
Professional Certificate in Islamic Estate Planning and Risk Management (United Kingdom)

Unit 1: Introduction to Islamic Estate Planning and Risk Management

Islamic estate planning refers to the process of arranging the distribution of a Muslim's assets in accordance with the principles of Shariah. It encompasses the preparation of wills, trusts, and charitable endowments that respect the mandatory shares prescribed for heirs, while also providing for discretionary gifts and the protection of wealth from unnecessary loss. Understanding the specialized terminology is essential for professionals who wish to advise clients in a manner that is both legally sound and religiously compliant.

Shariah is the body of Islamic law derived from the Qur'an and the Sunnah (the practices of the Prophet Muhammad). In the context of estate planning, Shariah dictates the permissible ways in which assets may be transferred after death, the fixed portions that must be allocated to certain heirs, and the prohibitions on certain types of bequests. Practitioners must be conversant with the underlying sources of law because they directly influence the drafting of documents and the structuring of financial products.

Faraid (also spelled farā'id) is the Arabic term for the compulsory inheritance shares that are fixed by the Qur'an. The verses in Surah An-Nisa (4:11-12) Enumerate the exact fractions that each category of heir is entitled to receive. For example, a son receives a share that is twice the share of a daughter, while a parent may be entitled to one-sixth of the estate if the deceased leaves children. Mastery of faraid calculations is a core competency for any Islamic estate planning professional.

Mawla denotes a person who is a client or a beneficiary under a trust or a charitable endowment. In contemporary practice, the term is often used in the phrase "mawla-i-khalaf" to describe a successor or an appointed caretaker of an asset. Understanding the role of the mawla is essential when structuring a Waqf or a family trust, as the responsibilities and rights of the mawla differ from those of a conventional trustee.

Waqf is a permanent charitable endowment in which a donor dedicates assets for a specified public benefit. Once an asset is declared waqf, its principal cannot be sold, transferred, or otherwise disposed of; only the income generated may be used for the intended charitable purpose. In estate planning, a waqf can be employed to preserve family wealth across generations while simultaneously fulfilling the donor's religious duty of *sadaqah jariyah* (continuous charity). Professionals must be able to explain the legal effect of waqf on asset ownership, the process of registration, and the governance mechanisms that oversee the waqf's activities.

Sadaqah refers to voluntary charity given by a Muslim. While *zakat* is an obligatory almsgiving calculated on specific wealth thresholds, sadaqah is discretionary and can be directed toward any cause the donor chooses. In the realm of estate planning, sadaqah may be incorporated as a gift that does not affect the mandatory faraid shares, provided it is made in accordance with the donor's intentions and complies with legal formalities.

Zakat is the compulsory almsgiving that a Muslim must pay annually on certain categories of wealth, typically at the rate of 2.5 Percent. Zakat is calculated on the net value of assets after deducting debts and liabilities. In estate planning, it is crucial to assess whether the estate's assets are subject to zakat and to advise the client on the timing of payments to avoid double taxation or the inadvertent reduction of the estate's value.

Mirath (also rendered *mirāth*) is the Arabic word for inheritance. While the term is broadly used to describe the receipt of assets after death, in a professional context it is often paired with other concepts such as *mirath-al-ḥaq* (the rightful inheritance) to distinguish between lawful distribution under faraid and discretionary bequests that may be made through a will.

Wasiyyah is the Islamic term for a will. Unlike Western wills, a wasiyyah can allocate no more than one-third of the estate to non-heirs, while the remaining two-thirds must be distributed according to faraid. The purpose of this limitation is to prevent the circumvention of the Qur'anic inheritance rules. Practitioners must help clients draft a wasiyyah that respects the one-third cap, clearly identifies the beneficiaries, and complies with both Shariah and civil law requirements.

'Aqid is the plural of 'aqīdah, meaning belief or creed. While not a term exclusive to estate planning, understanding a client's 'aqīdah can influence the selection of financial products and charitable vehicles that align with their theological outlook. For instance, a client adhering to a strict prohibition on riba (interest) would require investment options that are Shariah-compliant, such as sukuk or Islamic mutual funds.

Riba is the Arabic term for interest or usury, which is forbidden in Islamic finance. The prohibition of riba extends to the earning, paying, or benefiting from interest-bearing instruments. In the context of estate planning, assets that generate riba-based income (e.g., Conventional bonds) must be identified and, where possible, replaced with halal alternatives to maintain the integrity of the estate.

