Ireland and Iran provided conflicting comments on the spelling of the name of this character in the ballot on Amd. 2 of Part 1 of ISO/IEC 10646. Neither country thought that the spelling ARABIC LIGATURE BISMILLAH ARRAHMAN ARRAHIM was appropriate for this character name in the UCS.

Ireland proposed:
ARABIC LIGATURE BISMILLAH AL-RAHMAN AL-RAHIM

Iran proposed:
ARABIC LIGATURE BESMELLAH ERRAHMAN ERRAHIM
ARABIC LIGATURE BESMELLAHERRAHMANERRAHIM

The issue of whether to use transliteration or transcription, and if so, which transliteration or transcription, can be avoided easily. As it happens, the phrase or formula itself has its own name, Basmala, which is used in the Arabic language. We give below four samples, provided by Tom Milo.

Text showing the word in Arabic, spelt BEH-SEEN-MEEM-LAM when used as a verb, and BEH-SEEN-MEEM-LAM-TEH MARBUTA when used as a noun. Both are transliterated as basmala. This spelling is different from the spelling used in the phrase itself.
The entry BASMALA from Encyclopaedia of Islam, 1st edition (1913-1936).

The illustrations here show that even in the Encyclopaedia of Islam there is no consensus about the Latin representation of the formula bismillahirrahmanirrahim. In both editions the Latin representation uses a curious mixture of transcription and transliteration.

It is our considered view that the most reasonable UCS name for this character would be its ordinary name, thus:

ARABIC BASMALA

This should be acceptable to all users of the standard.