



Finance in the light of Maqasid-al-Shari'ah; with Maqasid (goals) and Wasa'il (methods)

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Abstract

The primary objective of this research is to examine the many aspects of maqasid al-Shari'ah within the context of Islamic jurisprudence in the field of Islamic finance. This will be achieved by delving into the ultimate goals (maqasid) and the methods used (wasa'il). These would provide clarification about the nature and objectives of Islamic finance, as well as its trajectory for future growth. This article work how the concept of maqsid al-sharah in Islamic law might be applied to present-day monetary issues for more comprehensive, rational, and workable answers. Expanding the maqsid approach to making and structuring Islamic economic products, the authors analyze the significance of maqsid al-sharah in Islamic law by exploring its literal interpretations. They also explain the basics of maqsid al-sharah and provide examples of how this paradigm could effectively address specific issues in Islamic Finance. This article critically analyses the concept of maqasid al-shariah in order to assess its potential to provide exhaustive, rational, and pragmatic resolutions to contemporary economic challenges and introduces a systematic methodology from Maqasid al-Shariah to guide Islamic economic institutions (IEIs) in determining suitable investment opportunities and allocation strategies. The potential strategy that might aid individuals in successfully and efficiently managing the dynamic conflicts and opportunities.

Keywords: Maqasid al-Shari'ah, Islamic jurisprudence, Preventing harm, Maslahah, Public Interest, Islamic Finance, Islamic economic institutions (IEIs)

1. Introduction

Development in Islamic Finance took place throughout the 1970s. Islamic Finance had substantial worldwide development and notable growth since its inception, surpassing its original markets. The worldwide economic crisis has also propelled Islamic Finance to the forefront of public examination. While the accident was seen to have had a limited influence on Islamic Finance, it presented a chance for introspection and evaluation. Assessing its potential as a feasible substitute for the traditional economic framework inside the global market has substantial significance. Therefore, Islamic economic organizations are responsible for ensuring that all their transactions adhere to the principles and standards of Shariah. The responsibility mentioned above goes beyond the procedural and legal complexities of the transactions, covering, with increased importance, the economic nature of such transactions (Abd Rahman, N., et al. 2020). The composition of this substance ought to be grounded on the aims outlined by the Shariah, often referred to as Maqasid al-shariah. The Islamic banking system has the potential to emerge as a viable sector for achieving the lofty objectives of Shariah, since it operates within an economic framework grounded on Shariah principles. The underlying cause for this phenomenon might be ascribed to the prior establishment of Islamic banking. The Shariah mandates include Islamic economic transactions, with a genuine focus on fostering a community characterized by justice, equity, and openness principles. Concurrently, these injunctions prohibit participation in illegal actions that adversely affect the well-being of society and the environment (Biplob, H., & Abdullah, M. F. 2021).

2. Methodology

The present article is organized by using qualitative research methodology main source is Quran and sunnah along with thoughts of Islamic jurists and principles of Islamic jurisprudences and finances. I examine the influence of maqasid al-shariah on modern Islamic Finance, expanding on previous discussion of its core principles and underlying ideas. Then presents a comprehensive portrayal of "Pyramid of Maslahah" as a conceptual framework that aims to cater to stakeholders' diverse needs and expectations in Islamic banking operations. The provided statement elucidates the hierarchical framework that determines the sequencing of priorities and the corresponding duties. The last section offers a succinct overview that brings the subject close. Before exploring the significance of maqasid al-shariah in tackling diverse difficulties within Islamic banking, it is essential to thoroughly describe maqasid al-shariah and expound upon its unique attributes and categorizations.

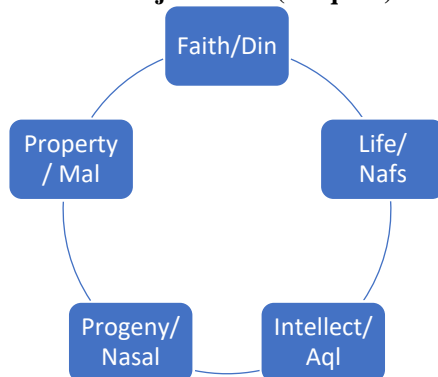
3. Maqasid al-Sharah

Muslim scholars have opted to conceptualize maqasid al-shariah from an alternative perspective. However, their consensus on its overarching objective is to promote humanity's welfare and safeguard them from detrimental consequences. Shariah's consideration for safeguarding five objectives in delineating maqasid according to Al-Ghazali and majority of scholars. The primary aim of the Shariah as in figure 1, is to advance the well-being of individuals,

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encompassing the preservation of their faith (din), lives (nafs), intellect (aql), progeny (nasal), and property/wealth (mal). Anything that advances the welfare of the general public and ensures the safeguarding of these five entities is considered beneficial. In contrast, anything that harms them is deemed detrimental to the public (Harahap, B., et al., 2023).

