



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

# ***Bai` al-Sarf*** **(Currency Exchange)**

Applicable to:

1. Licensed Islamic banks
2. Licensed takaful operators and professional retakaful operators
3. Licensed banks and licensed investment banks carrying on Islamic banking business
4. Prescribed institutions carrying on Islamic financial business

## TABLE OF CONTENTS

<b>PART A</b>	<b>OVERVIEW.....</b>	<b>1</b>
1.	Introduction.....	1
2.	Applicability.....	1
3.	Legal provisions.....	1
4.	Effective date.....	2
5.	Interpretation .....	2
6.	Related legal instruments and policy documents .....	3
<b>PART B</b>	<b>SHARIAH REQUIREMENTS AND OPTIONAL PRACTICES.....</b>	<b>4</b>
7.	Compliance with Part B.....	4
8.	Definition .....	4
9.	Nature.....	4
10.	Components of <i>bai` al-sarf</i> .....	4
11.	Contracting parties.....	4
12.	Offer ( <i>ijab</i> ) and acceptance ( <i>qabul</i> ).....	5
13.	Subject matter .....	5
14.	Salient features of <i>bai` al-sarf</i> .....	5
15.	Arrangement of <i>bai` al-sarf</i> with agency ( <i>wakalah</i> ) .....	6
16.	Arrangement of <i>bai` al-sarf</i> with promise ( <i>wa`d</i> ).....	6
17.	Arrangement of <i>bai` al-sarf</i> with <i>ijarah al-khadamat</i> .....	6
18.	Payment of debt in different currency.....	7
19.	Dissolution of <i>bai` al-sarf</i> .....	7
20.	Completion of <i>bai` al-sarf</i> .....	7
<b>PART C</b>	<b>OPERATIONAL REQUIREMENTS.....</b>	<b>8</b>
21.	Governance and oversight.....	8
22.	Structuring .....	9
23.	Risk management.....	11
24.	Business and market conduct.....	11
25.	Submission requirement .....	12
<b>APPENDICES</b>	<b>.....</b>	<b>13</b>
Appendix 1	Legitimacy of <i>bai` al-sarf</i> .....	13
Appendix 2	Glossary.....	14
Appendix 3	Exchange rules of currency .....	15
Appendix 4	Illustration of <i>bai` al-sarf</i> application .....	16

## PART A OVERVIEW

### 1. Introduction

- 1.1 Compliance with Shariah requirements is a prerequisite for ensuring the legitimacy and integrity of Islamic financial products and services. It is essential for an Islamic financial institution (IFI) to establish a sound operational framework and adequate infrastructure to ensure that its conduct is consistent with Shariah.
- 1.2 The Shariah contract-based regulatory policy is intended to promote consistency of Shariah contract applications in Islamic financial products and services. This policy is envisaged to strengthen legal certainty and Shariah compliance practices by IFIs.
- 1.3 This policy document aims to—
  - (a) provide reference on the Shariah rulings applicable to *bai` al-sarf*;
  - (b) set out key operational requirements for the implementation of *bai` al-sarf*; and
  - (c) promote end-to-end compliance with Shariah requirements, which further promote sound banking practices and safeguard consumer interests.
- 1.4 This policy document sets out the following:
  - (a) salient features and essential conditions of *bai` al-sarf* in Part B; and
  - (b) regulatory and supervisory expectations for the operational requirements on governance and oversight, structuring, risk management as well as business and market conduct in Part C.

### 2. Applicability

- 2.1 This policy document is applicable to all IFIs as defined in paragraph 5.2 that offer products and services using *bai` al-sarf* contract which involves exchange of currency notes or coins that are legal tender and excludes gold or silver.
- 2.2 Where an IFI adopts *bai` al-sarf* for the purpose of money services business, in respect of these types of transactions –
  - (a) only the Shariah requirements in Part B and paragraph 25 of this policy document are applicable; and
  - (b) the operational requirements as provided in the policy document on *Requirements for the Conduct of Money Services Business by Banking Institutions* issued by the Bank continues to apply.

