EEMAAN FOUNDATION

Strengthening Faith, Serving Humanity

Department of Islamic Research

SHARIAH ASSESSMENT AND COMMUNITY ADVISORY

Participation in DX818 / DistributeX

Reference: EF/SA/2026-01

Date of issue: 8 August 2026

Status: Official Shariah advisory based on publicly available information.

Subject to revision

Prepared by

Eemaan Foundation - Islamic Research Department

Republic of Mauritius

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بسم الله الرحمن الرحيم

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1. Scope and Basis of this Assessment

Eemaan Foundation has been asked by members of the community regarding the permissibility of participating in the platform commonly promoted locally as **DX818** and known internationally as **DistributeX**.

The platform operates under several names and web addresses, including **DistributeX**, **DistributeX Limited**, **DX Distribute** and **DX**, and is promoted through several domains and a mobile application. References in this document to "**DX818** / **DistributeX**" are to this single platform and its operating variants, including those identified by the regulatory authorities cited in Section 4.

This assessment examines the platform's membership deposits, tiered earning levels, task-based remuneration, referral commissions, advertised returns and rewards, and - most importantly - the economic source of the funds from which participants are paid.

Evidentiary limitation

This assessment is based solely on publicly available information: the platform's own promotional material, participant accounts, independent reporting, and published regulatory notices. Eemaan Foundation has not had access to the company's governing member contracts, audited accounts, or actual financial flows. No direct access to such materials has been obtained.

This limitation is stated openly because it defines what can and cannot be concluded. Where facts material to the Shariah characterisation of a transaction remains undisclosed or cannot be independently verified, the resulting uncertainty is itself relevant to the Shariah assessment. The conclusions below are therefore firm where the evidence is firm, and expressly conditional where the underlying facts remain unverified.

2. Governing Shariah Principles

The following established principles govern this assessment and are stated at the outset so that the reasoning may be examined and, if necessary, corrected by other qualified parties.

(a) Substance prevails over form

The recognised juristic maxim is:

العِبْرَةُ فِي العُقُودِ لِلمَقاصِدِ والمَعانِي لَا لِلأَلْفَاظِ وَالمَبَانِي

al-ʿibrah fi'l-ʿuqoud bi'l-maqaaṣid wa'l-maʿaanee laa bi'l-alfaaẓ wa'l-mabaanee

The determinative consideration in contracts is their objectives and true meanings, not their labels and outward forms. A transaction is judged by what it actually is, not by what it is called.

(b) A loan yielding a stipulated benefit is ribaa

It is settled among the jurists that:

كُلُّ قَرضٍ جَرَّ مَنْفَعَةً فَهُوَ رِبًا

kull qarḍ jarra manfʿatan fa-huwa riban

— every loan that draws a benefit is ribaa.

Sheikh Ibn Baaz said:
The mentioned hadith is considered weak (da‘if) by the scholars of hadith and is not authentic. However, its meaning is correct according to the scholars. Its meaning is that loans which bring a stipulated benefit to the lender are prohibited by scholarly consensus (Ijmaa’r).

For example, if a person lends someone one thousand riyals on the condition that the borrower allows him to use his car for one or two months, or permits him to live in his house, or gives him the use of his land to cultivate until the borrowed money is repaid, then this is not permissible according to all the scholars[1].

[1] شرح حديث: (كل قرض جر نفعاً فهو ربا) وحكمه - موقع الشيخ ابن باز

(c) Wealth may not be consumed unjustly

يَـٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُوا۟ لَا تَأْكُلُوٓا۟ أَمْوَٰلَكُم بَيْنَكُم بِٱلْبَـٰطِلِ إِلَّآ أَن تَكُونَ تِجَـٰرَةً عَن تَرَاضٍ مِّنكُمْ ۚ وَلَا تَقْتُلُوٓا۟ أَنفُسَكُمْ ۚ إِنَّ ٱللَّهَ كَانَ بِكُمْ رَحِيمًا ﴿٢٩﴾

O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful. [4:29] Sahih International

