

Salam Chart

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Slam & Salaf

Definition

Salam or *salaf* is defined as the sale or purchase of a deferred item in exchange for an immediate price.

This contract is a special device and a special form of license (*rukhsah*) given to the people to meet their economic needs and facilities in their daily lives.

السلم/السلف
أسلم وسلم وأسلف
aslama/salama/aslafa

Salam
Hijaz Language
Salaf
Iraqi language

Salam
Handed over the capital
in the contract session
Salaf
Advance of the capital

Salaf
is more general And
comprehensive because
it is related to loan

Salaf
It is used in two concept

In Surah al-Baqarah 2: 282. Allah says that: "O you who believe! When you deal with each other in transactions involving future obligations in a fixed period of time, put them in writing." The phrase "transactions involving future obligation".

Legality of Salam

when the Prophet (pbuh) came to Madinah, and found its inhabitants using forward (*salam*) contracts in fruits for one, two, and three years, he said: "Whoever enters into a forward contract let him specify a **known volume** or **weight**, and a **known term of deferment**".

Quard Hasan
Free interest loan

Advance capital
In Salam contract

Notion of this contract

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graph TD; A[Notion of this contract] --> B[According to the majority of the jurist this contract is an Exception to the general rules and against analogy It is considered as ruksa]; A --> C[Inb hazm and Ibn taymiay Their view is this is independent Contract and it is not an Exception to the general of Islamic commercial law];
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Pillar of Salam

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graph TD; A[Pillar of Salam] --> B[Contracting parties: Musalam/Rabu al salam: Buyer Musalam Ilaihi Seller]; A --> C[Statement/Sigah Offer & acceptance Valid with salam/salaf/sale Shafi: only salam/salaf]; A --> D[Subject matter Musala fihi: goods sold & Capital]
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Contracting parties:

