

GLOSSARY OF ARABIC TERMS FOR ISLAMIC BANKING AND FINANCE

NO.	TERMS	ARABIC SCRIPT	MEANING	DETAILS
1.	' <i>adalah</i>	عدالة	Justice	-
2.	' <i>ayn</i>	عين	Goods	-
3.	' <i>aqd</i> (singular) /' <i>uqud</i> (plural)	عقد\ عقود	Contract	Islamic contracts.
4.	' <i>aqd tauthiqiy</i>	عقد توثيقي	Security contract	-
5.	<i>Al-Kitab</i>	الكتاب	The Quran	The book containing the words of Allah revealed to the Prophet Muhammad SAW in Arabic and transmitted to us by continuous testimony (<i>tawatur</i>).
6.	<i>Amal ahl Madinah</i>	عمل أهل المدينة	Practices of people of Medina	Refers to the practice of the people of the city of Prophet Muhammad SAW that has been carried out throughout the first three generations (Prophet, Sahabah & Tabi'in).
7.	<i>Athar</i>	آثار	Precedent of <i>Sahabah</i>	Deeds and precedents of the Companions of the Prophet SAW.
8.	<i>Bai`</i>	بيع	Sale	-
9.	<i>Bai' bithaman ajil/ Bai' at- taqsit</i>	بيع بثمن آجل\ بيع التقسيط	Deferred payment sale	Refers to the sale of goods on a deferred payment basis at a price which includes a profit margin agreed to by both parties.
10.	<i>Bai' bima yanqati' bihi si'r/ Bai'ul istjrar</i>	بيع بما ينقطع به السعرا بيع الإستجرار	Supply contract	Refers to an agreement between the client and the supplier, whereby the supplier agrees to supply a particular product on an ongoing basis, for example monthly, at an agreed price and on the basis of an agreed mode of payment.
11.	<i>Bai` dayn</i>	بيع الدين	Sale of debt/ Debt trading	Refers to sale or purchase of debt evidenced by trade document and papers which generated from Shariah compliant business activities.

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12.	<i>Bai`ul inah</i>	بيع العينة	Sell and buy back	Refers to 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.
13.	<i>Bai`ul kali` bil kali`</i>	بيع الكالى بالكالى	Sale of one debt for another	-
14.	<i>Bai` ma`dum</i>	بيع معدوم	Sale of Nothing	Buying and selling something that does not exist.
15.	<i>Bai` maujud</i>	بيع موجود	Sale of things	Buying and selling something that exists.
16.	<i>Bai`ul muzayadah/ Bai`ul mafalis/ Bai`ul fuqara`</i>	بيع المزايده المفالس الفقراء	Sale by auction	Refers to the offering of goods for sale in the market by a seller with a number of interested buyers who compete to offer the highest price.
17.	<i>Bai` salam</i>	بيع سلم	Sale for future delivery	Sale where payment is made on the spot but delivery of goods is done on a deferred basis at a pre-agreed date.
18.	<i>Bai` wafa</i>	بيع وفاء	Sale with a right to reclaim	Sale with a right in the seller to repurchase the property by refunding the purchase price.
19.	<i>Daruriyyat</i>	ضروريات	Necessity	-
20.	<i>Fiqh</i>	فقه	Understanding	Refers to the knowledge of the Islamic rulings pertaining to conduct of people.
21.	<i>Fuqaha</i>	فقهاء	Islamic jurists	-
22.	<i>Ghabn</i>	غبن	Cheating/ Misrepresent fact	Means to do wrong, cheat or misrepresent facts, resulting in injustice and possibly substantial deviation from market price. Ghabn in <u>Fiqh</u> means weakness specifically in price that is getting less than what is given in an exchange.
23.	<i>Ghalat</i>	غلط	Error in perception	Elements of misleading and misrepresentation.
24.	<i>Gharar</i>	غرر	Uncertainty/ Ambiguity	Elements of uncertainty and cheating.

