

# CONTRACTUAL UNCERTAINTY

## The Definition Of Gharar

*What is gharar?*

Gharar refers to uncertainty or ambiguity that may lead to dispute between contracting parties. For instance, executing a contract before the price, subject matter, or transacting parties are definitively known.

## Gharar In Sale Transaction

*What are the causes of gharar in a sale transaction?*

Gharar, or contractual uncertainty, in the subject matter, the price, or the credit period itself, renders a sale invalid.

A sale where the delivery of the subject matter is deferred until an uncertain event involves gharar. For instance, a sale of subject matter based on it raining on a certain day. A sale where the payment of price is deferred up to an event that is certain to take place but its exact time of occurrence is unknown has a small amount of gharar but is permissible in the Shariah.

For instance, a person purchasing a commodity against a future payment of price which is established as the time of harvest of a certain crop is permissible. In this case it is definite that the crop will be harvested though the exact time is unknown.