Mohi-ud-Din Journal of Islamic Studies (MJIS)
ISSN: 3007-3812 (Print) | 3007-3820 (Online)
(Jan-June) 2026, 4:1 (37-71)
محی الدین جرنل آف اسلامک اسٹڈیز
(جنوری–جون ۲۰۲۶)، ۴:۱

Maqāṣid al-Sharīʿah as an Interpretive Framework for Islamic Finance: Conceptual Evolution and Contemporary Practice

Syed Muhammad Abdul Rehman Shah[a] & Ishrat Fatima[b]

[a] *Department of Islamic Economics, Allama Iqbal Open University, Islamabad, Pakistan*

[b] *School of Islamic Banking & Finance, International Islamic University Islamabad, Pakistan*

Corresponding author Email: Syed.rehman@aiou.edu.pk

How to cite: Syed Muhammad Abdul Rehman Shah & Ishrat Fatima, " Maqāṣid al-Sharīʿah as an Interpretive Framework for Islamic Finance: Conceptual Evolution and Contemporary Practice," *Mohi-ud-Journal of Islamic Studies* 4, no. 1 (2026): 37-71.

ABSTRACT

This paper examines the doctrine of *maqāṣid al-sharīʿah* (the higher objectives of Islamic law) and its application to the theory and practice of contemporary Islamic finance. Beginning with the classical formulations of *al-Shāṭibī*, *al-Āmidī*, and *al-Ghazālī*, the study traces the conceptual evolution of maqāṣid from an implicit juristic sensibility into an explicit and systematized branch of legal theory, culminating in the modern reformulations of *Muḥammad al-Ṭāhir Ibn ʿĀshūr*, *ʿAllāl al-Fāsī*, and Mohammad Hashim Kamali. It surveys the five essential objectives (the protection of faith, life, intellect, lineage, and property) together with their textual grounding in the Qurʾān and their tripartite classification into *ḍarūriyyāt, ḥājiyyāt, and taḥsīniyyāt*. Further, this study traces their extension by later scholars into environmental, developmental, and governance-related domains. Particular attention is given to Ibn *ʿĀshūr's* articulation of specifically economic objectives, like circulation of wealth, transparency of contracts, justice in acquisition, and prohibition of *ribā* and gharar. Ultimately, the study presents the design and critique of contemporary financing structures, and the pursuit of *falāḥ* as the ultimate socio-economic outcome of Islamic financial activity. The paper argues that *maqāṣid al-sharīʿah*, rather than being a peripheral or rhetorical device, constitutes an indispensable interpretive framework for aligning the form of Islamic financial contracts with the substantive ends of justice and welfare that the *Sharīʿah* intends, while cautioning that the doctrine's credibility depends on its disciplined, textually grounded application. In contemporary practices *maqāṣid al-sharīʿah* are highly recommended as accurate tool to conduct ijtihad.

Keywords: Maqāṣid al-Sharīʿah, Islamic finance, *ḍarūriyyāt*, maṣlaḥah, Ibn ʿĀshūr, ribā, gharar, Islamic economics

Maximum number of authors of a paper shouldn't be more than two and contribution of second author (if any) should be mentioned below:-
2nd authored is contributed to reviewing the literature for this publication.

1. Introduction

Islam presents itself not merely as a system of ritual devotion but as a comprehensive code encompassing every dimension of human life; spiritual, social, political, and economic aspect.[1] This comprehensiveness is affirmed in the Qurʾānic description of the Prophet Muḥammad (peace be upon him) as a mercy sent not to the believers alone but to all of creation,[2] a mercy that manifests concretely in a body of law oriented toward the realization of human welfare in this world and the life hereafter. Nowhere is this orientation more evident than in the economic and financial provisions of the *Sharīʿa*h, which aim cumulatively at a social order combining justice with prosperity.[3]

