

GLOSSARY

Except where the context otherwise requires, the following glossary of Islamic finance terms as provided by Securities Commission Malaysia and Muhammad Ayub shall apply throughout this study:

<i>Akhlak</i>	Ethic to govern the morality of human being
<i>Al-ijarah thumma al-bay(AITAB)</i>	A contract of leasing ending with sale
<i>Amanah</i>	Deposit in trust
<i>Aqidah</i>	Matters of belief and worship
<i>Bai'</i>	Sale
<i>Bai' al-inah</i>	Sale with an immediate repurchase between two parties
<i>Bai' al-Istijrar</i>	A form of sale where the buyer keeps on taking the goods from the seller as and when needed with or without settling the price and then settles the account later
<i>Bai' bithamin al-ajil (BBA)</i>	Sale with deferred payment
<i>Dayn</i>	Debt
<i>Dhamanah</i>	A contract of guarantee
<i>Fiqh</i>	Islamic legal ruling
<i>Gharar</i>	Elements of uncertainty and cheating
<i>Ghubn</i>	Inequality
<i>Haq maliy</i>	Financial right
<i>Hibah</i>	Gift
<i>Ibadah</i>	The relationship of human being with Allah
<i>Ijarah</i>	A contract of lease

<i>Ijarah Muntahia Bittamleek</i>	Lease culminating in the transfer of ownership to the lessee in such a way that lease and sale are kept separate and independent transactions.
<i>Ijma</i>	Consensus of opinion among the jurists
<i>Ijtihad</i>	Reasoning by qualified scholars to obtain legal ruling from the sources of the <i>Shariah</i>
<i>Ikrah</i>	Duress
<i>Inan</i>	A form of partnership in which each partner contributes both capital and work
<i>Istihsan</i>	Juristic preference
<i>Istisna</i>	A contract to manufacture to be delivered in the future
<i>Maisir</i>	Gambling
<i>Mal</i>	Asset/Property
<i>Manfaah</i>	Usufruct
<i>Maslahah</i>	Consideration of the public interest
<i>Muamalat</i>	Transactions
<i>Mudarabah</i>	A type of partnership where one party provides capital and the other party provides labour on an agreed profit sharing ratio
<i>Mudarib</i>	An entrepreneur in <i>Mudarabah</i> transaction
<i>Mufawadah</i>	Equal share partnership
<i>Murabahah</i>	Cost plus profit sale
<i>Musawamah</i>	A general kind of sale in which the price of the commodity to be traded is bargained between seller and the purchaser
<i>Musharakah</i>	Partnership (an agreement between two or more parties to combine their assets, labour or liabilities for the purpose of making profit)
<i>Qard</i>	A contract of loan
<i>Qiyas</i>	Analogical deduction of legal ruling

<i>Rabb al-mal</i>	The person who invests the capital in <i>Mudarabah</i> contract
<i>Riba</i>	Interest or Usury
<i>Salam</i>	The purchase of item known by specification or description for delivery at a later specified time, with payment of price in full at time of contract
<i>Sarf</i>	Currency exchange
<i>Shariah</i>	Islamic law
<i>Sukuk</i>	Certificates of equal value representing undivided share in ownership of tangible assets of particular projects or specific investment activities, etc.
<i>Taghrir</i>	Deception
<i>Takaful</i>	A form of Islamic insurance
<i>Tawarruq</i>	Acquiring cash through trade activities
<i>Urban</i>	Sale with option
<i>Wadiah</i>	<i>Amanah</i> or deposit

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LIST OF ABBREVIATIONS

AAOIFI	Accounting and Auditing Organisation for Islamic Financial Institutions
ABS	Asset-Backed Securitization
AFIBs	Alternative Finance Investment Bonds
CBA	Central Bank Act of Malaysia
CIS	Collective Investment Scheme
CMFIB	Capital Market and Financial Investment Business (Korea)
DJIM	Dow Jones Islamic Market
ETF	Exchanged trade fund
FA	Financial Act (UK)
FSA	Financial Service Authority (UK)
GCC	Gulf Cooperation Council
GIA	General Investment Account
IDB	Islamic Development Bank
IFSB	Islamic Financial Services Board
IIFM	International Islamic Financial Market (Bahrain)
INCEIF	International Centre for Education in Islamic
KFH	Kuwait Finance House
KOSPI	Korea Composite Stock Price Index
LC	Letter of Credit
MAS	Monetary Authority of Singapore
MOSF	Ministry of Strategy and Finance (Korea)
OCC	Office of the Comptroller of the Currency (USA)
PIRI	Prudential Information and Regulations for Islamic Banks (Bahrain)

PLS	Profit/loss sharing
SAC	<i>Shariah</i> Advisory Council (Malaysia)
SC	Securities Commission (Malaysia)
SCFB	Special Credit Financial Business (Korea)
SDLT	Stamp Duty Land Tax
SIA	Specific Investment Account
SSB	<i>Shariah</i> supervisory board
WAD	<i>Al-wadiah yad dhamanah</i>

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