Figure 1: Five Objectives of (Maqasid) Shariah



The major objective of Islamic law is to uphold the societal structure and promote its positive advancement through nurturing human well-being and moral righteousness. The concept referred to here is called the all-purpose principle. It aims to ensure the continued prosperity and utility of the earth through the pious conduct of individuals designated as representatives of Allah. Islamic law seeks to establish a framework wherein people act with fairness, moral uprightness, and integrity in their thoughts and actions while also adhering to the principles of justice and equity. The concept of *maḥall*, also known as public interest, resembles compassion and is widely acknowledged by Islamic scholars as a comprehensive virtue and objective of the Shari'ah. The terms "maqasid" and "maslahah" may have overlapping connotations on certain occasions, leading researchers to employ these phrases interchangeably (Tarique, K. M., et al., 2021).

4. Principle of Maslahah

The principles of Maslahah, also known as Consideration of Public Interest. Maslahah, a tool within Islamic jurisprudence, has traditionally been observed within Islamic legal theory to promote society's welfare and address such as corruption. According to definition Al-Ghazali of maslahah, it is asserted that, "When it comes to maslahah, it is an expression for acquiring benefits or repelling damage, but that is not what we mean since acquiring and repelling harm symbolize human aims. The objective is to enhance the well-being of individuals through attaining these objectives (Abd Rahman, N., et al. 2020). However, concept of maslahah refers to the preservation of the aims set forth by the shari'ah. Al-Ghazali highlights the need to observe to objectives or purposes of the Shariah, which encompass the protection of wealth, knowledge, and life for future generations and preserving religious principles. The concept of *salaah* as a fundamental principle that encompasses preserving human existence, fulfilling one's material needs, and realizing one's emotional and intellectual capacities. This concept strongly aligns with the principles outlined in al-taxonomy. It has identified maslahah as the primary objective of the law, encompassing all behaviours perceived as advantageous to individuals, including *ibadah* (worship) and the dispensation of justice (Zunnurxon o'g'li, S. J. 2022).

5. Maqasid al-shariah Attributes

5.1. Safeguard and Promoting Welfare

There exist four fundamental attributes of Maqasid al-Shariah: One key aspect is that legal systems are established with the purpose of safeguarding and promoting the welfare of all individuals and acting in their utmost benefit. As per the assertions made by Ibn al-Qayyim, Shariah is founded upon rationality and the endeavours to enhance human welfare in both the temporal realm and the afterlife. The Shariah incorporates equality, kindness, erudition, and moral superiority ideals. Therefore, regardless of the viewpoints, any decision that substitutes justice with injustice, compassion with its contrary, the communal virtuous with evil, or knowledge with ignorance is a judgment beyond the scope of the Shari'ah, explicitly referring to the principle (Nouman, M., et al., 2021).

5.2. Universality

The second characteristic of maqasid al-shariah pertains to its universality since it strives to cater to the collective welfare of all individuals and necessitates their compliance. This phenomenon can be attributed to the notion that it represents the final disclosure that holds relevance for all individuals across the globe till the conclusion of this era. The Qur'an and the Sunnah contain substantial corroborating information, a recurring theme known as torture. As exemplified, the verses "Now as for you, O Muhammad, we have not sent you except to the whole of humanity" (34:28) and "Say O Muhammed: O mankind, surely, I am an apostle to all of you" are declarations made by Allah (Nasir, M. A. 2020).

5.3. Inherent Inclusivity

The third characteristic of maqasid al-shariah is its inherent inclusivity. This encompasses all actions individuals perform, irrespective of their association with ibadah (religious obligations towards Allah) or mu'amalah (duties about interactions with other human beings). The passage states that Allah, referred to as blessed and most high, has communicated the sending down of a Quran to the individual addressed. The purpose of this Quran is to guide humanity from a state of darkness to one of illumination, with the authorization along with paths of the Allah, who deserves praise. Imam al-Shafi posited that believers of Allah's faith would never encounter adversity without finding instruction in the Quran of Allah to navigate the correct path. a divine entity had sent a sacred text to provide lucidity, guidance, benevolence towards the adherents of Islam, and the dissemination of cheerful tidings "16:89" (Qoyum, A. 2018).

5.4. Definitive Nature

The fourth characteristic of maqasid al-shariah pertains to its definitive nature, which implies that it is not derived solely from a single Quran(tafsir) but rather from a diverse range of tafaseer and multiple components of traditions(hadise). The presence of certain maxims, such as "*Intentions judge acts*" and "*Where there is a definitive text, there is no room for interpretation*" in the field of *usul* (principles of Islamic jurisprudence), as well as fiqh (Islamic jurisprudence) maxims like "*The right to gain comes with responsibility for loss*" and "*Necessity renders prohibited things permissible,*" serves as evident indications of this characteristic (Ishak., et al., 2021).

