

FACULTY OF BUSINESS

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**Syariah Aspect of Business And Finance
(GIM6213)**

Maqasid al-Shari`ah

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05 April 2014

Concept of Maqasid Al-Shari`ah

- ❑ Literally Maqasid is the plural of the Arabic word Maqsad whose radical is qasada.
- ❑ literal meanings of maqasid is objective.
- ❑ Technically, many definitions have been given, particularly, by contemporary scholars.
- ❑ Al Imam Al Shatibi who is the founder of *Maqasid al-Shari`ah* in Islamic jurisprudence did not provide a definition for this Islamic discipline.
- ❑ There are two other major definitions of *Maqasid al-Shari`ah* provided by two other scholars who came after Al Shatibi.
- ❑ they were behind the development of *Maqasid al-Shari`ah* in Islamic jurisprudence.
- ❑ These two definitions are provided by Ibn Ashur and Alal al-Fasi.



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- ❑ Ibn `Ashur defined *Maqasid al-Shari`ah* based on two aspects:
 - 1: The general aspect which is the purpose and wisdom behind the enactment of all or most of the *shari`ah* ruling.
- ❑ This definition is more related to the general objective of *Shari`ah*.
- ❑ Those overall principles that guide the enactment of Islamic law in their totality.
 - 2: The second definition of *Maqasid al-Shari`ah* is very specific.
- ❑ It is related to specific objective to those objectives that are designed to achieve specific benefits to people in their daily activities, such as the importance validation of contracts.

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- ❑ Alal al-Fasi defined *Maqasid Shari`ah* as the end sought behind the enactment of each of the ruling of *Shari`ah* and the secret involved.
- ❑ This definition covers the public *Maqasid (ama)* and the private *Maqasid (khasa)*.
- ❑ The definition focus on the end sought behind the enactment of each of the rulings of Islamic law, and the secret of these rulings.
- ❑ The secret of the Islamic rulings means the goals intended by Allah in the law.
 - *Maqasid al-Shari`ah* aims to protect the interest of mankind and prevent the evil from them,
 - and also realize the public benefit for the society,
 - and encourage virtues and avoid vices.

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- ❑ Al-Raysuni (2006) stated that "*al Maqasid are the purposes which the Law was established to fulfill for the benefit of humankind*".
- ❑ Therefore the Law is not an end in itself; it serves to attain an objective, a purpose which is the Maslahah (benefit).
- ❑ The word benefit in this context means the achievement of profit or the prevention of harm

The importance of implementation of *Maqasid al-Shari`ah* in all levels of Ijtihad

- *Maqasid Shari`ah* is one the very important aspect in Islamic jurist prudence.
- Maqasid is taking a crucial position in Ijtihad in order to process a valid examination of the text and provide intact interpretation to achieve the Islamic ruling.
- The Muslim jurists depend on Maqasid approach in all types of ijthad in Islamic law whether the subject matter is Islamic finance or something else.
- The aims behind that is to comprehend the *Shari`ah* in all aspects.

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Ibn Ashur (2006) maintained that: This (the knowledge of Maqasid al-Shari`ah), in fact, ensures the continuity of the rules of the Islamic Shari`ah throughout the ages and generations following the age of Revelation until the end of the world."

- It is important to notice that, even though, Maqasid al-Shari`ah was not known as a discipline in the early generations of Muslims, the scholars were aware of the danger of neglecting the spirit of the law and only sticking to its literal form.
- The knowledge of the higher objectives of Shari`ah is to help preserve the essence of the Islamic law.



