

Rulings as to Istisna Contract♦

1. Istisna contract is in origin a sale and it is permissible in every small and big moveable and immoveable thing that fulfills the following criteria.
 - (A) That thing may be manufactured.
 - (B) That thing has capacity to be specified in terms of quantity, characteristics, weight and size etc.
 - (C) The materials for manufacturing that good are given by the manufacturer (the entity taking order)
 - (E) There is tradition and practice of Istisna (purchase & sale on order) in it.
 - (F) The kind, nature, weight, size, design and other wanted characteristics must be specified in a manner at the time of the contract that there remains no ambiguity.
2. The parties shall be bound to the contract after Istisna contract and no party shall have right and option to cancel the contract without the consent of other party.
3. The manufacturer (person accepting order) shall have the right to manufacture the good by himself or get the same manufactured by others, however, the person giving order cannot sell it to others before obtaining that merchandise.
4. It is permissible for the person accepting order in Istisna Contract to compensate his real losses from the advance amount.
5. If the specified date of submission of the good to be sold in the Istisna Contract is not complied with, the parties shall be bound to the condition stipulated by them at the time of the contract for the indemnity of real losses to be incurred by the entity giving order.