6. Categorization of Maqasid al-Shariah

Maqasid al-Shariah has been traditionally classified by Islamic scholars into two primary categories: one is Maqasid Ammah (General objectives) and other is Maqasid Khasah (Specific objectives).

6.1. Maqasid Ammah

General objectives refer to the underlying meanings and deeper aspects of wisdom that the Lawgiver (al-shari') has considered in all legislation aspects and situations (ahkam al-tashri'). These objectives are not restricted to a specific form of Shariah direction. As a result, these elements encompass the comprehensive attributes of the Shari'ah, including its extensive principles and any purpose or objective sought by legal means. Furthermore, these precise meanings and notions are only sometimes encompassed by every Shariah rule but are prevalent in many of them. Within the field of Usul al-Fiqh, which serves as the foundation of Islamic jurisprudence, scholars such as al-Shib have further categorized the overarching purposes. Al-Shib designates these objectives as the:

6.1.1. Arriyyah

Darurriyyah, also known as needs or essentials, refers to the five objectives above of the Shari'ah, namely religion (din), Intellect (aql), life (nafs), progeny (nasal), and property (maal). These essential elements form the basis for achieving success and well-being in the present life and the hereafter. If individuals are addressed, establishing coherence and order becomes attainable, resulting in chaos and disorder. Consequently, there will be evident repercussions in the subsequent world. Several scholars have asserted that while the five basic human requirements, known as arriyyat, are essential for attaining happiness, it is important to acknowledge that needs extend beyond these five maqasid. Consequently, they have proposed including a supplementary array such as equality, freedom, and environmental preservation (Ibrahim., et al., 2020).

6.1.2. Hajjiyyah / Complementary

Hajjiyyah, or complementary needs pertains to interests that are supplemental to essential requirements. It pertains to endeavours whose disregard leads to challenges yet must completely disrupt the customary structure of existence. In essence, these leisure activities, alongside the five prerequisites above, are necessary for mitigating adversity to promote a life free from stress and challenges. Additionally, it functions as provisions intended to mitigate pain and enhance quality of life. Within economic transactions, the Shari'ah has sanctioned some contracts, such as the *sale* (*salam*) and *lease* (*ijrah*), in response to societal needs, even in the presence of irregularities in both scenarios (Fisol, W. N. M., et al., 2017).

6.1.3. Tahsiniyyah / Embellishments

The concept of *taḥsīniyyah*, often known as embellishments, refers to the artistic techniques used to enhance and adorn various forms of expression. The embellishments when achieved, lead to the enhancement and mastery of customs and conduct throughout several levels of accomplishment. Furthermore, with the obligatory *zakah*, the Shariah advocates for charity for individuals in a state of need. Within customary issues and interpersonal interactions, the Shariah promotes the principles of compassion, the use of pleasant speech and manners, and the practice of justice. Additional illustrations include the authorization to employ aesthetically pleasing and comfortable items, partake in palatable cuisine, don fashionable garments, and so forth. About the interrelationship among “*arriyyah*, *hajjiyyah*, and *taḥsīniyyah*”, scholars underscored that, presence of *arriyyah* is crucial for the proper functioning of *jiyyah* and *tasniyyah*. Any insufficiency in *arriyyah* inevitably results in a corresponding insufficiency in *hajjiyyah* and *tasniyyah*. However, a deficiency in *hajjiyyah* and *tasniyyah* does not necessarily impact the presence or functioning of *arriyyah*. Complete absence of *hajjiyyah* and *tasniyyah* can lead to a partial insufficiency in *arriyyah*. It is crucial to uphold *hajjiyyah* and *tasniyyah* to properly preserve *arriyyah* (Hendriarto, P. 2021).

6.2. Maqasid Khasah

The second category of *maqasid* refers to the specific purposes of Islamic law (*maqasid khasah*), which are centred on a particular area of study, such as Islamic trade, family law, or personal conduct. The specific objectives encompass the methods devised by the legislator to achieve advantageous outcomes for individuals or to protect their collective welfare regarding their conduct. This endeavor aims to prevent individuals' pursuit of their interests from compromising their well-established collective interests due to neglect, arbitrary errors, and imprudent desires (Iqbal, Z. 1999). Although it's distinguished between general and specialist goals, it is essential to note that these two categories are interrelated. In actuality, there exists a significant degree of convergence and amalgamation between the overarching and specific objectives of the Shariah. Hence, it would be pretty simplistic to consider any of the objectives as distinct entities. Both categories have a crucial role in governing human existence in this world, with the ultimate goal of achieving ultimate fulfilment in the afterlife (Ishak., et al., 2020).

