

## Glossary of Arabic Terms in Issue 29/2

<i>'adl</i>	'adl is a general term which means justice, equity, equitableness and fairness.
<i>ākhirah</i>	Hereafter. It refers to the Day of Judgement (when Allah will resurrect all creatures) and all the events that will follow culminating in admission to heaven or hell.
<i>aṣl</i>	Plural <i>uṣūl</i> , for example, <i>uṣūl al-fiqh</i> (q.v.) refers to principles or general rules of Islamic jurisprudence.
<i>awqāf</i>	Plural of <i>waqf</i> . For meaning, see below.
<i>bay' al-wafā'</i>	Literally, it means a 'sale of honor'. It involves the sale of an asset with a right for the seller, having the effect of a condition, to repurchase the property by refunding the purchase price within a set period of time; and the buyer agrees to honor the condition of the seller. Basically a pledge; the sold asset is treated as collateral till the amount is paid back by the seller. Most of the scholars do not consider it to be permissible as it is a case of <i>bay' al- 'inah</i> .
<i>barakah</i>	<i>Barakah</i> means to grow and increase with stability and continuity beyond expectations. The Islamic concept of <i>barakah</i> is that Allah grants it to whom He wishes and that such growth and prosperity only comes from Him alone and it cannot be attributed to any worldly measure.
<i>bātil</i>	Void, invalid; refers to a transaction, a contract governing a transaction, or an element in a contract which is invalid.
<i>bay'</i>	Sale. In Islamic finance it is often used as a prefix when referring to different sale-based modes, like <i>bay' al-mu'ajjal</i> (sale on deferred payment basis), <i>bay' al-salam</i> (sale on advance payment basis, etc.).
<i>bay' bi-thaman al-ājil</i>	Technically, it means a sale contract in which payment is delayed. There is no necessity that the delayed payment is higher than the cash price. However, in current practice, the deferred payment is higher than the cash price and is paid in instalments. Hence, in practice this term and <i>bay' al- murābahah</i> are the same and are used alternatively.
<i>darirah</i>	Plural <i>dariṛāt</i> . It means a necessity or a dire need without which a person may face death or irreparable loss to life, intellect, progeny, property or religion. It is usually used in the context of the 'Doctrine of Necessity', whereby something otherwise prohibited becomes temporarily permissible.
<i>dawābit</i>	Singular <i>dābiṭah</i> . It means a general rule of Islamic <i>fiqh</i> which is applicable to a particular chapter or area of <i>fiqh</i> but is not applicable to other chapters or areas. In this sense, <i>dawābit</i> are different from <i>qawā'id</i> as the <i>qawā'id</i> are more general in nature and are applicable to many chapters/areas of <i>fiqh</i> whereas the <i>dawābit</i> are particular to only one chapter/area.
<i>fatwá</i>	<i>Fatwá</i> is a ruling on a point of Islamic law or Islamic way of life given by a religious scholar or recognized authority.

<i>fiqh</i>	Refers to the whole corpus of Islamic jurisprudence. In contrast with conventional law, <i>fiqh</i> covers all aspects of life, religious, political, social, commercial or economic. The whole corpus of <i>fiqh</i> is based primarily on interpretations of the Qur'ān and the Sunnah and secondarily on <i>ijmā'</i> (consensus) and <i>ijtihād</i> (juristic judgment). While the Qur'ān and the Sunnah are immutable, verdicts based on <i>ijtihād</i> may change due to changing circumstances.
<i>fiqh al-iqtisād</i>	Refers to <i>fiqh</i> matters specific to the field of economics.
<i>gharar</i>	Literally, it means deception, danger, risk and uncertainty. Technically it means exposing oneself to excessive risk and danger in a business transaction as a result of uncertainty about the price, the quality and the quantity of the counter-value, the date of delivery, the ability of either the buyer or the seller to fulfill his commitment, or ambiguity in the terms of the deal; thereby, exposing either of the two parties to unnecessary risks. In economic terminology its meanings are close to "asymmetric information".
