This section explains Arabic words and terms used in this book.

*Abd* is servant. Also refers to mankind. *Abd Allah* means servant of God.

*Adl* means justice, impartiality, and fairness.

*Allah* is Arabic for God.

*Amana* is trust; the contract of *amana* gives rise to fiduciary relationships and duties.

*Aqidah* (pl. *aqad* /aq’ad/) is article of faith, tenet or doctrine.

*Asabiyyah* is the basis for group solidarity or national consciousness. It means *esprit de corps*.

*Ayah* (pl. *ayat*) means symbol or the sign. Refers to a verse of the Holy Qur’an.

*Bai bi-thamin ajil* is deferred payment sale by instalments.

*Bai’muajjal* is deferred-payment sale.

*Bai’salam* is pre-paid purchase.

*Bay* (*bā*) is a comprehensive term that applies to sale transactions, exchange.

*Bay’ah* is the contractual relationship among the ruler and the ruled and is circumscribed by *shari’ah*.

*Bayt al-mal* means house of wealth. It is a medieval financial institution aimed at managing the monetary activities of the ‘Islamic state’ and can be regarded as a public treasury.

*Bida* refers to innovation, deviation from Islamic tradition.

*Birr* is piety, righteousness.

*Dhimmi* is a non-Muslim citizen of a Muslim state who enjoys freedom and protection in return for fulfilling tax obligations.

*Diya* is the blood money paid by the murderer to the legal heirs of the murdered in return for exemption from the death penalty.

*Falah* means welfare, success, prosperity, thriving.

*Fasad* means iniquity, immorality, corruption, viciousness.

*Fatawa* (sing. *fatwa*) are legal decisions or opinions rendered by a qualified religious leader (*mufti*).

*Fard-e-kifaya* is a community obligation in Islam. If some members
discharge it, others are exonerated. If none discharges it, the whole community is culpable in the eyes of God.

_Fiqh_ is Islamic jurisprudence, the science of religious law, which is the interpretation of the Sacred Law, _shari’ah_.

_Fuqaha_ (sing. _faqih_) are Muslim jurisprudents who have religious authority.

_Fuqara_ are poor, needy, lacking basic wherewithal for honourable living.

_Ghanima_ are spoils of war.

_Gharar_ is uncertainty, speculation.

_Hadd_ (pl. _hudud_) is a punishment fixed in the Holy Qur’an and _hadith_ for crimes considered to be against the rights of God.

_Hadith_ (pl. _ahadith_) is the technical term for the source related to the _Sunnah_; the sayings – and doings – of the Prophet (pbuh), his traditions.

_Hajj_ is pilgrimage to Makkah.

_Hakimiyya_ means sovereignty, judgeship, domination, jurisdiction over making rules.

_Halal_ means permitted according to the _shari’ah_.

_Haram_ means forbidden according to the _shari’ah_.

_Hiba_ means gift, present, donation, grant.

_Hijra_ marks the emigration of the Prophet Muhammad from Makkah to Madinah in 622 ce.

_Hisba_ is prudential supervision/regulation of markets and transactions.

_Hila_ (pl. _hiyal_) are ‘permissions’ or legal manipulations, evasions.

_Ibada_ (pl. _ibadat_) is worship, adoration, religious observance.

_Ihsan_ is benevolence, beneficence.

_Ihtisab_ means accountability.

_Ijarah_ contract is a leasing contract.

_Ijarah wa iqtina_ is a lease-purchase contract, whereby the client has the option of purchasing the item.

_Ijma_ means consensus among jurists based on the Holy Qur’an and _sunnah_, and one of the four sources of law in Sunni Islam.

_Ijtihad_ means the act of independent reasoning by a qualified jurist in order to reach new legal rules.

_Ijtihadi_ is a practice permitted through the application of _ijtihad_.

_Iman_ means faith.

_Imam_ is commonly used as a title for significant religious leaders.

_Infaq_ is spending on charitable cause, in excess of need.

_Insan_ means human being, human race.

_Islam_ is submission or surrender to the will of God. Religion of Muslims (those who submit).
Isnad is ascription of a *hadith* or an Islamic tradition, the uninterrupted chain of authorities on which a tradition is based.

*Israf* is extravagance and as such condemned in Islam.

*Istislah* is public interest.

*Istisnaa* is a contract to manufacture.

*Iztirar* means compulsion, coercion, exigency, plight, predicament.

*Jihad* is struggle or battle against inner or outer impediments against implementing *shari’a* as the law of the land.

*Jizya* is poll tax levied on a *dhimmi* otherwise exempt from *zakah*.

*Ju’alah* is the stipulated price (commission) for performing any service.

*Khalifa* (caliph) means successor or ‘deputy’. Ruler of the community of Islam (to the Prophet Muhammad’s (pbuh) political position, but not to his prophethood).

*Kharaj* is land tax.