7. Maqasid' Shariah and Finance

Ideas behind *maqasid al-shariah* have been briefly discussed. The following objective is to assess the effect of *maqasid-al-shariah* on current Islamic Finance. The Islamic bank must adhere to Shariah aims as a Shariah-oriented corporate institution. There are at least two reasons why every Islamic Financial institution (here in after called, IFI) should define the proper goals; First, the management or policymakers of the Islamic Financial institution (IFI) will employ the goals in formulating business aims and policies. Second, these aims indicate whether a certain IFI adheres to authentic Islamic teachings. One of the most significant issues facing IFIs today is providing Shariah-compliant or lawful goods from an Islamic perspective while maintaining their competitiveness, profitability, and long-term viability (Imad, O. M., & bin Osman, M. F. 2017). In the realm of Islamic Finance, the concept of *maqasid shariah* is often categorised under the domain of designated purposes (*maqasid khass*) as it relates to certain disciplines. Islamic banking aims to uphold the preservation of one of the *arriyyat*, namely the preservation of money, which is closely linked to other *arriyyat*, particularly the maintenance of religion (*din*). Hence, it is essential to take into account both the objective of wealth preservation and the broader objectives of Islamic banking (Abedifar, P. 2021).

7.1. Maintenance of Wealth

The preservation of wealth is regarded as a fundamental and universally recognised concept within the Shari'ah, as stated by Islamic scholars. This principle is classified under the category of *arriyyah*. The Shariah, which aims to safeguard and advance the social order of humanity, may also prioritise economic development. Islamic law places considerable importance on property and possessions, as shown by a multitude of Qur'anic passages and Prophetic Traditions. In reality, Islamic law includes several decisions to preserve wealth in both monetary and socio-emotional aspects. According to Muslim jurists, the preservation of wealth must be achieved by a minimum of five fundamental components. Since the elements above are fundamental to Islamic Finance as defined by the Shariah, this section elaborates on each (Laldin, M. A., & Furqani, H. 2013).

7.1.1. Maintenance of Wealth via Defence of Property

One crucial element in the maintenance of wealth is the safeguarding of property. Undoubtedly, the concept of ownership via exclusive possession has long been seen as a foundational principle of human civilisation, according to which people seek to secure their requirements for nourishment and protection. Therefore, Islam acknowledges the inherent desire of humans to own excellent goods by setting precise rules for how to acquire, utilize, and safeguard them via equitable regulation. Allah verifies this in the Qur'an: “The things men want are beautiful in their eyes: women and sons, wealth and silver” (3:14). In the viewpoint of Shariah, ownership is the power of utilized or getting advantage by using it directly, trading it with someone else, or transferring it freely to someone else, thereby eliminating every obviated disposition. The Shari'ah, identifies the following as the sole methods to obtain possession: ownership of something to which no one else has the right, such as the cultivation of uncultivated land, engaging in

the cultivation of a parcel of land alongside its proprietor, while conducting reciprocal exchanges of two distinct forms of value, and facilitating the transfer of an asset from its original possessor to another individual, such as via acts of gifting or inheritance (Malik, A., et al., 2019).

Since Islam recognizes private property, its preservation is a must. Allah said, "And do not consume your wealth among yourselves in futility" (Qur'an 2:188). To safeguard ownership, contracts governing the transfer of economic rights have been established, whether in return for something else or without compensation. These contracts have been deemed enforceable due to their formulas, the words expressing the parties' mutual agreement. Specific terms are stipulated for the mutual advantage of the parties. By the rule that a contract is enforceable due to the presence of its formula, once a contract satisfies these requirements, it is legitimate and has legal effect. The relevant data is: "Muslims are bound by their conditions except for a condition that renders the legal unlawful and the unlawful lawful." Everyone has a responsibility to maintain their property ownership. Hence, the Sharia law established a method for compensating for property loss that does not depend on intentional harm. In such cases, intent is irrelevant. In essence, it is imperative that individuals' property rights be respected, ensuring that no confiscation occurs without their consent, and that they get fair compensation for any use of their property (Mergaliyev, A., et al., 2021).

7.1.2. Wealth Preservation from Damage

Furthermore, the shari'ah places significant importance on safeguarding property from any kind of damage, while also acknowledging and upholding individuals' entitlement to own, use, and get benefits from their property. There are two approaches to safeguarding wealth against potential threats and preventing it from being compromised by its own detrimental objectives: risk mitigation and preservation strategies. Islamic law has effectively created regulations governing the legitimacy and enforceability of contracts, as well as the fulfilment of contractual obligations (Mohammed, M. O., et al., 2015). "The Qur'an contains several examples of protecting money and property from harm; for example, the most extended verse in the Qur'an, 2:282, expressly commands Muslims to keep records of their debts and commercial operations and appoint witnesses. This eliminates the chance of one side denying what happened, which can result in economic loss. If the transaction occurs while traveling, Allah permits the use of collateral to cover the loan if no record is made. Allah has recommended such procedures in order for the debtor or businessperson to become aware of and accountable for meeting their particular responsibilities" (Newaz, F. T., et al., 2016). It is clear that taking action to prevent fraud and irrational losses is necessary rather than relying only on the other party. Another explicit directive from Allah further supports this idea: "Spend in the cause of Allah; do not help your destruction with your own hands, rather do good, because Allah likes the doers of good" (2:195 al- Quran).

