

NEWSLETTER

Shariah Newsletter of GA Skylight Berhad

AQAD IN SHARIAH INVESTMENT

Assalamualaikum and Welcome to Our September Newsletter! As we step into the later half of the year, we're excited to bring you fresh insights, inspiring stories, and the latest updates that matter to you. Whether you're looking to stay ahead of industry trends, explore innovative solutions, or simply gain a new perspective, this edition has something for everyone. In this issue, we'll dive into Aqad in Shariah Investment. We hope you find these topics as intriguing and informative as we did putting them together! Thank you for being a part of our community. Let's continue to grow, learn, and achieve together.

TYPES OF AQAD

1. MUDHARABAH (PROFIT-SHARING AGREEMENT)

- A partnership where one party provides capital (rabb-ul-mal) and the other provides expertise and management (mudarib). Profits are shared according to a pre-agreed ratio, but any loss is borne solely by the capital provider unless the loss is due to the manager's negligence or misconduct. Commonly used in investment funds, where investors provide the capital, and the fund manager uses their expertise to manage the investment.

2. MUSHARAKAH (JOINT VENTURE):

- A partnership where all partners contribute capital and share in profits and losses according to their capital contribution. Used in equity financing and joint ventures where each partner shares both the profits and risks.

3. MURABAHA (COST-PLUS FINANCING):

- A sales contract where the seller discloses the cost and profit margin to the buyer. The buyer purchases the goods on a deferred payment basis.. Commonly used in asset financing and trade, where a bank buys goods and sells them to the customer at a markup, with payments made over time..

4. IJARAH (LEASING):

- A lease agreement where the lessor (owner) leases an asset to the lessee for a fixed rent and period, without transferring ownership. Used in leasing arrangements, such as equipment or property leasing, where the lessor retains ownership, and the lessee gains the use of the asset.

5. WAKALAH (AGENCY AGREEMENT)

- An agency agreement where one party (the principal) appoints another (the agent) to act on their behalf in a transaction. Often used in investment management, where an investor appoints an agent to manage investments on their behalf.

6. ISTISNA' (MANUFACTURING CONTRACT):

- A contract for manufacturing goods and commodities, allowing cash payment in advance and future delivery or a sale of manufactured goods at an agreed price and time of delivery. Used in project financing, particularly in the construction and manufacturing sectors.

7. BAI' SALAM (FORWARD SALE):

- A forward sale contract where the buyer pays the purchase price in full at the time of the contract for goods to be delivered later. Commonly used in agricultural finance, where farmers sell their produce in advance to receive funds for cultivation.