

## **Adoption of AAOIFI Shariah Standards Nos. 42, 45, 53**

In order to standardize and harmonize Shariah practices in Islamic Banking Institutions (IBIs), AAOIFI Shariah Standard No. 42 - Financial Rights and How They are Exercised and Transferred, Standard No. 45 - Protection of Capital and Investments and Standard No. 53 - 'Arboun (Earnest Money) have been adopted. These Shariah Standards are applicable with the following clarifications and amendments as mentioned against each clause(s) of respective Standard:

### **AAOIFI Shariah Standard No. 42 – Financial Rights and How They Are Exercised and Transferred**

1. **Clause 1:** The following is added as a footnote to the clause:  
*This clause may be read as follows:*  
**“Scope of the Standard**  
*This Standard provides a description of financial rights, their types, rules, conditions, parameters, the way these are exercised and transferred and the mechanisms used to protect them. It also addresses the most important rights exercised in the transactions of financial institutions. This Standard does not cover non-financial rights; khiyarat ; e.g., Khiyar al-Shart and Khiyar al-Naqd ; or rights relating to Waqf (endowments), as these have already been covered in separate standards.”*
2. **Clause 2:** The following is added as a footnote to the clause:  
*This clause may be read as follows:*  
**“Definition of Financial Rights**  
*A financial right is the prerogative of a (natural or artificial/juristic) person recognized by the Shari'ah as a right or obligation and has the capacity to become subject matter of compensatory transactions”.*
3. **Clause 3/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Personal rights (rights in personam): These are rights arising from the liability of a specific person, such as debts payable by a debtor.”*
4. **Clause 3/2/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Primary proprietary rights, such as rights arising from full and complete ownership, are independent rights that do not rely on the existence of any other right such as ownership rights.”*
5. **Clause 3/3/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Types of rights to intangible assets: Rights to intangible assets are of many kinds, including rights to trade name, trademarks, commercial licenses; intellectual, technical and industrial property, and patents.”*
6. **Clause 3/3/3/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Since rights to intangible assets are recognized as financial rights, it is permissible to dispose off or transfer them for consideration provided that such transactions are free of Gharar (ambiguity), deception and fraud.”*
7. **Clause 3/3/3/3:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Commercial license: a commercial license is a right given by the relevant authority to certain businesses to engage in specified activities. It is permissible*

*for the license holder to dispose off it for with or without consideration unless specifically prohibited by law.”*

8. **Clause 3/4:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Financial rights can be acquired through all the Shari’ah compliant ways of acquiring rights, such as contract, stipulated conditions, inheritance, court order or right of first use.”*
9. **Clause 4/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Ownership of an asset and usufruct gives the owner the right of complete disposition, either by a complete transfer or the transfer of usufruct only, for or without consideration, except what is prohibited by the Shari’ah.”*
10. **Clause 4/3:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “The right of utilization gives the right to exclusive use only.”*
11. **Clause 6/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Since the owners of different floors of a building co-own the underlying land, the following shall apply:”*
12. **Clause 6/2/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “If a lower storey collapses due to any act of its owner, he is liable to reconstruct it so that the owners of the upper-storeys are not harmed.”*
13. **Clause 6/2/3:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “The right of owners to enjoy use of common facilities and services.”*
14. **Clause 7/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Definition of Shuf’ah (preemption): Shuf’ah is the right given to a co-owner or neighbour of real estate property to acquire a sold property from its buyer without his consent for the price at which it was sold.”*
15. **Clause 7/1/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “The right of Shuf’ah exists only in relation to immovable property along with movable property attached to it.”*
16. **Clause 7/1/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “The right of Shuf’ah enjoyed by a neighbour is applicable only when the two properties share all or some common easement rights”.*
17. **Clause 7/2/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “The Shafi’ (preemptor) takes the place of the buyer and, subject to circumstances being equal, enjoys the right to purchase the property on the same terms as contracted with the buyer, such as deferred payment. The Shafi’ (preemptor) also assumes all the liabilities of the buyer such as the usual conveyancing costs.”*
18. **Clause 7/2/2:** The following is added as a footnote to the clause:

*This clause may be read as follows: "If there are multiple Shufa'a' (preemptors), each of them has the right of Shuf'ah proportionate to his share in the jointly owned property."*