The texts above convey Allah's admonition to individuals against subjecting their resources to the potential peril of annihilation. A comparable situation exists within the realm of commercial and economic concerns, when the mishandling of a substantial risk may lead to devastating losses that have the potential to cripple a whole nation's economy and disrupt the livelihoods of its populace. Hence, the appropriate management of risks or threats is of utmost importance in order to mitigate potential harm and safeguard societal well-being. The aforementioned verses from the Qur'an underscore the significance of risk management and emphasise the need for strategic measures to efficiently and expeditiously address and mitigate risks (Mukminin, K. 2019).

7.1.3. The Circulation of Wealth

One of the primary objectives of the Shariah is to enhance the efficiency of financial transactions. The concept of circulation, as defined by Shariah, pertains to the equitable distribution of wealth throughout society, with the aim of minimising damage to those who have acquired it by valid means. The Qur'an explicitly states that the accumulation and transfer of wealth should be discouraged, emphasising the importance of preventing its concentration in the possession of individuals. Whatever rewards Allah has taken from the inhabitants of those villages and given to His Apostle, all of it belongs to Allah, as well as to the close relatives of deceased believers, the orphans, the poor, and the wanderer, in order to prevent it from being a benefit spreading endlessly among those of you who may already be wealthy. (59:7). The Prophet also said this in an adage, according to Amad b. Anbal's Musnad: "Whoever monopolizes a good with the goal of overcharging Muslims is a sinner." (Rafay, A., & Farid, S. 2017).

In fact, according to Islamic law, the distribution of asset is a crucial aspect of asset preservation. It ensures a healthy, peaceful community as well as long-term economic growth. Shariah establishes a framework that seeks to reconcile an individual's intrinsic inclination towards ownership with the fair and equitable distribution of resources within the broader society. This formula may be examined from two distinct vantage points: during the lifetime of its possessor and after to their death. In order to preserve societal equilibrium and provide a consistent means of financial support for those in the lowest socioeconomic strata, economic measures like zakh, zakat al-fir, and kaffrah are prescribed. Additionally, charitable acts like waqf, hibah, and waiyyah are encouraged and rewarded to ensure a healthy distribution of wealth (Alziyadat, N., & Ahmed, H. (2019). Changing the purpose of loans to nonprofit organizations from commercial to charitable. Encouraging investment and forbidding wealth hoarding. Banning any monopolization or manipulation that transfers wealth to a select group of affluent individuals at the cost of the general public.

Facilitating transactions as much as possible by emphasizing their advantages above any potential minor damage is another crucial method of circulating money. As a result, it is not a need in Shariah for the two counter-values to be simultaneously accessible in order for sale contracts to be considered genuine. This differs from deferred payment sales, where the price, serving as a counter-value to the products, may be postponed and paid at a later specified time (Rahman, A. S., & Haron, R. 2019).

7.1.4. The Retention of Wealth via the Preservation of its Value

Safeguarding and preserving the value of wealth circulation is vital due to its significance. Islamic law places a significant emphasis on the preservation of wealth and the reliance on market forces to decide the pricing of commodities. Allah states: "And do not withhold from the people what is their due" (7:85). The word "bakhs" means "undervaluing," "deceiving," or "trickery in adding to or subtracting from the measurement." Islam, as an example, sees money as a means of quantification rather than a commodity. As a result, a particular law is established about economic transactions, and refers to trading gold and silver for money. Comparatively, the concept of trade, including the exchange of goods and services, is addressed within the framework of Islamic law, which establishes certain standards and restrictions. The following adage may best convey the significance of wealth preservation via value protection (Alziyadat, N., & Ahmed, H. (2019).

The Prophet chose a man to be the governor of Khaybar, and he subsequently gave him an incredible variety of dates. Are all the dates in Khaybar the same way? The Prophet questioned? "No, but We barter one of this (the good kind) for two of ours or two of it for three of ours," he said. Do not do it (since it is a kind of usury), Allah's Apostle said; instead, sell the mixed dates (of lower quality) for money and use the proceeds to purchase the superb dates. The Prophet suggested that it was necessary to let market forces decide the true worth of the dates in the adage above. As a result, the commodity's price, which may be the target of manipulation and deceit owing to knowledge asymmetry, would be reasonably determined. Additionally, any kind of devaluation or overpricing of a product is prohibited as part of the value protection concern. Thus, the Prophet forbade people from purchasing items from caravans before they arrived at the market and also forbade them from engaging in najash, which is defined as bidding without really intending to buy anything in order to raise the price (Abd Rahman, N., et al. 2020).