At the heart of this orientation lies the doctrine of maqāṣid al-sharīʿah, literally "the objectives" or "the intents" of Islamic law. Far from being a marginal or ornamental aspect of Islamic jurisprudence, maqāṣid has come to be regarded by successive generations of jurists as the cornerstone and guiding principle of the entire structure of Islamic law including the emerging discipline of Islamic finance.[4] Where the rules of fiqh (positive law) supply the letter of the Sharīʿah, the maqāṣid supply its spirit: the wisdom, rationale, and higher purpose that the Lawgiver intends to secure through those rules. An act of worship or a financial contract performed in technical conformity with the letter of the law but

1. Mohammad Hashim Kamali, Maqāṣid al-Sharīʿah Made Simple, Occasional Papers Series 13 (London: International Institute of Islamic Thought, 2008), 1–3.
2. Al-Qurʾān 21:107.
3. Kamali, Maqāṣid al-Sharīʿah Made Simple, The International Institute of Islamic Thought, 2–4.
4. Kamali, Maqāṣid al-Sharīʿah Made Simple, 5–6.; Anwar, Amelia, Is Susanto, and Heni Noviarita. "Reconstructing Sharia Corporate Governance in Islamic Financial Institutions through the Integration of Maqasid al-Shari'ah and Sustainability." Journal of Inclusive Economy and Sustainable Development (2026).

blind to its underlying purpose risks becoming, in al-Shāṭibī's memorable phrase, a body without a soul.[5]

The contemporary Islamic finance industry, having grown over five decades from a handful of experimental institutions into a global sector managing several trillion dollars in assets, has increasingly turned to maqāṣid al-sharīʿah as an interpretive and evaluative framework. This turn has been motivated by a recurring critique: that much of the industry's product engineering has prioritized formal compliance with the black-letter prohibitions of ribā (interest) and gharar (excessive uncertainty) while reproducing, in economic substance, many of the same outcomes as conventional interest-based finance.[6] Maqāṣid-based analysis offers a corrective, insisting that Sharīʿah compliance be assessed not only by the form of a contract but by its consonance with the ends (justice, equitable circulation of wealth, protection of property, and the avoidance of harm) that the Sharīʿah as a whole intends to achieve as the higher intents of Sharīʿah.

This paper undertakes a conceptual and analytical study of maqāṣid al-sharīʿah with particular reference to its application in Islamic finance. It proceeds in three broad movements. The first (Sections 2–6) traces the historical and conceptual development of the doctrine, from its inchoate presence in classical works of uṣūl al-fiqh through al-Shāṭibī, al-Āmidī, and al-Ghazālī, to its systematic elaboration by twentieth-century reformers such as Muḥammad al-Ṭāhir Ibn ʿĀshūr, ʿAllāl al-Fāsī, and Mohammad Hashim Kamali. The second (Sections 7–9) examines the substantive content of the maqāṣid: the tripartite classification of interests into essentials, complementary needs, and embellishments, and their extension—in the work of Ibn Taymiyyah and later scholars such as Muḥammad Nejatullah Siddiqi and Muḥammad Umer Chapra—into

5. Abū Isḥāq al-Shāṭibī, *al-Muwāfaqāt fī Uṣūl al-Sharīʿah* (Beirut: Dār al-Kutub al-ʿIlmiyyah, n.d.), 2:344.

6. M. Nejatullah Siddiqi, "Sharīʿah, Economics, and the Progress of Islamic Finance: The Role of Sharīʿah Experts" (Cambridge, MA: Islamic Finance Project, Harvard Law School, 2006), 1–4.

explicitly economic and developmental domains, together with Ibn ʿĀshūr's dedicated theory of economic objectives. The third (Sections 10–12) turns to application, considering how maqāṣid-based reasoning informs the interpretation of Islamic commercial law, the evaluation of financial products, and the broader project of achieving falāḥ (ultimate success) as the animating goal of an Islamic economic order, before closing with a critical assessment of the challenges attending the doctrine's contemporary use.