Classification of *Maqasid al-Shari`ah*

- *Maqasid al-Shari`ah* is divided into three major categories according to its inner strength namely:
 - The necessities or essentials (*daruriyyat*).
 - The needs (*hajiyyat*).
 - The complementary (*tahsiniyyat*).
 - All the Islamic legal ruling

The necessities or essentials (*daruriyyat*)

- The *dharuriyyat* refer to the necessities and the essentials that the people depend on them, and without them the hall society will be in a total disaster and disorder and disruption, and end with the total collapse.
- Ibn Ashur defined the *dharuriyyat* as: “..Are thing whose realization is essential for the community both collectively and individually, the social of the community will not function properly if there is any defect in these things”.
- These *dharuriyyat* must be protected because they are considered as the fundamental need in life in mankind



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- The primary categories contains five ultimate purposes of the law, and considered the most valuable matter in life, which are:
 - preservation and protection of religion (*al-din*),
 - preservation and protection of life (*al-nafs*),
 - preservation and protection of progeny or dignity (*al-'ird*),
 - preservation and protection of intellect (*al-aql*),
 - preservation and protection of wealth (*al-mal*).
- These five categories are considered the primary purpose in Islamic law.



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- Al Ghazali said: “preventing the loss of these five fundamentals and protecting them can never be neglected in any religious community (*millah*) or legal system that is meant for the good and well-being (*sulh*) of human beings ... and this would be a consideration of a *Maslaha* that we know by necessity was intended by the *Shari`ah*, not on the basis of one single proof or particular rule, but on multiple proofs that are beyond enumeration”.



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- Al-Shatibi mention that the knowledge of these five *daruriyyat* is definitive, and the certainly of this knowledge does not depend on one specific or single proof, however the knowledge of these five are congruent with the purpose of the *Shari`ah* rather flows from multiple proofs that are not confined to one particular sort (*bab*).
- These five fundamentals must be preserved in order to maintain the category of *Dharuriyyat*.
- According to Shatibi there are two ways in preventing them.
- the first one is by establishing and strengthening them
- the second is by averting all harm that might affect them.



The five fundamentals of *al-Daruriyyat*

- *The Essentials (al-Dharuriyyat)* comprise the five fundamental and valuable matters in life, which are: protection of religion (*al-din*), protection of life (*al-nafs*), protection of dignity or lineage (*al-'ird*), protection of intellect (*al-'aql*) and protection of property (*al-mal*).

Protection of al-din

- The protection of al-din is shown in various forms at Ibadat level.
- the protection of religion is achieved by performing all kind of worship as it is describe by the Quran and the hadith, and explain deeply in Islamic law.
- If we look at the protection of *al-din* at the wider scope the protection will be in form of protection of the religion it self by defending Islamic as faith and religion.

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Protection of Life (Al-Nafs)

- The protection of life is a very primary requirement in *maqsad Shari`ah*.
- In order to keep the life protected Shari`ah has impose some punishment for any one who may hurt the life by killing or injuring.
- Quran says: “O ye who believe! The Law of equality is prescribed to you in cases of murder...” (Al Baqarah 2: 178).

Protection of Family (Al-'Ird)

- Islam has regulated the relationship in the society between the men and the women in order to achieve the protection of dignity and avoid the misbehaviors.
- The protection of Al-'Ird include the protection of individual rights and respect their privacy.
- In this regards Islam prohibited adultery in order to protect dignity.
- Islam impose some punishments for those who are involve adultery activities, on the other hand impose punishment for those who are involve in false accusation as way to protect privacy of the individual.

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Protection of Intellect or Mind (Al-'Aql)

- Islam has a great respect to the intellect and consider it as one of the great gift given by Allah to the human being.
- From the Islamic point of view the intellect is the only way that can recognise the creator.
- Through the intellect the mankind can achieve solid evidence and proof of the God existence.
- Through the intellect the human being can understand the command of Allah and can interpret the Message of Allah into reality.
- Allah has impose some strict conditions to maintain the protection of the intellect, and keep the mind of the person all the time sound.
- The intellect is the only tool understands the law of Allah and be in position to implement it as a rules and regulation govern the entire life of human being.



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Protection of property (Al-'Mal)

- Islam has gave a great concern to the wealth and property.
- The objectives of Shari`ah in wealth are revolving around the preservation of wealth and property.