8. Application of Maqsid-Al-Shar'ah and Finance

Due to the shar'ah's central position in Islamic banking, an Islamic economic institution takes on a more significant function than a traditional economic organization. The interpretation of the maqasid al-shariah calls for IEs to conform to the Shariah by adhering to every contractual duty and managing their business in line with its requirements for good moral character and awareness. For example, while an individual's entitlement to acquire property (referred to as property rights) is legally safeguarded, these rights are contingent upon legal statutes and ethical principles designed to protect the rights of the broader community. An Islamic economic organisation is thus not expected to merely pursue its economic, social, and worldly objectives with a self-interested focus on maximising utility, as idealised in neoclassical economics. The institution is anticipated to endeavour towards attaining a balanced state of harmony between the rights and obligations of the individual and the collective (Abedifar, P. 2021). Fundamental objectives of the Islamic economic system, as outlined in the maqasid al-sharah, serve as a comprehensive framework for comprehending the underlying principles and philosophy of the Islamic economic institution. Islamic banking is considered an integral component of the broader Islamic economic system. The underlying objective of this system is to establish a society that upholds principles of justice, fairness, and equilibrium, as articulated explicitly in maqasid al-sharah. Consequently, implementing numerous regulations, including those about interest, gambling, and excessive risk-taking, promotes fairness, protects the needs and advantages experienced by all participants engaged in market transactions, while also contributing to the preservation of social stability (Ahmad, A. A. 2020).

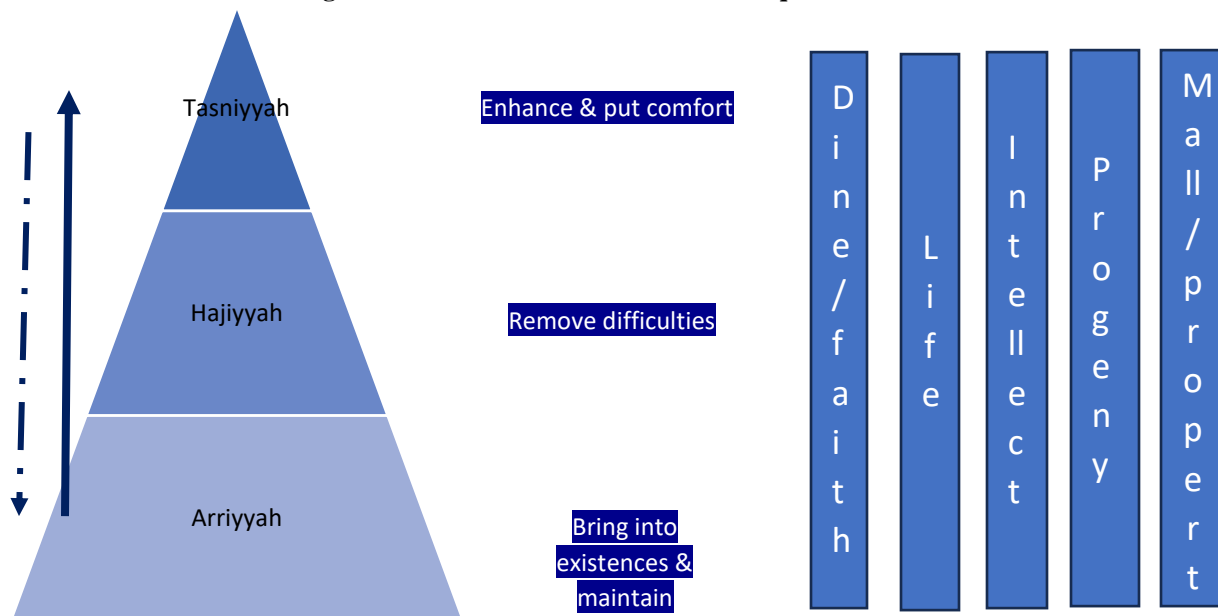
8.1. Ethical Behaviour

Nowadays, it is widely accepted that bad morals and a lack of ethics negatively affect society, the environment, and people. The most recent economic disaster proved that the economic markets were tainted by dishonesty and contagious greed. As a result, the disaster has highlighted IFI as a potential and practical substitute. Islamic Finance was only a little impacted by the disaster. However, it was not entirely spared. IFI must overcome several obstacles to meet the numerous expectations, which will decide whether it can compete with its established rival. IFI should use its strong basis and guiding principles, which are firmly established in the Shariah and reflected in its higher goals, or maqasid-al-shariah (Alziyadat, N., & Ahmed, H. (2019). In essence, the concepts of maqasid al-shariah and maslahah (protection of public interests) implicitly demonstrates that Islam emphasises the significance of considering both public and private interests instead of just one or the other. In particular, Islamic economic institutions expected to adhere to Shariah principles offer a framework for decision-making and a method for changing with the times. IFI's obligations in their function. They guide stakeholders about moral judgment, especially during resolving conflict that could develop while addressing different economic and operational difficulties (Ali, N. 2022).