The method employed is textual and analytical, drawing on the primary Arabic sources of classical uṣūl al-fiqh alongside the English-language scholarship that has, since the late twentieth century, brought the maqāṣid tradition into conversation with modern economic and financial theory. The objective throughout is not merely expository but argumentative: it is contended that maqāṣid al-sharīʿah constitutes an indispensable rather than optional or decorative framework for Islamic finance, one whose neglect leaves the industry vulnerable to the very formalism that its founding scholars sought to transcend.

2. Conceptual and Etymological Foundations

The Arabic term maqṣid (plural maqāṣid) derives from the root q-ṣ-d, conveying the sense of aim, intention, purpose, or the deliberate seeking of a goal.[7] When conjoined with al-sharīʿah, the expression denotes the objectives, purposes, and underlying wisdom (ḥikam) that the Divine Lawgiver intends to realize through the totality of Islamic legislation, whether these purposes are stated explicitly in individual rulings or are inferable from the general tenor of the law.

Contemporary scholarship has converged on a "comprehensive definition" synthesizing the insights of earlier jurists: maqāṣid al-sharīʿah comprises the meanings and wisdoms considered by the Lawgiver in all, or most, instances of legislation, or in particular rulings, for the welfare

[7]. Kamali, Maqāṣid al-Sharīʿah Made Simple, 1.

(maṣlaḥah) of humankind in both this world and the hereafter.[8] Two elements of this definition merit emphasis. First, maqāṣid operates at both the general (kulliyyah) and the particular (juzʾiyyah) levels: some objectives—such as the preservation of life—pervade virtually the whole of the legal corpus, while others attach to specific rulings, such as the wisdom behind particular rules of inheritance or contract. Second, the definition anchors maqāṣid firmly in maṣlaḥah, understood not as subjective utility but as objective benefit recognized and endorsed by revelation.

This conceptual architecture explains why maqāṣid al-sharīʿah has been described as the cornerstone of Islamic finance specifically. A financial system that claims fidelity to the Sharīʿah cannot restrict its claim to formal adherence to a list of prohibited transactions; it must additionally demonstrate that its operations serve the ends—individual and social welfare, justice in exchange, protection of property, and the equitable circulation of wealth—that those prohibitions were instituted to protect.

Historically, the emergence of maqāṣid as an explicit science responded to practical problems of Islamic jurisprudence. Islamic law is, by its nature, particularistic. It addresses discrete cases through the tools of textual interpretation of Quran and Sunna'ah, analogy (qiyās), and juristic consensus (ijmā). Jurists soon recognized, however, that a purely literalist application of these tools could, in certain circumstances, produce outcomes at odds with the evident purposes of the law itself, enforcing the letter while defeating the spirit. The maqāṣid tradition was developed to correct this tendency by ensuring that all rulings are examined in the context of the goals they serve, and thus that ijtihād (independent legal reasoning) is disciplined and not allowed to turn into formalism or subjectivity.[9] The remainder of this paper traces how this

---

[8]. Kamali, Maqāṣid al-Sharīʿah Made Simple, 4–6; the formulation echoes and synthesizes Ibn ʿĀshūr and ʿAllāl al-Fāsī, discussed in Section 5.

[9]. Kamali, Maqāṣid al-Sharīʿah Made Simple, 24–28.

understanding developed historically and how it is being operationalized today.

3. Classical Foundations: al-Shāṭibī, al-Āmidī, and al-Ghazālī

While the term maqāṣid al-sharīʿah achieved terminological precision only in later centuries, the underlying idea that revealed law pursues evident purposes, is attested from the earliest period of Islamic legal thought and receives its first systematic articulations in the classical literature of uṣūl al-fiqh.

Abū Isḥāq al-Shāṭibī (d. 790/1388), whose al-Muwāfaqāt fī Uṣūl al-Sharīʿah remains the single most influential premodern treatment of the subject, stated clearly:

إن الشارع قصد بالتشريع إقامة المصالح الأخروية والدينية.[10]

(Intents of law giver is to provide success in this life and hereafter as well.)