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25.	<i>Gharamah</i>	غرامة	Penalty	Refers to the penalty charged on the debtors over and above the ta'widh in case of delay or default in payment.
26.	<i>Ghasb</i>	غصب	Seizure	Usurpation, the invasion of property rights in an open and flagrant manner.
27.	<i>Hadith</i>	حديث	Prophetic tradition	It is what was transmitted from the Messenger of Allah SAW of his words, acts and approvals (tacit).
28.	<i>Hajjyyat</i>	حاجيات	Basic needs	-
29.	<i>Halal</i>	حلال	Lawful/ permissible	-
30.	<i>Haq</i>	حق	Right/Truth	-
31.	<i>Haq dayn</i>	حق الدين	Debt right	-
32.	<i>Haq maliy</i>	حق مالي	Monetary rights	Rights on assets with financial values.
33.	<i>Haq tamalluk</i>	حق تملك	Ownership right	-
34.	<i>Haram</i>	حرام	Prohibited/ illegal	-
35.	<i>Hawalah/ Hiwalah</i>	حوالة	Debt assignment contract	Refers to transfer of debt from transferor to the payer.
36.	<i>Hibah</i>	هبة	Gift	Gifts awarded voluntarily.
37.	<i>Hukm (singular)/ Ahkam (plural)</i>	حكما أحكام	Shariah ruling	-
38.	<i>I`arah</i>	إعارة	Asset borrowing	-
39.	<i>Ibra'</i>	إبراء	(Rebate or waiver)	Refers to an act by a person relinquishing his rights to collect payment due from another person. In banking, the concept of <i>ibra'</i> applies to the financier that forgoes its right over the debt owed by its customers.
40.	<i>Ihtiyat</i>	إحتياط	Precautionary measure	-

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41.	<i>Ihya' Al-Mawat</i>	إحياء الموات	Revive of diminished land	Refers to the act of reviving or developing a deteriorated land.
42.	<i>Ijarah</i>	إجارة	Leasing contract	Refers to an arrangement under which the lessor leases equipment, building or other facility to a client at an agreed rental against a fixed charge, as agreed by both parties.
43.	<i>Ijarah Muntahia Bittamleek/ Ijarah Mutanaqisah</i>	إجارة منتهية بالتمليك \ إجارة متناقصة	Leasing that ends with ownership	Refers to a leasing contract which includes a promise by the lessor to transfer the ownership in the leased property to the lessee, either at the end of the term of the Ijarah period or by stages during the term of the contract.
44.	<i>Ijarah Thumma al- Bai' (AITAB)</i>	الإجارة ثم البيع	Leasing and subsequent purchase	Refers to a leasing which is subsequently followed by a sale contract whereby the hirer leases the goods from the owner at an agreed rental over a specified period. Upon expiry of the leasing period, the hirer enters into a second contract to purchase the goods from the owner at an agreed price.
45.	<i>Ijmak</i>	إجماع	Consensus	Consensus of Islamic scholars and jurists.
46.	<i>Ijtihad</i>	إجتهد	Reasoning	Reasoning by qualified scholars to obtain legal rulings from the sources of the Shariah.
47.	<i>'illah</i>	علة	Cause	-
48.	<i>'inan</i>	عنان	Partners in capital & work	Form of partnership in which each partner contributes both capital and work.
49.	<i>Ikraah</i>	إكراه	Force/ Undue Influence	-
50.	<i>Inizar</i>	إنتظار	Waiting	-
51.	<i>Istihsan</i>	إستحسان	Juristic preference	Juristic preference, disregarding a <i>hukm</i> backed by a <i>dalil</i> and supported by another <i>hukm</i> that is sounder.

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52.	<i>Istishab</i>	إستصحاب	Presumption of continuity	Means the presumption of continuance of an earlier rule or its continuous absence.
53.	<i>Istislah/ Masaleh Mursalah</i>	إستصلاح امصالح مرسله	Public interest	Refer to the preservation of the purposes of the Islamic law in the settlement of legal issues.
54.	<i>Istiqrar ta`amul</i>	إستقرار تعامل	Work stability	Stability of business transactions.
55.	<i>Istisna`</i>	إستثناء	Exception	Refer to condition or event which give rise to exemption from the general rule.
56.	<i>Jahalah</i>	جهالة	Ignorance	Ignorance or lack of knowledge.
57.	<i>Jahiliyah</i>	جاهلية	Pre-Islamic times	-
58.	<i>Ju`alah</i>	جعاله	Contract with reward	Refers to a contract in which one of the parties offers specific reward to anyone who will achieve a determined result.
59.	<i>Juz'ie</i>	جزئي	Branch or partly	-
60.	<i>Kafalah</i>	كفالة	Guarantee	Refers to 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.
61.	<i>Khiyar</i>	خيار	Option/Rights	-
62.	<i>Khiyar wasf</i>	خيار وصف	Rights on the features	Refer to the right of a buyer to make a choice when he finds that the features of the object differ from what had been described by the seller.
63.	<i>Khiyar 'aib</i>	خيار عيب	Rights on the defects	Refer to the choice given to the parties to cancel the contract when there is an 'aib (defect) in the object and payment.
64.	<i>Khiyar ru'yah</i>	خيار رؤية	Rights on the view	Refer to the right of choice to the buyer to cancel or proceed with the contract when he sees the object of sale which he did not see it at the time of 'aqd.
65.	<i>Kitabis</i>	كتايبس	<i>Ahli Kitab</i>	People of the Book i.e Christians and Jews.
66.	<i>Mal</i>	مال	Asset/property	-