Sukuk are Islamic financial certificates that represent an ownership interest in an underlying asset, rather than a debt obligation. Sukuk generate returns through profit-sharing, leasing, or asset-based revenue, thereby avoiding riba. When advising on estate planning, professionals may recommend sukuk as a vehicle for preserving wealth in a Shariah-compliant manner, especially for clients who wish to allocate a portion of their estate to income-generating assets.

Halal means permissible or lawful according to Islamic law. In estate planning, the concept of halal extends beyond the types of assets to include the methods of acquisition, management, and disposal. An asset that is halal in its nature may become haram (forbidden) if it is earned through prohibited means, such as gambling or the sale of alcohol. Professionals must conduct due diligence to ensure that the client's portfolio remains wholly halal.

Haram is the opposite of halal, denoting anything that is expressly forbidden in Islam. In the estate planning context, haram assets must be either divested or cleansed (through charitable giving) before they can be included in the estate distribution. The process of cleansing involves donating the value of the haram asset to a permissible cause, thereby neutralising its illicit origin.

Qard Hasan is an interest-free loan that is offered as a charitable act. Unlike profit-seeking financial products, a qard hasan is intended to provide assistance without any expectation of return. In estate planning, a client may establish a qard hasan fund within a waqf or trust, thereby allowing beneficiaries to access interest-free financing for education, medical expenses, or business start-ups.

Ijara is an Islamic leasing arrangement in which the lessor retains ownership of an asset while the lessee enjoys its use for an agreed period in exchange for rental payments. The ownership reverts to the lessor at the end of the lease term, unless a separate purchase option is exercised. Ijara contracts can be incorporated into estate planning to provide the deceased's heirs with a means of acquiring property without engaging in riba-based financing.

Mudarabah is a profit-sharing partnership where one party supplies capital (the *rab al-mal*) and the other provides expertise and management (the *mudarib*). Profits are distributed according to a pre-agreed ratio, while losses are borne solely by the capital provider unless caused by negligence. In estate planning, a client may allocate a portion of the estate to a mudarabah arrangement, thereby seeking halal investment returns while adhering to Shariah principles.

Murabaha is a cost-plus financing structure in which the seller discloses the original cost of an asset and adds a predetermined profit margin. The buyer pays the total amount in installments. Murabaha is widely used in Islamic banking as an alternative to conventional loans. When structuring an estate, professionals need to be aware that murabaha contracts are permissible only when the underlying asset is halal and the profit margin is transparent.

Shirk is the sin of associating partners with Allah, considered the gravest offense in Islam. While not a technical term in estate planning, the concept of shirk underscores the importance of ensuring that the client's wealth is not tied to activities that contravene monotheistic principles, such as investing in businesses that promote activities contrary to Islamic teachings.

Istikhara is a prayer for guidance, often performed when a Muslim faces a difficult decision. In the professional setting, advisors may suggest that a client perform istikhara before finalising a complex estate plan, particularly when there is uncertainty about the suitability of a particular charitable endowment or investment vehicle.

Shariah Board is a panel of qualified scholars and jurists who review and certify that financial products, contracts, and transactions comply with Islamic law. For estate planning professionals, the endorsement of a reputable Shariah board provides assurance that the selected instruments, such as sukuk or waqf structures, meet the requisite standards of compliance.

Usul al-Faraid (principles of inheritance) are the methodological rules used to calculate the shares of heirs when the estate includes multiple categories of beneficiaries. These principles include the concepts of *'awwal* (first), *'akhr* (last), and *'awwal al-'awwal* (first of the first), which determine the order in which shares are allocated. Accurate application of these principles prevents disputes and ensures that the distribution adheres to Qur'anic injunctions.

'Awl is the term for the first of a set of heirs, typically used when multiple heirs of the same class exist. For example, if there are three brothers, the eldest is the 'awl. This concept influences the distribution of residual shares and is essential for correct faraid computation.

'Akhr is the counterpart to 'awl, representing the last of a set of heirs. In the case of multiple daughters, the youngest is the 'akhr. The identification of 'awl and 'akhr assists in determining the allocation of remainder shares when the estate cannot be divided evenly.