The needs (*hajiyyat*)

- The needs is the second important category in *Maqasid al-Shari`ah*.
- It is refer to the supporting needs and interests required in order to have smooth life.
- The life without protection of these needs leads to hardship and affects the social functions very badly.
- *Shatibi* defined it as “it consists of what is needed to attain conform and alleviate hardship.
- If it is neglected, human subjects (*mukallafin*) will suffer distress and hardship.
- The harm resulting from neglecting it cannot be equated with that relating to the fundamental universals.



The needs (*hajiyyat*)

- Other definition provided by Ibn `Ashur who says *hayjiyyat*: “it consists of what is needed by the community for the achievement of its interest and the proper functioning of its affairs. If it is neglected, the social order will not actually collapse but will not function well. Likewise, it is not on the level of what is indispensable (*dharuri*).
- The examples under the category of *hajiyyat* is most of the permissible in business transaction, such as the exemption of the advance payment in the Islamic business transaction (*salam*), this type of contract is allowed and granted by law in order to facilitate transactions, because this business operation is needed in the trade.

Complementary (*Tahsiniyyat*)

- The complementary or embellishments or *tahsiniyyat* refer to the interest which provide improvement in the society and lead to better life, and give progress in the moral and spiritual in the Muslim society.
- The disappearances of complementary don't affect the society function, and will not interrupt the normal process life in the society.
- The examples of this category are: voluntary (*sadaqah*), and ethical and moral rules, and others.
- Al Ghazali defined the complementary by saying: “They function as embellishing elements facilitating the achievement of the virtues and fine ways in manners and dealings”.



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- According to Ibn Ashur the complementary comprises what leads to the perfection of the community's condition and social order so that it leads a peaceful life and acquires the splendor and beauty of human society in sight of the other nations”.
- The complementary are part of restoring to people their fine and lofty sensibilities.
- As result of that the nation will become an attractive model for other.
- The examination of the scholars of the various dispositions the Islamic ruling of *Shari`ah* result that all the *Shari`ah* ruling are revolving around these tree categories.



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- These are the primary classification of *Maqasid al- Shari`ah*, however there are other classification provided by scholars depends on the nature of *Maqasid al-Shari`ah* and the criteria of the classification.
- The suitable connection and smooth relationship between the objectives of *Maqasid Shari`ah* and the objectives of the business transaction.
- We can observe that from the position of the wealth in *Maqasid Shari`ah*.
- There is a clear indication from *Shari`ah* text and rules to protect the finance and wealth in the society.
- The disregards of the objectives of *Maqasid Shari`ah* in business transaction may lead to hardship.
- The business transaction in domestic and international trade should be based on the principles of Islamic law, and the main objectives of *Maqasid Shari`ah* in finance and business transaction shall be taken as guideline to execute all types of financial transactions.



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- Otherwise it will lead to bad impact and negative result in the business community.
- the objectives of the business transactions are a continuity of the general objective of *Maqasid Shari`ah*, this shows the strong relationship between the two concepts.
- as result of that the rules of business transaction should be within the rules and regulations and the requirement of *Maqasid Shari`ah* and Islamic law as well.
- *Maqasid Shari`ah* governs and regulates the *Shari`ah* principles of the Islamic finance.



***Maqasid al-Shari`ah* in business transaction**

- The conventional financial system focuses primarily on the economic and financial aspects of transactions.
- The philosophical foundation of an Islamic financial system goes beyond that.
- According to the principles of maqasid Al Shari`ah the Islamic system places equal emphasis on the ethical, moral, social and religious dimensions, to enhance equality and fairness for the good of society as a whole.
- This is reflects the comprehensive code of *maqasid Shari`ah* as comprehensive code for life.
- Accordingly *Maqasid al-Shari`ah* aims to achieve a various objectives in business transaction, which are as follows:



The circulation of the wealth in business transaction

- The objectives of *Shari`ah* in business transaction is to make the wealth available in the society members by right, and enable every one who deserve it to own it.
- It is very important from *Maqasid al-Shari`ah* perspective to keep the circulation of the wealth in the business transaction and avoid all types of monopoly of monetary in few hands of people.
- The circulation and marketability of the wealth has been precisely mentioned as one of the primary objective of *Maqasid Shari`ah* in business transaction by Ibn Ashur who defined the circulation of the wealth as: “implies the fair circulation of wealth in the hands of as many people as possible”.