(d) The doubtful is to be abandoned

[عن النعمان بن بشير:] الحَلالُ بَيِّنٌ، والحَرامُ بَيِّنٌ، وبيْنَهُما أُمُورٌ مُشْتَبِهَةٌ، فمَن تَرَكَ ما شُبِّهَ عليه مِنَ الإثْمِ، كانَ لِما اسْتَبانَ أتْرَكَ، ومَنِ اجْتَرَأَ على ما يَشُكُّ فيه مِنَ الإثْمِ، أوْشَكَ أنْ يُواقِعَ ما اسْتَبانَ، والمَعاصِي حِمى اللَّهِ مَن يَرْتَعْ حَوْلَ الحِمى يُوشِكُ أنْ يُواقِعَهُ. أخرجه مسلم

"That which is lawful is clear and that which is unlawful is clear, and between the two are matters unclear, which many people do not know. Whoever guards against the doubtful has protected his religion and his honour." agreed upon (al-Bukhārī and Muslim)

دَعْ ما يَرِيبُكَ إلى ما لا يَرِيبُكَ. أخرجه النسائي

"Leave that which makes you doubt for that which does not make you doubt". reported by al-Nasaaʾi

3. Analysis of the Shariah Concerns

3.1 Gharar Faahish and jahaalah — (excessive uncertainty & Unknown)

There is insufficient transparency regarding the legal nature of members' deposits, how those funds are used, where they are held, who guarantees their repayment, and the genuine economic source from which the unusually high remuneration is paid.

These uncertainties concern essential terms of the arrangement rather than peripheral details. On the apparent structure presently available, they raise a serious presumption of **gharar** and **jahaalah**. If these deposits form part of the governing contractual arrangement, they may amount to **gharar faaḥish** and affect the validity of the contract. Final contractual characterisation nevertheless requires examination of the governing agreement.

3.2 Serious risk of concealed ribaa (hidden interest) in the deposit-tier structure

This is among the most serious concerns identified and is a central issue in the present assessment. A participant's earning level appears to rise according to the amount of money deposited. If money is made available to the operator while the participant is assured of its return and receives a financial benefit measured by the size of that contribution, the arrangement bears the defining characteristics of a loan producing a stipulated benefit and would fall within the prohibition set out at **2(b)** above.

Applying the maxim at **2(a)**, describing the resulting payment as a "salary", "task reward" or "commission" would not alter its ruling if the benefit in reality arises principally/partly from the money advanced rather than from labour performed. On the publicly available evidence, the relatively simple online tasks do not appear to bear a commercially credible relationship to the scale of remuneration reported, and no independently verified evidence has presently demonstrated otherwise.

3.3 Remuneration without demonstrable economic origin

Independent reporting has described remuneration levels that may exceed a participant's original contribution within a short period, while the required activity consists largely of simple online tasks. [3] No independently audited external business revenue has been publicly demonstrated that would explain how such remuneration is sustainably generated.

In Islamic commercial law, entitlement to profit or remuneration must rest upon a lawful basis, such as genuine trade, lawful labour, or risk properly borne. Where the economic source and lawful contractual basis of a payment cannot be established, entitlement to that payment remains seriously doubtful, irrespective of the regularity with which it is received.

عَنْ جَابِرِ بْنِ عَبْدِاللهِ قِالِ قَالَ النَّبِيُّ ﷺ : بمَ تَأْخُذُ مالَ أخيك بغيرِ حَقٍّ؟! أخرجه مسلم

Narrated by Jaabir ibn ʿAbdullaah ؓ, who said: The Prophet ﷺ said: "By what right do you take your brother's wealth unlawfully?" Reported by Muslim.

3.4 Referral structure and pyramid characteristics

Referral commissions are not inherently prohibited. Where a person is genuinely rewarded for introducing real customers to a lawful product or service, this may be valid as brokerage (***samsarah***[2]) or as a promised reward for a defined act (**juʿaalah**[3]). This distinction must be preserved, and a blanket prohibition of all referral arrangements would be incorrect.