'Awl al-'awwal (first of the first) is a more specialized term that applies when the estate includes both a first and a second degree of relationship, such as a father and a grandfather. The rule determines which of the two receives a larger portion based on proximity of kinship. Understanding this concept helps avoid misallocation of shares in complex family structures.

'Udhur is the Arabic term for a debt. In estate planning, debts must be settled before any distribution of assets takes place. The estate's liabilities, including outstanding zakat obligations, are deducted from the gross value, and the net proceeds are then divided according to faraid. Failure to appropriately address 'udhurs can lead to legal challenges and the invalidation of the will.

'Aqila (plural of *'aqil*) refers to a competent adult who possesses the mental capacity to make legal decisions. In Islamic jurisprudence, only an 'aqil may execute a valid wasiyyah. Therefore, estate planners must assess the client's capacity and, where necessary, obtain medical attestations to confirm that the client is an 'aqil at the time of drafting the will.

'Ilm means knowledge. While not a term exclusive to estate planning, the pursuit of 'ilm is encouraged for both the practitioner and the client. A well-informed client can make decisions that align with both their financial goals and religious obligations, reducing the likelihood of future disputes.

'Umm (mother) and 'Ab (father) hold special positions in inheritance calculations. For instance, a mother typically receives one-sixth of the estate if the deceased leaves children, whereas a father may receive one-half in the absence of a son. Accurate identification of these relationships is fundamental for correct share allocation.

'Ayn (eye) is occasionally used metaphorically in Islamic jurisprudence to denote a close relative whose share is protected by the law. While not a technical term in modern estate planning, the metaphor emphasizes the protective nature of faraid for immediate family members.

'Umarah (marriage) impacts inheritance when a spouse survives the deceased. The surviving spouse's share varies depending on whether the deceased left descendants. For example, a widow receives one-eighth of the estate if the deceased has children, but one-fourth if there are no children. Estate planners must carefully calculate these shares to avoid over- or under-allocation.

'Nisab is the minimum amount of wealth that triggers the obligation to pay zakat. In the UK, the nisab is commonly set at the value of 85 grams of gold or its cash equivalent. Estate planners must assess whether the client's assets exceed the nisab threshold and advise accordingly on zakat liabilities.

'Waqif is the person who creates a waqf by dedicating property for charitable purposes. The waqf's legal effect transfers ownership of the principal to a charitable trust while the waqif may retain certain usage rights during their lifetime. Understanding the rights of the waqif is crucial when integrating waqf into an estate plan.

'Muwafaqah denotes an agreement or contract that conforms to Shariah. In professional practice, any estate planning agreement—whether a trust deed, will, or waqf charter—must be muwafaqah to be considered valid. The term underscores the need for legal documents to be both civilly enforceable and religiously permissible.

'Maqasid al-Shariah are the higher objectives of Islamic law, encompassing the preservation of religion, life, intellect, lineage, and property. When interpreting estate planning rules, scholars may consider the maqasid to resolve ambiguities or to accommodate modern financial realities, provided the core principles are upheld. Professionals should be aware of how maqasid can influence flexible applications of faraid.

'Ijtihad is the process of independent reasoning used by qualified scholars to derive rulings on new issues not explicitly covered in primary sources. In contemporary estate planning, ijtihad may be invoked to address novel financial instruments, such as digital assets or cryptocurrency, ensuring that their treatment aligns with Islamic ethics.

'Fatwa is a formal legal opinion issued by a qualified scholar. Estate planners often rely on reputable fatwas to justify the use of certain instruments—such as the creation of a digital waqf or the allocation of assets to a charitable trust—in compliance with Shariah. Clients may request a fatwa to gain confidence that their plan adheres to religious requirements.

'Mithaq (covenant) is a solemn promise or agreement. In the context of estate planning, the donor's intention to allocate assets in a specific manner creates a mithaq with the beneficiaries. Breaking this covenant without lawful cause may be considered a breach of trust, leading to both civil and religious consequences.

'Mujtahid is a scholar who has attained the level of expertise required to perform ijtihad. When complex estate planning issues arise—such as the treatment of non-tangible assets—consulting a mujtahid ensures that the advice provided rests on sound jurisprudential foundations.