19. **Clause 7/2/4:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "Rights of Shuf'ah must be claimed immediately upon becoming aware of the sale in accordance with custom or law, if he becomes aware (of the sale) and does not claim Shuf'ah, his right to Shuf'ah would lapse."*
20. **Clause 7/2/6:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "There is no right of Shuf'ah where ownership is transferred without a sale or a transaction having the characteristics of a sale. Therefore, there is no right of Shuf'ah where transfer is effected by inheritance, bequest or gift without consideration."*
21. **Clause 8/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "The Shari'ah does not prohibit the owner and the tenant agreeing that the tenant will pay to the owner a lump sum of money over and above the periodic rental amount, on condition that it is considered part of the agreed rent for the entire lease period. If the lease is terminated early; the rules applicable to rental payments apply to this amount."*
22. **Clause 8/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "It is permitted by the Shari'ah for the owner and the tenant to agree during the lease period that the owner will pay an amount to the tenant in exchange of waiving his contractual right to the ownership of the usufruct for the remaining period on the basis that such payment compensates the tenant for waiver of his right, in favour of the owner, with respect to the usufruct that he purchased. However, if the lease period expires and the contract is not renewed, either expressly or by operation of a provision for automatic renewal, then it is not permitted to take payment for vacating the premises, and the owner has the right to take back his property after expiry of the term."*
23. **Clause 8/3:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "If an agreement is reached between the incumbent tenant and a new tenant during the lease period on waiving (the contractual right) for the remaining period of the contract against an amount exceeding the regular rental amount, it is permitted in Shariah to take such compensation amount subject to the requirements of the lease contract executed between owner and incumbent tenant and applicable laws that are compliant with the rules of the Shari'ah. In long-term lease contracts, contrary to contractual terms that are based on what is permitted by the laws of some jurisdictions, the Shari'ah does not permit the tenant to sub-lease or to take compensation (for waiving the contractual right) except with the agreement of the owner. If the incumbent tenant agrees to hand over occupancy to a new tenant after the end of the lease period, the Shari'ah does not permit him to take any payment because the right of the incumbent tenant in the usufruct has expired."*
24. **Clause 9:** The following is added as a footnote to the clause:  
*The heading may be read as "Right of Tahjir (التحجير)"*
25. **Clause 9/1:** The following is added as a footnote to the clause:

*This clause may be read as follows: "Tahjir means taking possession of a piece of barren/abandoned land and marking it with certain recognized markers with the permission of the government."*

26. **Clause 9/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "Tahjir results in exclusivity and priority over others, but it does not confer the right of ownership."*
27. **Clause 9/3:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "A person who has carried out Tahjir (on a piece of land) is permitted to waive his right of first use against a consideration on the basis of settlement (Sulh), but he is not allowed to sell the land as he does not own it."*
28. **Clause 10:** The following is added as a footnote to the clause:  
*The heading may be read as "**Consideration for Rights**"*
29. **Clause 10/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "It is not permissible to take consideration for Options whether by means of sale or otherwise."*
30. **Clause 10/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "It is not permissible to take consideration for the rights granted only to prevent harm, such as the right of Shuf'ah (preemption)."*
31. **Clause 10/3:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "It is permissible to take consideration for the easement rights, by means of sale or otherwise."*
32. **Clause 10/4:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "It is permissible to sell rights to use, right to exclusiveness and rights of first use."*
33. **Clause 11:** The following is added as a footnote to the clause:  
*The heading may be read as "**How Rights Are Exercised**"*
34. **Clause 11/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "All financial rights are, in principle, disposable, and the owner of a financial right has the absolute right to exercise his right in accordance with the rules and principles of the Shari'ah and in particular, the following:"*
35. **Clause 11/1/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "Rights should not be exercised in an abusive manner."*
36. **Clause 11/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "Subject to the provisions of this Standard, the permissible methods of disposal of rights include all types of contracts of exchange, donations, waivers, partnerships, and assignments of rights. [see Standard No. (7) on Hawalah]"*
37. **Clause 12/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "In addition to the provisions of Shari'ah Standard No. (5) on Guarantees, the methods of protecting financial rights include the following:"*

