

IMPLEMENTATION OF MAQASHID SHARIA PRINCIPLES IN MODERN ISLAMIC FINANCIAL MANAGEMENT

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Abstract: This research discusses the obligation of Muslims to obey Allah SWT, especially in the context of avoiding the practice of usury which is prohibited in Islam. In Indonesia, as a country with the largest number of Muslims, many people feel trapped in the usury-based financial system, which affects social, economic and political aspects. Maqasid Sharia, which focuses on human welfare and justice, guides the implementation of sharia that is relevant to Islamic values. This research aims to apply Maqashid Shariah principles in modern Islamic financial management, using the literature method to collect data from academic journals and books, while recognizing the limitations in data sources, time, and researcher knowledge.

Keywords: Implementation, Economy, maqashid sharia, usury

Introduction

A Muslim has been obliged to live to obey Allah SWT, Islam has taught that eating wealth in an illegal or unlawful way is strictly prohibited. Where the form of eating wealth in an unlawful way is by practicing usury or transactions using usury or interest systems (Budiono, 2017).

Indonesia is the most Muslim country in the world, from here we need to know that quite a lot of Muslims are very burdened with transactions that apply the usury system to financial institutions. Because financial problems are something that is very important in life both in social, economic and even political weapons, finance plays a role in determining the power base (Hadi, 2019).

Many Muslim communities are reluctant to transact with banks for fear of falling into usury, so they often use banks for certain transactions, such as money transfers or other needs that cannot be done without banking, and immediately withdraw funds once their needs are met (Hikmah and Oktaviana, 2019).

The development of Islamic economics continues to increase over time, seen from the increasing number of countries that have begun to implement the Islamic economic system, one of which is Indonesia. Of course this statement encourages the progress of Islamic banking in Indonesia. Islamic banking practices need to integrate maqashid al-sharia which is part of the management strategy in fulfilling sharia principles. Maqashid al-sharia is the first Islamic legal theory developed and as an early stage of Islamic law formation, then summarized and developed by scholars. Although in general the development of maqashid is not as fast as ushul fiqh, this concept has been applied in every legal decision made (Busyro, 2019).

Maqashid sharia or the purpose of Islamic law is a system designed to realize the values contained in Islamic teachings, with the ultimate goal of achieving happiness in this world and the hereafter. This system emphasizes the selection of things that provide benefits and avoid all forms of loss or harm (Sidiq, 2017).

In more modern terms, maqashid sharia is now more focused on an approach that integrates Islamic legal theories, which play a role in protecting and developing human rights, as well as supporting the progress of human resource development.

Maqashid sharia in the context of Islamic accounting aims to regulate the presentation and disclosure of general purpose financial statements in Islamic entities, with the aim of producing financial statements that are in accordance with sharia principles that can be compared between different periods or with other Islamic entities. (Husein, 2001)

Financial institutions that operate sharia principles need to ensure that maqashid sharia is applied in every aspect of their operations. The financial statements prepared by such institutions not only aim to describe the financial position, performance, and changes that occur, but also to assist stakeholders in decision making. Although Islamic financial statements have many benefits, some institutions tend to focus only on financial aspects, which results in a lack of attention to the fulfillment of maqashid sharia.

Against the background of the things that the author has conveyed above, the author feels the need to study and research what is the Implementation of Maqashid Syariah Principles in Modern Islamic Financial Management.

Literature Review

Maqasid Sharia is a concept in Islamic law that focuses on achieving human welfare by upholding justice, balance, and protecting individual rights and social interests. This concept guides the application of sharia to be in line with Islamic values that support peace and the benefit of society. (Sumarta, 2024) (Wani Gowhar Quadir, 2018)

Maqasid Sharia refers to the main purpose of sharia law established by Allah SWT to create human benefits in this world and the hereafter. This benefit includes five main aspects, namely: protection of religion (hifz al-din), soul (hifz al-nafs), reason (hifz al-aql), offspring (hifz al-nasl), and property (hifz al-mal). (TarmiziTahir, 2024) (N. Ahmad, 2018)

The understanding of Maqashid Syariah principles in modern finance continues to grow along with technological advances and innovations in the financial sector. As a concept that aims to realize the welfare of the people through the preservation of religion, soul, mind, offspring, and property, Maqashid Syariah is now implemented in various fields of modern finance.

