

## Glossary of Islamic Banking Terms (2)

Aqad : Contract, consisting of all tenets of a contract

Bai Ad-Dayn : Sale of Debt

Bai Bithaman Ajil : Deferred Payment Sale, over a period of time

Bai Inah : 2-party Sale (for Cash)

Bai Salam : Trust Sale

Fatwa : Edict, opinion or judgement based on religious sources scholarly discussion

Gharar : Uncertainty, unmitigated risk

Hadith : Sayings of the Prophet as recorded

Halal : Permissible, Clean & Pure

Haram : Prohibited

Hibah : Gift

Hilah : Trick (contractum trinius)

Hiwalah : Remittance

Ibadah : Worship

Ibra&rsquo; : Rebate

Ijab : Offer (tenets of a contract)

Ijarah : Rent

Ijarah Mausufah Fi Zimmah : Forward Lease

Ijarah Muntahiah Bi Tamlik : Rental with intention to own

Ijarah Thumma Al Bai : Rent with eventual sale (Hire-purchase)

Istijrar : Staggered sale (time-to-time sale)

Istina'na : Order

Jualah : Service Charge

Kafalah : Guarantee

Maisir : Unearned income, unfair income (part of gambling)

Muamalat : Man-to-Man transaction

Mudharabah : Profit Sharing. Commonly for investments.

Mudharib : Entrepreneur, in a Mudharabah transaction

Murabahah : Cost-plus sale (financing)

Musawamah : Simple Sale

Musyarakah : Partnership, Joint-venture

Musyarakah Mutanaqisah : Diminishing partnership

Nasi'ah : Delay (used in relationship in delay of payment of money)

Qabul : Acceptance (tenets of a contract)

Qardh : Loan

Qardhul Hassan : Benevolent Loan

Qimar : Gambling

Rab Ul Maal : Capital providers, Fund owner

Rahnu : Collateralised debt (pawn broking)

Riba' : Usury (interest)

Sarf : Exchange of foreign currency

Shariah : Law (Islamic) literal definition &ndash; way, path

Shirkah : Partner

Sukuk : Certificates (Securitised Assets)

Sunnah : Actions of the Prophet as recorded

Takaful : Mutual assistance

Tawarruq Murabahah : Tripartite Cost-plus Sale

Ujrah : Compensation / Service Charge

Yad Amanah : With Trust (used with Wadiah)

Yad Dhamanah : With guarantee (used with Wadiah)

Waad : Promise

Wadiah : Safe Custody

Wakalah : Agency

Waqaf : Benevolent Endowment (no human ownership)