

## GLOSSARY

<b>Terms</b>	<b>Explanations</b>
`aqd	A contract
`aqd tauthiqiy	A guarantee contract
`ariyah	A beneficial contract in which the borrower enjoys the usufruct of an asset without fee
`illah	Legal effective cause
`iwad	A value which is determined equivalent to an exchanged asset or service
`umum al-nahyi	General prohibitions
`uqubah maliyyah	Financial penalty
`uqud tauthiqat	Plural of `aqd tauthiqiy
`urf al-iqtisadiy	Common practice in economic activities
`urf	Common or customary practice of the community in terms verbal usage or conduct that is not contrary to principles of Shariah
akhz al-ajr `ala al-jah	Remuneration that is based on good name or good reputation
al-syart al-jaza'i	Penalty clause
al-wa`d atau wa`d	Promise
al-wa`d bi al-bai`	Promise to sell
al-wa`d bi al-syira'	Promise to buy
bai` al-kali' bi al-kali'	Sale of debt for a debt
bai` al-murabahah li al-amir bi al-syira'	Murabahah to the purchase orderer
bai` dayn	Sale of debt that is created under Shariah compliant business activities
bai` `inah	<ol style="list-style-type: none"> <li>1. A contract of sale and purchase of an asset whereby the seller sells to buyer in cash and subsequently buys back the asset at a marked up deferred price</li> <li>2. A contract of sale and purchase of an asset whereby the seller sells to buyer at a deferred price and subsequently buys back at a lower cash price.</li> </ol>
bai` bithaman ajil	A contract of sale and purchase of an asset in which the payment of price is deferred and paid in instalment within an agreed period of time. The selling price includes profit.

bai` mu`athah	A contract of sale and purchase of an asset in which the contracting parties agreed on the exchange of the asset and the price without verbal or written ijab and qabul.
bai` murawadhah	Refer bai` mu`athah
bai` wafa`	A conditional contract of sale and purchase on an asset in which the buyer would return the asset to the seller if the seller refund the price to the buyer.
dhaman	A contract of guarantee in which one party guarantees the fulfillment of a claim or performance of an obligation which is due to another party in a case of default. Synonim: kafalah.
dho` wa ta`ajjal	An arrangement in which the creditor reduces the amount of debt due to early settlement of debt by the debtor.
gharamah	Penalty
gharar	Element of uncertainty and/or deceit
ghasb	Forfeiture
ghayah	Aim or goal
hamish jiddiyyah	Security deposit; certain amount of money will be taken from a party, who places an order to purchase, as a security for his promise.
haram lighoirih	Forbidden due to a factor
haram lizatihi	Inherently forbidden
hibah	An act of transferring of ownership of an asset or usufruct without an exchange of counter value during the lifetime of the transferor
hibah al-`umra	Hibah which is contingent to the lifetime of either the one who makes the gift or the recipient.
hibah al-ruqba	A conditional hibah stipulated by the one who makes the gift, where the recipient will own the gift upon the death of the former
hibah manfaat	Refer `ariyah
hilah	Legal device
ibra`	Waiving partially or totally a right to claim a debt.
ijarah	A contract between a lessor and a lessee in which the lessor being the owner of the property allows the lessee to enjoy the usufructs of the property at agreed terms on the rental and period of lease.

ijarah thumma al-bai`	A contract of lease which subsequently followed by a sale contract.
ijmak	Consensus of Islamic scholars and jurist
ijtihad	Reasoning by qualified Shariah scholars to obtain Shariah rulings from the sources of Shariah
infaq	Donation or payment
istihsan	Juristic preferences, disregarding a ruling backed by a dalil (proof) and resort to another ruling that is sounder
istinbat al-ahkam	Derivation of Shariah rulings from the main sources of Shariah.
istiqrā`	Meticulous and comprehensive reading and understanding of an issue in order to derive Shariah rulings
istiqrar ta`amul	stability of trade.
istishab	Maintaining the continuity of an established legal rule in the absence of any evidence showing otherwise.
jumhur fukaha	Majority of scholars
kafalah	Refer dhaman
kafalah bi al-`ayn	A guarantee to provide or deliver a tangible property which is the subject matter of a contract. Synonym; kafalah bi al-taslim
kafalah bi al-darak	A guarantee for an object to be free from any claim. It is meant to ensure that the ownership of the object is free from any encumbrances in order to allow a transfer of the object. Should there is a claim, the guarantor will compensate for any loss incurred.
kafalah bi al-dayn	A guarantee to settle a debt owed by a person.
kafalah bi al-mal	Commercial or financial guarantee
Kafalah bi al-nafs	Guarantee for the presence of a person
Kafalah bi al-taslim	Refer kafalah bi al-`ayn
madin mumatil	A debtor who procrastinates the settlement of his debt.
mahal al-khilaf	Point of disagreement
maqasid syar`iyah	Objectives of Shariah of a legal rule which is meant to enjoin benefits for the mankind
maslahah	Consideration of public interest
muamalat maliyyah	Financial transactions
mudharabah	A partnership in profit whereby one party provides capital (rabb al mal) and the other party provide labour (mudharib)

mudharib	An entrepreneur
mujtahid	A person who conducts ijthihad
mulzim	Binding
muqaradhah	Refer mudharabah
muqasah	Settlement of debt by set off
muqrid	Creditor
muqtadha al `aqd	Purpose of a contract
musawamah	Price agreed through bargaining
musarakah mutana-qisah	A form of partnership in which one of the partners promise to buy the equity share of the other partner gradually until the title to the is completely transferred to him
muwa`adah	Mutual promise between two parties
nasi`ah	Deferment
nas	A clear injunction on explicit textual ruling from Quran or the Sunnah
qabd	Taking posession and having control of a purchased asset
qardh	Islamic loan
qiyas	Analogical deduction
rahn	Pledge or collateral
sadd zari`ah	Blocking the means to something forbidden in Shariah
sahibul mal	Capital provider
salaf	Refer qardh
sorf	Contract of currency exchange
sukuk	Financial documents whose value is backed by certain assets.
ta`widh	Compensation charged to a debtor for late payment
tabadul al-huquq	Exchange of rights
tabarru`at	Donation
tabiat al-`aqd	Nature of contract
taklik	Being contingent to a matter
takwil	Interpretation
takyif	Adaptation
tawatu`	Pre-planned
tawarruq	An arrangement that involves a purchase of an asset based on musawamah or murabahah and a subsequent sale of the same asset to a third party in order to gain cash money

thabit	Firm or decisive
ujrah	Service fee
wa`d mulzim	Binding promise
wa`d ghayr mulzim	Non-binding promise
wadiah	A safe keeping contract which is based on trust
wadiah yad dhamanah	A guaranteed safe keeping contract
wakalah	A contract where a party authorises another party to act on behalf of the former as long as he is alive