

# THE IMPACT OF DEEDS IN LINE WITH THEIR INTENDED AIMS "SPECULATION IN ISLAMIC FINANCIAL SUKUK AS A MODEL"

Majdi Ali Mohammad Ghaith, The University of Jordan

## ABSTRACT

*Financial markets have been of a pivotal value for economic and financial developments and have become the focus of attention of various financial crises. In addition to the banking sector, the financial market sector, especially the capital market, is one of the financial sectors that has been given great interest by the Islamic economy due to its role in mobilizing savings and collecting surplus units with deficit units. This is because Islamic sukuk as a financial instrument play a prominent role in this field. Since most of the capital markets in different countries, including Islamic countries, are not committed to the provisions of Islamic law, it is necessary to clarify the effect of the intent on the speculation process in Islamic Sukuk. The significance of this research lies in investigating the legal provision of speculation in Islamic Sukuk depending on dealer's intent in the Islamic market.*

**Keywords:** Economy, Speculation, Trading, Islamic Economics

## INTRODUCTION

The research clarifies the provisions of speculation in Islamic Sukuk in the capital market, depending on the intent of the financial investment not financial speculation. It also discusses the process of controlling the Islamic financial market with legal provisions and regulations. Besides it proposes some methods to prevent the Islamic financial market and economy from being damaged. This research attempts to answer these questions: 1. What is the effect of *intent* and *motive* on sayings and actions in acts of worship and transactions? 2. What is the effect of intent and motive on speculation in Islamic Sukuk? And 3. What are the legitimate regulations of speculation in Islamic Sukuk?

## LITERATURE REVIEW

Ali (2009) emphasizes on the prohibition of gambling in the stock market because the stock acquisition for sale, without realizing the reality and the economic data of the company, is often a grave deception. This is due to the gambler's aspiration to get the obscene profit by quick sale, depending on the unknown estimating and predicting of the future, which could be a heavy loss.

Al-Barwari (2002) investigated the stock exchange from an Islamic perspective. His study aimed to identify the nature of work in the stock exchange by explaining its meaning, functions and economic role, and analyzing it in terms of its administrative structure, workflow, traded securities (stocks and bonds) and operations. He studied, analyzed and criticized the nature of work in the stock exchange from an Islamic perspective. The study concluded that it is legal to issue and trade securities if the issuer is not a prohibited entity to deal with such as

alcohol production companies and usurious banks. However, this study fell short of investigating financial instruments in the Islamic financial market.

Al-Rushd (2006) investigated the stock market between Islamic law and man-made systems. The study comprehensively discussed the various types and organizational structures of financial markets, explaining the significance of the stock market and the Islamic law view of those financial markets and their operations. The study investigated the efforts aiming at developing Islamic financial markets and illustrating the references to the Islamic stock exchange. The study extensively discussed the Islamic stock exchange market structure, the pillars of the market, institutions, instruments and policies.

Al-Masry (2007) studied exchange speculation between supporters and non-supporters. Having reviewed the supporters and the opponents' speculation arguments, the researcher concluded that speculation is a form of gambling that the few win while the public lose. He reported that speculation is tricky and so the insiders win and the young lose. Consequently, prices rise significantly and go beyond the real value of the commodity. This, thus, causes an intensity of price fluctuations. Commodities and securities are not intended to be speculated, but maintain price differentials.

Basil & Hiyam (2016) discussed the legitimate and procedural controls of Islamic sukuk. They examined the process of sukuk speculation in the financial market and clarified the legitimate and procedural provisions and controls of trading Islamic sukuk.

Mohieddin (1989) discussed the stock market and its developmental effects on Islamic economy. The study addressed the importance of the financial market and its traded securities in reflecting the Islamic Shari'ah provisions of the juristic opinion regarding the process of issuing and trading stocks. Besides, it discussed the structures, systems and operations of the financial markets.

While some studies have addressed the Islamic perspective of speculation of the common shares, the present research is distinguished from all others by addressing the impact of intent on the process of trading Islamic sukuk.

## RESEARCH METHODOLOGY

With its descriptive and analytical nature, this research attempts to manifest the effects of how important is dealer' intention to deal with "*the rule* deeds/actions are valued in line with their aims", in Islamic speculation. The study used a survey as a data collection instrument by collecting some jurists' opinions regarding the impacts of dealers' intent and motive in making a speech and in taking action in line with acts of worship and transactions as well as the effect of intent on trading Islamic sukuk.

### Concept, Significance and Application of "Deeds are Valued in Line with their Aims"

This Islamic rule is the most prominent one in Islamic jurisprudence since all rules of jurisprudence revolve around it. Umar ibn al-Khattab said "I heard the Messenger of Allah, All Prayers and Blessings of Allah be upon him, say: "actions are (judged) by motives (niyyah), so each man will have what he intended. Thus, he whose migration (hijrah) was to Allah and His Messenger, his migration is to Allah and His Messenger; but he whose migration was for some worldly thing he might gain, or for a wife he might marry, his migration is to that for which he migrated." (Al-Bukhari, 1980).

### **Significance of the Rule “Deeds are Valued in Line with their Aims”**

This Islamic rule represents a fundamental principle in Islamic law since it encourages Muslims to be sincere in everything they do. This rule represents one’s proof of faith and certainty (Wahbah, 2012) since one does everything to please the Lord (Allah). Allah says “they were commanded only to serve Allah with all-exclusive faith in Him, to be upright, and to fulfil their devotional obligations, and to give zakat; for this is the even way.” (112: 5). This rule, on which all actions are evaluated, is of great importance in Muslims’ acts of worship and dealings (Yaqoub, 2014). Hence, jurists paid special attention to this *rule* since all other actions are based on *it* (Ali, 2000)

### **The General Meaning of “Deeds are Valued in Line with their Aims”**

This rule stands for the fact that humans’ actions are evaluated according to their intention. Human behavior is judged according to the person’s intention (Muhammed, 2007). Accordingly, the purpose of the judgment of this rule is to distinguish between human actions (Muhammed, 2007). In this regard, Al-Zarqa reported that “A person’s actions, whether acts or words, differ in their results and legal provisions according to the person’s intention from these actions. Whoever said to another, take these dirhams: If he intends to donate, it will be a gift, otherwise it is a returning loan (Mustafa, 1998)”. Al-Derini said: “Actions are judged and considered by intentions. The intention is the balance of actions and other behaviors. It is also the reference point in judging actions as lawful or unlawful and valid or invalid” (Fathi, 1998).