### 3. Legal provisions

- 3.1 The requirements in Part B of this policy document are specified pursuant to—
  - (a) section 29(1) of the Islamic Financial Services Act 2013 (IFSA); and
  - (b) section 33E(1) of the Development Financial Institutions Act 2002 (DFIA).

- 3.2 The requirements in Part C of this policy document are specified pursuant to–
- (a) sections 29(2), 57, 135(1) and 155 of the IFSA; and
  - (b) sections 33E(2), 41, 42C(1) and 116 of the DFIA.
- 3.3 The guidance in this policy document is issued pursuant to section 277 of the IFSA and section 126 of the DFIA.

#### 4. Effective date

- 4.1 This policy document comes into effect on 1 April 2019 except for paragraph 25 which takes effect immediately upon issuance of this policy document.
- 4.2 The Bank is committed to ensure that its policies remain relevant and continue to meet the intended objectives and outcome. Accordingly, the Bank will review this policy document within 5 years from the date of issuance or the Bank's last review, and where necessary, amend or replace this policy document.

#### 5. Interpretation

- 5.1 The terms and expressions used in this policy document must have the same meanings as assigned under the Financial Services Act 2013 (FSA), IFSA, and DFIA, as the case may be, unless otherwise defined in this policy document.

- 5.2 For the purpose of this policy document–

**“S”** denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretative, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement actions;

**“G”** denotes guidance which may consist of statements or information, intended to promote common understanding and advice or recommendations that are encouraged to be adopted;

**“Islamic financial institution”** or **“IFI”** refers to a–

- (a) licensed Islamic bank;
- (b) licensed takaful operator and professional retakaful operator;
- (c) licensed bank and licensed investment bank approved under section 15(1)(a) of the FSA to carry on Islamic banking business; and
- (d) prescribed institution approved under section 33B(1) of the DFIA to carry on Islamic financial business.

**“currency”** refers to currency notes or coins that are legal tender in any country, territory or place;

**“money services business”** refers to money-changing business and/or remittance business as defined under the Money Services Business Act 2011, extended by Islamic financial institutions.

5.3 A glossary of terms used in this policy document is set out in Appendix 2.

## **6. Related legal instruments and policy documents**

6.1 This policy document must be read together with other relevant legal instruments and policy documents that have been issued by the Bank including –

- (a) Notice 1 of the Foreign Exchange Administration rules;
- (b) Requirements for the Conduct of Money Services Business by Banking Institutions;
- (c) Shariah Governance;
- (d) Corporate Governance; and
- (e) Risk Governance.

**PART B SHARIAH REQUIREMENTS AND OPTIONAL PRACTICES****7. Compliance with Part B**

- S 7.1 An IFI which uses *bai` al-sarf* as part of the underlying contract for its products and services must ensure that such products and services are in compliance with Part B of this policy document.

**8. Definition**

- S 8.1 *Bai` al-sarf* refers to a contract of exchange of money for money of the same or different type.
- S 8.2 Money is a medium of exchange that shall be in the form of currency, gold, silver, or other forms accepted by Shariah.
- S 8.3 For purposes of this policy document, *bai` al-sarf* refers to a contract of exchange of the same or different currency.

**9. Nature**

- S 9.1 *Bai` al-sarf* is an exchange contract that is binding in nature. Therefore, the contract shall not be terminated unilaterally by either of the contracting parties subject to paragraph 19.1(b).
- S 9.2 Terms or conditions that have been mutually agreed by the contracting parties, which do not contravene Shariah principles, shall be binding on the contracting parties.

**10. Components of *bai` al-sarf***

- S 10.1 A *bai` al-sarf* shall consist of the following components:
- (a) the seller and buyer (collectively referred to as contracting parties);
  - (b) offer (*ijab*) and acceptance (*qabul*); and
  - (c) subject matter.