8.2. Pyramid of Maslahah

To introduces the notion of maslahah in a pyramid structure, as depicted, to enhance the clarity of our discourse on implementing maqasid and maslahah principles. The Salaah pyramid offers three tiers of decision-making processes that managers can employ to address ethical dilemmas that may arise when engaging in various economic initiatives and undertakings. The acts above are a conceptual framework and provide overarching advice for an ethical filtering system. The three levels also symbolize the differing levels of importance regarding the accomplishment of obligations. When examining the categories of complementing (hajjiyyah) and embellishments (tasniyyah) in relation to one other, it becomes evident that the lowest level, represented by the basics (arriyyah), covers the fundamental obligations that must be met. To attain optimal social perfection and well-being, the decision-making process will transition from primarily focused on foundational principles to more centered around virtuous qualities as one ascends the pyramid. The inclusion of the complementing aspect (hajjiyyah) and embellishments (tasniyyah) is contingent upon the foundational objectives that underpin the core principles, namely the safeguarding and preservation of the five objectives of the Shari'ah: dine, intellect, life, progeny, and property. Two types are fundamentally complementary to the arriyyah and structurally subordinate to it, such that any violation of the latter has consequences that affect the entire system. On the other hand, any harm to the tasniyyah or hajjiyyah will only cause a little amount of disruption in the arriyyah (ALI, N. (2023)). Therefore, it is imperative to maintain the three categories in the sequence of significance, starting with the 'arriyyah and concluding with the 'Taniyyah. The interconnectedness and interdependence of the three stages of the maslahah pyramid indicate that they are not mutually incompatible. The arrows positioned in an upward and downward direction along the pyramid of maslahah symbolize the dynamic nature and transformative aspects of decision-making. These arrows indicate that each constituent element within a given level of maslahah has the potential to be elevated or lowered based on various factors that influence the overall population. Nevertheless, it is essential to note that the scope of freedom granted by the maslahah principles is limited within the framework of shariah rather than the reverse. This exemplifies the adaptability of the maslahah pyramid in facilitating decision-making processes in several contexts, temporalities, and locations.

Figure 2: Nexus between Maslahah & Maqasid-al-Shariah



The need to reconfigure many facets of their organisational establishments, including purpose, vision, policy implementation, decision-making processes, reporting mechanisms, and corporate affairs, with the new maslahah emerges when circumstances change and prompt firms to respond and reevaluate their societal roles. This realignment should be conducted in a manner that is consistent with the principles outlined by the shar'ah. In this study, we want to analyze the multifaceted decision-making processes associated with each maslahah principle. We aim to enhance understanding the maslahah pyramid and its potential application in Islamic economic endeavors. The primary responsibility of first-level managers is to uphold and safeguard the fundamental needs of their stakeholders, including faith, life, intellect, posterity, and property (Fisol, W. N. M., & Albasri, S. H. (2017)). Additionally, they are expected

to consider the broader interests of the general public while operating within the established boundaries of these essential requirements. For example, financial institutions must consistently restrict their economic endeavours to those that safeguard the principles of religion, human life, intellectual pursuits, future progeny, and assets. Islamic banks possess a moral, ethical, and social need to abstain from engaging in economic endeavors that may lead to societal disruption and unrest, even if such activities can provide more significant financial gains. Examples include commercial ventures that, as a consequence of environmental deterioration, put people's lives at risk and interfere with their thinking, as well as the production of illegal narcotics for use by the general population. The second level, the supplementary (hajiyah), which is believed to help eliminate obstacles even if it may not constitute a danger to the very existence of normal order, may be pursued by the businesses after the scope within the fundamentals has been satisfied (Dusuki, A. W. (2019).

9. Islamic Financial Institutions

Islamic financial institutions, such as banks, should enhance their responsibilities once they have fulfilled the minimum criteria. In this particular context, the fundamental prerequisites of employees, such as equitable remuneration and a secure working environment, may be augmented to encompass continuous training initiatives and programs aimed at enhancing human capabilities. The latter is optional, as the absence of this particular form of dedication from managers is unlikely to impact the well-being of workers significantly. Nevertheless, should the managers assume this responsibility, it would satisfy their reciprocal interests and enhance the intellectual welfare of the employees, encompassing their knowledge and abilities. The necessity of such an endeavour may be perceived in certain instance (Emon, A., et al. 2018). In order to protect the interests of religion, Islamic banking institutions must ensure that their staff receive comprehensive training in shariah principles about the many Islamic economic tools at their disposal. The highest tier of the maslahah pyramid is dedicated to the concept of adornment, also known as tasniyyah. Islamic enterprises are required to fulfil their social obligations by participating in initiatives or endeavours that seek to enhance and improve the quality of public life, in accordance with the principles of embellishments. Islamic banking demonstrates its commitment to enhancing society through various means. These include engaging in charitable activities and donating to impoverished and needy people. Additionally, Islamic banks offer interest-free loans, grant scholarships to deserving students, and ensure that customers are provided with comprehensive and transparent information and advertisements about their products (Malik, A., et al., 2019).

