also guaranteeing that, even in a worst case scenario where he would be unable to resell them for \$10,000, he would personally make sure to repay me the \$10,000 I invested.

**Question:** Is this a problem of *ribbis*?

**Answer:** If an investment is 100% guaranteed, it may be a serious problem of *ribbis*.

The Mishnah speaks about a case that is referred to as “*tzon barzel*,” an investment that is completely guaranteed, and says that even if it is not structured as a loan (which would make it only a question of *ribbis d’rabanan*) it would still be forbidden.

The Gemara says that this would only be a problem if the one receiving the money accepts all liability. The investor would have to accept a certain amount of liability to get around the problem [the exact details of which are somewhat complex].

In the case in question, a solution may be for the investor to accept liability if the manuscripts are stolen. If he does so, even if he accepts no liability for negligence or depreciation, it may be permitted.