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67.	<i>Manfa'ah</i>	منفعة	Usufruct	-
68.	<i>Manhaj</i>	منهج	Methodology	-
69.	<i>Maqasid As-Shariah</i>	مقاصد الشريعة	Objective of Shariah	Refers to the 5 objectives of Shariah to preserve religion, life, mind, origin and property.
70.	<i>Maslahah</i>	مصلحة	Public interest	Consideration of public interests.
71.	<i>Mujtahid (singular)/ mujtahidun (plural)</i>	مجتهدا مجتهدون	Independent jurists	Person who formulates independent tradition @ based opinions in legal or theological matters.
72.	<i>Mazhab</i>	مذهب	School of thought	-
73.	<i>Muamalah (singular) Muamalat (plural)</i>	معاملة معاملات	Transaction(s)	-
74.	<i>Mudabbar</i>	مدبر	Slave	-
75.	<i>Mudharabah</i>	مضاربة	Profit Sharing	Refers to an agreement made between a party, who provides the capital and another party (entrepreneur), to enable the entrepreneur to carry out business projects, which will be on a profit-sharing basis, according to pre-determined ratios agreed upon earlier. In the SPI, the agreement could be between a depositor and the SPI (as the entrepreneur) or between the SPI (as the provider of capital) and an entrepreneur. In the case of losses, the losses are borne by the provider of the funds.
76.	<i>Muqamarah/ Maisir</i>	مقامرة ميسر	Gambling	-
77.	<i>Muqasah</i>	مقاصة	Set Off	Is a devise used to discharge the obligations or debts of a person in business and financial transaction which means discharge of debt receivable against debt payable.

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78.	<i>Murabahah</i>	مرابحة	Cost plus profit sale	Refers to the sale of goods at a price which includes a profit margin as agreed to by both parties. Such a sales contract is valid on condition that the price, other costs and the profit margin of the seller are stated at the time of the agreement of sale.
79.	<i>Musawaah/ Ta'adul</i>	مساواة\ تعادل	Equality/ Fairness	-
80.	<i>Mustaqir</i>	مستقر	Confirmed/ Guaranteed	-
81.	<i>Musya`</i>	مشاع	Jointly-owned property	-
82.	<i>Musyarakah</i>	مشاركة	Partnership/ Joint venture	Refers to a partnership or joint venture for a specific business with a profit motive, whereby the distribution of profits will be apportioned according to an agreed ratio. In the event of losses, both parties will share the losses on the basis of their equity participation.
83.	<i>Musyarakah Mutanaqisah</i>	مشاركة متناقصة	Diminishing partnership	Refers to 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 asset is completely transferred to him.
84.	<i>Nas</i>	نص	Explicit legal text	From Quran and Hadith Prophet Muhammad SAW.
85.	<i>Naqd</i>	نقد	Cash	-
86.	<i>Nuqud</i>	نقود	Money	-
87.	<i>Qabadh</i>	قبض	Possession	-
88.	<i>Qadhi</i>	قاضي	Judge	-

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89.	<i>Qardh</i>	قرض	Loan	Refers to an interest-free loan. The borrower is only required to repay the principal amount borrowed, but he may pay an extra amount at his absolute discretion, as a token of appreciation.
90.	<i>Qawl Sahabi</i>	قول صحابي	Companion opinion	Refers to Islamic ruling issues, fatwa or settled case by of the companion of the Prophet Muhammad SAW who saw the Prophet, believed in him and support him till his death.
91.	<i>Qiyas</i>	قياس	Analogy	Refers to rational doctrine whereby the hukm from the original case will be extended to the new case because the latter has the same underlying cause ('Illah) as the former.
92.	<i>Rahnu</i>	رهن	Pledge or collateral	Refers to an arrangement whereby a valuable asset is placed as collateral for a debt. The collateral may be disposed in the event of default.
93.	<i>Riba</i>	ربا	Usury	-
94.	<i>Rabbul Mal</i>	رب المال	Owner of Capital	Refers to the owner of the wealth, asset or capital
95.	<i>Rukn (singular) Arkan (plural)</i>	ركن أركان	Essential element	-
96.	<i>Sadd zari`ah</i>	سد ذريعة	Blocking the means	Blocking the means to something (evil).
97.	<i>Sahih</i>	صحيح	Valid, authentic	-
98.	<i>Sarf</i>	صرف	Foreign exchange	Refers to the buying and selling of foreign currencies.
99.	<i>Shariah</i>	شريعة	Set of Islamic ruling and law	Refers to commands, prohibitions, guidance and principles that Allah has addressed to mankind pertaining to their conduct in this world and salvation in the next.
100.	<i>Shar' aman qablana</i>	شرع من قبلنا	Earlier scripture	Means the rules and <i>ahkam</i> of previous nation through revelation to their Prophets.