It is necessary to mention the meaning of the expressions mentioned in this rule and clarify the related expressions such as the intention and the motive before extensively discussing the scholars' views on the impact of intent on actions and words.

#### **Meaning of the Rule (Al-Qaeda)**

Idiomatically, Al-Qaeda means a holistic issue that includes all parts. However, it is not considered a basis for knowledge, which means that it is not excluded by its exclusion (Muhammed, 2009). Al-Qaeda, idiomatically, refers to a holistic issue applied to all the parts (Ali, 1984). Linguistically, Al-Qaeda is the basis of something. In the jurists’ terminology (Istlah Alfuhqa), it is the total or major judgment implying awareness of judging of the parts (Ali, 1991). It also means a total judgment (the most common) in which some parts may deviate from it, so its provisions contradict the judgment of the rule, but does not harm or affect. It is, thus, an exception of this rule (Muhammed, 1997)

### **The Application of the Rule “Deeds are Valued in Line with their Aims”**

This rule is applied to the financial compensations, assets, exoneration, power of attorneys, guarantees, trusts and penalties (Wahbah & Omar, 1991). Some examples include:

The sale will take place when someone says to another I sell you my car using the present tense (sell) with the adverb of time and the buyer accepts. On the other hand, if the present tense is used to refer to the future, the sale will not take place as it will only be a promise to sell not an

instant sale (Munir, 1940). This is because the present tense implies the sale and the promise to sell and defines each to require an intention.(Muhammad, 2007).

If a person authorizes another one to buy a specific horse or something else and the attorney bought a horse, there will be many cases: if he intends to buy it or adds the client's contract, the purchase will take place. On the other hand, if the attorney buys it or adds the contract to him, the purchase will be for himself. Likewise, if the contract is not added to any one, the purchase will be for the client, if the attorney intends that, but if he wants it for himself, the purchase will be for him (Ahmed, 1993).

### **There are Many Rules for the “Deeds are Valued in Line with their Aims”**

A rule of acts of worship and good deeds “there is no reward except with intention”. The overall meaning of this rule is that there should be an intention as a condition for someone to be rewarded or punishment in this world or in the hereafter. If one's deeds are sincere, it is considered valid and thus the reward will be obtained. On the other hand, if there is no intention or the intention is not pure, the deed will be corrupted and the punishment will be enforced (Muhammed, 2007).

A transaction rule “The criterion in (the construction of) contracts is intentions and meanings and not words and form.” This rule is considered as a part of all for “deeds are valued in line with their aims”. It is also less general than the rule “deeds are valued in line with their aims””, so it can be a branch of it (Wahbah, 2012). Since alqasad (purpose) and alniyat (intention) are what is considered in the provisions, contracts and actions are considered by their facts and purposes, not by their apparent meaning. Nevertheless, whoever does not take into consideration what is included in the contracts and goes along with their apparent meaning, he, in this case, must approve what Allah forbids and prohibits what Allah permits, which causes contradiction” (Muhammed, 2007). The overall meaning of the rule is that the transactions provisions are based on their intentions not on the apparent meaning of the contract because the intentions are the reality and the basis of the transactions. Rather, the words of the contract are taken into consideration because they refer to the intentions. Therefore, the intention must be taken into consideration if it becomes clear (Munir, 1940).

### **Motivation and Intent between Supporters and Non-Supporters**

The jurists differ on the issue of intention and words in contracts (Wahbah, 1986). This is related to the issue of motivation or intent and their effects not only on contrasts and other actions, but also on making provisions. So, would the basis for arranging judgments and effects, and judging the validity or invalidity and corruption of contracts depend on the apparent meaning without taking the hidden intent, purposes and motivation into consideration?

Islamic Fiqh indicates that Muslim jurists differ in the issue of alqasd (intent) and its effect on the validity of actions and contracts.

### **The Juristic Dispute can be Explained as Follows**

1. Shafi'i School: The Shafi'i Madhab is interested in using words in contracts without taking intentions, purposes and motivation into consideration. Therefore, Transactions are not affected by intentions and motives as expressly or implicitly expressed in the contract (Muhammed, 2007), because the intention of the unlawful reason and purpose is concealed. Al-Shafi'i said: “the basis of my opinion is that each contract is apparently

valid so, I do not invalidate it with a charge or a habit between the seller and the buyer, but I validate it with its apparent meaning. I would not approve the intention if it negatively affects the sale.” (Muhammed, 1990) stressed that “intention is what a person conceals in his heart and people are not punished for what they conceal. The person may intend something without doing it and may intend something with doing it” (Muhammed, 1990)

Al-Shafi'i opinion is based on

1. Allah's statement: “indeed, the hypocrites will be in the lowest depths of the Fire - and never will you find for them a helper” (4: 145). This verse means that Allah decides that the hypocrites' final destination is Hell, yet, Allah commands His Messenger, peace be upon him, to treat the hypocrites according to the principles of Islam (Muhammed, 1990).
2. Prophet Mohammed's statement “I am only a human being, and you bring your disputes to me” (Al-Bukhari, 1400). This Hadith shows that:
  - a) The process of judging people goes in line with what judge hears from both disputed parties, while intention is not considered.
  - b) It is permissible for the judge to only judge between people according to what they confess. Prophet Mohammed (PBUH) stressed that “I give judgment on their behalf according to what I hear from them.” to mean that he could only judge based on what he hears (Muhammed, 1990).
3. Judging against what is apparent is contrary to the Qur'an and Sunnah, because Allah, the Almighty, takes hold of the knowledge of the unseen. Therefore, whoever judges against the apparent meaning, he claims the knowledge of the unseen (Muhammed, 1990).

To sum up, Shafi'i school focuses mainly on the apparent meaning and does not take motivations and intentions unless it is expressed in words (Abdul Karim, 1988). According to Al-Shafi'i, each contract is judged, whether valid or null, by its formula without taking anything else into consideration (Wahbah, 1986).

### **Second: Al-Zāhirīyyah**

The Zāhirī school does not take motivations and intents into consideration. Intention is thought to be not mandatory to conduct/set contracts. This is reflected in the rulings of Zāhirī jurists in various juristic issues such as: Tahleel marriage, divorce of the patient who suffers from a mortal disease and marriage by terminal illness patient (Ibn Ḥazm, 1968).

