

iEpistemology

e-Newsletter

Chief Editor : Prof Omar Hasan Kasule Sr.



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This bimonthly newsletter presents the most recent developments in the fields of Islamic epistemology and educational curriculum reform summarized from books, journals, websites, interviews, and academic proceedings (conferences, seminars, and workshops). We also accept original contributions of less than 500 words.

Murabaha Legal Document

(المستند الشرعي للمرابحة) Part 2 of 4

By Dr. Elteгани Abdelgadir Ahmed
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Murabaha

[myur-'ab-ä-'hā]

An Islamic financing structure in which the seller and buyer agree to the cost and markup of an asset.



Therefore, it may be concluded that the Shariah document which is stemmed out or derived from the Holy Quran is more authentic than other Shariah justifications and arguments (document (المستند الشرعي) stemmed from Sunnah that is narrated by only one companion of the Prophet Muhammad PBUH.

This concept may be applied to Murabaha as carried out in Islamic banking. Murabaha is a sale contract in Islamic jurisprudence. It is defined under the category of trust sales (Amana). Murabaha is a formula (mode of finance) developed to achieve banking finance in a manner compatible with financial jurisprudence according to the teachings of Islam.

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Challenges of Thought and Research About Fundamental Social Concepts for the Modern Age (Part 2 of 8)

By Presented at the 5th International East African Universities Conference Morogoro Tanzania by Professor Omar Hasan Kasule Sr MB ChB (MUK), MPH (Harvard), DrPH (Harvard) Chairman of the Research and Human Ethics Committees at the King Abdullah bin Abdulaziz University Hospital Riyadh

The Function of Money as the Defining Factor

Islamic economics differs from modern economics in treating money as a medium of exchange and not a commodity to be sold or bought. Modern economics has dual functions for money as a 'medium of exchange' and a 'commodity' that can be sold, bought, or lent. Money as a commodity with the accompanying *riba* will lead to the injustice of some people with money getting more money without earning it by selling goods or services. Those who have money to lend with *riba* become richer while those who borrow become poorer. There are also more complications of money as a commodity in modern economic practice that require the attention of Muslim economists.



Money as a Medium of Exchange and Store of Value

Money was discovered when early humans realized that barter exchange of goods and services was not efficient. A farmer may want to barter rice in exchange for a piece of furniture from a carpenter. The carpenter does not agree to the barter transaction because he has no immediate need for rice. If money is used as a medium the transaction may be possible because the carpenter will sell the furniture for a price and keep the money until he needs to buy the rice from this farmer or another farmer. Money is therefore a store of value to enable efficient exchange of goods and services.

Money as a Commodity to be Traded is Rejected by the Shari'at

It is forbidden to barter or exchange money for money because of fear of unfairness. It is forbidden to give or take interest because

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the borrower is at a disadvantage. This is obvious today that borrowers have mounting debts they cannot pay whether they are consumers using credit cards or governments borrowing from international banks. Interest is also forbidden because the lender is getting wealth, he did not earn by selling goods or services. ❖ To be continued...

Islam And Modernity: Navigating Religion In A Changing World

IWPL 30 THE 30th ISTAC-IUUM WORLD PROFESSIONAL LECTURE

ISLAM AND MODERNITY: NAVIGATING RELIGION IN A CHANGING WORLD

11 13th June 2024 11 3:00-4:30 PM 11
International Institute of Islamic Thought & Civilisation (ISTAC-IUUM)
Hybrid Lecture

Speaker:
PROF. DR. TALIP KÜÇÜKCAN
Ambassador of Türkiye to the Republic of Indonesia,
Former Professor of Sociology,
Faculty of Arts and Sciences,
Marmara University, Istanbul.

Moderator:
Dr. NURUL AIN NORMAN
ISTAC-IUUM

Welcoming Remarks
DATUK PROF. DR. ABDELAZIZ BERGHOUT
Dean, ISTAC-IUUM

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Roundtable On Epistemology And Methodology Of Islamic Economics

Roundtable on Epistemology and Methodology of Islamic Economics

Organized by: KENMS and IIT

Venue: Ibn Khaldun Conference Room, ISTAC
Date: Tuesday 4th June 2024
Time: 09:00-17:00

Registration:
https://docs.google.com/forms/d/e/1FAIpQLScvLRjUpEveNLZatDL6bhaaQYanSkac1V7pKkuGrCN8G7Pw/viewform?usp=pp_url

Deadline: Wednesday 29 May 2024

Speakers

Prof Emeritus Datuk Dr. Osman Bakar
Prof Dr. Mohamed Aslam Haniff
Prof Dr. Hafiz Faruqi

Discussants

Prof Huzaim Shah
Prof Syed Farid Alatas
Dr. Sami Al Dahhani
Dr. Syamsuddin Arif

It is defined under the category of trust sales (Amana) where capital and cost of the commodity should be known to both parties in the contract, i.e. seller and purchaser. Murabaha is based on the bank selling goods and commodities that the clients (customers) desire after owning and possessing them, at cost price with markup added to the cost, representing the sale price. The due price would be paid to the bank in installments over specialized periods or it might be paid at the end of the period on balloon payment. Therefore, it could be concluded that Murabaha as carried out in Islamic banking is a deferred sale i.e. the price of the commodity will be paid later on after concluding the sales contract.

Deferred Sale and Murabaha:

The Sharia justification and arguments المستند الشرعي for deferred sale and Murabaha are stronger than the Shariah arguments for Mudarabah and Musharakah, for example: that is because deferred sale and Murabaha modes of finance are derived from the Quran. ❖ To be continued...

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