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[2] Brokerage (samsarah) refers to acting as an intermediary between a seller and a buyer in order to facilitate a transaction. A broker helps bring the two parties together, directs the buyer to suitable goods or services, and may advise the seller regarding market prices and potential buyers. Al-Mawsūʿah al-Fiqhiyyah states:

"The broker is the one who mediates between the seller and the buyer in order to facilitate a sale. He guides the buyer to the goods and advises the seller regarding prices." (Al-Mawsūʿah al-Fiqhiyyah, 10/151)

Islamic jurists have generally affirmed that working as a broker is permissible and that a broker may receive a fee or commission in return for the service provided, provided that the transaction itself is lawful and the brokerage does not involve deception, fraud, or any prohibited activity.

Imam Mālik (may Allah have mercy on him) was asked about paying a broker for his services, and he replied: here is nothing wrong with it." (Al-Mudawwanah, 3/466)

[3] It is also called al-jaʿl or al-jaʿīlah. It refers to a payment offered to a person in return for carrying out a particular task. For example, someone may say: "Whoever does such-and-such will receive such-and-such amount of

The objection here is narrower and specific. Where financial reward depends materially on the recruitment of further paying members rather than on genuine external commercial activity, the arrangement ceases to function as ordinary brokerage in any meaningful sense and the economic focus shifts from genuine sales to recruitment itself. Contemporary fatwa bodies have prohibited network and pyramid structures of this kind where entry payments and recruitment, rather than genuine trade, are central to returns[4].

3.5 Maysir (Gambling) and unjust enrichment

If the profits of earlier participants are substantially financed by the contributions of later participants, earlier members would benefit from wealth entering beneath them rather than from productive activity or a demonstrable lawful entitlement. Each participant's gain would then depend materially on position in the sequence and on the continued entry of others.

If that funding pattern is established, it would carry serious characteristics of maysir and qimar and of consuming wealth unjustly, contrary to the verse cited at 2(c).

3.6 Tadlees, ghish and ghabn

If participants are led to understand that their income originates from genuine advertising, digital marketing or investment activity while the actual source of payment is materially different, this would raise tadlees (misrepresentation), ghish (deception) and potentially ghabn faaḥish (gross disparity in exchange). On the information presently disclosed, these concerns cannot be excluded.

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money." In other words, a specified amount of money is offered to whoever completes a specified task, such as building a wall.

The evidence for the permissibility of this arrangement is the statement of Allah: "And whoever brings it shall have a camel-load [of provisions], and I guarantee it." (Yūsuf 12:72)

That is, whoever identifies the one who stole the king's measuring cup will receive a camel-load. This is an example of juʿālah, and the verse therefore indicates that such an arrangement is permissible.

Whoever completes the task for which the reward was offered, after being aware of the offer, is entitled to receive the reward, because the agreement becomes binding upon completion of the work.

If a group of people jointly completes the task, they share the stipulated reward equally, because they participated together in the work by which the compensation became due, and therefore they share in that compensation.

However, if a person completes the task before becoming aware that a reward had been offered for it, he is not entitled to anything, because he performed the work without acting on the basis of the offer and therefore no compensation is due to him.

If he becomes aware of the offered reward while he is already carrying out the task, he is entitled to a proportion of the reward corresponding to the part of the work that he performed after becoming aware of the offer.

[4] https://www.aliftaa.jo/en-fatwas/1995/Ruling-on-Network-and-Pyramid-Marketing - https://islamqa.info/en/answers/96708/dealing-with-companies-that-use-pyramid-marketing

4. The Regulatory Position

Two financial regulators have published notices concerning this platform:

The Financial Services Commission of Mauritius issued an Investor Alert concerning DistributeX on 30 April 2026, informing the public that DistributeX, its representatives and its promoter groups are not licensed and/or regulated by the Commission.[5]

The Malta Financial Services Authority issued a notice on 30 July 2026 stating that entities operating under the names DistributeX, distributex, DistributeX Limited, DX Distribute or DX are not registered as companies in Malta and have never been licensed or authorised by the Authority. The MFSA further identified features resembling characteristics commonly associated with multi-level marketing arrangements and which may exhibit elements linked to pyramid schemes, including an upfront financial contribution and referral-based incentives for recruiting new participants.[6]

The proper weight of these notices

It must be stated fairly that these are regulatory warnings concerning licensing status and observed features. They do not, by themselves, constitute a judicial determination that **DX818 / DistributeX** is legally a Ponzi or pyramid scheme, and this document does not assert that they do.