Thus, Ibn Hazm and al-Shafi'i do not pay attention to motivations and intent. Ibn Hazm accused those considering *intent* of using *assumption* to forbid and permit (Wahbah, 1986). Allah, the Almighty says that “indeed, assumption avails not against the truth at all (10: 36). Whoever sentences a charge without certainty or fearing pretext of the unknown, he, in such a case, uses assumption. Whoever uses assumption to judge generally lies and fabricates. This is not allowed because judgement is unwise and unjust (Ibn Ḥazm)

### **Third: The Hanafi School**

This school disregards intentions though paying attention to intent and motivation in some issues. Accordingly, the school is known as madhab alwasat (the moderate school) between those who adopt the *intents* and others who neglect it (Karim, 1988).

This is reflected in the issues in which the school judges without intents, such as: selling juice for those who take it as a wine, tahleel marriage and divorce of the patient who suffers from a mortal disease (Al-Kamal, 1994). Moreover, the patient's heirs consider intention and

motivation in case of the patient acknowledges a debt. This is because the patient's acknowledgement is not validated unless the other heirs believe it under the pretext of accusing of having bad intention. (Al-Kamal, 1994).

#### **Fourth: Maliki and Hanbali Schools**

The Maliki and Hanbali schools do not attribute intentions and motivations to the apparent meaning to judge one's actions and contracts. This can be illustrated as follows:

1. **Maliki School:** The scholars' opinion of this school becomes clear through the issues in which they used intents. This includes the invalidity of selling a sample. Ibn Rushd explains that the seller and the buyer do not intend the sale itself but the usurious loan. He said "as for the forward sales, it is not permissible for Malik and Jmhour Ahl Almadinah, but it is valid for Shafie, Dawood and Abu Thor. For those who prohibited it, they consider the first sale like the second one as the buyer may intend to pay dinars for future, which is a prohibited usury, since he used this way to do what is prohibited." (Ibn Rushd, 2004) Concerning the issue of the debtor's present to the creditor, Imam Malik says "it is not allowed to accept his gift unless there is a favor between them and this present is not for his debt." (Malik, 1960) There are clear evidences on considering intent in judgment.
2. **The Hanbali School:** Their opinion becomes clear through what Ibn al-Qayyim says" the undestroyed Islamic law states that intents and beliefs are considered in actions and expressions as in good deeds and acts of worship. The intent makes things permissible (Halaal) or forbidden, moral or immoral, obedience or disobedience". (Shams al-Dīn, 2002) Ibn al-Qayyim's phrase indicates his opinion of considering intent and motivation. However, the evidences provided by the Hanbali School are countless as Ibn al-Qayyim mentioned:" the evidences of this rule are countless" (Shams al-Dīn, 2002), including:

#### **Evidence from the Holy Qur'an**

- A. Allah says: "And [there are] those [hypocrites] who took for themselves a mosque for causing harm and disbelief and division among the believers and as a station for whoever had warred against Allāh and His Messenger before. And they will surely swear, "We intended only the best." And Allāh testifies that indeed they are liars. (9: 107). This verse clearly reveals the hypocrites' motivations and the intentions as they intended to harm others. Therefore, the Prophet [PBUH] commanded for the mosque to be demolished and set fire to everything inside it, which it is contrary to their intentions. Al-Qurtubi said: "this indicates that the actions differ according to intention and will" (Abu 'Abdullah, 1964).
- B. The saying of the Almighty: "no mother should be harmed through her child, and no father through his child." (2: 233). This verse deals with the issue of breastfeeding and its wages in the case of divorce if each of the spouses is able to use their right to harm each other. Therefore, the verse is restricted to the motivations of the spouses. (Abdullah)
- C. The saying of the Almighty:" after any bequest which was made or debt, as long as there is no detriment". (4:12). The bequest precedes the will on the condition that it is not harmful to the heirs or that the debtor recognizes a debt to the heirs with the intention of harming them (Abu 'Abdullah, 1964).

#### **Evidence from the Sunnah**

- A. The prophet [PBUH] said "actions are (judged) only by intentions (niyyah), so each man will have what he intended." (Al-Bukhari, 1980) This hadith states that "each person has what he intends, which means that his actions are judged by his intention. If his intention is good, he will have a good reward, but if he has bad intention, his action will be corrupted and he will bear a burden". This means that the prophet may mean good deeds when he says Actions are (judged) only by intentions (niyyah), (Rahman, 2001). People rewarded only according to their intentions and purposes so that bad and righteous deeds

depend on the motivation (Albaeth), which is the source of judging actions regardless of its physical form. ((Abdullah) The accepted migration, which is mentioned in this hadith, is the ideological migration that is to support religion and elevate Allah's Word of not immigration in its physical form.- Abdullah bin Omar, may Allah be pleased with him said:" The Messenger of Allah forbade Al-Najash (artificially inflating prices). (Al-Bukhari, 1980). This hadith forbids najash (artificially inflating prices) even though the apparent desire of najash is to buy, but the hidden one is to harm the other buyer. Thus, the prohibition of najash (artificially inflating prices) is based on the hidden intention not the apparent one (Muhammed, 2007).

- B. Abu Hurayrah, said "the prophet [PBUH] said "Don't keep camels and sheep un milked for a long time, for whoever buys such an animal has the option to milk it and then either to keep it or return it to the owner along with one Sa of dates" (Al-Bukhari, 1980) It is obvious that the apparent meaning of keeping camels and sheep un milked is lawful, but its hidden meaning of lie, fraud, and deception of the buyer and exploiting people is unlawful. This indicates that contracts are judged by mere intentions and not by the apparent meaning (Muhammed, 2007).

Those holding another opinion replied to the proofs of those of the first one by saying "knowing the intentions of Islamic Law qualified persons depend on the significance of the situation and the accepted presumptions not limited to their expressions and words". Therefore, these intentions are valid and if they are lawful. This is supported by the fact that the Messenger of Allah [PBUH] "appointed a man from the Asad tribe who was called Ibn Lutbiyya in charge of Sadaqa (*i.e.* authorized high to receive Sadaqa from the people on behalf of the State. When he returned (with the collections), he said: This is for you and (this is mine as) it was presented to me as a gift". The narrator said: The Messenger of Allah [PBUH] stood on the pulpit and praised Allah and extolled Him. Then he said "what about a state official whom I give an assignment and who (comes and) says "this is for you and this has been presented to me as a gift? Why didn't he remain in the house of his father or the house of his mother so that he could observe whether gifts were presented to him or not." (Al-Bukhari, 1980) This indicates that the situation refers to the intention because the gift was given to the tax collector for tax abatement (Muhammed, 2007).