'Sunnah refers to the practices and traditions of the Prophet Muhammad. While not a legal source per se, the sunnah influences the interpretation of inheritance rules, especially regarding the importance of equitable treatment of heirs and the encouragement of charitable giving. Professionals should be mindful of sunnah when recommending discretionary gifts.

'Qiyam (standing) is occasionally used metaphorically to describe the act of upholding one's obligations, such as paying zakat or honoring the terms of a waqf. The metaphor highlights the ethical dimension of estate planning, reminding practitioners that legal compliance must be accompanied by moral responsibility.

'Tawarruq is a contract structure used to obtain cash by selling a commodity on credit and then reselling it

for immediate cash. Some scholars consider tawarruq permissible, while others deem it a form of riba. Estate planners must evaluate the prevailing scholarly opinions and the client's risk tolerance before recommending tawarruq-based financing.

'Mudarabah (profit-sharing) and 'Musharakah (joint venture) are two distinct partnership models. In a mudarabah, losses are borne solely by the capital provider, whereas in a musharakah, both parties share profits and losses proportionally. Understanding the nuances between these models enables advisors to tailor wealth-preservation strategies that align with the client's risk appetite and Shariah compliance goals.

'Musharakah can be employed within an estate to create a family business that continues after the donor's death. By allocating shares through a musharakah agreement, the estate can generate ongoing income for heirs while maintaining a halal operational structure.

'Sukuk (Islamic bonds) may be issued by a waqf to raise capital for charitable projects. Investors receive a share of the revenue generated by the underlying assets, rather than interest. This structure provides a Shariah-compliant means of financing large-scale charitable endeavors, such as the construction of hospitals or schools.

'Ijarah (leasing) can be used to provide beneficiaries with the right to use a property without transferring ownership. For example, a donor may retain ownership of a commercial building while granting a family member a long-term ijarah contract, thereby generating rental income for the estate and preserving the asset's halal status.

'Tawakkul is the concept of placing trust in Allah while taking appropriate measures. In estate planning, tawakkul encourages clients to adopt prudent risk-management practices—such as diversification and insurance—while recognizing that ultimate outcomes rest with divine decree. Professionals should balance practical risk mitigation with spiritual considerations.

'Takaful is Islamic insurance based on mutual cooperation and shared responsibility. Unlike conventional insurance, which is often viewed as riba-laden, takaful operates on the principle of participants contributing to a pool that compensates members who suffer loss. Including takaful in an estate plan can protect assets against unforeseen events, such as premature death or property damage, while remaining Shariah-compliant.

'Warisan is the Malay term for inheritance, commonly used in the UK's multicultural context. Practitioners serving Malay-speaking clients must be aware of the linguistic nuances and cultural expectations associated with warisan, ensuring that communication is clear and culturally sensitive.

'Wasilah denotes a means or conduit for achieving a religious objective. In estate planning, a wasilah might involve establishing a charitable trust that serves as a vehicle for fulfilling the donor's spiritual aspirations, such as gaining reward for supporting education or healthcare.

'Maqam refers to a stage or station in a spiritual journey. While not a technical term, the concept of maqam can be applied metaphorically to describe the progression of a client's estate planning journey—from initial assessment to the final execution of a waqf—emphasising the importance of each step in achieving a

balanced and compliant outcome.

'Muqaddimah is an introductory statement. In the drafting of a will, a muqaddimah may be used to clarify the donor's intentions, affirm their capacity, and declare the document's purpose, thereby strengthening its legal validity.

'Muwatta is a collection of hadiths compiled by Imam Malik. While primarily a source of jurisprudence, references to the muwatta may be invoked when determining the permissibility of certain inheritance arrangements, especially in jurisdictions where local customs intersect with Islamic law.

'Qadi is a judge who adjudicates matters in accordance with Shariah. In the UK, a qadi may be consulted for arbitration in family disputes over inheritance, providing a religiously grounded resolution that complements civil court proceedings.

'Shuqooq (rights) encompass the entitlements of heirs, creditors, and charitable recipients. Recognising and respecting shuqooq is fundamental to crafting an estate plan that balances the diverse claims on the estate's assets.

'Tawhid is the principle of monotheism, the foundation of Islamic belief. While abstract, the concept of tawhid underscores the ethical imperative to manage wealth responsibly, avoiding exploitation or activities that compromise spiritual integrity.