Their relevance to the present assessment is nevertheless direct. The Shariah concern at 3.1 is that essential contractual and financial facts remain unverified. The fact that two financial regulators have publicly identified a lack of relevant local authorisation and have raised concerns regarding the structure materially reinforces the need for caution, while not converting those warnings into a judicial finding of fraud.

5. Contractual Defects Are Not Cured by Proportionality

Shariah screening thresholds used in some investment contexts address incidental impermissible activity within an enterprise whose primary business is otherwise lawful. They should not be confused with the validity of the participant's own contract with DX818 / DistributeX.

If the participant's contract itself contains prohibited riba, excessive gharar, maysir or unjust enrichment, such a defect is not cured merely because it constitutes a particular proportion of

[5] https://defimedia.info/investissement-dans-les-cryptomonnaies-distributex-enquete-preliminaire-sur-un-possible-systeme-de?fbclid=IwY2xjawTmzptwZG9mAWV4dG4DYWVtAjExAHNydGMGYXBwX2lkEDIyMjAzOTE3ODgyMDA4OTIAAR6VX_9sNriEjBVFkyzMEe32iW0eTHXiI1K_Z7FHmHwClsySsW535-XsF3Kzlw_aem_UbvyjYI8nzhgqqHqsXj-Nw

[6] https://www.maltatoday.com.mt/news/national/143539/mfsa_issues_warning_over_obscure_crypto_marketing_firm_distributex_after_maltatoday_investigation

the operator's overall activities. Accordingly, this assessment turns on the nature of the participant's contract, the treatment of the deposit, and the true source of remuneration rather than on a numerical screening ratio.

6. Assessment and Advice

On the information presently available, Eemaan Foundation Research Department does not regard participation in DX818 / DistributeX as Shariah-compliant. The model raises substantial concerns or conditional risks of:

— serious gharar and jahaalah concerning essential contractual terms and the source of remuneration;

— a serious risk of concealed ribaa if the deposit is economically a loan, or otherwise generates a stipulated financial benefit because of the money advanced;

— mayseer, qimaar and unjust enrichment if participants' returns depend materially on the contributions of later entrants;

— tadlees and ghish if the represented source of remuneration materially differs from its actual source;

— pyramid-type characteristics arising from upfront contributions, tiered rewards and recruitment incentives; and

— possible Ponzi-type characteristics if participant inflows are being used to finance earlier participants' returns.

Even where an individual concern cannot presently be established conclusively, the cumulative uncertainty places the arrangement, at minimum, within serious doubtful matters (al-mushtabihaat/shubhah) addressed by the hadith of al-Nuʿmaan ibn Basheer cited at 2(d). Avoidance is therefore warranted on that basis even before any allegation of fraud is legally established.

Muslims are advised not to deposit further funds, purchase or upgrade membership levels, or recruit others into DX818 / DistributeX unless and until its financial structure has been independently audited and its Shariah compliance satisfactorily established by qualified scholars with access to the relevant contracts and financial flows.

On the receipt of payments

That participants are presently receiving substantial payments does not by itself establish permissibility. Regular payment demonstrates only that payments are being made; it does not establish their economic source or lawful contractual basis. If payments are materially financed by later entrants, regular withdrawals would be compatible with, rather than a refutation of, a Ponzi-type mechanism.

In Islamic law the essential question is not: *"How much profit did I receive?"*

It is rather:

"From where did this wealth originate, what lawful contract entitled me to receive it, and whose wealth ultimately financed my profit?"