The researcher prefers the Maliki and Hanbali schools as they consider the intent and motivation in dealings and acts of worship, because it is consistent with the Shariah approach and the intent of legislature. There are many scholars among the contemporaries having supported this opinion, such as:

1. Al-Zuhaili said "Sharia is a set for bringing interests and warding off evil as it takes purposes and outcomes into consideration. However, if these purposes are harmful, it is in such case against Sharia and the means of sharia will be blocked even if they are permissible". Thus, the Maliki, Hanbali and Hanafi schools are most appropriate and perfect and it is obligatory to act upon it (Wahbah, 1986). He also said: "I do not find it necessary to test the madhab of Malik and Ahmed because it is consistent with the rule of "things are of its purpose" and hadith (Actions are (judged) by intentions (niyyah), so each man will have what he intended.). The Prophet, peace be upon him, indicated in the first sentence that action does not take place without intention, and in the second sentence he stated that the worker will be only rewarded according to his intention, which includes acts of worship and dealings" (Wahbah, 1986).

- Al-Derini said in the introduction of his book, the Theory of Reason: “the jurists’ preponderant view is that the motives has a strong impact, not only on the direct effects of the contract, but also includes the long-standing motives related to the effects of the right contract.” (Abdullah)
- Abd al-Sattar Abu Ghuddah said: “the opinion of those who consider intents in actions and contracts is more likely for me, because it is consistent with Sharia approach in closing the ways to what is prohibited and considering intentions in acts of worship and dealings” (Abdul Karim, 1988).

There are statements of the previous scholars based on this saying, including:

- What Al-Shatibi said in his book, The Reconciliation of the Fundamentals of Islamic Law: “the intents, the intent of the Islamic Law qualified person, are considered in actions, acts of worship and habits.” He also said:” the intent of legislature is that the intent of the Islamic Law qualified person in an action should be in consistent with Allah’s intent in legislation.” (Abu Ishaq)

- What Al-Ezz Bin Abd Al-Salam said: “every action prevent from achieving its purpose is invalid.” (Al-Izz)

What Ibn al-Qayyim said: “the rule of Shari’ah, which is not allowed to be exceeded, is that intents and beliefs are considered in actions and acts of worship.” (Shams al-Dīn, 2002)

The researcher believes that it must be emphasized that the preponderance of the saying with regard to intention in contracts, actions, words and deeds is based on conditions needed to be met in intentions:

The first condition: the intent must be known with evidences, such as:

1. The person acknowledges and reveals his intent (Muhammed, 2007).
2. The evidences indicate the person’s intention and intent. There are evidences to

identify intention due to the difficulty of identifying it, including:

- A. The person has no benefit or legitimate interest. However, the harm, which is resulted in something else, is forbidden, because this indicates the person’s intention to harm. It is with all the more reason forbidden if he uses his right negatively in order to bring benefit for both of them (Fathi, 1998).
- B. Al-Derini pointed out by saying: “Since it was found that this interest attributed to the one who has something of triviality and insignificance, it becomes illegal because it is inadequate in the scale of justice to harm others” (Fathi, 1998).

1. The result of the action is attributed to the doer of the action, but it does not have to harm others. Moreover, if it is possible to achieve interest without harming others and the one who brings it insists on harming others, his intention, in such case, will be to bring harm for others, (Abu Ishaq) especially if this harm will be for the whole Islamic society or one of its countries, its people or a group of them (Fathi, 1998).

### **The Second Condition: Prohibiting Opposition of the Intent of the Legislature**

This is because the Islamic Law is set for bringing interests and warding off evil for the worshipper. Therefore, whoever intended otherwise, he will be against it and his work will be invalid. (Yaqoub, 2014) In order to make the Islamic Law qualified person’s intent legitimate, there must be complete harmony between it and the purposes of the Sharia, (Abdullah) which is evident from the saying of Al-Shatibi: "the intent of legislature is that the intent of the Islamic Law qualified person in an action should be in consistent with Allah’s intent in legislation.”(Abu Ishaq)

### **The Third Condition: The Validity of the Intent's Outcome:**

It is important for the jurist to reveal the basic principles of sciences according to the juridical principles to achieve motive, which means to make sure that there is a meaning between the subject and the full judgment of the branch. He also must take the validity of the outcomes into consideration so that he must consider the different circumstances in the branch that were not subjected to this rule. Therefore, he must consider these circumstances and its results in issuing judgment or applying the judgment of the rule to the branch, because these results are considered as significant evidence to the branch when establishing the legal provision. The awareness of the purposes helps to realize the outcomes and results (Muhammed, 2007). Therefore, the intent must be not only lawful or based on a correct contract to achieve its full legitimacy, but it also must consider the transaction's results and outcomes. If it brings an interest, it will be lawful and if it results into an evil or harm, it will be forbidden even if it has a lawful intention and action (Jabbar, 2014). Al-Shatibi said in this regard: "Considering the results of actions is legally intended" (Abu Ishaq).

Observing the actions' results is evidenced by what Aisha, the Mother of the Believers, May Allah be pleased with her, narrated: the prophet, All Prayers and Blessings of Allah be upon him, said " 'A'isha, if your people had not been recently polytheists (and new converts to Islam), I would have demolished the Ka'ba, and would have brought it to the level of the ground." (Ibn al-Hajjāj, 1955) One example of contradiction in results even though the intent is valid is what al-Nu'man ibn Bashir narrated about the prophet, All Prayers and Blessings of Allah be upon him, who said, "The likeness of the man who observes the limits prescribed by Allah and that of the man who transgresses them is like the people who get on board a ship after casting lots. Some of them are in its lower deck and some of them in its upper (deck). Those who are in its lower (deck), when they require water, go to the occupants of the upper deck, and say to them: 'If we make a hole in the bottom of the ship, we shall not harm you.' If they (the occupants of the upper deck) leave them to carry out their design they all will be drowned. But if they do not let them go ahead (with their plan), all of them will remain safe" (Al-Bukhari, 1980).

This hadith shows that the person is free for what he is doing for himself, but it is not allowed for him to bring evil for others. Therefore, the good intent or intention are not considered, but rather for the action's results and consequences, because its results is a great corruption that leads to the destruction of those in the ship, that is, the destruction of society. Thus, restricting the freedom of the individual even if he has a good intention was not arbitrary or a restriction, but rather an interest for him and his society, because society is the environment in which he lives so that whatever happens to his society will inevitably affect him due to the common destiny represented in the hadith "all of them will remain safe" (Fathi,1998).