38. **Clause 12/2(a):** The following is added as a footnote to the clause:  
*This clause may be read as follows: "Rights do not extinguish by passage of time but there can be a limitation period after which a claim may not be admissible in court."*
- Further, the serial number of the clause may be read as 12/2(1) instead of 12/2(a).*
39. **Clause 12/2(b):** The following is added as a footnote to the clause:  
*This clause may be read as follows: "Right of lien: A creditor has the right to retain the debtor's asset already in his possession until he receives payment of the due debt from the debtor. This may take several forms:"*
- Further, the serial number of the clause may be read as 12/2(2) instead of 12/2(b).*
40. **Clause 12/2 (b) i:** *The serial number of the clause may be read as 12/2(2)a instead of 12/2(b)i.*
41. **Clause 12/2 (b) ii:** *The serial number of the clause may be read as 12/2(2)b instead of 12/2(b)ii.*
42. **Clause 12/2 (b) iii:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "The right of the lessor to retain the lessee's belongings inside the leased asset until he receives the rent due, because the lessor has possession of the leased asset which contains the lessee's belongings."*
- Further, the serial number of the clause may be read as 12/2(2)c instead of 12/2(b)iii.*
43. **Clause 12/2 (b) iv:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "The right of a courier to retain the dispatched property until he receives his due fees."*
- Further, the serial number of the clause may be read as 12/2(2)d instead of 12/2(b)iv.*
44. **Clause 12/2 (b) v:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "The right of a bailee against compensation to retain the bailed property until he receives his due fee."*
- Further, the serial number of the clause may be read as 12/2(2)e instead of 12/2(b)v."*
45. **Clause 12/2 (b) vi:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "The right of an agent to retain the asset of the principal until he receives his due agency fee."*
- Further, the serial number of the clause may be read as 12/2(2)f instead of 12/2(b)vi.*
46. **Clause 12/2 (c):** The following is added as a footnote to the clause:  
*This clause may be read as follows: "If the buyer of an item becomes insolvent and the seller finds that specific item in the insolvent's assets, the seller has a priority right to it (retrieval right). Refer to Shari'ah Standard No. (43) on Insolvency."*
- Further, the serial number of the clause may be read as 12/2 (3) instead of 12/2 (c).*
47. **Clause 13:** The following is added as a footnote to the clause:  
*The heading may be read as "Some Contemporary Applications of the Financial Rights"*

48. **Clause 13/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "It is permitted to incorporate in company's bylaws to give existing shareholders priority to subscribe for shares to increase in company's share capital. Therefore, each partner has the priority right over non-partners in subscribing at the time of deciding to increase the capital of the company. And the subscription shall be according to the ratio of partner's share to the capital of the company before the decision of increase."*
49. **Clause 13/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "The right of priority in subscription can be waived in favour of others without compensation subject to the provisions of the law and the by-laws of companies approved by the general assemblies."*

### **AAOIFI Shariah Standard No. 45 – Protection of Capital and Investments**

1. **Clause 3/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "Protecting capital by permissible means is desirable in Shari'ah as it serves the objectives of Shari'ah with regard to "protection of wealth.""*
2. **Clause 3/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "It is compulsory for an investment manager, whether he is a Mudarib, an investment agent or a managing partner, in his fiduciary capacity, to exercise due diligence to protect the funds from loss, decrease or destruction. If he fails to do so using usual means of protection, he will be considered negligent and is liable for loss, taking into consideration items 4/1 and 7/1\*."*  
*\*prima facie 7/1 should be read as 3/7.*
3. **Clause 3/3:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "It is permissible to use Shari'ah-compliant instruments and processes to protect investment from risks that it may be exposed to whether they are risks relating to a loss of capital, depreciation in value, inflation, or fluctuation of exchange rates, etc."*
4. **Clause 3/7:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "If a loss occurs caused by the Mudarib's wilful misconduct, negligence or breach of contract, the capital provider may hold the Mudarib liable for the loss of capital but not the lost profit. However, if it is determined through actual or constructive liquidation that the investment accrued profit which was added to the capital and then suffered a loss due to the Mudarib's wilful misconduct, negligence or breach of contract, the Mudarib is liable to indemnify for loss of the profit as it has become a part of the capital. If destruction/loss of the whole or a part of the capital is caused by the Mudarib's wilful misconduct or negligence, the Mudarib is liable for the value of the capital at the time of destruction/loss."*
5. **Clause 4/1/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "The equality should be maintained amongst the investment partners in bearing the risks and losses according to their respective shares in the capital."*
6. **Clause 4/1/3:** The following is added as a footnote to the clause:

*This clause may be read as follows: “The means adopted for capital protection must not be a non-Shari’ah compliant contract and should not be a pretext to achieve an objective by violating Shari’ah.”*