**11. Contracting parties**

- S 11.1 The contracting parties in *bai` al-sarf* shall be a seller and a buyer.
- S 11.2 The contracting parties shall be a natural person or a legal entity that must have the legal capacity<sup>1</sup> to enter into *bai` al-sarf*.
- G 11.3 Any party to *bai` al-sarf* may enter into the contract through an agent (*wakil*).

<sup>1</sup> Legal capacity of a person, from Shariah perspective, is defined as capacity to assume rights and responsibilities and capacity to give legal effect to his action. Among the important conditions are that the person must possess sound mind and the capacity to distinguish between what is harmful or beneficial to one's interests. Legal capacity of a legal entity is defined as eligibility of an entity to acquire rights and assume responsibilities. In Malaysia, legal capacity is subject to the Contracts Act 1950 and the Age of Majority Act 1971.

## 12. Offer (*ijab*) and acceptance (*qabul*)

- S 12.1 A *bai` al-sarf* must be entered into through an offer and acceptance between the contracting parties.
- G 12.2 The offer and acceptance may be expressed orally, in writing or by any other methods recognised by Shariah.

## 13. Subject matter

- S 13.1 The subject matter of *bai` al-sarf* shall be currency which is known and delivered by the contracting parties during the contract session.
- S 13.2 The currency in *bai` al-sarf* shall be determined and mutually agreed by the contracting parties at the time of the execution of the contract.

## 14. Salient features of *bai` al-sarf*

### Delivery of currency

- S 14.1 The delivery and taking possession of the exchanged currency in all *bai` al-sarf* transactions, regardless of the currency, shall take place in full before the contract session ends.
- S 14.2 A contract session in *bai` al-sarf* refers to the period of time during which the contracting parties enter into a contract that –
- commences with the offer (*ijab*), followed by an acceptance (*qabul*) to exchange currencies between each other; and
  - ends by the disengagement<sup>2</sup> of the contracting parties, or mutual waiving of the rights to revoke the contract (*takhayur*) by the contracting parties.
- S 14.3 In connection with paragraph 14.1, earnest money (*`urbun*) and conditional option (*khiyar al-shart*) shall not apply in *bai` al-sarf*.
- S 14.4 In the event the delivery of the exchanged currency cannot be carried out in accordance with paragraph 14.1, the delivery of the currency shall only be extended beyond the contract session provided that the extension is due to–
- established customary business practice (*'urf tijari*) resulting from operational constraints; or
  - any unexpected disruption to the business.

### Same currency

- S 14.5 In the event that the exchanged currencies are the same, the transaction shall be done at par.<sup>3</sup>

### Different currency

- G 14.6 In the event that the exchanged currencies are different, the transaction may

<sup>2</sup> includes physical parting or end of conversation on the *bai` al-sarf* including through telephone, chatroom or electronic platform.

<sup>3</sup> Please refer to Appendix 3 on the exchange rules of currency.

be done at the prevailing currency rate or any mutually agreed rate at the time of the execution of the *bai` al-sarf* contract.<sup>2</sup>

### **Possession of currency**

- S 14.7 The possession of the exchanged currency shall be in the form of physical possession (*qabd haqiqi*) or constructive possession (*qabd hukmi*).
- S 14.8 The buyer shall take possession of the exchanged currency upon delivery of the currency by the seller to the buyer through any mechanism permitted by Shariah (including customary business practice), such that the buyer shall have access to the currency and assume the ownership risk of the currency.
- S 14.9 The seller shall continue to have responsibility to effect delivery, and bear the risk of the exchanged currency prior to the buyer taking physical or constructive possession of the exchanged currency.

### **ARRANGEMENT OF BAI` AL-SARF WITH OTHER CONTRACTS OR CONCEPTS**

#### **15. Arrangement of *bai` al-sarf* with agency (*wakalah*)**

- G 15.1 In *bai` al-sarf*, the contracting parties may appoint an agent to execute *bai` al-sarf* and to take possession or deliver the currency on their behalf.

