

## GLOSSARY

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TERMS		EXPLANATION
Akad istithaq	(عقد الاستيثاق)	Contract of guarantee
Akad isytirak	(عقد الاشتراك)	Contract of partnership such as <i>mudarabah</i> and <i>musyarakah</i>
Akhz al-ajr `ala al-jah	(أخذ الأجر على الجاه)	Charging fee for someone's reputation
Akhz al-ju'l `ala ruqyah min al-Quran	(أخذ الجعل على رقية من القرآن)	Charging fee for treatment/ medication using verses of al-Quran
Al-`adah muhakkamah	(العادة محكمة)	Common practice as basis of the ruling
Al-ajl	(الأجل)	Deferment
Al-bai`	(البيع)	Sale contract
Al-bai` wa al-salaf	(البيع والسلف)	Sale contract with credit term
Al-ijarah thumma al-bai`	(الإجارة ثم البيع)	Lease contract followed by ownership of asset through a sale contract
Al-jam`u baina `aqd al-qardh wa `aqd al-mu`awadhah	(الجمع بين عقد القرض وعقد المعاوضة)	Combination of a loan contract and an exchange contract
Al-muqasah al-ittifaqiyyah	(المقاصة الإتفاقية)	Offsetting by mutual agreement of contracting parties
Al-muqasah al-jabariyyah	(المقاصة الجبرية)	Offsetting by order of the authority
Al-naqd yalid al-naqd	(النقد يلد النقد)	Money begets money

TERMS	EXPLANATION
<b>Al-wa`d bi al-tamlik</b> (الوعد بالتمليك)	Promise to own or acquire ownership
<b>Bai` `inah</b> (بيع العينة)	Sale contract followed by repurchase by the seller at a different price
<b>Bai` dayn</b> (بيع الدين)	Sale of debt
<b>Bai` al-dayn bi al-dayn</b> (بيع الدين بالدين)	Sale of debt with debt
<b>Bai` sarf</b> (بيع الصرف)	Sale of currency
<b>Bai` al-usul bi al-khasm</b> (بيع الأصول بالخصم)	Sale of asset at discount
<b>Bai` al-kali' bi al-kali'</b> (بيع الكالئ بالكالئ)	Refer <i>bai` al-dayn bi al-dayn</i>
<b>Bai` bithaman ajil</b> (بيع بثمن آجل)	Sale contract based on deferred payment at certain price
<b>Bai` mu`ajjal</b> (بيع مؤجل)	Refer <i>bai` bithaman ajil</i>
<b>Bai` muzayadah</b> (بيع مزايده)	Sale contract based on bidding or auction
<b>Bai` salam</b> (بيع السلم)	Sale contract based on order of certain asset with certain specifications. Full payment is made in cash at the time of conclusion of the contract whereas the delivery of the asset is deferred to a specified time

TERMS		EXPLANATION
Bai` wadhi`ah	(بيع الوضعية)	Sale contract with a price lower than acquisition cost
Bai`atain fi al-bai`ah	(بيعتين في البيعة)	Two sales contracts within one sale contract
Dayn ghair thabit	(دين غير ثابت)	Debt which is not yet established
Dayn mustaqir	(دين مستقر)	Debt which the liability to pay is established
Dayn thabit	(دين ثابت)	Debt which is fixed
Dhaman	(ضمان)	Guarantee
Dharar	(ضرر)	Harm
Dhawabit	(ضوابط)	Guidelines
Dho` wa ta`ajjal	(ضع وتعجل)	Reducing the amount of debt when the debtor make early settlement
<b>Facultative</b>		Retakaful agreement executed between a takaful company and another takaful company (including conventional insurance company), and the takaful company which underwrites the risks is having the option to distribute or cede whereas the latter or conventional insurance company has the option to receive or refuse the risks
<b>Faraid</b>	(فرائض)	The knowledge or rules on estate distribution according to Islamic principles

TERMS		EXPLANATION
Fasakh	(فسخ)	Termination
Fasid	(فاسد)	Defective, invalid
Fiqh muamalat	(فقه المعاملات)	A discipline of knowledge that discusses the rules relating to human affairs
Fuqaha	(فقهاء)	<i>Fiqh</i> scholars
Gharamah	(غرامة)	Fine/penalty
Gharar	(غرر)	Uncertainty
Gharar yasir	(غرر يسير)	Minimal uncertainty
Ghasb	(غصب)	Confiscation or unlawful seizure of property
Hajah	(حاجة)	Need
Hamish jiddiyyah	(هامش جدية)	Security deposit
Hibah ruqba	(هبة رقبى)	A gift during the lifetime of the giver or recipient of <i>hibah</i> with a condition that the death of a party (either the giver or recipient of <i>hibah</i> ) is the effective condition for ownership of the property by the surviving party
Hibah umra	(هبة عمرى)	A gift during the lifetime of the recipient or giver of <i>hibah</i> on the condition that the property will be returned to the giver in case of death of the recipient