'Ilaaj (treatment) may refer to the manner in which assets are managed. For instance, a donor may instruct that their estate be treated in a way that promotes social welfare, reflecting a charitable 'ilaaj of wealth.

'Maqam al-Qiyam (the station of standing) is occasionally used in scholarly discourse to denote the point where a legal ruling becomes final. In estate planning, reaching maqam al-qiyam might correspond to the moment when the will is executed and the assets are transferred, signifying the culmination of the planning process.

'Ihsan is the concept of excellence and kindness in conduct. Applying ihsan in estate planning means going beyond the minimum legal requirements to ensure that the distribution of assets reflects compassion, fairness, and generosity.

'Ruqyah is a spiritual healing practice. Though not directly related to estate planning, a client may wish to allocate a portion of their estate to fund ruqyah clinics, demonstrating the integration of personal faith-based services into charitable giving.

'Sukuk al-Mudarabah combines the profit-sharing mechanism of mudarabah with the securitisation format of sukuk. This hybrid instrument can be used to raise capital for projects that benefit the community, such as renewable energy initiatives, while providing investors with halal returns.

'Mudarabah Wa-Qard Hasan is a structure where the capital provider supplies funds interest-free (qard hasan) and the entrepreneur manages the project under a mudarabah agreement. This arrangement can be incorporated into an estate plan to support family members who wish to start a business, ensuring that the

financing remains Shariah-compliant.

'Maqasid al-Istithmar (investment objectives) guide the selection of assets that fulfil both financial and ethical criteria. When advising clients, professionals must align investment choices with the maqasid, ensuring that wealth creation does not compromise religious values.

'Mu'awwadah is the concept of restitution or compensation. In estate disputes, a claim for mu'awwadah may arise when an heir believes they have been unfairly deprived of their rightful share, prompting a request for corrective distribution.

'Muraqaba (monitoring) refers to the ongoing supervision of a waqf's activities to ensure compliance with its founding objectives. Effective muraqaba helps maintain the integrity of the charitable endowment and safeguards the donor's legacy.

"Adl (justice) is a core principle in Islamic law. An estate plan that adheres to 'adl guarantees that each heir receives their entitled portion, while also providing for fair treatment of non-heir beneficiaries within the one-third discretionary limit.

"Umm al-Qur'an (Mother of the Qur'an) is an epithet for the Qur'an itself, emphasizing its central role as the ultimate source of guidance. In estate planning, referring to the Qur'an as the mother of all rulings reinforces the primacy of scriptural directives over secular preferences.

"Ishraq is a term meaning illumination or enlightenment. A well-designed estate plan can bring ishraq to a family by clarifying inheritance rights, reducing uncertainty, and fostering harmonious relationships among beneficiaries.

"Fara'id al-Muwasat (intermediate inheritance) addresses situations where the estate includes both immediate and extended relatives. The calculation of intermediate shares requires careful application of the Usul al-Faraid to avoid over-allocation.

"Mawalim (intermediate distribution) is an optional practice where a portion of the estate is allocated to charitable causes before the final division among heirs. This approach can be used to fulfil the donor's desire for *sadaqah jariyah* while preserving the core inheritance structure.

"Aql (reason) is an essential tool for scholars when deriving rulings. In modern estate planning, the use of 'aql enables practitioners to interpret traditional principles in the context of contemporary financial products.

"Tawarruq al-Mali is a contemporary adaptation of tawarruq used for liquidity management. Professionals must carefully assess whether tawarruq al-mali aligns with the client's ethical standards and the prevailing scholarly opinions on its permissibility.

"Al-Maslahah (public interest) is a principle that allows for flexibility in rulings when the welfare of the community is at stake. In estate planning, invoking al-maslahah may justify certain discretionary bequests that serve broader societal benefits, provided they do not infringe on the mandatory faraid shares.

“Mujtama’ (community) is often the beneficiary of waqf projects. When drafting a waqf deed, it is common to specify the intended muj tama’, such as a local mosque, school, or health clinic, thereby ensuring that the charitable purpose is clearly defined.

“Murid (seeker) can describe a client who is actively pursuing knowledge about Islamic finance. Recognising the murid’s desire for education enables the practitioner to provide resources, workshops, or seminars that enhance the client’s understanding of the estate planning process.

“Khalifah (successor) is the individual appointed to manage a waqf or trust after the donor’s death. The khalifah bears fiduciary responsibilities, including the preservation of the waqf’s assets, prudent investment, and adherence to the donor’s stipulated objectives.