Musalam/Rabu al salam:
Buyer

Musalam Ilaihi
Seller

Statement/Sigah Offer & acceptance

Valid with salam/salaf/sale
Shafi: only salam/salaf

Subject matter
Musala fihi: goods sold
& Capital

Condition of salam

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graph TD; A[Condition of salam] --> B[Condition of capital]; A --> C[Musalam fihi Goods sold]; B --> D["1: must be Known<br/>2: payment must be made<br/>on the spot in full"]; D --> E["Maliki can be delay<br/>3 days"]; C --> F["1: To be deferred to<br/>an agreed date in the future.<br/>2: must be known (specification).<br/>3: The future must be known"]; F --> G["4: Be able to be handed over<br/>5: Place of delivery"];
```

Condition of capital

- 1: must be Known
- 2: payment must be made on the spot in full

Maliki can be delay
3 days

Musalam fihi Goods sold

- 1: To be deferred to an agreed date in the future.
- 2: must be known (specification).
- 3: The future must be known

- 4: Be able to be handed over
- 5: Place of delivery

DIFFERENCES BETWEEN *SALAM* AND OTHER TYPES OF SALES

SALAM

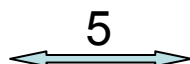
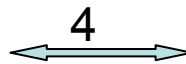
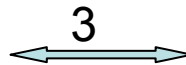
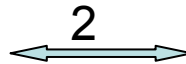
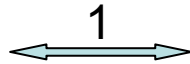
1: in a *salam* sale it is necessary for the parties to precisely fix a period for delivery of the goods.

2: in a *salam* sale, a commodity not in the possession of the seller can be sold.

3: the *salam* commodities are confined only to the goods which can be precisely determined in terms of **quality** and **quantity**.

4: *salam* sale cannot take place between **identical goods** for example, wheat for wheat or rice for rice.

5: in *salam* sale, payment must be made in advance.



OTHER SALES

1: but in an ordinary sale, it is not necessarily to do so.

2: in an ordinary sale, “the seller cannot sell what he does not have”.

3: in an ordinary sale everything that can be owned is saleable, except the commodities which are prohibited by the *Shariah*.

4: the sale of identical goods is allowed in an ordinary sale.

5: in an ordinary sale, the payment may be deferred or made at the time of delivery of the goods.

DIFFERENCES BETWEEN *SALAM* AND *ISTISNA*

ISTISNA

1: in the subject matter of *istisna* is the thing or goods which is to be manufactured.

2: it is not necessary in *istisna* where the payment may be made at the time of the contract or progressively according to the stage of completion of the manufacturing process.

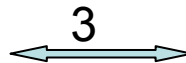
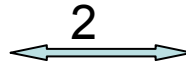
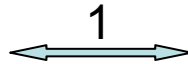
3: the parties in an *istisna* contract are allowed to cancel the contract before the manufacturer starts the work.

SALAM

1: in *salam* the commodities are normally agricultural products, metals etc.

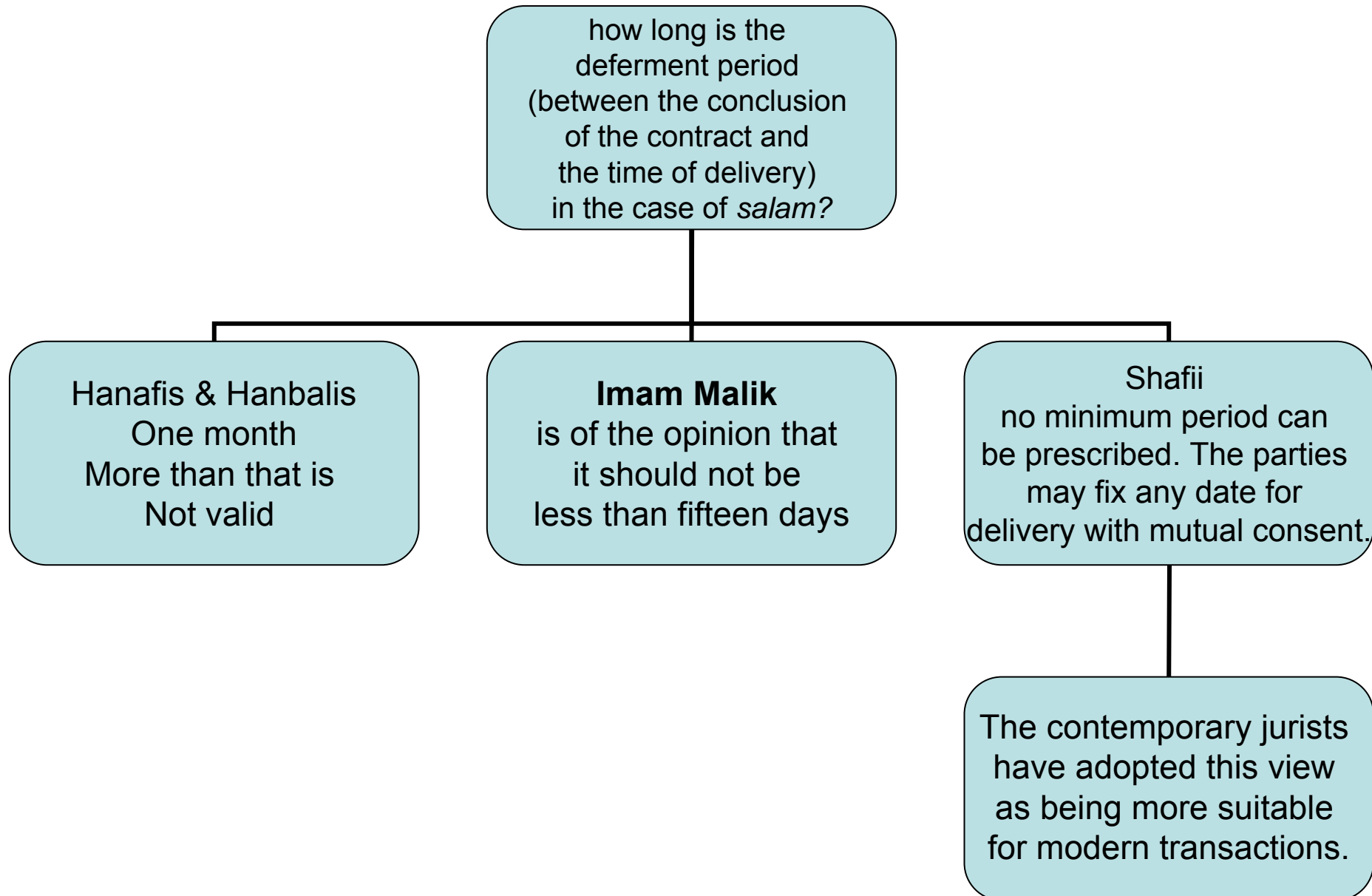
2: the price in *salam* sales is paid in advance.

3: the parties in the contract of *salam*, cannot unilaterally terminate the contract without the agreement of the other.



DIFFERENCES

Time of Delivery of *Salam* Commodities



The parallel contract of *salam* (*salam muwazi*)

After purchasing a commodity by way of *salam*.

the bank may sell it through a parallel contract of *salam* for the same date of delivery.

the bank can obtain a promise to purchase from a third party. This promise should be unilateral from the expected buyer.

a higher price may be fixed and as soon as the commodity is received by the institution.

it will be sold to the third party at a pre-agreed price according to the terms of the promise.

1

2

3

4

In parallel *salam*, the bank enters into two different contracts.

In one, the bank is the **buyer** and in the second, the bank is the **seller**. Each one of these contracts must be independent of the other.

Each contract should have its own force and its performance

The seller in the first contract cannot be made purchaser in the parallel contract of *salam*, because it will be a buy-back contract, which is not permissible in *Shariah*.

Thank You

شكرا جزىلا