

Rules of Muzaribah

Issue No. 1- Muzaribah is an agreement between two persons in which one person gives the capital or property to the other to do business with that and the proceeds are divided according to their agreement. The one who gives the capital is owner (Malik) and the other one who does business and trading is called agent or Amil.

Issue No. 2- It is not obligatory to have contract formula in Arabic language in Muzaribah, and it can be done by handing over.

Issue No. 3- Muzaribah is valid on several conditions:

First, the owner (Malik) and agent (Amil) should be Baligh, sane, and with free willing, and the owner (Malik) should not be barred from right of discretion over his/her property, and the agent (Amil) should be entitled and able to do trade and transaction.

Issue No. 4- The capital can be cash, benefit, or debts. The proceeds should be divided and distributed between them according to their agreement, and the shares must be specified.

Issue No. 5- It is not obligatory for the capital to be coined gold and silver; and bank notes and other common types of money are accepted.

Issue No. 6- If one gives his car to another person and authorizes him to transport passengers or goods and sets a

condition that, for example, half or one third of fares should be given to him, this agreement is in order.

Issue No. 7- If Amil does not commit any act, which is considered as neglect or out of agreed terms, he is not responsible for loss in transaction. But if it is stated by owner and agent (Amil) in the Muzaribah contract that Amil is also responsible for loss along with owner, this condition is in order.

Issue No. 8- Father , paternal grandfather and guardian of a minor can enter into Muzaribah on his behalf, if they are sure that the property is not lost and it is to his (minor's) interest and they may divide the proceeds according to contract and deposit minor's share in his account.