Lawgiver's purpose in legislating is to establish both worldly and otherworldly benefit (*al-maṣāliḥ al-ukhrawiyyah wa-l-dīniyyah*). For al-Shāṭibī, this purpose is not incidental (secondary) to the law but constitutive (primary) of it: rulings are comprehensible. It follows that any interpretation of a text that contradicts the manifest interest it was meant to protect, cannot be the correct interpretation, however defensible it might appear on purely philological grounds.

A closely related formulation is offered by Saif al-Dīn al-Āmidī (d. 631/1233) in al-Iḥkām fī Uṣūl al-Aḥkām, where he states;

إن المقصود من الشرع إما جلب المصلحة أو دفع المضرة أو مجموع الأمرين. [11]

10. al-Shāṭibī, al-Muwāfaqāt, 2:37.

11 . Sayf al-Dīn al-Āmidī al-Āmidī, *al-Iḥkām fī Uṣūl al-Aḥkām* (Beirut: Dār al-Kutub al-ʿIlmiyyah, n.d), 3:271.

(Intents of law giver is to secure benefits or repelling evils or both of them.)

that the object of the law is either the securing of benefit (jalb al-maṣlaḥah), the repelling of harm (dafʿ al-mafsadah), or a combination of the both mentioned.[12] This binary "benefit-securing and harm-repelling" recurs throughout the later maqāṣid literature as a kind of master principle, capable of generating and explaining the entirety of positive law "Prohibitions exist to repel harm, and permissions/obligations are provided to secure benefit.

It is, however, in the work of Abū Ḥāmid al-Ghazālī (d. 505/1111) that the maqāṣid doctrine receives its most consequential systematization. In al-Mustaṣfā min ʿIlm al-Uṣūl, al-Ghazālī identifies five objectives that the Sharīʿah intends to protect for all people: religion (dīn), life (nafs), intellect (aql), lineage (nasl), and property (māl).[13]

وَمَقْصُودُ الشَّرْعِ مِنْ الْخَلْقِ خَمْسَةٌ: وَهُوَ أَنْ يَحْفَظَ عَلَيْهِمْ دِينَهُمْ وَنَفْسَهُمْ وَعَقْلَهُمْ وَنَسْلَهُمْ وَمَالَهُمْ،.

فَكُلُّ مَا يَتَضَمَّنُ حِفْظَ هَذِهِ الْأُصُولِ الْخَمْسَةِ فَهُوَ مَصْلَحَةٌ، وَكُلُّ مَا يُفَوِّتُ هَذِهِ الْأُصُولَ فَهُوَ مَفْسَدَةٌ وَدَفْعُهَا مَصْلَحَةٌ۔[14]

Whatever secures these five foundations, al-Ghazālī explains, constitutes maṣlaḥah, and whatever undermines them constitutes mafsadah (harm), the repelling of which is itself a benefit. This fivefold schema, built on the same benefit/harm maxim articulated by al-Āmidī, would become the standard inventory of essential objectives (al-ḍarūriyyāt al-khams) transmitted through subsequent centuries of Islamic legal scholarship and adopted, with minor variations, into contemporary Islamic discourses including Islamic financial theories.

12. al-Āmidī, al-Iḥkām fī Uṣūl al-Aḥkām, 3:271.

13. Abū Ḥāmid al-Ghazālī, al-Mustaṣfā min ʿIlm al-Uṣūl, 1:287.

14. . Abū Ḥāmid Muḥammad ibn Muḥammad al-Ghazālī al-Ṭūsī, *al-Mustaṣfā*, ed. Muḥammad ʿAbd al-Salām ʿAbd al-Shāfī (Beirut: Dār al-Kutub al-ʿIlmiyyah, 1993), 1:174.