7. **Clause 4/2/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Takaful (Islamic insurance) for the investment to protect the capital or cover the risks of willful misconduct, procrastination, death or bankruptcy. Takaful coverage may be obtained either by the investors themselves or through the investment manager on their behalf.”*
8. **Clause 4/2/7/b:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Dividing the capital into two parts by deploying the capital in Murabahah and Musharakah contracts, respectively. The first part is used in Murabahah contracts with parties that have strong credit ratings in a way that the combination of the principal amount and the profit of Murabahah protect the initial capital and the remaining part is invested in Musharakah contracts.”*
9. **Clause 4/2/7/c:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Dividing the capital into two parts by deploying the capital in Ijarah and Musharakah contracts respectively. The first part is used in Ijarah contracts with parties that have strong credit ratings in a way that the combination of the principal amount and the rental amount protect the initial capital and the remaining part is invested in Musharakah contracts.”*
10. **Clause 4/2/7/d:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “Dividing the capital into two parts and deploying them in Murabahah and ‘Arboun contracts respectively. The first part is used in Murabahah contracts with parties that have strong credit ratings in a way that the combination of the principal amount and the profit of Murabahah protect the initial capital. The remaining part will be used as ‘Arboun to purchase assets. If the value of the assets rises, the purchase contracts are completed and the assets are sold for a profit. If the value of the assets declines, the purchase contracts are not completed and the loss is limited to the amount of the ‘Arboun, while the capital is protected by the Murabahah contracts. It is compulsory in this method to observe the Shari’ah rules relating to ‘Arboun. This includes the requirement to reserve the assets sold under the ‘Arboun contract from the time of contract conclusion until the settlement date and the impermissibility of trading in ‘Arboun.”*
11. **Clause 4/2/10:** *The serial number of the clause may be read as 4/3 instead of 4/2/10.*
12. **Clause 4/2/11:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “If the investor has required the investment manager to adopt certain Shari’ah-compliant ways to protect the capital, the manager is obligated to do so. If he does not do so, he is liable for any resulting loss of capital, in accordance with item 3/7.”*  
  
*Further, the serial number of the clause may be read as 4/4 instead of 4/2/11.*
13. **Clause 5/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “An undertaking by a third party in favor of the investment manager to indemnify for loss of capital in the cases other than wilful misconduct or negligence of the investment manager with a right (of the third party) to have recourse to the investment manager.”*

14. **Clause 5/3:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "A commitment by or obligating the investment manager to purchase the investment assets at their face value or at a price that was initially agreed upon."*
15. **Clause 5/4:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "An obligation by a third party to guarantee the capital for a fee. This is a form of conventional insurance."*

### **AAOIFI Shariah Standard No. 53 – 'Arboun (Earnest Money)**

1. **Clause 1:** The following is added as a footnote to the clause:  
*This clause may be read as follows:*  
**Scope of the Standard**  
*"This Standard covers the definition of 'Arboun (Earnest Money)', the rules applicable to it and its applications in the activities of institutions in commutative financial transactions that do not require possession of countervalues. It does not cover payments made prior to contract such as refundable security deposits, commissions or advance payments made subsequent to contracts that are not subject to options."*
2. **Clause 2/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "Earnest money is paid by the buyer to the seller\* at the time of contract on the basis that the buyer has the option to revoke the contract during an agreed period of time. If he confirms the contract, the earnest money is credited towards the price. If he does not confirm the contract or fails to pay the remaining price during the stipulated time, the seller is entitled to forfeit 'Arboun (Earnest Money)."*  
*\*What applies to the buyer also applies to the lessee and the purchaser in an Istisna'a contract, and what applies to the seller also applies to the lessor and the manufacturer in an istisna'a contract, etc.*
3. **Clause 2/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "An agreement to execute a sale contract in the future (an agreement to sell) is a promise and not a sale. If money is paid with the promise, it is not considered to be earnest money ('Arboun)."*
4. **Clause 2/3:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "'Arboun (Earnest Money) can be in cash, in kind or in the form of usufruct."*
5. **Clause 3:** The following is added as a footnote to the clause:  
*The heading may be read as "Rulings related to 'Arboun (Earnest Money)"*
6. **Clause 3/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "It is permissible to pay 'Arboun (Earnest Money) in commutative contracts that do not require spot payment of one or both countervalues whether the subject matter is identified or unidentified and undertaken to be delivered according to the agreed specifications, such as sale, Istisna'a, lease of identified assets and unidentified assets undertaken by the lessor to be delivered according to the agreed specifications."*