<i>ghasb</i>	The wrongful appropriation of property by force.
<i>ghurm</i>	Literally, it means loss or liability. It is usually used as part of the legal maxim ' <i>al-ghunm bi al-ghurm</i> ' which means that one is entitled to a gain (in finance and business) only if one is prepared to bear the responsibilities and liabilities that come with the transaction including the possibility of loss.
<i>hadīth</i>	Sayings, deeds and endorsements of Prophet Muhammad (peace be upon him) narrated by his companions.
<i>hājat</i>	Plural <i>hājāt</i> , means need. It is usually used in the context of the 'Doctrine of Necessity' (see <i>darūrah</i> above) and is different from the term <i>darūrah</i> in the sense that <i>darūrah</i> refers to a dire need without which the person faces either death or irreparable loss, whereas <i>hājat</i> refers to a need without which one can survive but faces immense hardship.
<i>halāl</i>	Things and activities permitted by Sharī'ah.
<i>Hanafī</i>	A school of Islamic jurisprudence named after Imam Abu Hanifah.
<i>Hanbalī</i>	A school of Islamic jurisprudence named after Imam Ahmad bin Hanbal.
<i>harām</i>	Things and activities prohibited by the Sharī'ah, e.g., giving or taking <i>ribā</i> , gambling, eating pork etc.
<i>hawālah</i>	It means transfer; legally, it is an agreement by which a debtor is freed from a debt by another becoming responsible for it; or the transfer of a claim of a debt by shifting the responsibility from one person to another; contract of assignment of debt. It also refers to the document by which the transfer takes place.
<i>hifz al-nafs</i>	Right pertaining to protection of life.
<i>hīlah</i>	Plural <i>hīyal</i> ; ruses, tricks used in transactions to circumvent the basic prohibitions.
<i>hīyal</i>	See <i>hīlah</i> above.
<i>hukm</i>	Plural <i>ahkām</i> . In <i>fiqh</i> , it refers to the Sharī'ah ruling (e. g. obligatory, recommendable, neutral, reprehensible, or forbidden) associated with any action.

<i>'ibādah</i>	Plural <i>'ibādāt</i> ; meaning worship or ritual acts to gain the pleasure of Allah.
<i>'iddah</i>	Refers to the time period a woman must observe after her divorce or after the death of her spouse during which she may not marry or be betrothed to another man.
<i>ihsān</i>	Beneficence, kindness, virtue.
<i>ijārah</i>	Leasing. Sale of usufruct of an asset. The lessor retains the ownership of the asset with all the rights and the responsibilities that go with ownership. <i>Ijārah</i> also refers to services offered by persons/institutions.
<i>ijārah muntahiyah bi al-tamlīk</i>	Lease culminating into transfer of ownership of the leased asset to the lessee in such a way that the lease and sale contracts are kept separate and independent transactions. It is also sometimes referred to as <i>ijārah wa-iqtinā'</i> .
<i>ijmā'</i>	A consensus (of <i>fuqahā'</i> ). <i>Ijmā'</i> is one of the sources of Islamic law.
<i>ijtihād</i>	In technical terms, it refers to the efforts by jurist(s) to derive a rule or reach a judgement based on evidence found in the Islamic sources of law, predominantly, the Qur'ān and the Sunnah.
<i>'inah</i>	Short form of <i>bay' al-'inah</i> ; also known as buy-back. This refers to a contractual arrangement between two parties to sell and buy-back a commodity/asset simultaneously. This type of buying/selling is prohibited because the deal can easily be designed as a subterfuge for prohibited <i>ribā</i> .
<i>infāq</i>	Spending. In the literature of Islamic economics, it usually refers to spending in the way of Allah.