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- This definition means that the wealth should be moving in the hands of most people in the society by fair and right.
- The circulation of the wealth is one of the great objectives of the *Shari`ah*.
- To put this in practice and facts the holy Quran indicate very clearly:
“So that it may not be a benefit going round and round (dulah) among such of you as may already be rich” (59:7).
- To protect the circulation of the wealth Islamic law allowed many types of contract in business transaction in form of sales of charity within same terms and conditions required by the Sahriah.

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- To facilitate the circulation of the wealth certain contract containing measure to ambiguity (*Gharar*) have been allowed in Islamic law such as (*Salam*) forward contract and *Mudarabah* and other business transaction.
- These types of contracts are legalized as an exception to the general rule, base on the need and necessity and public interest.
- In order to achieve the purpose of circulation of the wealth in business transaction the basic rule in Islamic law is that the financial contract is biding rather than optional unless it is stipulated.
- **Tools for circulation of the wealth:**
 1. Encourage the Business activity
 2. Facilitate the business transaction
 3. Acceptance of the minor *gharar* in business transaction
 4. Providing a comprehensive business structure in trade and business transaction
 5. Acceptance of un-named contracts.



Preservation and protection of the wealth in Islamic business transaction

- Preservation of the wealth in finance and business transaction is one of the primary *Maqasid* in *Shari`ah*.
- This objective was clearly stated in Quran: “O you who have attained faith, do not devour one another’s possessions wrongfully not even by way of trade based on mutual agreement, and do not destroy one another” (4:29).
- Another statement from prophet: “No Muslim’s property should be allowed to be taken from him without his own accord”.
- These text are very strong statement indicate very clearly the importance and the value of protection of the wealth, whether for individual people or for the community and society.
- The statement shows as well the great sin of any aggressive action against the wealth of property of the community.

Tools for preservation of the wealth in Islamic business transaction:

1. Encouraging the domestic and international trade
2. The efficient management of the local trade



The right to own and earn

- *Shari`ah* gave the right to Muslim community to own and earn and create wealth as result of that.
- There are two major ways for the Muslims to create wealth, which are as follows:

A: Owing (*Tamalluk*):

- Owing is a basis of wealth formation by humans.
- It consists of possessing anything from which they can gain what will satisfy their needs, whether from their produce or their substitutes, namely, the price of these items.
- The Scholars laid down a rule in business transaction the sale of commodity which is not in the possession of the seller is unlawful.
- The prophet says: “do not sell what do you not have” which means that the possession is primary condition to make the transaction valid.



The right to own and earn (cont.)

- According to that no one is allowed to deal with property of another person unless with his permission.
- If the unauthorized person (*fuduli*) act on behalf of the owner without his prior authority, some jurist says that the transaction is invalid.
- The majority of the jurist say that the acts of unauthorized agent are dependent upon the ratification of the owner of the property.

B: Earning (*Takassub*)

- The earning consists of exerting oneself to gain what help to satisfy one's needs, whether by physical labor or by mutual consent with other.
- There are three primary pillars of earning, Land, labor, financial capital.

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- For the land it is everything to which human labor can be applied on the planet earth, and it is consider as a source of wealth.
- Labor is the means of extracting most of the earth's bounties, it is also the means of creating wealth from such business as hire, trade, ect,
- The financial capital enables the continuation of labor to increase one's wealth.
- Therefore the financial transaction are based upon their either ownership, such buying residential property and foodstuff for consumption, or earning such as buying land, or other types of hire contracts.