“Waqf al-Tawfiq is a type of waqf that grants the donor the right to retain temporary use of the endowed property during their lifetime. This arrangement is useful for clients who wish to continue benefiting from an asset while ensuring its eventual charitable dedication.

“Waqf al-Kafala is a form of custodial waqf where the donor entrusts an asset to a charitable institution, which then manages it for the benefit of designated beneficiaries. This structure provides a balance between charitable intent and practical oversight.

“Radd al-Kharaj (reversal of tax) is a concept sometimes applied in Islamic jurisdictions to mitigate excessive taxation on charitable endowments. While not directly relevant to UK law, understanding radd al-kharaj can help practitioners advise clients who hold assets abroad.

“Manshoor (publication) may refer to the formal registration of a will or waqf deed with a recognized authority. Proper manshoor ensures legal enforceability and provides a public record that can be consulted in the event of disputes.

“Sukuk al-Istithmar are investment-focused sukuk that fund profit-generating projects. They differ from sukuk al-Waqf, which are specifically aimed at financing charitable initiatives. Selecting the appropriate type of sukuk depends on the client’s objectives—whether wealth accumulation or philanthropy.

“Maqasid al-Muwasat (intermediate objectives) guide the balancing of competing interests within an estate, such as the need to provide for dependents while also supporting charitable goals. Practitioners must weigh these maqasid to achieve a harmonious outcome.

“Hadith al-Nahy is a prophetic saying that warns against certain practices. In estate planning, a hadith al-nahy might caution against excessive bequests that undermine the rights of heirs, reinforcing the importance of adhering to the one-third discretionary limit.

“Munasabah (relationship) is a term used to describe the kinship ties that determine eligibility for faraid. Accurately mapping the munasabah of a client is a prerequisite for correct inheritance calculations.

“Istiqamah (steadfastness) reflects a client’s commitment to maintaining consistent financial practices that align with Islamic principles. Encouraging istiqamah helps ensure that the estate plan remains coherent over

time.

“Maqam al-Marfu’ is the stage at which a legal ruling is lifted from provisional status to final authority. In estate matters, reaching maqam al-marfu’ may involve obtaining a certified fatwa that validates a particular structuring approach.

“Maqasid al-Shariah al-Muta’alliqa bil-Mawadin (objectives of Shariah related to wealth) provide a framework for evaluating the permissibility of financial transactions. Practitioners should reference these objectives when assessing novel assets such as digital tokens.

“Riba al-Kufr is a term used by some scholars to describe the most severe form of usury, which is unequivocally prohibited. Distinguishing between riba al-kufr and permissible profit-sharing arrangements is essential for maintaining Shariah compliance.

“Shukr (gratitude) is an ethical principle that encourages Muslims to use their wealth in ways that express thankfulness to Allah. Incorporating shukr into an estate plan may involve directing a portion of assets toward charitable projects that benefit the broader community.

“Waqf al-Khadim is a charitable endowment that supports the maintenance of a religious institution, such as a mosque or madrasa. Donors often allocate a portion of their estate to a waqf al-khadim to ensure the ongoing operation of the facility.

“Mawla al-Mawla is a phrase meaning “master of masters,” used in some Sufi contexts. While not a technical term for estate planning, the concept can inspire clients to view their wealth stewardship as a service to higher spiritual goals.

“Umm al-Mawālid (mother of births) is a metaphorical expression for the source of lineage. In inheritance discussions, acknowledging the umm al-mawālid underscores the importance of preserving family continuity through proper succession planning.

“Tahqiq (verification) is a critical step in the estate planning process, involving the confirmation of asset values, debt amounts, and beneficiary identities. Thorough tahqiq reduces the risk of errors and subsequent litigation.

“Mujtama’ al-Mawāhid (community of gatherings) may refer to the collective of family members who convene to discuss the estate plan. Facilitating open communication among the mujtama’ al-mawāhid helps pre-empt misunderstandings and promotes consensus.

“Ihsan al-Waqf is the practice of administering a waqf with excellence, ensuring that the charitable purpose is fulfilled efficiently and transparently. Demonstrating ihsan builds trust among beneficiaries and enhances the waqf’s reputation.

