
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

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

maʿwukuf 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)

qiyas = precedents

Quran = Muslim holy book

rabb-ul-mal = silent-partner investor

rahnu = collateralized financing

riba = the giving or receiving of interest

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-musarakah = 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

ta'warruq = structure for cash financing

ta'whid = the need to submit fully to God

ujr = fee

ummah = overarching global Muslim community or society

urbun contract = sale in which the buyer deposits money in advance

'urf = custom

wa'd = binding promise in Islamic law

wadiyah 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*)