### **The Second Condition: Islamic Bonds Trading: Concepts and Legitimacy**

This condition deals with the provisions of Islamic bonds trading in the capital market and the effect of intent on speculation in Islamic bonds as follows:

#### **The First Section: General Concepts: speculation (financial trading) and Islamic bonds trading.**

##### **First, the Meaning of Trading and Speculation**

Linguistically: *almutajarat* (trading) is the *masdar* (infinitive form) of the verb *tujr* and *tutajiru* so that it is said: *tajer* (merchant) and the name is *altijart* (trade), who is *tajer* (a merchant) (Fairuz, 2005). According to the terminological meaning, *Altijart* (trade) is the purchase of something to sell for profit (Ali, 1984). Al-Nawawi defined it as: "trading and spending money to grow" (Al-Nawawi).

As for speculation in the financial term: it is the translation of the term speculation (97) in the sense of contemplation and meditation or prediction and evaluation. Meditation and contemplation have the same meaning of the good estimation and analysis based on logical foundations, while prediction and evaluation have the meaning of risk and gambling (Mohammad). Some researchers have pointed out that speculation involves taking a person unusual commercial risks in the hope of obtaining large profits (Salih).

Speculation in the financial markets is commonly known as buying and selling securities for the purpose of profit from rapid changes in their prices (Muhammed, 2009). The Speculation (trading) in securities means: buying and selling for the purpose of profit from the difference between the two prices according to the market value, which means trading or speculation with securities (Abdullah, 2006). Consequently, trading in the financial market anticipates and monitors changes in the share market value. In respect to investment securities, it means: the acquisition of the stock in order to obtain its profits (periodic profit).

Almasry defined it as: Deceptive contradictory buying and selling processes, which do not mean barter (the commodity in which is unintended: rhetoric), but rather it means the utilization of normal or artificial price differentials and capital gains, if the price changes prediction in the short term is valid, whether this prediction is based on information, experience and study, or on rumors, luck and chance (Rafiq, 2007).

Speculation has many definitions that revolve in its entirety on the security sale and purchase for profit from the price differentials, as it is the acquisition of the stock for the purpose of profit from the price differences. Therefore, the stock will be bought at a specific price, and if it rises, it will be sold directly and the stock holder does not intend investment, which means the stock acquisition for the purpose of profit from equity earnings and its periodic profit (Abdullah, 2010). It is thus clear that the difference between the speculator and the investor is that the investor considers his investment in stocks as a long-term with low relatively risks and he expects to make profits from the company with a little and slow profit. On the other hand, the speculator considers his investment in stocks as a short-term and he expects high prices with high risks and high quick profits (Muhammed, 2011; Ghaith, 2020). It should be noted that the practices used by some speculators to influence prices, such as rumors and fake deals, do not affect the reality of speculation. This is because buying and selling to gain the artificial differences is not inconsistent with the reality of speculation. However, the speculation is not acceptable from him, which is against the truth. (Mubarak, 2005). According to the aforementioned, it is noticed that the motivation and intent of owning and buying Islamic bonds are divided into three conditions: First: obtaining the instrument (*sakk*) profit according to the type of the instrument is called investment instruments in which the intent of buying this instrument is to gain profits achieved at the end of the fiscal year or the end of the project, or selling with the intention of leaving the project or the company. Second: ownership to monitor the market value fluctuation of the instrument in the capital market, since the profit is achieved through the difference between the purchase and the sale prices. Third: Involuntary possession of the instrument by a will or an inheritance.

This study- the subject of the research- considers the second condition. The intention of selling or buying the instrument is to change the market value and benefit from the difference between the purchase and sale price of the instrument. If the business is gained profits, but the desire to acquire the instrument is weakened due to expectations outside the project's activity, the owner of the instrument will be a loser. On the contrary, if the business is not gained profits, but the conditions in the capital market indicated future expectations, in which the business will be gained profits, the market value will be raised due to the abundance on demand. Based on the previous clarification, the intention to buy the instrument is focused on achieving profits as a result of increasing its market value without taking any consideration or concern for what it represents. There are many influences that affect the instrument market value that should be mentioned. Some of these influences are real and others are illusive as the instrument is affected by the success or failure of the project, according to the project's financial reports. Its value is also affected by expectations and speculations as well as real or fake rumors, which ultimately leads to a disconnection between the market value and the real-book value of the instrument. Therefore, the sale and buying process according to the instrument market value does not necessarily reflect its true value.

**Muntzir Qahf Summarized the Factors Affecting the Market Value as Follows:** (Monzir)

- A. Boom or recessionary expectations of the company's future activity, which are, in turn, influenced by the actual performance of the company in its past, its efficient management, etc.
- B. The financial rights accumulation of the company's shareholders over the paid-up capital for legal reasons, such as Compulsory or voluntary reserve by the company's management, such as facultative reserve and retained earnings.
  1. Increasing the market value of the company's assets without being able to distribute that increase in the form of profits by re-evaluating its assets in its property records due to the legal difficulties that usually encounter it.
  2. The overall situation of the financial market and goods and services markets. Moreover, its state of recession or boom and the prevailing rates of inflation.

**Concept of Exchange**

Linguistically, the root of the word 'altdawla' translated as 'exchange' in English is 'tdawla'. The meaning of this noun refers to the transferring process of one's property to someone else (Din, 1999). Idiomatically, 'altdawla' refers to "one's right to deal with a voucher, a mortgage, donation or any other legitimate acts". Exchange of Islamic vouchers is defined as "the process of selling and buying the vouchers of Islamic investment in accordance with the law provisions". These definitions, however, have not mentioned that the process of buying and selling takes place in the "secondary market", which distinguishes it from the process of selling vouchers for the first time when issuing them in *the initial market* (the documented market). Exchange of Islamic vouchers can be defined as "the process of buying and selling the vouchers of Islamic investment of the "secondary market" according to the law's provisions clarified by prospectus. There are many factors that affect the exchange process of Islamic vouchers: (Nasir et al., 2013)

1. Supply and demand affect the will of the contractors depending on the activities of the secondary financial market and the extent of the policies set to encourage trading.

2. Technology plays an essential part in increasing financial exchange of Islamic vouchers in case buyer and seller can easily use e-exchange.
3. Existing laws play an important role in facilitating the exchange process to both sellers and buyers in line with the possible legal regulations.
4. Values and culture help when they fit the market politics and the mechanisms of vouchers exchange in line with Islamic Shariah.
5. Political situation, public determination and media, change in the currency value, periods of distributing profits to expect prospectus and the seriousness of the project and its economic and social outcomes in society.