*Kharajite* were a dissident religious sect in Islam that demanded equitable treatment among Arab and non-Arab Muslims.

*Khums* is one fifth of treasure trove due to an Islamic state.


*Mafasid* (sing. *mafsada*) means malicious acts, chicaneries, causes of evil and corruption.

*Makkah* Mecca, capital of the Makkah Province of Saudi Arabia, which is the holiest city in Islam and the destination of the *Hajj*.

*Maqasid* (sing. *maqsid*) means goals, aims, objectives, ends, designs, intentions.

*Masakin* (sing. *miskin*) are the poor, miserable, beggars, humble.

*Masalih* (sing. *maslaha*) are those acts or matters which promote welfare.

*Masjid* is the place where Muslim prayers are conducted (that is, a mosque).

*Maysir* means gambling, from a pre-Islamic game of hazard.

*Mu’amala* (pl. *mu’amalat*) is conduct toward others in social intercourse, including business.

*Mudarabah* contract is a trustee financing contract, where one party, the financier, entrusts funds to the other party, the entrepreneur, for undertaking an activity.

*Mudarib* means an entrepreneur or a manager of a *mudaraba* project.

*Mufti* is a jurist who is authorized to issue a *fatwa* or legal decision on a religious matter.

*Muhtasib* is the ombudsman’s office.
Mujtahid is the one qualified for undertaking *ijtihad*, primarily in the Shi’ite tradition.

*Murabahah* is resale with a stated profit, for example the bank purchases a certain asset and sells it to the client on the basis of a cost plus mark-up profit principle.

*Musharakah* contract is an equity participation contract, whereby two or more partners contribute with funds to carry out an investment.

*Muslim* is one who professes the faith of Islam or is born to a Muslim family.

*Nisab* is the minimum acceptable standard of living.

*Qard hasan* is a benevolent (interest free) loan.

*Qisas* is reqlitional, retaliation; punishment, castigation, chastisement.

*Qist* is fairness, justice, equitableness.

*Qiyas* means analogical deduction.

*Qur’an* is the Holy Book, the revealed word of God, followed by all Muslims.

*Rabb al-mal* refers to the owner of capital or financier in a *mudarabah* partnership agreement (also called *sahib al-mal*).

*Rahn* is pawning, mortgaging, pledging.

*Rashwa* is bribery, dishonesty, corruption.

*Riba* is literally ‘excess’ or ‘increase’, and covers both interest and usury.

*Sadaqa* is alms, charitable gift; almsgiving, charity, freewill offering.

*Salam* is soundness, peacefulness, unimpairedness, well-being; peace, safety, security.

*Shari’ah* is Islamic religious law derived from the Holy Qur’an and the *sunnah*.

*Sheikh* is head of a tribe; elder, chief; master of an order (Sufism).

*Shia* is a Shi’ite Muslim, whose members comprise about 10 per cent of the world population of Muslims.

*Shirkah* (or *sharika*) is a society or partnership.

*Shi’ite* comes from the religio-political party championing the claims of ‘Ali ibn abi Talib and his heirs to the rightful leadership of the community and to their status as Imams. Since the beginning of the sixteenth century, Shi’ism has been the official state religion of Iran and most of its followers live there.

*Shura* is consultation, deliberation, taking counsel.

*Sukuk* are bonds legitimized by contemporary *fiqh* experts.

*Sukuk-al-ijarah* is the most popular form of *sukuk* in which the underlying asset pool comprises physical assets that are leased at pre-specified rentals.
Sunnah (pl. sunan) is habitual practice, customary procedure, or action, norm, usage sanctioned by tradition. In Islam, it refers to the sayings and practices of the Prophet Muhammad (pbuh), established as legally binding precedents in addition to the Law established by the Holy Qur’an.

Sunnis are orthodox Muslims and constitute the majority form of Islam, those who follow the sunnah (thus being called the ahl al-sunnah), of the Prophet Muhammad (phuh) and his companions.

Sura (pl. surat) is a chapter of the Holy Qur’an. There are 114 suras of varying length and in all references to the Holy Qur’an (for example 30:39) the first number refers to the sura and the second to the aya, or verse.

Takaful refers to mutual support which is the basis of the concept of insurance or solidarity among Muslims.

Taqwa is devoutness, godliness, piety.

Tawhid is the belief that God is one, unique and incomparable.

Ulama are the learned class, especially those learned in religious matters.

Umma means a nation or community, which shares a belief system; the body of Muslims.

Umrah is the ‘minor’ or ‘lesser’ pilgrimage to Makkah which can be made at any time of the year.

Ushr is tenth part; tithe due to an Islamic state on agricultural crops.

Usur are custom duties.

Usul-ul-fiqh are the principles of jurisprudence in Islam.

Waqf is a trust or pious foundation.

Zakah is a religious levy or almsgiving as required in the Holy Qur’an and is one of Islam’s five pillars.

Zulm is the opposite of justice. It is oppression.