This literature review aims to analyze and synthesize existing knowledge about IMPLEMENTATION OF MAQASHID SHARIA PRINCIPLES IN MODERN ISLAMIC FINANCIAL MANAGEMENT, with a focus on the Islamic economy. This research is intended to understand the concepts, theories and practices related to the IMPLEMENTATION OF MAQASHID SHARIA PRINCIPLES IN MODERN ISLAMIC FINANCIAL MANAGEMENT.

Method

This research uses the literature research method to analyze and synthesize existing knowledge about the IMPLEMENTATION OF MAQASHID SYARIAH PRINCIPLES IN MODERN ISLAMIC FINANCIAL MANAGEMENT.

The purpose of this research is to understand the concepts, theories, and practices related to the IMPLEMENTATION OF MAQASHID SYARIAH PRINCIPLES IN MODERN ISLAMIC FINANCIAL MANAGEMENT.

The data sources of this research are relevant literature, including national and international scientific journals, and academic books.

This research has several limitations, namely:

1. Limitations of data sources.

2. Time limitation.
3. Limited knowledge of the researcher.

Results and Discussion

Maqashid sharia in the socio-economic context focuses more on the principle of *maslahah* (public interest), while in the accounting field, efforts are made to explore and interpret maqashid sharia, then synthesize the objectives of financial statements. Research on maqashid sharia in accounting also includes the projection of the objectives of financial statements for Islamic entities (Birton, 2015).

With the development of the times, human needs also develop. Islam as a dynamic religion whose development follows the times while still complying with sharia, of course, needs to pay attention to this development. Especially in the economy.

In terms of the economy, Islamic finance is now not only implemented in Islamic countries, Indonesia is also one of the countries that uses Islamic principles in its economy. This is evidenced by the number of Islamic financial institutions established in Indonesia.

Maqashid Sharia is the main rules in Islam. Maqashid Sharia arranges human life in the world in order to get happiness and success not only in the world but also in the hereafter.

Welfare can be said to be a state when a peaceful life, feeling safe, full of happiness, is achieved. According to Islam, welfare is not something that can only be seen from the materialist aspect. But it is also seen through other non-material aspects.

The existence of Maqashid Sharia is proof that Islam is *Ad Dinul Kamil*, the perfect religion. Because in Maqashid Sharia, all aspects of human life are regulated. Starting from religion, soul, mind, offspring, and property (Wulandari et al, 2022).

Application of Maqashid Sharia in Islamic Finance

The application of Maqashid Shariah principles in Islamic finance aims to ensure that financial products and services are aligned with Islamic ethical values and provide a broader social impact. This principle is embodied in various areas of Islamic finance, such as banking, financial reporting, and corporate social responsibility.

1. Financial Products and Services

The application of maqashid sharia in the development of Islamic financial products, such as *murabaha* contracts, is done by modifying them to keep them in line with sharia principles. This is important so that financial products are flexible and able to adapt to market needs. (Hayatudin, A., & Adam, P. 2020)

2. Islamic Finance Industry

Maqashid sharia acts as an ethical and moral guide that distinguishes Islamic finance from the general system. It emphasizes the importance of overall social and economic good, not just for individual gain. (Fageh, A. 2018)

3. Product Innovation

In the context of Islamic banking, maqashid sharia encourages the creation of products that not only meet financial needs but also pay attention to long-term social and ethical impacts. (Zamani, Z. 2017)

4. Sharia Maqashid Index

Tools such as the Maqashid al-Shariah Index (MSI) are used to evaluate bank performance based on maqashid principles, which also include non-financial aspects and have a positive impact on future financial performance. (Zamani, Z.2017)

Maqashid Implementation in Islamic Banking Products and Services

Islamic banks integrate the Maqashid Syariah principle by ensuring that the products and services offered remain in accordance with sharia rules, for example through the use of

murabaha contracts that have been adjusted to comply with sharia provisions.(Amrullah Hayatudin, 2020)