7. **Clause 3/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "Payment of 'Arboun (Earnest Money) is not permissible in Sarf and Salam contract."*
8. **Clause 4:** The following is added as a footnote to the clause:  
*This clause may be read as follows:*  
**"Period of 'Arboun (Earnest Money)"**  
*The option of 'Arboun (Earnest Money) must be for a specific period either by express stipulation of the parties, or by custom if there is an existing custom that specifies the period."*
9. **Clause 5:** The following is added as a footnote to the clause:  
*The heading may be read as "**Lapse of the Option of 'Arboun (Earnest Money)"***
10. **Clause 5/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "The buyer loses his right to revoke the contract if he informs the seller that he has confirmed the contract or uses the sold item in a manner that indicates confirmation. The contract may stipulate such conducts that indicate lapse of the option and confirmation of the contract in order to avoid dispute. [see Shari'ah Standard No. (52) on Options to Reconsider]."*
11. **Clause 6:** The following is added as a footnote to the clause:  
*This clause may be read as follows:*  
**"Ownership and Liability for the Sold Item During the Option Period**  
*Prior to delivery, the seller is liable for the subject matter. If it is destroyed or damaged before delivery to the buyer or delivery is not possible, the contract is revoked and the earnest money must be returned to the buyer. After delivery, the buyer is liable for the subject matter. If it is destroyed or damaged after delivery to the buyer, the buyer's option is lapsed and he is required to pay the remaining part of the price to the seller."*
12. **Clause 7:** The following is added as a footnote to the clause:  
*This clause may be read as follows:*  
**"Possession of the Subject Matter During the Option Period**  
*The buyer may take possession of the subject matter during the option period, which does not indicate confirmation of the contract unless the buyer's conduct indicates that he has accepted the subject matter."*
13. **Clause 8:** The following is added as a footnote to the clause:  
*The heading may be read as "**Growth and yields of the Subject Matter"***
14. **Clause 8/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "Growth that is physically connected is considered part of the original."*
15. **Clause 8/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: "In principle, any growth and yield (including output/procreation and return) of subject matter that is physically separate from it, which occurs during the option period whether prior to possession or afterward, is considered part of the subject matter. It is permissible for the party who is liable for the subject matter to stipulate that any growth and yield that is physically separate should belong to him, even if ultimate ownership of the subject matter is not vested in him."*

16. **Clause 9:** The following is added as a footnote to the clause:  
*The heading may be read as “Disposal of the Subject Matter Under 'Arboun (Earnest Money)”*
17. **Clause 9/1:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “If the subject matter is identified, the seller is not entitled to use/dispose it. If the seller does dispose of it by sale or lease or otherwise, his actions are subject to the rules relating to uncommissioned agent’s (Fodooli) disposals. If the buyer ratifies the seller's actions, he loses his option and is liable for the remainder of the price to the first seller. The first seller's disposal becomes binding and the first buyer is entitled to receive the sale price. If the first buyer does not ratify the seller's actions, the second disposal is void. [see Shari'ah Standard No. (23) on Agency and Acts of Uncommissioned Agent (Fodooli)].”*
18. **Clause 9/2:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “If the sale is related to an identified subject matter, the seller cannot deliver a different subject matter even with same specifications, except with the consent of the buyer, in which case what the buyer has paid remains 'Arboun (Earnest Money).”*
19. **Clause 9/3:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “If the buyer stipulates on the seller that he will present the subject matter to his clients during the option period and the seller accepts this, the buyer's right to revoke the contract remains valid during the option period, even after presenting the subject matter to his clients. The conclusion of a sale to the buyer’s clients is deemed to be confirmation of the contract.”*
20. **Clause 9/4:** The following is added as a footnote to the clause:  
*This clause may be read as follows: “It is not permissible to negotiate/trade options of Arboun (Earnest Money). [see Shari'ah Standard No. (20) on Sale of Commodities in Organized Markets].”*
21. **Clause 10:** The following is added as a footnote to the clause:  
*This clause may be read as follows:*  
**“Stipulating Refund of Arboun (Earnest Money)**  
*It is permissible for the buyer to stipulate on the seller a condition in the contract providing for a refund of Arboun (Earnest Money) in specific agreed situations, such as the buyer’s failure to obtain licenses from the relevant authorities.”*

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