#### **16. Arrangement of *bai` al-sarf* with promise (*wa`d*)**

- G 16.1 A party may provide a unilateral binding promise (*wa`d*) to enter into *bai` al-sarf* with another party in the future.
- G 16.2 The parties may provide two separate unilateral binding promises (*wa`dan*) to each other which will be triggered by different causes of events respectively to enter into *bai` al-sarf* at a future date.
- G 16.3 The parties may provide bilateral binding promise (*muwa`adah*) to execute *bai` al-sarf* in the future.
- S 16.4 All arrangements in paragraphs 16.1, 16.2 and 16.3 shall only be for the purpose of hedging.

#### **17. Arrangement of *bai` al-sarf* with *ijarah al-khadamat***

- G 17.1 *Bai` al-sarf* may be arranged with *ijarah al-khadamat* (services contract), which includes, but are not limited to, the following:
- (a) transfer of money (remittance) in a different currency;
  - (b) cash withdrawal in a different currency; and
  - (c) other related services such as the service of counting coins.
- G 17.2 *Bai` al-sarf* and *ijarah al-khadamat* may be combined in one document.
- S 17.3 Notwithstanding paragraph 17.2, both contracts must be specified and distinguished clearly in such document.

- G 17.4 For avoidance of doubt, the service provider may charge a fee for the service rendered under the services contract.

### **18. Payment of debt in different currency**

- G 18.1 A debtor may pay a debt obligation in a different currency from that of his original debt.
- G 18.2 Parties who have debt obligations against each other may agree to set-off their obligations in different currencies.
- S 18.3 In connection with paragraphs 18.1 and 18.2, the payment of debt in a different currency shall be mutually agreed by the debtor and creditor, and effected at the prevailing exchange rate or a mutually agreed rate on the day of payment (not a pre-agreed rate).

## **DISSOLUTION (FSAKH) AND COMPLETION (INTIHA') OF BAI` AL-SARF**

### **19. Dissolution of *bai` al-sarf***

- S 19.1 A *bai` al-sarf* contract shall dissolve under any of the following circumstances:
- (a) the contracting parties mutually agree to terminate the contract; or
  - (b) one of the contracting parties exercises the defect option (*khiyar al-`ayb*) to terminate the contract.

### **20. Completion of *bai` al-sarf***

- S 20.1 A *bai` al-sarf* contract completes under any of the following circumstances:
- (a) possession of the exchanged currency by the contracting parties;
  - (b) set-off (*muqassah*) of debt obligation between the contracting parties in different currencies; or
  - (c) transfer of debt obligation (*hiwalah al-dayn*) to pay the counter-value to a third party provided that the settlement is effected on the spot.
- S 20.2 Upon completion of *bai` al-sarf*, the contracting parties shall be absolved from any further contractual obligations.

## PART C OPERATIONAL REQUIREMENTS

### 21. Governance and oversight

- S 21.1 While the broad governance and oversight principles are applicable to *bai` al-sarf* contract, an IFI must observe specific requirements on governance arrangements as outlined in this policy document to address inherent risks associated with *bai` al-sarf*.
- S 21.2 An IFI must have sufficient understanding of its risk profile and ensure the availability of personnel with the appropriate knowledge and skills to offer *bai` al-sarf*.

#### Board of Directors

- S 21.3 The Board of Directors of an IFI (the Board) must establish a sound governance structure to facilitate effective oversight on the management and implementation of *bai` al-sarf*. The adequacy of the governance structure shall commensurate with the nature, complexity and risk profile of *bai` al-sarf*.
- S 21.4 The Board has overall accountability and responsibility for Shariah governance and Shariah compliance of an IFI. As such, the Board must–
- approve the business and risk strategies of an IFI with regard to the application of *bai` al-sarf*;
  - approve and oversee the implementation of policies governing the application of *bai` al-sarf* which includes risk management aspects;
  - ensure that the internal policies and procedures remain relevant and effective in managing the overall operational conduct and risk profile of the *bai` al-sarf*;
  - ensure that appropriate internal controls, systems and infrastructure are in place to implement *bai` al-sarf* in accordance with Shariah;
  - ensure that sufficient resources are in place, and that the IFI has adequate and competent personnel with sufficient knowledge on the concept, application and risks associated with *bai` al-sarf*; and
  - ensure that independent reviews are conducted regularly to assess compliance with the policy documents issued by the Bank and internal policies established by the IFI.