Transparency in wealth and finance

- One of the very important of *maqasid Shari`ah* is to avoid dispute among people in general and in the business community precisely as much as possible.
- *Shari`ah* emphasizes on the transparency in business and finance.
- The Islamic law required security in some business transaction such loan, and mortgage or witnesses might be requested upon the transaction.

Examples:

- If we look at the *musharkah* (profit and loss sharing) as form of partnership whereby two or more person combine either capital or labor together to share the profits, the *musharakah* as financial investment provided to two parties involved on the basis sharing profits from the business, from this point we can observe the transparency in the ratio which is fixed and predetermined and is made known to all parties involves in advance.

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- The loss will be shared as well in the exact proportion of the two parties according to total investment capital of the contracting parties.
- For *Al mudarabah* transaction it is primer requirement for the validation of the transaction that the contracting parties agree in the beginning on the a definite proportion of the actual profit to which each of them is entitled.
- The lam sum amount of profit is not allowed for any party, nor can of the contracting parties determine the profit share at a specific rate tied up with the capital.
- The above requirement is to keep the finance in the partnership clear and transparent to avoid dispute.

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- In *murabahah* transaction which is considered as form of sale, whereby the seller expressly mentions the cost of the sold commodity he has incurred, and sells it to another person by adding some profit or mark-up thereon.
- From the concept of *murabahah* it is clearly understood that the disclosure of the price is required, the scholars required some condition for *murabahah* contract to be valid which briefly are:
 - 1) Knowledge of the initial price or cost by the buyer.
 - 2) Knowledge of the profit margin.
- Such business agreements make the contracting parties more comfortable to conclude the deal and execute the business transaction with mutual consent and understanding.
- The transparency in finance is applied.

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- Transparency is very important in the subject matter of the contract which must be known to both parties including specification, quality and quantity.
- This *Shari`ah* requirement and put the contracting parties involve in the business transaction in full responsibility in there partnership.
- There are a lot of business secret in term of shares and profits and capitals and operation and marketing and products, which are not allowed to be disclose to other parties who not involve in the partnership.

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- **Tools for finance transparency:**
- There are few tools should be implemented in order to achieve the transparency in finance as follows:
- Account audit, Finance management, Declaration of ownership, Zakat management.
- These tools can play a vital role in making the finance and wealth in the business activities transparenence.
- The benefit of the transparency in the following points:
 - Avoid dispute.
 - Reduce corruptions.
 - Conduct the business deal, and execute the business operation according to the mutual consent of the parties involve in the operation.

Development and investment of the wealth in business transaction

- The *Shari`ah* is very concern about the development of the economics and finance.
- In supporting of this objective the Quran and *Sunnah* urge the Muslims to look at this aspect as one of the major objective in business activity.
- Because the investment and the development of the wealth will enhance the finance of the members of the society respectively .
- The development of the wealth and investment in finance is an obligation from the Islamic point of view.
- There are many verses in the holy Quran and *Hadith* which emphasize on this matter and address the issues of investment as a premier requirements and obligation for all Muslims.



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- From *maqasid as-Sahri`ah* stand point the investment and development of the wealth is not an option but it is an obligation.
- Because it is helping the growing wealth and protecting the property of the society.
- *Maqasid as-Shari`ah* consider money as potential capital rather than capital, meaning that money becomes capital only when it is invested in a business.
- Money which is advanced to a business as loan is regarded as debt of the business, and not capital. As such, it is not entitled to any return (i.e., interest).
- Muslims are encouraged to utilise money and discouraged from hoarding idle money, as hoarding money is regarded as being unacceptable.