<i>istiṣnā'</i>	Used as a short form for <i>bay' al-istiṣnā'</i> . Refers to a contract whereby a manufacturer (contractor) agrees to produce (build) and deliver a well-described good or (premises/road etc.) at a given price on a given date in future. As against <i>bay' al-salam</i> (a similar sale contract maturing in future where no manufacturing is involved. For definition see below) in <i>istiṣnā'</i> the price need not be paid in advance. It may be paid in instalments, or partly at the front end and the balance later in accordance with the agreement between the parties.
<i>istithmār</i>	Investment. <i>Sukūk al- istithmār</i> represent common shares in the pool of assets made available for investment, of whatever type.
<i>kafālah</i>	<i>Kafālah</i> means responsibility, amenability or suretyship; legally, in <i>kafālah</i> a third party gives surety for the payment of debt, fine, etc.
<i>khilāfah</i>	Vicegerency. According to the Qur'ān, man is the vicegerent of Allah on earth and as such, must follow and implement His laws on earth.
<i>madhhāb</i>	Pulral <i>madhāhib</i> - way of going; a <i>fiqh</i> school or orientation characterized by differences in the methods by which certain source-texts are understood and therefore differences in the Sharī'ah rulings which are deduced from them. There are four well-known <i>madhāhib</i> among Sunni Muslims Ḥanafī, Mālikī, Shāfi'ī and Ḥanbalī.
Mālikī	A school of Islamic jurisprudence named after Imam Malik.

<i>maqāṣid</i>	Literary means ‘objectives’. In Islamic literature it is often used as a short form for <i>maqāṣid al-shari‘ah</i> . For definition, see below.
<i>maqāṣid al-Shari‘ah</i>	Basic objectives of the Sharī‘ah. Imam al-Ghazālī defined them to be: protection of faith, life, progeny, property and reason.
<i>maṣlahah</i>	The aspect of general welfare/benefit of mankind/society that is kept in view by the scholars competent to undertake <i>ijtihād</i> while resolving contemporary issues. Catering to the well-being of the people in this worldly life as well as the hereafter or relieving them of hardships is a basic objective of the Sharī‘ah.
<i>maysir</i>	Literally, it refers to an ancient Arabian game of chance with arrows used for stakes in slaughtered animals. Technically, it refers to gambling or any game of chance.
<i>mu‘āmalah</i>	Plural <i>mu‘āmalāt</i> . For definition, see below.
<i>mu‘āmalāt</i>	Singular <i>mu‘āmalah</i> . Relationships and/or contracts among human beings as against ‘ibādāt (q.v.) which define the relationship between Allah and His creatures.
<i>muḍārabah</i>	A contract between two parties, capital owner(s) or financiers (called <i>rabb al-māl</i> ) and an investment manager (called <i>muḍārib</i> ). Profit is distributed between the two parties in accordance with the ratio upon which they agree at the time of the contract. Financial loss is borne only by the financier(s). The entrepreneur’s loss lies in not getting any reward for his services.
<i>muḍārabah mutanāqīṣah</i>	A specific type of <i>muḍārabah</i> in which the <i>muḍārib</i> gradually repays the <i>rabb al-māl</i> (the financier) his investment and becomes the sole owner of the partnership business.
<i>muḍārib</i>	A working partner in a <i>muḍārabah</i> contract.
<i>mughārasah</i>	An agricultural contract similar to <i>muzāra‘ah</i> (see below) in which a land owner agrees to grant the farmer a share from the fruit or product of the garden/orchard that the latter plants and waters.
<i>murābahah</i>	Shortened term for <i>bay‘al-murābahah</i> . It means sale at a specified profit margin; deferral of payment is conceptually not necessary. However, in current practice it refers to a sale agreement whereby the seller purchases the goods desired by the buyer and sells them at an agreed marked-up price, the payment being settled within an agreed time frame, either in instalments or in a lump sum.
<i>musāqāh</i>	A contract in which the owner of a garden agrees to share its produce with someone in an agreed proportion in return for the latter’s services in irrigating and looking after the garden.
