Glossary

*akblaq* = ethical code

*al-ijarah thumma al-bai* (AITAB) = an *ijarah* (leasing) contract combined with a *bai* (purchase) contract

*al-ujrah* = fee for safekeeping assets

*amal salih* = virtuous act

*amanah* = trust

*aqad* = agreements

*aqidah* = creed

*aquila* = mutual agreement or joint guarantee to spread the financial liability or risk of a member

*ayah* = verses in *sura* (singular = *ayat*)

*bai* contract = sales/purchase contract

*bai’ al-naqdi* = buying and selling on a cash basis

*bai’ bithaman ajil* contract = deferred-payment sale

*bai’ inah* contract = sale-and-buyback contract

*bai’ istijrar* contract = supplier contract

*bai’ istisna* contract = order sale contract

*bai’ mu’ajjal* contract = deferred-payment sale

*bai’ salam* contract = deferred-payment sale or forward sale contract (used primarily in agriculture)

*batil* contract = void contract

*bezant* = gold currency

*diyah* = blood money

*eid al-fitr* = prayer ending Ramadan

*faraid* = inheritance law

*fasid* contract = invalid contract

*fatwa* = religious opinions

*fiqh-al-muamalat* = commercial law
Glossary

gharar = uncertainty, risk, or speculation
ghayr lazim contract = a contract that either party may terminate

hadith = oral traditions relating to the words and deeds of Muhammad
hajji = pilgrimage
halal = permissible
haram = prohibited
harus = permissible act
heyal = ruses
hibah = gift awarded by a bank without any commensurate exchange
hiwalah = remittance involving a transfer of funds/debt from the depositor’s/debtor’s account to the receiver’s/creditor’s account

ibadah = worship
ibadat = human-to-God relationship
ibra = rebate
ijab = offer
ijarah financing = leasing
ijarah muntahia bittamleek = buyback leasing
ijarah thumma bai = leasing and subsequent purchase
ijarah wa iqtina = lease contract with a put and/or call option on the leased asset held by the customer

ijma = to determine or agree to
istihsan = personal interpretation
istislah = method to solve a problem
itjihad = striving (to adapt to law)

jaiz contract = a contract that either party may terminate
jualah contract = unilateral contract for a task (e.g., wage or stipend)

kafalah contract = guaranteed contract
khianat = betrayal
khilafah = trusteeship

lazim contract = binding and irrevocable contract
maal = wealth
maisir = gambling
makruh = discouraged act
mandub = commendable act
maslahah = the beliefs of Muslims
maslahat = in the public interest
mawkuf contract = valid but suspended contract
muamalat = human-to-human relationships
mubah = permissible act
mudarib = agent (usually, bank) for the investor
mudharabah = profit sharing or trust financing
mudharabah muqayyadah = special investment account
mudharabah mutlaqah = general investment account
muqasah = set-offs
murabahah = trading
murabahah contract = cost-plus-profit or cost-plus-markup contract
musaqat = arrangement between, for example, a farmer and a worker who agrees to water the garden or both share in the harvest
musharka = a type of profit sharing
musyarakah = joint venture or partnership financing or equity participation
musyarakah mutanaqisah = diminishing partnership
nafidh contract = immediate contract
neaa = sincerity
qabul = acceptance in a contract
qard = interest-free loan payable on demand
qard hassan = literally, “good or benevolent loan,” a gratuitous or charitable contract, or free loan with no profit (markup)
giyas = precedents
Quran = Muslim holy book
rabb-ul-mal = silent-partner investor
rahnu = collateralized financing
riba = the giving or receiving of interest
Glossary

sahih contract = valid contract
salaam = submission or peace
salam = deferred sale
Shari’a = Islamic principles or law
sukuk = Islamic bonds (singular is sakk)
sukuk al-musyarakah = investment sukuk
Sunnah = sayings of the Prophet Muhammad
sunnat = commendable act
sura = chapters in Quran (singular is surat)

taawun = brotherhood or mutual assistance
tabarru’ = donation, gift, or contribution
takaful = Islamic insurance
taqwa = righteousness
tawarruq = structure for cash financing
tawhid = the need to submit fully to God

ujr = fee
ummah = overarching global Muslim community or society
urbnun contract = sale in which the buyer deposits money in advance
‘urf = custom

wa’d = binding promise in Islamic law
wadiah contract = safekeeping contract (e.g., savings account)
wajib = obligatory act
wakalah = delegation or representation; when an agent receives a management fee; when another person acts, usually for a fee
wakalah with waqf = a form of the wakalah that uses a foundation (waqf)
wasiyat = will

zakat = religious tithe
zakat fitr = zakat (religious tithe) due from the start of Ramadan until the prayer ending Ramadan (eid al-fitr)