Prevent harm and hardship in wealth and finance

- The *Shari`ah* through its rules and principles is trying to achieve comprehensive communal prosperity in the society.
- By making this achievement every member in the society will be enjoying the satisfaction and security.
- As result of this all type or harm and hardship will be either removed from the society or minimize in the finance and business transaction.
- It is understood that preventing of the harm in finance is a result of putting into practices most of the objectives of *Shari`ah* in finance, because those objectives are the key factor for this achievement.

Tools of preventing harmful in finance

1. Government law and finance policy
2. Banks and financial institution
3. Imposing Islamic law in business transaction
4. Implementation the concept of legal maxims in business transaction



Ensure justice in circulation of the wealth in business transaction

- The justice is a very comprehensive concept in from Islamic perspective.
- It is a prime requirement in human life in all aspect.
- we can observe the justice in wealth and economic precisely in circulation of finance in business transaction.
- It is very vital objective due to its implication in the business community and the social activities as well.
- The justice in the wealth starts from earning wealth and possessing property by right, without any harm.



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- In order to implement justice in business transaction the *Shari`ah* impose some rules and regulation in contracts and business transaction such as the requirement of the mutual consent in the contract.
- The *Shari`ah* prohibit all the elements that may lead to injustice business such as bribery, fraud and deception, gambling, uncertainty, *riba*, and so on to ensure the establishment of the justice.
- *Shari`ah* encourage all type of business activities which create justice and benefit to the business community and social life as well.

Prohibition of *Riba*

- One of the major objective in *Shari`ah* is prohibiting usury in all type of business transactions.
- The two major kind of *riba* are strictly forbidden in Islamic law, either *riba al –nasiah* which is interest on lent money, or *riba fadl* which is taking a superior thing of the same kind of goods by giving more of the same kind of goods of inferior quality for a particular products mention in *Shari`ah*.
- According to Islamic law the *riba* cause harm in business transaction, and give rich to community by easy way of grow their wealth in harming the other member of community.
- *Shari`ah* looks at this profit as prohibited earning which not allowed.
- In fact the *riba* makes the community lazy and unproductive and remain of minor contribution to the society.

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- All banks and financial institution must move away from *riba*, and conduct pure business transaction without involve in *riba*.
- It is a very challenging achievement but it is a holly duty and primary requirement of Islamic law in trade in order to introduce pure Islamic product in banking and finance.
- In this respect we can say that the only difference between the Islamic banks and the conventional banks is that the Islamic bank beside the *Shari`ah* compliant in all business activities avoid *riba* in all activities and business transaction.



Prohibition of monopoly

- Monopoly is one of the forbidden elements in business transaction and trade activities.
- It causes harmful to the society.
- The monopoly prevent the circulation of the wealth which is one of the primary objectives of *Shari`ah* in wealth.
- The profit must be shared and the wealth should be available in all hand of the community member.
- The purpose of monopoly is to accumulate the wealth in the hands of a certain people who control the movement of the wealth and circulation of the finance according to their business plant and their will.
- This approach will keep the prosperity and the happiness in very limited member in the society which lead to negative consequences in the business and society as well.
- Islamic banks should enhance this *Shari`ah* objective and encourage the participation of the hall business community in business activities by giving the chance to the small business man to engage into trade and various industrial projects.
- the role of the government is needed by imposing regulation and law which control the market, and keep it in good condition and health by stopping the monopoly by law.

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- **Prohibition of major uncertainty**
- In order to facilitate the business and trade, *Shari`ah* allowed the minor uncertainty in business transaction.
- It is very difficult to achieve zero *gharar* in business operations.
- The major uncertainty is not accepted from *Shari`ah* point of view.
- It is strictly forbidden in all kind of trade and business activities.
- Some of business transactions are not allowed or void because of the uncertainty.
- The reason behind that is because the Islamic law insist to avoid all kind of conflict and dispute between the contractual parties.
- The uncertainty might result harmful to one of the contractual parties.
- The honesty and transparency in the business transaction is very important and needed in order to secure benefit for both parties by justice, and relies the prosperity and happiness for both parties.