#### Shariah Committee

- S 21.5 The Shariah Committee has the responsibility to advise an IFI in ensuring its business, affairs and activities involving *bai` al-sarf* transactions comply with Shariah. As such, the Shariah Committee must–
- endorse the application of Shariah requirements in the relevant policies and procedures governing *bai` al-sarf*;
  - review, deliberate and endorse the terms and conditions stipulated in the legal documentations and other documents<sup>4</sup> are in compliance with Shariah;
  - advise and provide clarification on relevant Shariah rulings, decisions or policy documents on Shariah matters issued by the Bank, and if relevant, any other authorities; and

<sup>4</sup> Such as information published on promotional materials, product manuals or other publications.

- (d) endorse any rectification measures that are needed to ensure that a transaction involving *bai` al-sarf* complies with Shariah requirements.

### Senior management

- S 21.6 The senior management has the responsibility to ensure that the business and operations of an IFI complies with Shariah requirements. As such, the senior management must–
- (a) establish policies, procedures and processes with regard to proper management of *bai` al-sarf*;
  - (b) develop internal controls and risk management policies and procedures in line with the business and risk strategies approved by the Board;
  - (c) implement relevant internal systems, infrastructure and mechanisms to identify, measure, control and monitor risks associated with *bai` al-sarf*;
  - (d) identify, assign and train key personnel with the appropriate skills and ensure that the roles and responsibilities are properly delegated to the relevant functions to undertake *bai` al-sarf*;
  - (e) undertake regular review and monitor compliance with the approved internal policies; and
  - (f) ensure timely disclosure of relevant information with regard to *bai` al-sarf* to the Board and the Shariah Committee.

## 22. Structuring

### Purpose

- G 22.1 An IFI may adopt *bai` al-sarf* in a product or service to achieve a specific financial outcome such as for the purpose of foreign exchange investment, cash withdrawal in foreign currency and repayment of foreign currency financing.
- G 22.2 Examples of the purpose and application of *bai` al-sarf* are provided in Appendix 4 for reference by IFIs.

### Contracting parties

- S 22.3 An IFI shall clearly identify the contracting parties as the seller or the buyer in a *bai` al-sarf* contract, which must include any appointment of agent, and the respective roles and responsibilities of the contracting parties.
- S 22.4 In the case where an agent acts on behalf of an IFI in executing a *bai` al-sarf* transaction, the IFI must–
- (a) ensure that the agent complies with the requirements of this policy document; and
  - (b) ensure that the agent has the requisite capacity and capability to perform its duties and obligations in *bai` al-sarf*.

### Offer and acceptance

- S 22.5 An IFI shall ensure that each offer and acceptance of *bai` al-sarf*<sup>5</sup>, is clearly evidenced by appropriate documentation<sup>6</sup> or record<sup>7</sup>.

<sup>5</sup> For example, in the case of foreign currency swap products, offer and acceptance of *bai` al-sarf*

**Subject matter**

- S 22.6 Where *bai` al-sarf* involves an exchange of physical currencies, an IFI shall have in place appropriate verification processes to ensure the authenticity and legitimacy of the currency.

**Rate of exchange**

- S 22.7 In connection with paragraphs 14.5 and 18.3, an IFI shall refer to the reference rate fixed onshore for currencies involving the ringgit to determine the prevailing rate of the currency exchange.

**Settlement**

- S 22.8 In connection with paragraph 14.1, the settlement terms agreed between the IFI and the customer shall include, at minimum, the following:
- (a) counterparties for the exchange;
  - (b) date of the settlement or delivery of currency;
  - (c) rate of exchange;
  - (d) settlement mechanism; and
  - (e) settlement amount.
- G 22.9 The settlement mechanism for the exchange of currency may include, but not limited to, the following:
- (a) payment by bankers cheque or currency order;
  - (b) payment by debit card, charge card, credit card or prepaid card;
  - (c) cash payment including online cash transfer to an account; or
  - (d) electronic settlement system.