TERMS		EXPLANATION
<b>Ibra'</b>	(إبراء)	Rebate/waiver of partial or total claim against certain right or debt
<b>Ibra' mu`allaq</b>	(إبراء معلق)	<i>Ibra'</i> which is subject to certain condition and if the condition is satisfied, the <i>ibra'</i> will be given
<b>Ibra' muqayyad</b>	(إبراء مقيد)	<i>Ibra'</i> which is limited by certain condition
<b>Ijarah</b>	(إجارة)	Lease or service contract that involves benefit/usufruct of certain asset or work for an agreed payment or commission within an agreed period
<b>Ijarah muntahia bi al-tamlik</b>	(إجارة منتهية بالتمليك)	Lease contract which ends with acquisition of ownership of the asset by the lessee
<b>Ijtihad</b>	(اجتهاد)	Rigorous thinking and efforts by scholars who have attained the degree of <i>mujtahid</i> in order to issue certain Shariah ruling definitely in a matter which is not clearly provided in al-Quran or <i>Sunnah</i>
<b>`Illah</b>	(علة)	Effective cause
<b>Isqat al-haq</b>	(إسقاط الحق)	Waive of right
<b>Istiqrar ta`amul</b>	(استقرار التعامل)	Smooth running of market
<b>Istisna`</b>	(استصناع)	Sale contract by way of order for certain product with certain specifications and certain mode of delivery and payment (either in cash or deferred)

TERMS		EXPLANATION
Istisna` muwazi	(استصناع موازي)	Parallel <i>istisna`</i>
Ittifaqiyyah	(اتفاقية)	Mutual agreement
`Iwad	(عوض)	Consideration
Jumhur	(جمهور)	Majority
Kafalah	(كفالة)	Guarantee
Kafalah bi al-Ujr	(كفالة بالأجر)	Guarantee with fee
Kafil	(كفيل)	Guarantor
Makful `anhu	(مكفول عنه)	Guaranteed party
Makful lahu	(مكفول له)	Recipient of guarantee or beneficiary
Mani` Syar`ie	(مانع شرعي)	Shariah impediment
Marhun	(مرهون)	Charged property
Maslahah	(مصلحة)	Public interest
Masnu`	(مصنوع)	Manufactured item
Maysir	(ميسر)	Gambling
Mu`ayyan bi al-zat	(معين بالذات)	Clearly identifiable and determinable in terms of location, quantity and quality
Mubara`ah	(مباراة)	Mutual waiving of right
Mudarabah	(مضاربة)	Profit sharing contract



TERMS		EXPLANATION
<b>Mudarib</b>	(مضارب)	Entrepreneur of a <i>mudarabah</i> joint venture
<b>Mulzimah</b>	(ملزمة)	Binding
<b>Muqaradah</b>	(مقارضة)	Refer <i>mudarabah</i>
<b>Muqasah</b>	(مقاصة)	Offsetting
<b>Muqtada al-`aqd</b>	(مقتضى العقد)	Objective of the contract
<b>Murabahah</b>	(مرابحة)	Sale contract with a disclosure of the asset cost price and profit margin to the buyer
<b>Murtahin</b>	(مرتكن)	A party who asks for collateral
<b>Musahamah</b>	(مساهمة)	Mutual contribution
<b>Musawamah</b>	(مساومة)	Sale contract without the disclosure of the asset cost price and profit margin to the buyer
<b>Musya`</b>	(مشاع)	A feature of a jointly owned asset that cannot be separated or divided
<b>Musarakah</b>	(مشاركة)	Profit and loss sharing
<b>Musarakah mutanaqisah</b>	(مشاركة متناقصة)	A contract of partnership that allows one (or more) partner(s) to give a right to gradually own his share of the asset to the remaining partners based on agreed terms
<b>Musyarik</b>	(مشارك)	Partner

TERMS		EXPLANATION
Muta`arafan	(متعارفا)	Becoming common practice
Muwa`adah mulzimah	(مواعدة ملزمة)	Binding promise of both parties
Nafaqah	(نفقة)	Cost of liability
Qabd	(قبض)	Possession over a particular asset
Qard	(قرض)	Loan contract
Qard hasan	(قرض الحسن)	Benevolent loan
Qawl al-jadid	(قول الجديد)	New opinion
Qawl al-qadim	(قول القديم)	Earlier opinion
Qimah ismiyyah	(قيمة إسمية)	Nominal price
Qimah suqiyyah	(قيمة سوقية)	Market price
Qiradh	(قراض)	Refer <i>mudarabah</i>
Qiyas	(قياس)	Analogy
Rabbul mal	(رب المال)	Capital owner/investor
Rahin	(راهن)	Chargor
Rahn	(رهن)	Pledge/charge
Rahn al-musya`	(رهن المشاع)	Charge on a jointly owned asset
Rahn rasmi	(رهن رسمي)	Surrender of charge via formal record in the registry of the authority