Prohibition of Duress (Ikrah)

- Duress (*ikrah*) is to force someone to do something that he dislikes.
- In order to remove the more harmful aspect; he does so against his consent.
- *Shari`ah*, consider all the contracts under duress as an unlawful transaction.
- There are some conditions that must be fulfilled in order to consider the action as duress.
- The majority of jurists maintain that duress causes nullification of these contracts and consent that may come following the removal of duress is not accepted.
- They support their view through the *Hadith* of the Prophet (pbuh) "Verily Allah has removed from my community mistake, forgetfulness and things for which they are compelled".
- This *Hadith* proves that if anything is done under duress, it is not considered.

Prohibition of inequality (*Ghubn*)

- *Ghubn* is inequality of price and subject matter of a contract of exchange, that is, one of them becomes less or more than the other, which was not known at the time of contract.
- *Ghubn* is divided into two types: insignificant inequality (*ghubn yasir*), and excessive inequality (*ghubn fahish*).
- Jurists have different opinions about the standard of measuring what is insignificant inequality and what is excessive inequality.
- Some jurists maintain that if this inequality falls within the jurisdiction of evaluators, it is considered insignificant inequality.
- Other jurists have determined a fixed amount for measuring what constitutes as an insignificant inequality and excessive inequality.
- Muhammad bin al-Hasan al-Shaibani maintains that this amount is five per cent of the real price of a subject matter, that is, if inequality is five per cent or less, it is considered insignificant, but if it is more, it is considered excessive.
- All jurists unanimously agree that insignificant inequality does not affect most contracts.
- Because it frequently occurs in financial transactions and people tend to forgive each other for this small amount of inequality.

Prohibition of deception (*Taghrir*)

- Deception (*taghrir*) is to induce a contracting party to think that it is in his interest to take the subject matter whereas in fact it is not so.
- Deception is divided into two types. Deception related to statements (*taghrir qawli*) and deception related to deeds (*taghrir fi'li*).
- *Taghrir* is alternatively called *tadlis*.
- *Taghrir Qawli* occurs because of the deception of one of two contracting parties or his representative in order to induce the other party to conclude a contract even if it happens with inequality.
- *Taghrir Fi'li* is deception that occurs through doing something on the subject matter to show it in a condition that contradicts its reality, both of deceptions are forbidden in *Shari`ah*, and should be eliminated from all business transaction.

Establishing *Shari`ah* principles in Islamic finance

- *Maqasid as-Shari`ah* is aiming to develop Islamic finance on a very solid ground which can accommodate all the expected innovation and proposition in financial market.
- Whether it is related to the banking system, capital market, money market, mortgage market or takaful.
- This solid platform and strong foundation will enhance the Islamic finance to a better position.
- *Maqasid as-Shari`ah* will be the total solution for Islamic finance by taking into consideration that the Islam it self is comprehensive code for life in all aspect.
- From the solid ground of *mqasid as-Shari`ah* the Muslim jurists and scholars throughout the development of the business transaction and finance have introduced a quite number of *Shari`ah* principles in order to govern the finance and regulate all the business transaction.

Establishing *Shari`ah* principles in Islamic finance

- These principles should be adopted by Islamic banks and the Islamic financial institutions in financial transactions and services in all aspect of trade.
- This is to ensure the stability of the trade and facilitate the smooth achievement of *maqasid Shari`ah* in finance and trade.
- *Maqasid as-Shari`ah* aims behind establishing a Shari`ah principle in Islamic finance, to facilitate a dynamic mechanism for the Islamic financial system in order to achieve the stability of the economic and finance and all type of business transactions. These principle are as follows:



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1. The profit and loss sharing principles
2. Principles based on trade
4. Free of charge principles
5. Supporting principles
6. Rejection of the idea of a fixed rate of return in financial capital
7. Money as means of exchange.

*Thank You
&
Wassalam*