**Documentation**

- S 22.10 An IFI must ensure that the legal documents on any *bai` al-sarf* transaction must specify the agreed terms and conditions for the *bai` al-sarf* transaction. The IFI must ensure that the legal documentation clearly stipulate, at minimum, the following:
- (a) purpose of the *bai` al-sarf*;
  - (b) contracting parties including the appointment of agent, if any;
  - (c) rights and obligations of the contracting parties to the *bai` al-sarf*, where applicable;
  - (d) description of exchanged currency *i.e.* the currency and unit of measurement used;
  - (e) rate of exchange agreed for *bai` al-sarf*;
  - (f) date of offer and acceptance;
  - (g) arrangement with other Shariah contracts or concepts<sup>8</sup>, where applicable; and
  - (h) other terms, fees and charges including, brokerage fees, agency fee to be borne by the relevant contracting parties, where applicable.

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may occur at each payment dates.

<sup>6</sup> Includes other generally acceptable documents in trade and financial transactions as an evidence of the transactions e.g. terms and conditions, confirmation and settlement of trades, enforceable document.

<sup>7</sup> Includes records generated from the systems or trading platforms and receipts.

<sup>8</sup> Such as *wa`d*, *ijarah al-khadamat* etc.

- S 22.11 An IFI shall adequately clarify or translate the use of Arabic terminology, if any, in its documentations to enhance understanding of the contracting parties. Any translation shall be consistent with the rulings of SAC.

### 23. Risk management

- G 23.1 The application of *bai` al-sarf* contract may expose an IFI to various types of risks such as credit, market, liquidity and operational risks.
- S 23.2 An IFI shall establish a comprehensive and sound risk management framework and internal controls that is supported by adequate policies and procedures, processes and reporting to address risks associated with *bai` al-sarf*, which shall include, at minimum, the following:
- (a) processes and procedures for the identification, measurement, monitoring and control of risks;
  - (b) appropriate risk mitigation measures;
  - (c) setting out, where applicable, risk exposure limits such as counterparty settlement risk and foreign currency risk in line with the IFI's risk appetite; and
  - (d) reporting requirements<sup>9</sup> to the Board, Shariah Committee and senior management.
- S 23.3 An IFI shall maintain all records relating to *bai` al-sarf* transactions. The IFI shall ensure that these internal records must be updated regularly and are available for inspection by the Bank or external auditors as and when required.
- S 23.4 An IFI must establish a systematic process to regularly review and update its policies and procedures, processes and internal limits to ensure consistency with its risk appetite, taking into account significant changes in business strategies that would increase its risk exposures.

### 24. Business and market practices

#### General principle

- S 24.1 An IFI shall take into consideration customer's interests in developing policies and procedures to ensure that a *bai` al-sarf* transaction is conducted in a fair, transparent, responsible and professional manner.

#### Fair dealings

- S 24.2 An IFI must ensure that its internal policies and procedures on business and market conduct for the *bai` al-sarf* transaction reflects transparency and fair dealings to all contracting parties. At minimum, the IFI shall include the following in its internal policies and procedures:
- (a) information provided must be accurate and clear;
  - (b) fees and charges related to the services offered under paragraph 17.1 must be disclosed, if any; and
  - (c) reasonable care must be undertaken prior to providing advice and recommendations, if any.

<sup>9</sup> Which may include the frequency and scope of reporting

**Disclosure of information**

- S 24.3 An IFI shall provide clear and adequate information to the customer prior to entering into the *bai` al-sarf* transaction. For this purpose, the IFI shall disclose the following information to facilitate the customer's understanding of *bai` al-sarf*:
- (a) purpose of *bai` al-sarf*;
  - (b) terms of settlement/delivery;
  - (c) salient terms and conditions of *bai` al-sarf*, such as:
    - (i) rights and obligations of the contracting parties;
    - (ii) fees and charges, if applicable; and
    - (iii) where relevant, arrangement with other Shariah contracts; and
  - (d) termination and completion events of the *bai` al-sarf* contract.