It is worth noting that al-Ghazālī's five objectives are not presented as a speculative philosophical construct but as an empirical generalization from the corpus of revealed law: each objective corresponds to specific legal institutions—criminal sanctions, family law, commercial law—whose rationale becomes transparent once the underlying objective is identified. This grounding in positive law is what distinguishes the classical maqāṣid project from a purely ethical or philosophical theory of the good. Infect, al-Ghazālī's framing of five traits of maqāṣid doctrine is an inductive reading of the Sharīʿah's internal logic rather than an external standard imposed upon it.[15]

4. The Underpinned Foundation of Five Essential Objectives

The five essential objectives (al-ḍarūriyyāt al-khams) form the substantive core of the maqāṣid doctrine are reflected in 1st column of Table 1. Each trait is embedded in specific rulings with affirmative provision that secures the objectives (As in 2nd column of Table 1) and a preventive provision that protects it from violation from the objectives (As in 3rd column of Table 1). Further, 4th column of Table 1 explains representative textual evidence from Holy Quran.

The protection of faith (ḥifẓ al-dīn) is secured affirmatively through provisions guaranteeing the sanctity of religious practices and of sacred spaces, and is protected punitively through the law's treatment of transgressions against the sanctity of religion. The Qurʾān's declaration that there is no compulsion in religion, since right guidance has become distinct from error (Al-Baqarah 2:256)[16], establishes the voluntary character of faith even as the broader legal tradition safeguards the public order within which religious practice occurs.

[15]. Kamali, Maqāṣid al-Sharīʿah Made Simple, 9–11, discussing al-Ghazālī's inductive method.

[16]. Al-Qurʾān 2:256.

The protection of life (ḥifẓ al-nafs) is affirmed through the provision of healthcare, shelter, food, clothing, and physical security, and protected through the law of retaliation and blood-money (qiṣāṣ wa-diyah). The Qurʾān indicates that in the law of revenge (qiṣāṣ) there is life for people of understanding (Al-Baqarah 2:179)[17], and elsewhere declares that whoever unjustly takes a single life is as though he had slain all of humanity, while whoever saves a life is as though he had saved all of humanity (Al-Māʾidah 5:32)[18].

Objective (Maqṣid)	Affirmative Provision	Preventive Provision	Qurʾānic References
Protection of Faith (ḥifẓ al-dīn) حفظ الدين	Holiness of religious practice and sacred spaces	Legal safeguards against transgression of religious sanctity	Al-Baqarah 2:256
Protection of Life (ḥifẓ al-nafs) حفظ النفس	Healthcare, shelter, food, clothing, security	Qiṣāṣ (retaliation) and diyah (blood-money)	Al-Baqarah 2:179; Al-Māʾidah 5:32
Protection of Intellect (ḥifẓ al-ʿaql) حفظ العقل	Promotion of education & Professional Trainings	Prohibition and punishment of intoxication	Al-Māʾidah 5:90
Protection of Property (ḥifẓ al-māl) حفظ المال	Secure custody, inflation control, ribā-free investment opportunities	Sanction against theft (hand-cutting)	Al-Māʾidah 5:38
Protection of Lineage (ḥifẓ al-nasl) حفظ النسل	Cultivation of a chaste, modest society	Prescribed penalties for unlawful sexual relations	Al-Nūr 24:2

Table 1. The Five Essential Objectives, Affirmative Provision, Preventive Provision, and Qurʾānic References

17. Al-Qurʾān 2:179.
18. Al-Qurʾān 5:32.

Protection of intellect (ḥifẓ al-'aql) is confirmed by the encouragement of education and protected by the prohibition of intoxicants, the Qurʾān declaring that wine, gambling and divination are an abomination (Rijas) from the works of Satan, which must be avoided in order for believers to prosper (Al-Māʾidah 5:90)[19].

The protection of property (ḥifẓ al-māl) is affirmed through institutions such as secure custody of deposits, measures against inflation, and interest-free investment opportunities, and protected through the sanction against theft, the Qurʾān prescribing that the hand of the thief, male or female, be cut off as a recompense for what they have earned, an exemplary punishment from Almighty Allah (Al-Māʾidah 5:38)[20]. The objective "the protection of property and the wealth of the community" is associated most directly to the subject of Islamic finance, and to which the discussion returns in Sections 9 and 10.