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101.	<i>Suftajah</i>	سفتجة	Credit notes	Financial notes given to someone to enable the creditor to use it at another predetermined venue e.g Money order, traveler's cheque and telegraphic transfer.
102.	<i>Sukuk (plural)/ Sak (singular)</i>	صكوك / صك	Financial notes/ Islamic Securities	Islamic bond. An asset-backed bond which is structured in accordance with Shariah and may be traded in the market.
103.	<i>Suq</i>	سوق	Market	-
104.	<i>Suq Al-Sila'</i>	سوق السلع	Commodity Trading/ Market	Suq Al-Sila' is a commodity trading platform specifically dedicated to facilitate Islamic liquidity management and financing by Islamic banks.
105.	<i>Ta`attul</i>	تعاطل	Delay	-
106.	<i>Tabarru`at</i>	تبرعات	Donation	Ownership contract on voluntary basis.
107.	<i>Tabi`in</i>	تابعين	The successors	A successor is a person who can meet any companion of the Prophet SAW (named as sahabi or sahabat) after the death (wafat) of the Prophet SAW.
108.	<i>Tafsil</i>	تفصيل	Detail	-
109.	<i>Tafsir</i>	تفسير	Explanation	-
110.	<i>Tahsiniyyat</i>	تحسينيات	Luxury	-
111.	<i>Tanazul</i>	تنازل	Cessation	Cessation of right to claim.
112.	<i>Tawarruq</i>	تورق	Tripartite sale	Refers to an arrangement that involves a purchase of an asset based on <i>musawamah</i> or <i>murabahah</i> and a subsequent sale of the same asset to a third party in order to gain cash money.
113.	<i>Ta'sil</i>	نأصيل	Origination/ Source	-

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114.	<i>Ta'widh</i>	تعويض	Compensation	Refers to the amount that may be compensated by the bank based on the actual loss incurred due to debtor's delay or default in payment.
115.	<i>Ta'wil</i>	تأويل	Interpretation	-
116.	<i>Taqabudh</i>	تقابض	Taking possession	-
117.	<i>Taqlid</i>	تقليد	Imitation	Imitation or following the views and opinions of others.
118.	<i>Thamanul mithl/ Si'ru Suq</i>	ثمن المثل السعر السوق	Market price	-
119.	<i>Ujrah</i>	أجرة	Fee/Wages	Refers to commissions or fees charged for services.
120.	<i>Ulama'</i>	علماء	Islamic scholars	-
121.	<i>Ummah</i>	أمة	Muslim society	Muslim community at large.
122.	<i>Usul al-fiqh</i>	أصول الفقه	Islamic Jurisprudence	Means the knowledge of proofs of fiqh in general, and the manner of their utilization, and the condition of the one who utilize them.
123.	<i>'umumul balwa</i>	عموم البلوى	Unfavorable widespread situation	Refers to unfavorable widespread situation affecting most people and is difficult to avoid.
124.	<i>'urbun</i>	عربون	Earnest money/ down payment	Refers to the deposit given by the buyer to the seller in the selling and buying contract.
125.	<i>'urf/ 'adah</i>	عرف عادة	Customary practices	-
126.	<i>'uqud mu'awadat</i>	عقود معاوضات	Exchange contracts	-

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127.	<i>Wadi'ah</i>	وديعة	Safe keeping	Refers to safe keeping contract whereby the depository guarantees payment of the whole amount of deposits, or any part thereof, outstanding in the account of the depositors, when demanded. The depositors are not entitled to any share of the profits (generated from usage of the deposit by depository) but the depository may provide returns to the depositors as a token of appreciation.
128.	<i>Wakalah</i>	وكالة	Nominating another person to act/ Agency	A situation, where a person nominates another person to act on his behalf.
129.	<i>Wakalah Bil Istithmar</i>	وكالة بالإستثمار	Nomination for Investment	Refers to an "investment agency" contract where the investor (the principal) appoints the bank (the agent) to undertake investment activities on behalf of the principal for a fee. The bank acts in two capacities – as agent in accepting deposits from the participant who plans to invest, and as investment manager in carrying out Shariah compliant investment activities as agreed by the parties. The bank as an agent cannot guarantee the profit expected from the investment.
130.	<i>Zulm</i>	ظلم	Injustice/ Oppression	-