TERMS		EXPLANATION
Sadd zarai`	(سد الذرائع)	Shariah approach in blocking the means that may lead to a person's involvement in forbidden matters
Sighah	(صيغة)	The pronunciation of offer and acceptance
Siyasah Syar`iyyah	(سياسة شرعية)	Basis and approach taken by the ruler for the interest of the nation and the people which is in line with Shariah principles
Sukuk	(صكوك)	Islamic securities/bonds
Sukuk commodity murabahah		Islamic securities based on <i>tawarruq</i> contract
Sukuk ijarah	(صكوك الإجارة)	Islamic securities based on <i>ijarah</i> contract
Syahadah al-dayn	(شهادة الدين)	Debt certificate
Syubhah	(شبهة)	Doubt
Ta`awun	(تعاون)	Helping each other
Ta`widh	(تعويض)	Compensation
Tabarru`	(تبرع)	Voluntary donation/contribution
Takaful		A scheme which is based on the spirit of cooperation and helping each other by providing financial assistance to participants when needed and all participants mutually agree to give contribution for the said purpose

TERMS		EXPLANATION
<b>Outward retakaful</b>		Distribution of underwritten risks by a takaful company to another takaful company or a conventional insurance company
<b>Inward retakaful</b>		Acceptance of risks by a takaful company from another takaful company
<b>Taklufah</b>	(تكلفة)	Actual cost
<b>Takyif</b>	(تكيف)	Adaptation
<b>Takyif fiqhi</b>	(تكيف فقهي)	<i>Fiqh</i> adaptation
<b>Tanazul</b>	(تنازل)	Waive of the entitlement to claim
<b>Taqyid</b>	(تقييد)	Limiting
<b>Tasarruf</b>	(تصرف)	Dealing
<b>Tawarruq/ commodity murabahah</b>	(تورق)	Purchasing an asset with deferred price, either on the basis of <i>musawamah</i> or <i>murabahah</i> , then selling it to a third party to obtain cash
<b>Tawatu'</b>	(تواطؤ)	Pre-arrangement

TERMS		EXPLANATION
<b>Treaty</b>		Retakaful agreement between a takaful company and another takaful company (including conventional insurance company) which requires the takaful company to distribute or cede its underwritten risks and the takaful company or conventional insurance company which had concluded the agreement shall undertake the risks
<b>Ujr `ala wakalah</b>	(أجر على الوكالة)	Agency fee
<b>Ujah</b>	(أجرة)	Commission
<b>`Uqud mu`awadhat</b>	(عقود معاوضات)	Contracts of exchange
<b>`Uqud musamma</b>	(عقود مسمى)	Contracts which are known amongst the scholars, mentioned in classical <i>fiqh</i> literature and precisely explained in the sources of rulings (such as al-Quran and <i>Sunnah</i> )
<b>`Uqud mustajiddah</b>	(عقود مستجدة)	Contemporary contracts
<b>`Urbun</b>	(عربون)	Down payment/deposit
<b>`Urf</b>	(عرف)	Common practice which is acceptable by the community and does not contradict the Shariah rulings
<b>`Urf tijari</b>	(عرف تجاري)	Common business practice which is acceptable by the community and does not contradict the Shariah rulings
<b>Wa`d</b>	(وعد)	Promise
<b>Wa`d bi al-syira'</b>	(وعد بالشراء)	Promise to buy

TERMS		EXPLANATION
Wa`d mulzim	(وعد ملزم)	Binding promise
Wadi`ah	(وديعة)	Safe keeping contract in which a party entrusted his property to another party for safe keeping and to be returned upon request
Wadi`ah yad amanah	(وديعة يد أمانة)	Safe keeping contract based on trust
Wadi`ah yad dhamanah	(وديعة يد ضمانة)	Safe keeping contract with guarantee
Wakaf	(وقف)	A form of endowment by an owner of a property for public benefit and wellbeing which is allowed by Shariah
Wakalah	(وكالة)	Agency contract
Wakalah bi al-istithmar	(وكالة بالاستثمار)	Agency contract for investment
Wasi	(وصي)	A person appointed to execute a will
Zari`ah ila riba	(ذريعة إلى ربا)	Means leading to <i>riba</i>
Zan al-ghalib	(ظن الغالب)	Presumption that is closer to certainty
Zimmah	(ذمة)	Liability

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