<i>musāṭahah</i>	A special kind of a lease contract in which a land owner grants construction rights over his property to another for an agreed upon rent/price.
<i>mushārakah</i>	Partnership. A <i>mushārakah</i> contract is similar to a <i>muḍārabah</i> contract, the difference being that in the former both the partners participate in the management and the provision of capital, and share in the profit and loss. Profits are distributed between the partners in accordance with the ratios initially set, whereas loss is distributed in proportion to each one’s share in the capital.

<i>mushārakah mutanāqisah</i>	Also known as diminishing <i>mushārakah</i> ; a kind of partnership in which share of one party decreases periodically/gradually. The financier's share of equity is reduced each month, quarter or year through partial purchase by the other partner – the client.
<i>muzāra 'ah</i>	Share-cropping. A contract whereby one party agrees to till the land owned by the other party in consideration for an agreed share in the produce of the land.
<i>niṣāb</i>	In reference to <i>zakāh</i> , the limit of wealth that marks the beginning of the imposition of <i>zakāh</i> liability. Wealth below this limit is exempt.
<i>qā' idah</i>	Plural <i>qawā'id</i> ( <i>q.v.</i> ).
<i>qard hasan</i>	A loan extended without interest or any other compensation from the borrower. The lender expects a reward only from Allah.
<i>qawā'id</i>	Singular <i>qā' idah</i> . These refer to the universal principles of <i>fiqh</i> formulated in a concise legal form, embodying broad general rulings in cases that fall under their subject.
<i>al-qawā'id al-fiqhiyyah</i>	See <i>qawā'id</i> above.
<i>qimār</i>	<i>Qimār</i> means gambling. Technically, it is an arrangement in which possession of a property is contingent upon the happening of an uncertain event. By implication it applies to a situation in which there is a loss for one party and a gain for the other without specifying which party will lose and which will gain (a zero-sum game).
<i>qiyyās</i>	Analogical reasoning. Derivation and application of a rule/law on the analogy of another rule/law if the causation ('illah) of the two is the same. It is one of the secondary sources of Islamic law.
<i>rabb al-māl</i>	Capital provider (financier) in a <i>mudārabah</i> contract.
<i>ribā</i>	Literally, it means increase or addition or growth. Technically, it refers to the 'premium' that must be paid by the borrower to the lender along with the principal amount as a condition for the loan or an extension in its maturity. Interest as commonly known today is the most famous type of <i>ribā</i> .
<i>sadaqah</i>	A charitable act. An act done with the intention of seeking the pleasure of Allah.
<i>sadd al-dharā'i'</i>	To prohibit a permissible deed on the ground that permitting it usually opens the door to other prohibited deeds.
<i>salam</i>	Short form for <i>bay' al-salam</i> , which refers to a sale contract in which payment is made in advance by the buyer and the delivery of the goods is deferred by the seller. The date of delivery and fairly accurate description of goods must be given in the contract.
<i>ṣāni'</i>	The manufacturer or contractor in an <i>istiṣnā'</i> contract.
<i>Shāfi'i</i>	A school of Islamic jurisprudence named after Imam Shāfi'i.
<i>Sharī'ah</i>	Refers to the corpus of Islamic law based on Divine guidance as given by the Qur'ān and the Sunnah and embodies all aspects of the Islamic faith, including beliefs and practices.

<i>shirkah</i>	Partnership. A contract between two or more persons who launch a business or financial enterprise to make profits. In the conventional books of <i>fiqh</i> , the partnership business has been discussed under the caption of <i>shirkah</i> that, broadly, may include both <i>mushārakah</i> and <i>muqdārabah</i> as well as other forms of partnership.
<i>sukūk</i>	Plural of ‘ṣakk’, English word ‘cheque’ comes close to it. <i>Sukūk</i> typically represent “ownership of tangible assets, usufructs and services”. They are financial instruments entitling their holders to some financial claims.