عَنْ أَبِي بَرْزَةَ الأَسْلَمِي قِالِ قَالَ النَّبِيُّ ﷺ : لَا تَزُولُ قَدَمَا عَبْدٍ يَوْمَ القِيَامَةِ، حَتَّى يُسْأَلَ عَنْ عُمُرِهِ؛ فِيْمَ أَفْنَاهُ؟ وَعَنْ عِلْمِهِ؛ فِيْمَ فَعَلَ فِيْهِ؟ وَعَنْ مَالِهِ؛ مِنْ أَيْنَ اكْتَسَبَهُ؟ وَفِيْمَ أَنْفَقَهُ؟ وَعَنْ جِسْمِهِ؛ فِيْمَ أَبْلَاهُ؟أخرجه الترمذي

Narrated by Abi Barzah Al Aslamee ؓ, who said: The Prophet ﷺ said: The feet of a servant will not move on the Day of Resurrection until he is questioned about his life and how he spent it; about his knowledge and what he did with it; about his wealth, how he earned it and how he spent it; and about his body and how he used it. Reported by Al-Tirmidhee

7. Guidance for Those Already Participating

Many participants may have joined in good faith on the recommendation of people they trusted and without knowledge of the concerns identified in this assessment. Such persons should not be hastily blamed or shamed. Individual accountability depends upon knowledge, intention and circumstances. The practical obligation is to act responsibly once serious concerns become known.

— Pending satisfactory clarification, cease further deposits, membership upgrades and recruitment.

— Seek to recover the principal originally contributed where this can lawfully and safely be done. Recovering one's own capital is not, in itself, objectionable.

— Regarding amounts already received or subsequently withdrawn: a participant should seek to recover only the amount of his or her remaining net capital. Any previous withdrawals must first be counted towards the recovery of that capital. Once the participant has recovered an amount equal to the total amount originally contributed, any additional amount constitutes surplus and should not automatically be regarded as lawful personal income. Accordingly, where the lawful commercial basis of the surplus cannot be established, Eemaan Foundation advises participants, as a matter of Shariah precaution and purification of wealth, not to use such surplus for their personal benefit. After recovering their principal, amounts established to be unlawful should be disposed of by giving them to the poor, needy or appropriate public-benefit causes, with the intention of dissociating oneself from unlawful wealth (*takhalluṣ min al-maal al-ḥaraam*) and not with the intention of earning the reward of voluntary charity. Individual cases involving genuine ignorance of the prohibition, substantial losses, or other exceptional circumstances may require separate scholarly consideration.

— Those who recruited others should inform them of this advisory and of the material concerns identified, so that they can make an informed decision, refrain from further exposure and seek appropriate guidance.

8. Conditions for Reconsideration

This assessment is provisional in the proper sense: it follows the evidence, and it will follow the evidence if the evidence changes. It may be reconsidered upon production of credible independent proof establishing:

— audited financial statements demonstrating genuine external business revenue;

— the precise contractual nature of members' deposits, and the identity of the party bearing risk in respect of them;

— evidence that deposits are segregated and are not the source of member remuneration;

— independently verifiable advertising or customer revenues sufficient to finance the payments made;

— full disclosure of the referral and compensation structure; and

— an independent Shariah audit by qualified scholars granted access to the company's contracts, accounts and actual financial flows.

Eemaan Foundation states plainly that it welcomes credible evidence and will revise this assessment if the material facts change. The operator is best placed to provide the necessary contractual, accounting and fund-flow evidence. Until such evidence is independently verified, the principle of avoiding doubtful financial transactions prevails.

And Allah knows best.

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Additional Sources

[1] Financial Services Commission, Mauritius - Investor Alert: DistributeX, 30 April 2026. Official FSC alert

[2] Malta Financial Services Authority - Notice concerning DistributeX / DX, 30 July 2026. Official MFSA notice

[3] MaltaToday - "Obscure crypto marketing firm DistributeX feels like a Ponzi scheme", 19 July 2026. Investigative report

[4] General Iftaa Department, Hashemite Kingdom of Jordan - "Ruling on Network and Pyramid Marketing" (Fatwa No. 1995). Fatwa text

Primary Islamic sources cited: Qur'an 4:29; Ṣaḥīḥ al-Bukhārī and Ṣaḥīḥ Muslim; Sunan al-Tirmidhī; Sunan al-Nasāʾī.