Islamic banks also implement the Maqashid Syariah principle in corporate social responsibility (CSR) programs by focusing on five main aspects, namely the protection of religion, soul, mind, offspring, and property.(S. Fitri,2018)

Financial Reporting

Financial reports on Islamic financial institutions are prepared to provide information that is relevant and in line with the principles of Maqashid Sharia, including the main (dharuriyat), supporting (hajiyat), and complementary (tahsiniyah) aspects.(Ana Wijandari, 2024) (Muzayyidatul Habibah, 2020)

Financial reports must also be presented in a transparent and accountable manner, ensuring that all financial activities are sourced from halal funds and in accordance with sharia provisions.

Social Financial Instruments

Islamic social financial instruments, such as zakat and waqf, are implemented based on the objectives of maqashid sharia, which are to protect and fulfill human interests in the aspects of religion, life, reason, offspring, and property.(Nur'Aini, 2022)

Scope of Maqashid Syariah

Maqashid Sharia prioritizes the principles of justice and balance in the application of Islamic law. It aims to prevent the misuse of the law while ensuring its application is in accordance with Islamic values. (Sumarta, 2024)

The concept continues to evolve, from traditional to modern approaches, covering various aspects such as social, environmental, governance, as well as focusing on human rights and development. (TarmiziTahir, 2024) (M. Kholil, 2018)

Maqashid Sharia is applied in various aspects of life, including politics, economics, education, and law, so that it remains relevant in responding to the challenges of globalization. (N. Ahmad, 2018)

Maqashid Sharia also emphasizes the importance of religious tolerance, which aims to meet spiritual and religious needs according to sharia principles.(M.Y.Ibrahim,2019)

Maqashid Shariah Principles in Islamic Finance

Maqashid Sharia principles in Islamic finance include aspects of justice, maslahah (welfare), transparency and accountability, and sustainability. The following is a description of each of these principles:

1. The principle of justice in Maqashid Syariah emphasizes the need for balanced and fair distribution in financial transactions. This principle includes the prohibition of usury and practices that harm one party, with the aim of ensuring that each party obtains its rights fairly.(Ruhry Prilevi, 2020)

2. The principle of welfare or maslahah aims to create benefits and goodness for society as a whole. In Islamic finance, this principle requires investments and transactions to have a positive social and economic impact, such as improving people's quality of life and encouraging sustainable economic growth.(Imari, I. 2016).

3. The principle of transparency and accountability is an important aspect of Islamic finance to ensure that every transaction is done honestly and can be accounted for. This includes clear and open reporting, as well as strict supervision to ensure compliance with sharia principles.(Hartono, N. 2018)

4. The principle of sustainability in Maqashid Syariah emphasizes the importance of financial practices that not only provide economic benefits, but also support social and environmental sustainability. This requires every financial decision to consider the long-

term impact on society and the environment, as well as ensuring the wise use of resources. (Kartika Sari, 2020).

Kesimpulan

The following is a summary of the application of Maqashid Sharia in Islamic finance:

Key Principles

1. Justice: balanced and fair distribution in financial transactions.
2. Welfare (Maslahah): creating benefits and goodness for society.
3. Transparency and Accountability: transactions are conducted in an honest and accountable manner.
4. Sustainability: financial practices that support social and environmental sustainability.

Application in Islamic Finance

1. Development of flexible and adaptive Islamic financial products.
2. An Islamic finance industry that focuses on social and economic good.
3. Product innovation that considers social and ethical impacts.
4. Use of Maqashid Shariah index to evaluate bank performance.
5. Implementation of Maqashid Syariah principles in CSR programs and financial reporting.

Benefits of

1. Increase public trust and awareness of Islamic finance.
2. Creating justice and balance in financial transactions.
3. Encouraging sustainable economic growth.
4. Strengthening ethical and moral values in finance.

Challenges and Development

1. Integrating Maqashid Shariah principles with modern financial practices.
2. Increase public awareness and understanding of Islamic finance.
3. Develop effective Islamic social finance instruments.
4. Maintaining sustainability and balance in the application of Maqashid Sharia.

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