### **Concept of Islamic Vouchers**

The Council of Islamic Fiqh defined Islamic sukuk in the Fourth Conference held in Jeddah 6-11/2/1988 AD as “an investment instrument based on splitting the capital by issuing ownership sukuku with the capital on the basis of units of equal value and registered in the names of their owners as they are the owners of common shares in the capital and what turns into it is the proportion of their ownership. ”

Islamic sukuku were defined by the Accounting and Auditing Organization for Islamic Financial Institutions as “documents of equal value that represent common shares in ownership of notables, benefits, services, or ownership of the assets of a specific project or private investment activity. This is particularly after collecting the value of the sukuk, closing the door for subscription, and beginning to use them as they were issued before” (111)

### **Provisions of Exchange of Islamic Sukuk**

The trading and exchange process of Islamic sukuk by buying and selling in the *secondary market* has two purposes. There are general provisions to be mentioned in case the purpose of the sukuk ownership is to obtain the profit from the project by owning the share with the intention of getting profit rather than observing the changes in the market value of sukuk.

Sukuk may be traded and redeemed if they represent a common share in the ownership of assets of notables, benefits or services, after the closing of the subscription, the allocation of the sukuk, and the commencement of the activity.

It is essential to consider the Sharia controls (laws and regulations) before the activity commencement. Provisions laws ought to be considered when clearance is in effect and when assets are debts or selling what is represented by sukuk by an amount to be paid in advance. When dealing with sukuk, jurisprudential provisions ought to be considered especially with the different types of ownership that the voucher represents. Jurisconsults and economists divide exchange of sukuk in line with what they represent (money, debts, services or benefits). Some illustrative examples as follows:

The sukuk represents ownership of a common share in the assets of the issue and this ownership continues throughout its period and entails all the rights and actions legally prescribed for the owner in his ownership of sale, gift, mortgage, etc.

- a. The International Islamic Fiqh Council emanating from the Organization of the Islamic Conference indicated that it is permissible to trade in instruments of muqaradah (speculation) according to Sharia regulations. If the components of the sukuk are still cash, then the provisions of exchange are applied. But if the assets have turned into debts,

as is the case of murabahah sales, the provisions of debt are applied to the sukuk trading, in terms of prohibition except in the same way by way of transfer.

- b. If the money of the loan becomes a mixed asset of cash, debts, notables and benefits, it is permissible to trade in the sukuk of Muqarada according to the price agreed upon, provided that the majority in this case are valuables and benefits. But if the majority is in cash or debts, Sharia provisions are taken into consideration in trading (112).
- c. It is not allowed to trade in sukuk of alsalam because an instrument represents a share in the debt of alsalam, which makes it subject to the exchange provisions (113).
- d. Preventing the exchange process of Murabaha sukuk after selling and shipping the good to buyers, that is, sukuk are debt to be cleared by a buyer. This means that it is not allowed to trade in sukuk without the restrictions imposed on debts exchange (114).

### **Impact of Trading in Islamic Sukuk**

As mentioned earlier, there are two reasons for trading in Islamic sukuk. The first reason is about getting profits out of the project, that is owning the instrument for financial instrument (this is outside the scope of this research). The second reason is about owning and selling Islamic Sukuk to observe the changes on the market value of the instrument. This is called financial instrument. The study discusses the ownership of Islamic sukuk by demonstrating the outcome and rationale of “financial instrument” on contracts. This is to be done by showing what contemporary researchers have investigated concerning the impact of intent on the process of selling and buying shares in line with the contract provisions of shares trading. This can be demonstrated as follows:

The first group of contemporary scholars emphasizes that speculation is not allowed in shares exchange. Some of these scholars are:

- A. Rafiq Almasri said that speculation is impermissible even though a part of it could be permissible. This is to prevent any pretext that may legitimate speculation since it is hard to determine it at reasonable levels in bourse (Rafiq, 2007).
- B. Munzir Qahf (Munzir) did not prohibit speculation arguing that this kind of investment has gone beyond the Islamic limits in investing money. That is the use of share has become a matter of risk on its value for companies to gain more profits and increase the values of their capitals.
- C. Al-Salous said that it is not trading, unless we consider gambling as a form of trade (Ali, 1998). Hasan al-Amin (Hassan, 2000) considers it as an imperfect sale and it is not related to the legitimate speculation, which is a kind of leasing. Saleh Al-Sultan said that” speculation is very risky as it is similar to gambling. Therefore, it is impermissible because it is similar to the unknown sale and gambling, which is very risky (Salih, 2006).

Ali Abu Al-Basal, (Ali, 2009) Yussef Kamal Ahmed, (Yussef, 1998) Al-Siddiq Muhammad Al-Amin Al-Darir (Al-Siddiq) and Ahmed Mohiuddin Ahmed (Ahmed, 1989) also have the same opinion.

### **The Opponents have Many Proofs**

First evidence: Taking shares as a commodity to be bought and sold for profit is not without the suspicion of selling cash for more than it is, as long as the buyer of the share does not want to participate in the company's assets, but rather to sell the share for more than what he bought it (Al-Siddiq)

This evidence neglects the nature of the share or the instrument as it represents a share in the assets of benefits more than cash. Therefore, it does not involve cash sale (Abu Ghuddah).

Second evidence: taking shares or instruments as a commodity that is bought and sold only for profit with no intention to possess it or participate in the company is a business in which it is difficult to adhere to the provisions of Islamic Sharia, which has no benefits for society, but rather it may severely harm it (Al-Siddiq). It is discussed that buying the share or instrument for price differentials is useful for different activities as the seller can get the necessary liquidity in which he is able to engage in other investment activities (Mubarak, 2005).

Third evidence: speculation on the stock exchange falls within the literal contracts due to the evidences that show that the contractors do not intend to fulfill the contract and its consequences of ownership (Ali, 2009).

Fourth evidence: the inequity of the appraiser of exchange shares as the share is trading in the stock exchange according to the speculative market value, while the actual value is in reality the book value, which is ratified and approved by external accounting and auditing companies. Is not the explicit and clear application of devouring other's property falsely? (Riyad) Accordingly, this is applied to Islamic Sukuk in which the real value of the instrument is the book value not the market value, while trading in Islamic Sukuk is the market value, which does not necessarily reflect the actual value of the assets of the instrument. That is, speculation leads to incorrect pricing of commodities and securities, because it is not related to the business of the company and the real value of the share or commodity (Rafiq, 2007).

