Glossary

*amana* (also: *amanah, amanat*): custody, deposit on trust

*arbun* or *urbun*: a premium paid by the buyer in order to obtain the right to decide at a later moment whether to buy or not

*ayatollah*: honorific title for an outstanding legal scholar in the Twelver sect of Shiism; literally, Sign of God

*bai al-dayn*: debt financing by way of sale/purchase of trade documents and papers

*bai bithamin ajil*: credit sale

*bai inah, bai-al-einah*: repurchase by the seller

*bai‘muajjal*: credit sale (shortened form of *bai bithamin ajil*)

*bai‘salam*: pre-paid purchase

*caliph*: successor of Muhammad as ruler of the Islamic world

*dar al-ahd*: the abode of treaty, countries that have a treaty with Muslim countries

*dar al-harb*: the territory of war

*dar al-Islam*: the territory or abode of Islam, where Islamic law prevails

*dar al-kufr*: the house or territory of the infidels

*darura*: necessity

*fqih, pl. fuqaha*: fiqh scholar

*fard*: obligatory duties

*fatwa, pl. fatawa*: legal opinion, that is, an authoritative, but not binding, ruling on a point of Islamic law issued by a qualified scholar (*mufti*) or group of scholars

*fiqh*: the science of Islamic law, consisting of interpretation of the *sharia*

*gharar*: uncertainty, risk

*hadith, pl. ahadith*: tradition, that is, record of actions and sayings of the Prophet and his Companions; collectively known as *Hadith*

*haji*: pilgrimage to Mecca, which Muslims should do at least once in their life if they possibly can
halal: lawful, or permitted according to the sharia
haram: forbidden by the sharia
hiba: gift
hijra: emigration, that is, the migration of Muhammad and his Companions from Mecca to Medina in 622, which marks the start of the Muslim era
hiyal: legal stratagem
hudud Allah: boundaries established by Allah

ibadat: devotional matters
ijara: leasing
ijara wa iqtina: lease purchase, lease to own
ijma: the consensus of the scholars
ijtihad: independent reasoning by a qualified jurist deriving new legal rules
illah: reason for something
imam: leader of the Friday mosque services, in Sunni Islam a title also used for the founders of the law schools; in Shia Islam the successor of Muhammad as leader of the Muslim community
Islam: literally, submission (to the will of Allah)
istihsan: juristic preference
istislah: taking account of the public interest (maslaha)
istisna: a contract of manufacture with progressive financing

jahiliyyah: Time of Ignorance, prior to the coming of Islam, pre-Islamic Arabian society; the modern world in the eyes of fundamentalist Muslims
ja’iz: ethically or morally deemed indifferent by the sharia

kafir, pl. kuffar: unbeliever

madhhab, pl. madhahib: law school
madrassa: school or college of Islamic studies
makruh: undesirable, advisable not to do
mandub: desirable, advisable to do
maslaha: public interest
maulana: a scholar of Persian and Arabic (in India, Pakistan)
maysir: gambling
muamalat: dealings in the political, economic and social spheres
mudaraba: trust financing
mudarib: agent-manager, managing trustee
mufti: a lawyer who is authorized to issue a fatwa, jurisconsult
muqarada: mudaraba, applied to bonds
murabaha: cost-plus or mark-up financing
musaqat: musharaka-like contract in orchard keeping
musawama: a sale that differs from murabaha in the sense that no reference is made to the price paid or the cost incurred by the seller
musharaka: partnership financing
musharaka mutanaqisah: diminishing partnership
muzara: mudaraba-like contract in farming

qabala: tax farming.
qirad: mudaraba, q.v.
qiyas: deduction from analogy
qimar: gambling, including stock market speculation
Quran: literally, recitation; the Holy Book of Islam, revealed to Muhammad by the archangel Jibril, or Gabriel, between 610 and Muhammad’s death in 632
quad hasan: beneficence loans

rabb al-mal: the financier or sleeping partner in a mudaraba partnership
rahn: repurchase agreement with collateral
ray: personal interpretation
retakaful: takaful reinsurance
riba: increase, excess
riba al-fadl: riba by way of excess in simultaneous exchange
riba al-nasia: riba by way of deferment
riba al-jahiliyya: pre-Islamic riba

sadaqa, pl. sadaqaat: voluntary alms giving
salat: prayer, required five times daily
sawm: observation of the fast of the month of Ramadan
shahada: profession of faith
Shaik al-Islam: highest-ranking official mufti in a country
sharia: Islamic law, based on the Quran and the sunna
Shia: Party, that is, Party of Ali, the fourth Caliph and cousin and son-in-law of Muhammad
sukuk: certificates, Islamic bonds
sukuk al-salam: certificates of pre-paid forward sales
sunna: the whole of the ahadith; in full: sunnat al-nabi, or habit of the Prophet; sayings and practices of the Prophet
sura: chapter from the Quran

ta’awon: mutual assistance
tabarru: voluntary contribution
takaful: cooperative or mutual insurance; literally, mutual support among the members of a society or group of people

takfīr: the act of declaring a Muslim an unbeliever, that is, an apostate

tawarruq: literally, monetization (that is, of the traded commodity); purchase of a good on credit followed by a sale to a third party (can be done by a bank on behalf of the clients)

tawheed: the oneness of God

‘ūhda: an exchange of a cash payment for temporary custodianship and use of property

ulama, sing. alim: religious scholars

ummā: the community of the believers

urbun, arbus: a premium paid by the buyer in order to obtain the right to decide at a later moment whether to buy or not

urf: custom

usul al-fiqh: the ‘roots’ of Islamic law: Qurān, sunna, ijma and qiyās

wa’d: unilateral promise

wadia: safekeeping

wakala: attorney-client contract, agency

wakil: agent (pure agent, not a mudarib who shares in the profits)

waqfi: charitable trust

zahir: literal meaning (of the Qurān and the sunna)

zakat: charity tax, required alms giving

NOTE

1. Actually, it seems that jahiliyyah means ‘time of wildness’ or ‘intrepidity’ rather than ‘time of ignorance’ (see Fyzee 2005, p. 6).