**25. Submission requirement**

- S 25.1 An IFI that offers product or services that applies *bai` al-sarf* is required to submit an implementation plan to comply with this policy document to Jabatan Perbankan Islam dan Takaful of Bank Negara Malaysia no later than 11 July 2018.
- S 25.2 The Board and the Shariah Committee must respectively approve and endorse the IFI's implementation plan to ensure full compliance with this policy document by 1 April 2019.
- S 25.3 In relation to paragraph 25.2, the IFI shall, at minimum,—
- (a) review and confirm existing policies, procedures and internal limits are in place;
  - (b) where applicable, undertake enhancements to the existing system to address risks associated with the *bai` al-sarf* contract; and
  - (c) establish appropriate monitoring and reporting mechanisms to ensure compliance with the requirements.
- S 25.4 The IFI must immediately notify Jabatan Perbankan Islam dan Takaful of Bank Negara Malaysia of any matter that will affect or impede full compliance of the requirements of this document by the effective date.

## APPENDICES

### Appendix 1 Legitimacy of *bai` al-sarf*

#### The *Quran*

1. The following verse of the *Quran* implies the general permissibility of sales contract including *bai` al-sarf*:

وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا

“...whereas Allah SWT has permitted trading and forbidden usury...”<sup>10</sup>

#### The *Sunnah* of the Prophet Muhammad (peace be upon him)

2. The legality of *bai` al-sarf* is indicated in the following hadith:

"الذهب بالذهب والفضة بالفضة والبر بالبر والشعير بالشعير والتمر بالتمر والملح بالملح  
مثلاً بمثل سواء بسواء يداً بيد، فإذا اختلفت هذه الأصناف فبيعوا كيف شئتم إذا كان  
يداً بيد"

“[Exchange of] gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates, or salt for salt [shall be] in equal quantities and hand to hand (spot). If they differ in type, you may trade them as you wish provided it is hand to hand (without deferment on either side)”<sup>11</sup>

The modern currencies are being used as medium of exchange which have same features (*illah thamaniyyah*) with the gold and silver. Therefore, the rules of exchange of gold and silver as mentioned in the above hadith are also applied to the modern currencies.

<sup>10</sup> *Surah al-Baqarah*, verse 275.

<sup>11</sup> *Sahih Muslim*, hadith no. 2970.

## Appendix 2 Glossary

Terms	Definition
<i>Hiwalah al-dayn</i>	Assignment/transfer of debt from the liability of the original debtor to the liability of a third person so that the original debtor becomes free of liability
<i>Ijab</i>	Offer
<i>ijarah al-khadamat</i>	Services contract
<i>Khiyar al-`ayb</i>	Option arising from a defect; the option of dissolving or continuing the contract upon discovery of a defect in the asset purchased
<i>Khiyar al-shart</i>	Conditional option
<i>Muqassah</i>	Offsetting
<i>Muwa`adah mulzimah</i>	Bilateral binding promises
<i>Qabd haqiqi</i>	Physical possession. It refers to a state where a person has actual possession and the rights to control an asset
<i>Qabd hukmi</i>	Constructive possession. It does not refer to an actual possession, but it is a presumptive possession based on the right of the owner towards an asset
<i>Qabul</i>	Acceptance
<i>`Urbun</i>	Earnest money paid to secure purchase of an asset in an exchange contract which is considered part of the price if the purchaser decides to continue the contract and is not refundable
<i>`Urf tijari</i>	Customary business practice which is acceptable by the community and does not contradict the Shariah principles
<i>Wa`d</i>	A promise or undertaking which refers to an expression of commitment given by one party to another to perform certain action(s) in the future
<i>Wakalah</i>	Agency
<i>Wakil</i>	Agent

### Appendix 3 Exchange rules of currency

		Currency	
		USD	RM
Currency	USD	1. On the spot 2. At par	1. On the spot
	RM	1. On the spot	1. On the spot 2. At par

