Glossary of Arabic terms

Al wadiah  Principle to keep or deposit something in custody
Amanah  Describes both a relationship of trust and items in safekeeping
Bai Salam  A contract determining a pre-paid purchase
Darurah  Doctrine of necessity
Fatwa (plural: fatawa)  An authoritative legal opinion issued by a Shari’ah Supervisory Board / single Shari’ah scholars, based on the Shari’ah
Fiqh  Practical Islamic jurisprudence (jurists’ law)
Fiqh Mu’amalat  Islamic commercial jurisprudence (rules of transaction)
Hadith (Hadees)  Technical term for sources related to the sayings and doings of the Prophet, authentic traditions
Ijarah  A contract determining a leasing agreement
Ijarah wa Iqtina  A lease-purchase agreement
Istisnaa  A contract of sale of specified goods to be manufactured
Manfa’a  The right to use an asset
Mudarabah  A partnership contract in which one partner contributes capital and the other partner invests time and effort
Mudarib  The entrepreneur or manager in a Mudarabah contract
Murabahah  The resale of goods with an agreed upon profit mark-up on the cost
Musharaka  A partnership contract in which both parties contribute capital and may form a joint management
Qardh Hassan  A benevolent (interest-free) loan
Qirad  A dormant partnership (for example in a Mudaraba contract)
Rabb al mal  The partner in a Mudaraba agreement providing the funds
Shari’ah  Islamic religious law derived from the Holy Qur’an and the Hadith
Sukuk (plural of sakk)  Participation securities, coupons, investment certificate
Tabarru  Donation
Takaful  A Shari’ah compliant insurance concept (similar to conventional mutual insurances)
Tawarruq  The purchase of goods on deferred payment and their subsequent sale (to raise cash)
Wakala  An agency contract