Fifth evidence: whoever buys the share at its market value spends the price for getting profit from resale, which is the original and potential status due to the fact that the real benefits of the share are secondary, but rather they are not considered by spectators in the financial markets. Therefore, the profit of the resale is the property of the indemnity, which is fluctuated between presence and absence as the profit of the resale may or may not be realized so the speculator of the share is engaged in gambling, which is based on the idea of luck and probability, which is consistent with people's description of financial markets as a form of (gambling). (Riyad) Therefore, speculation is a pure risk separated from business activity (just betting), by which it is called in the western and Arab laws (Rafiq, 2007).

It is discussed that taking risks in the financial markets differ from gambling as every transaction necessarily includes the element of uncertainty. Moreover, the motive for most transactions is the difference in individual expectations about the future, so the merchant is prepared to pay a price in the present according to the price that is expected to prevail in the future, in which there is no guarantee of achieving that.

The fulfillment of the buyer's purpose from the contract is just a prediction that has nothing to do with deception or gambling. Therefore, if the purchase contract is valid and fully-fledged, it will be completed and what happens after that is a business risk that has nothing to do with the validity or the corruption of the contract (Abdullah, 2010). Ali Al-Qari pointed out that using securities - including Islamic Sukuk - for gambling rather than beneficial investment is possible, but it is not a sufficient reason to cancel a set of beneficial and useful transactions (Ali, 1993).

Sixth evidence: The shares or instruments offered in the capital market are separate from its original assets as shares and instruments are derived the right from the primary market, while it is officially put up for trading in the secondary market. Accordingly, there is no stock exchange in the world except on the basis of deriving the right from its source, and legal systems come to confirm, protect and preserve this necessary transaction in order to secure its trading in

the secondary market. Consequently, the financial markets revolve around financial derivatives and the separation of the right from its source is evidenced by the possibility of trading shares in the capital market after the company's dissolution and disruption of its transactions until its liquidation (Riyad).

Article 139 of the executive regulations of the Egyptian Companies Law No. 19 of 1981 indicated that "Shares remain tradable after the company's dissolution, until the end of the liquidation" (Aziz, 2019).

Seventh evidence: The negative consequences of speculation (trading) in Islamic Sukuk based on the corruption resulting from speculation in shares on the individual and society: (137)

- A. Speculators inject liquidity into the market and keep it away from the productive and service sectors and others, resulting in a clear recession in the country so that we have become doing the opposite of the nations and people, for example: While they use their financial markets to provide liquidity to finance businesses, we inject liquidity and put it away from the productive, service and other sectors, as stated by some economists (Riyad).
1. There is no evidence that investment in Islam must be related to an increase in production as determined by economists. Merchants, since the time of the Prophet, have been trading commodities among themselves for getting price differentials without an increase in the factors of production. When Hakim bin Hizam, Ibn Umar, and Zaid bin Thabit bought a commodity from others to sell it, they did not increase production as they were forbidden to sell the thing before they possess it, but if they possessed it, they can sell it to get the price differentials (Muhammed, 2008).
  2. Many young speculator, who represent the majority among (Al-Hawamir) have been stumbled, resulting in serious setbacks, which were the cause of the accumulation of their debts, and perhaps the fact that they have become under the poverty line instantly.
  3. The speculation method in shares or instruments resulted in the opposite of what was achieved by its investment method. The first method is limited to speculation on price differentials, while the second method - which is the origin - enhances the productivity of the company and promotes it to the ranks of advanced companies. The emphasis is on the first method since it is achieved without effort or hardship until its impact becomes negative on the investment methods, and even the companies themselves begin to bet on it and occupy their liquidity in it, instead of investing this liquidity in projects that raise the company forward.

It is discussed that: speculation may be a cofactor for investment, as joint stock companies are investment companies established due to the existence of the secondary market, which allows the subscriber to have liquidity whenever he wants by leaving the company. Preventing speculation results in closing this market, which in turn will prevent most people from subscribing to these giant investment companies and deprive society of these beneficial investment companies (Muhammed, 2008).

4. Speculation intensifies price fluctuations, as it is based on these fluctuations, but it cannot be found with price stability. In speculation, prices rise to economically unjustified levels and decrease, regardless of the true value of the securities or the commodities and the actual performance of the export company (Rafiq, 2007).

This evidence is discussed that speculation limits price fluctuations as speculators starts buying when prices decrease, which limits the continuation of the decrease of prices due to the increase in demand. On the other hand, speculators starts to sell and make profits when prices

rise, which limits this rise in prices. Therefore, speculation reduces, stabilizes and re-balances the price premium (Muhammed, 2008).

Supporters and their evidences: Scholars (143) see that trading in shares has the same ruling of the investor as speculation in the financial market is permissible if there are not illicit practices such as, fraud, manipulation, lying, rumors, and etc.

If the joint-stock companies practice a completely lawful activity, investment and speculation in their shares are permissible, but if they engage in a completely or predominantly unlawful activity, investment and speculation are forbidden. On the other hand, if the companies are mixed, there are many opinions for their investment and speculation. Those who allow that are: Abdullah Al-Amrani (Abdullah, 2010) and Muhammad Al-Debian, who said that “The prohibition of speculation in shares is against the jurisprudence” (Muhammed, 2011). Wahba Al-Zuhaili, (Wahbah, 2016) Atiyah Al-Fayyad, (Attia, 1998) Abd Al-Sattar Abu Ghuddah (Abd al-Sattār) and Abdullah Al-Manea said that the society’s need for trading in these companies’ shares by sale and purchase is an apparent urgent need that cannot be denied by an honest person (Abdullah, 1996). Gad al-Haq said that the shares are considered as goods regardless of the company and its activity, because shares and bonds are taken for trading with their markets- the stock exchanges-, in which there is profit and loss for those who sell and buy (Gad al-Haq, 1990). Mukhtar Al-Salami said that it is permissible to purchase shares for getting profits from sale and buy differences of share (Muhammed, 1998).

### **The Supporters’ Evidences: Supporters have many Proofs as Follows**

First evidence: The trade is originally permissible as Allah said “But Allah has permitted trade” (Al-Baqarah: 275). Thus, whoever claims the prohibition, he must have evidence.

Second evidence: These shares may be bought by subscription, so it is permissible to sell them due to the validity of the sale. This is according to the rule, what is permissible to buy is valid to sell, and the contract is valid when it meets its essential elements and terms. However, if speculation goes beyond the limits of acceptable risk in transactions and no longer based on principles to benefit from the natural differences in commodity prices, its practices become a form of gambling, which is forbidden (Abdullah, 2010).