<i>sukūk al-ijārah</i>	Certificates representing the ownership of leased assets, the ownership of the usufruct of leased assets or the ownership of the rights to receive benefits from services.
<i>sukūk al-salam</i>	Certificates representing ownership claims arising from the purchase of commodities to be delivered in the future based on an advance payment of price; not negotiable. The <i>sukūk</i> in this case represents ownership in the assets/commodities that are to be delivered on a future date based on the <i>salam</i> contract.
Sunnah	The Sunnah is the second most important source of the Islamic faith after the Qur’ān and refers to the Prophet’s (peace be upon him) example as indicated by his practice of the faith. The way to know the Sunnah is through the collection of <i>ahādīth</i> (q.v.).
Sūrah	A chapter of the Holy Qur’ān. They are 114 in number.
<i>tabarru’āt</i>	Singular <i>tabarru’</i> . Any benefit given by a person to the other by way of virtue without getting or expecting anything in exchange is called <i>tabarru’</i> .
<i>takāful</i>	An alternative for the contemporary insurance contract. A group of persons agree to share certain risk (for example, damage by fire) by collecting a specified sum from each. In case of loss to anyone of the group, the loss is met from the collected funds.
<i>tawakkul</i>	<i>Tawakkul</i> means to depend sincerely in one’s heart upon Allah Almighty that He alone is sufficient for bringing blessings and warding off harms, for this world and the Hereafter. The concept of <i>tawakkul</i> does not mean that one stops working and striving to achieve his goals. In fact, Allah Almighty ordered us to both depend upon Him and to work, to take the necessary steps needed to achieve our goals. However, after making proper effort, we should not depend upon our effort but on Allah alone.
<i>tawarruq</i>	<i>Tawarruq</i> is a tripartite mode for obtaining liquidity through a fake contract involving buying something at a higher price on credit basis and selling it for cash payment instantly to a third party. With a few exceptions, Islamic scholars generally consider this to be an illegitimate mode of transaction. They consider it to be a subterfuge for interest-based borrowing ( <i>ribā</i> ).
<i>tawhīd</i>	<i>Tawhīd</i> means oneness and uniqueness of Allah.
<i>Tawhīdi</i>	Relating to the basic belief in the unity of Allah both in terms of His existence as well as His attributes.

<i>tamattu'</i> (shares)	These are shares that grant the participant compensation in lieu of his shares, whose value is redeemed during the existence of the company, and he is granted <i>tamattu'</i> shares. These shares grant him rights that are available for shares based on capital, except the right to profits and the distribution of assets at the time of winding up, in so far as the <i>tamattu'</i> shares are entitled to profit lesser than that given to the owner of shares based on capital. The owner of <i>tamattu'</i> shares also does not have a share in the assets of the company at the time of winding up until the owners of shares based on capital have been granted the value of their shares.
<i>'ulamā'</i>	Islamic scholars.
<i>uṣūl al-fiqh</i>	It means the principles of Islamic jurisprudence. It is a complete field of study in which the rules, principles and methods of deriving Islamic law from its sources (primarily Qur'ān, Sunnah, <i>ijmā'</i> and <i>qiyās</i> ) are described and studied.
<i>wadī'ah</i>	Deposit for safekeeping without demanding or expecting any compensation for such safekeeping.
<i>wakālah</i>	Contract of agency. In this contract, one person appoints someone else to perform a certain task on his behalf, usually against a fixed fee.
<i>waqf</i>	Appropriation or tying up a property in perpetuity for specific purposes. No property rights can be exercised over the corpus. Only the usufruct is applied towards the objectives (usually charitable) of the <i>waqf</i> .
<i>zakāh</i>	One of the five 'pillars of Islam' (compulsory duties). It is a financial religious duty imposed on a Muslim on fulfilment of certain conditions. It has its specific heads of expenditure.
<i>zulm</i>	Literally, it means injustice and transgression. Technically, not giving full rights due to others, including Allah. In the later sense it is equivalent to disbelief in Allah.