“Maqam al-Tawakkul (station of trust) is a spiritual state where a donor places complete reliance on Allah while taking responsible action. In estate planning, reaching maqam al-tawakkul may involve finalising the will and entrusting the execution to competent professionals.

“Mansūb (appointed) describes the act of designating a khalifah or trustee. Clearly stating the mansūb in legal documents eliminates ambiguity regarding who holds authority over the waqf or trust.

“Shari’ah Compliance Officer (SCO) is a role within financial institutions responsible for ensuring that products and services adhere to Islamic law. In the UK, many banks and asset managers employ an SCO to review estate-related offerings, such as sukuk or takaful policies, before they are marketed to Muslim clients.

“Islamic Financial Services Board (IFSB) issues standards and guidelines that promote consistency in Islamic finance. Estate planners who operate in the UK may refer to IFSB standards when selecting investment vehicles, ensuring that they meet internationally recognised benchmarks for Shariah compliance.

“Risk Management in the Islamic context incorporates both conventional techniques—such as diversification, insurance, and contingency planning—and religious considerations, such as avoidance of riba and adherence to ethical investment criteria. A comprehensive risk-management strategy protects the estate from market volatility, legal disputes, and non-compliance penalties.

“Diversification spreads investment risk across multiple asset classes, sectors, and geographies. For a Muslim investor, diversification must be executed within halal parameters, meaning that each asset class must be screened for compliance with Shariah principles.

“Liquidity Risk refers to the possibility that assets cannot be readily converted to cash without significant loss of value. In estate planning, maintaining adequate liquidity is essential for meeting immediate obligations, such as funeral expenses, zakat payments, and debt settlement.

“Market Risk is the exposure to adverse movements in market prices. Professionals can mitigate market risk by selecting sukuk with fixed returns, investing in real-estate assets that generate rental income, or allocating a portion of the estate to low-volatility, Shariah-compliant equities.

“Operational Risk encompasses failures in internal processes, systems, or human error. Implementing robust tahqiq procedures, maintaining accurate records of waqf assets, and employing qualified staff reduce operational risk.

“Legal Risk arises from non-compliance with civil law or Shariah regulations. Estate planners must stay abreast of UK inheritance law, tax statutes, and the latest Shariah rulings to avoid legal challenges that could jeopardise the estate’s distribution.

“Reputational Risk is the potential damage to a professional’s standing due to perceived non-compliance or unethical behaviour. Maintaining transparency, obtaining independent Shariah certifications, and providing clear communication with clients help safeguard reputation.

“Insurance in the Islamic framework is provided through takaful. A takāful policy can protect the estate against loss of life, disability, or property damage, while ensuring that the contributions are invested in halal assets. Selecting a reputable takaful operator with a strong Shariah governance structure is vital.

“Contingency Planning involves preparing for unexpected events, such as premature death or incapacity. Including provisions for a durable power of attorney, health-care directives, and a clear succession plan ensures that the estate remains resilient under adverse circumstances.

“Succession Planning is the process of identifying and preparing successors to manage family businesses, trusts, or waqf assets. Effective succession planning incorporates training, mentorship, and the gradual transfer of responsibilities to ensure continuity.

“Estate Valuation determines the fair market value of all assets at the time of death. Accurate valuation is essential for calculating zakat, determining faraid shares, and assessing the potential for charitable giving. Valuation methods may include professional appraisals for real estate, audited financial statements for businesses, and market price assessments for securities.

“Debt Management requires the identification and settlement of all outstanding obligations before asset distribution. In Islamic practice, debts are prioritized, and the estate cannot be divided among heirs until ‘udhurs are cleared. Proper debt management also includes the settlement of any zakat obligations that have accrued.

“Beneficiary Identification involves confirming the legal status, relationship, and eligibility of each heir and discretionary recipient. This step is critical for ensuring that the distribution complies with faraid and that discretionary gifts do not exceed the one-third limit.

“Documentation encompasses wills, waqf deeds, trust agreements, and supporting legal papers. All documents must be drafted in clear language, signed, witnessed, and, where required, registered with the appropriate civil authorities. Including a clause that references the relevant fatwa or Shariah board endorsement adds an extra layer of legitimacy.

“Compliance Monitoring is an ongoing activity that tracks the performance of the estate’s assets, adherence to charitable commitments, and conformity with Shariah guidelines.