Third evidence: the share is a common portion in the company’s properties. It is permissible to sell the common portion as it is a common part with a legal benefit. Thus, it is valid to sell it (Mubarak, 2005).

Fourth evidence: If you prevented selling these shares in the secondary market, most of the subscribers will deal with the joint-stock companies because if the subscriber has not been aware that there is a secondary market through which he could obtain the liquidity he wants any time, he will not contribute, especially if we knew that the profits from the joint-stock companies are limited revenues that do not tempt the subscriber so, how does the subscriber leave the company if we prevent exchange shares because of its speculation? (Muhammed, 2008).

Fifth evidence: The speculator in shares or instruments replaces the subscriber or the owner of the instrument, so he takes his judgment and all rights are transferred to him. The fact that he and every speculator wait for a rise in prices by speculating in shares and instruments is not the reason for prohibiting it. It is true that speculating the commodity for a rise in prices may be forbidden if it is related to the people's livelihood and food to avoid the prohibited monopoly, but anything else is allowed (Muhammed, 2008).

Sixth evidence: Obtaining the price differentials from buying profitable assets and selling them before or after obtaining their profits is also a valid and legitimate goal because it is a trade

in which the profit from the sale of the company's assets obtained by more than what is bought by Abd al-Sattār.

## Preference

The preponderance of the Maliki and Hanbali opinion, in which the intent and motive are considered in acts of worship and transactions because it is consistent with Sharia and the intent of legislature as Sharia comes to bring benefits and ward off evil. Just as it takes purposes and reasons into consideration, these purposes are forbidden if they are harmful and its means and methods are blocked even if these means are permissible. Concerning the effect of intent in trading in the Islamic Sukuk, the researcher sees it as follows:

**First:** Emphasizing the importance of the financial market, especially the secondary market (stock exchange) in the economy, as a mechanism for attracting and mobilizing savings.

**Second:** Emphasizing that trading in Islamic Sukuk is permissible if the financial investment not financial speculation is intended and the abovementioned Shariah rules and standards in trading applied to it.

**Third:** Emphasizing that the basic function of the capital market and the main objective of the financial markets in the national economy is to facilitate the access to obtain the necessary funds from surplus units for the people with a financial deficit. That is, to regulate the flow of funds from the economic units, in which there are funds in excess of their investment needs to the economic units that suffer from a deficit of funds, in relation to the size of their investment programs (Hoda, 1998).

Consequently, speculation in shares as well as Islamic sukuk has taken the capital market out of its primary function so that the capital market has become the end, not the means and the Islamic sukuk has become a business to be bought and sold in the secondary market, which is not the function of the market. Speculation in Islamic sukuk has led to incorrect pricing of the assets represented by the instrument, in which buying and selling are based on the market value away from the performance of the company and the real value of the instrument. The book value not the market value represents the real and fair value.

For these reason and what the financial markets witness in terms of manipulation and lack of commitment to the provisions of the Sharia, which leads to severe damages to the individual and society, I inclined to the viewpoint of those who say that it is not permissible to trade in shares as well as the Islamic Sukuk.

Although it is more likely that speculation in shares and Islamic Sukuk is not permissible for the aforementioned reasons, I also think that if the following controls and conditions are applied to trading in Islamic Sukuk, it will be permissible:

## General Controls

1. The intent is considered in good actions that benefit not harm others.
2. Never oppose the intent of legislature because sharia comes to bring benefits and ward off evil.
3. The lawful reason of the intent, that is, the lawful reason of anticipating the price differentials between the selling and buying price of the Islamic Sukuk.

## Special Controls

1. Speculation in Islamic sukuk does not affect the activities of the sukuk-financed projects nor their reputation or the rights of the owners.
2. Speculation should be on the book value that fairly reflects the value of the assets, and if it is necessary to use the market value, I think that excessive discrepancy between the market value and the book value of the instrument is not permissible, leading to grave deception. In addition, the financial market can determine the amount of a slight discrepancy between the two values.
3. There must be controls and instructions in the financial market to prevent speculation that is accompanied by manipulation, rumors, simulated sales, bogus transaction or gambling in the market value of the instrument.

I find it is necessary to point out that the previous weighting does not mean that it is not permissible to deal in the stock exchange, but on the contrary, the stock exchange is necessary and important, but dealing with Islamic Sukuk in the secondary market is subjected to financial speculation, which has been suggested that it is not permissible except within general and other special controls. Thus, the weighting is at the level of the part (speculator) not at the level of the whole.

In conclusion, I refer to the opinions of some Westerners regarding speculation in shares, as Keynes describes the financial market as (a fully regulated market for trading accounts payable). (John, 2010) Maurice Allé, the French chief economist and Nobel Peace Prize winner in the field of economics in 1988, says: (minute-by-minute pricing of shares and money does nothing but magnifies the destabilizing effects of credit as it encourages market control and generates fraud) (Maurice Allais).

Results:

1. The preponderance of the Maliki and Hanbali opinion, in which the intent and motive are considered in acts of worship and transactions because it is consistent with Shariah and the intent of legislature under specific conditions in the intent.
2. Emphasizing the importance of the financial market in the economy, as a mechanism for attracting and mobilizing savings.
3. Trading in Islamic Sukuk is permissible if the financial investment not financial speculation is intended and the abovementioned Shariah rules and standards in trading are applied.
4. Emphasizing that the basic function of the capital market and the main objective of the financial market in the national economy is to facilitate the access to obtain the necessary funds from surplus units for the people with a financial deficit. That is, to regulate the flow of funds from the economic units.
5. speculation in shares as well as Islamic sukuk has taken the capital market out of its primary function so that the capital market has become the end, not the means and the Islamic sukuk has become a business to be bought and sold in the secondary market, which is not the function of the market.
6. The intent has an impact on trading in Islamic Sukuk by making the opinion of those who say that financial speculation in Islamic Sukuk is not permissible in Islamic Sukuk is more likely. Speculation in Islamic sukuk has led to incorrect pricing of the assets represented by the instrument, in which buying and selling are based on the market value away from the performance of the company and the real value of the instrument and what the financial markets witness in terms of manipulation and lack

of commitment to the provisions of the Sharia, which leads to severe damages to the individual and society.

### RECOMMENDATIONS

1. The study recommends that those who are responsible for financial markets should develop methods and transactions in the financial market in line with the provisions of Islamic Sharia, protect their dealers and prevent damage to the parties involved.
2. It recommends that dealers and brokers in the financial market should stay away from all financial speculation that would harm others.

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