The maslahah pyramid generally posits that Islamic economic institutions must engage in and oversee their activities in alignment with established priorities. The priorities above were derived from a comprehensive understanding of the objectives of the Shari'ah, thereby ensuring that the preservation of interest (maslahah) is addressed by the varying degrees of importance and severity of consequences. For example, it is not advisable to prioritize acquiring superfluous items at the cost of essential ones. Similarly, it is imperative to refrain from becoming excessively preoccupied with acquiring rewards to the extent that it results in causing injury or detriment to others. The subsequent section provides a more comprehensive elucidation of the principle of harm prevention, which is also relevant to our analysis of the ramifications of maslahah in the context of Islamic banking (Harahap, B., et al., 2023).

10. Islam's Precept of Preventing Harm

Comprehending the Islamic harm reduction ideal is needed to understand the notion of maslahah. The idea emphasizes that a corporation cannot harm or upset others when doing economic and commercial activity. Generally speaking, the idea of damage avoidance is infused with two fundamental shariah axioms. There are two primary objectives in this context. The first objective is to mitigate pain, referred to as "*Raf al-araj*". The second objective involves the prevention of harm, known as "*Daf al-arar*". This idea plays a crucial role in defending social interests as embodied in the maslahah principles, especially in preventing social damage. As a result, if such a significant framework is compromised, discussing the applicability of maqasid to Islamic banking would be fruitless (Ali, N., et al. 2022).

According to a hadith narrated/ transmitted by Ibn Mjah, and other scholars reported that the Prophet of Allah stated: "It is imperative to refrain from causing harm or seeking retribution for damages." This concept was further elaborated upon by Amad Bin hanbal in his Sunan Musnad Ibn Mjah. In Islamic scholarship, there is a common practice of categorizing injury or damage into two distinct classifications. The first category pertains to hurt or damage arising from an individual's deliberate actions toward others or entities. The second kind is when someone does a severe action that the Shariah permits; even if they act sincerely, they may injure other people directly or indirectly. While the latter must be carefully considered in differing degrees and diverse settings to establish whether the activity is acceptable, the former is categorically forbidden or armed. In Islamic law, much debate has been on the study of the damage reduction principle and the idea of salaah. From this, several Islamic legal maxims were developed (Tarique, K. M., et al., 2021).

11. Final Thoughts and Suggestions

This research provides an enlightening discussion on the concept of maqasid-al-shariah and its implication for the ongoing debate surrounding shariah-based banking. During our discourse, it has been evident that Islamic Finance fulfils a distinctive societal role as an establishment founded upon the moral and ethical tenets of Islamic jurisprudence. Moreover, the maqasid al-shariah framework posits that Islamic economic institutions' characteristics are shaped by Islamic law's overarching objectives, prioritizing overall social and economic welfare rather than promoting selfishness and individualism. Islamic Finance involves a broader scope of activities beyond the essential avoidance of interest payments and adherence to formalities and rules associated with the sale of Islamic economic products. The system in question is comprehensive, aiming to facilitate attaining social and economic objectives and establishment of impartial culture. Islamic economic institutions aim to establish a stable equilibrium between income and expenditure within companies' operations to enhance society's welfare. The overarching objective of Islamic Finance, as explicitly articulated in the Maqasid-al-Shar'ah, widely acknowledged. The core tenets of Islamic Finance can be succinctly summarised as follows: Firstly, the pursuit of profit is regarded as commendable, provided it aligns with the principles of justice and fairness that are deeply rooted in Shariah law. Secondly, Islamic teachings emphasize the importance of striking a harmonious equilibrium between individuals' right and their duties towards others and altruistic ideals. This equilibrium is firmly grounded in the principle of justice. The Shariah provides managers with a structured approach to address potential conflicts arising from their commitments to several stakeholders while balancing diverse expectations and interests. The concepts of harm prevention and the pyramid of *maslahah*, previously addressed, offer a pragmatic and valuable framework for navigating decision-making processes that require balancing the concerns of various stakeholders, guidelines within the context of Islamic economic institutions. Moreover, they function as pragmatic illustrations for developing guidelines to achieve a fair equilibrium among several stakeholders. Furthermore, the framework facilitates the evaluation and equilibrium of the interests at stake, guaranteeing the attainment of diverse corporate objectives while safeguarding the well-being and rights of all involved stakeholders.

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