UNDERSTANDING ASSET CONCEPT FOR ISLAMIC BANKING AND FINANCE PRODUCT DEVELOPMENT

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Chapter Three

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Classification of Wealth in Islamic Financial System

3.1 Introduction

Wealth has been termed and classified by scholars into assets and benefits, money as subject, homogenous and non-homogeneous, durable and perishable wealth. The researcher in his classification adopted the view of those that termed wealth as objects and benefits. Nonetheless, it can be modified based on the derivation of wealth, its type, and its usage. An Illustration on these categories will be discussed in the following sections on assets, and benefits.

3.2 Assets

3.2.1 Literary Meaning of Assets

The Arabic term of Asset is – A’ayn- and it is defined as “The present wealth, and it was said “A’ayn Ghair Dain” which means cash/property is not debt, rather it is the Dinar as Abi Al Miqdad meant in his poem that the person has eighty Dinars. A’ayn also is gold in general. Sybawayh – The famous grammarian- mentioned how they described a man with debt. Al Azhri also mentioned that Ala’yn is the dinar”.

Moreover, conventionally, money – which is an asset - is defined as “Property considered with reference to its pecuniary value”.

3.2.2 Assets in Islamic Jurisprudence

A’ayn (Asset) is a singular noun while the plural is A’ayan (Assets). The scholars are unanimous on the definition of asset, which is not different from its literal definition. However, scholars use the term