The protection of lineage (ḥifẓ al-nasl), finally, is affirmed through the cultivation of a modest society and protected through the law's treatment of unlawful sexual relations. The Qurʾān prescribes physical punishment of 100 lashes for the unmarried offender (Al-Nūr 24:2)[21]and Sunnah prescribes about to stone till death (Rajam) for the married offender (Sahih Muslim 1691; Sahih al-Bukhari 6820). These are family-law traditions anchored in the wider objective of safeguarding lines of descent, inheritance, family system, and social stability.

Two observations follow from this textual survey. First, the essential objectives are not free-standing ethical postulates but are derived inductively from an extensive body of specific legislation, precisely as al-Ghazālī's method required. Second, the objectives interlock: the protection of property, for instance, cannot be fully

19. Al-Qurʾān 5:90.

20. Al-Qurʾān 5:38.

21. Al-Qurʾān 24:2; see also the well-known ḥadīth concerning Māʿiz ibn Mālik in the canonical ḥadīth collections.

secured without institutions such as contractual certainty and the prohibition of exploitative exchange that themselves depend on the protection of intellect (informed consent) and the broader social order protected by the remaining objectives. This interlocking character anticipates the later extension of the maqāṣid framework into explicitly economic landscape, discussed in Section 9.

Although the five essentials are typically presented as a simple, unranked list, the classical and modern literature has debated their relative priority in cases of unavoidable conflict. The predominant view places the protection of faith first, as the ultimate orientation toward which the remaining four objectives are instrumental, followed by life, intellect, lineage, and property in descending order—though some modern economists have argued that, as a practical matter, the protection of life functions as the precondition for the enjoyment of the remaining four, since neither faith, intellect, lineage, nor property can be meaningfully exercised or preserved by a person deprived of life itself.[22]

This debate over priority rarely arises as a purely theoretical question, rather it becomes practically consequential chief in the discipline of fiqh al-awlawiyyāt- فقه الاولويات (the jurisprudence of priorities), which governs how competing objectives are to be weighed against one another when a single ruling cannot simultaneously satisfy all five maqasid. The jurisprudence of priorities is a discipline of direct relevance to Islamic finance and other modern emerging disciplines of modern technologies.

5. Modern Refined Definitions of Ibn ʿĀshūr, al-Fāsī, and Kamali

The classical formulations of al-Shāṭibī, al-Āmidī, and al-Ghazālī were substantially elaborated in the twentieth century by a cohort of reformist jurists who sought to render maqāṣid al-sharīʿah an explicit

[22]. Kamali, Maqāṣid al-Sharīʿah Made Simple, 14–16, surveying the classical debate on the ordering of the ḍarūriyyāt.

and independent methodology for legal reasoning, rather than a subsidiary consideration invoked only at the margins of positive law.

Foremost among these was Muḥammad al-Ṭāhir Ibn ʿĀshūr (1879–1973), the renowned Tunisian jurist of the Zaytūna tradition, whose Maqāṣid al-Sharīʿah al-Islāmiyyah (translated into English as Treatise on Maqāṣid al-Sharīʿah) defines the general objectives of legislation as the meanings and wisdoms considered by the Lawgiver in all, or most, instances of legislation, such that their consideration is not confined to a particular type of ruling.[23] Ibn ʿĀshūr's definition is notable for explicitly distinguishing general objectives (*al-maqāṣid al-ʿāmmah*), which pervade the legal system as a whole, from specific objectives (al-maqāṣid al-khāṣṣah) attached to particular branches of law such as family law, criminal law, or commercial law, a distinction of considerable importance for a maqāṣid-based approach to Islamic finance, which properly belongs to the domain of specific economic objectives explored in Section 9.

The Moroccan scholar ʿAllāl al-Fāsī (d. 1974), in Maqāṣid al-Sharīʿah al-Islāmiyyah wa-Makārimuhā, offers a complementary definition centered on two elements: al-ghāyah (the ultimate purpose) and al-asrār (the secrets or wisdoms) that the Lawgiver places behind each ruling.[24] The former corresponds to the general and universal objectives that the Lawgiver intends to secure and multiply benefit while averting and minimizing harm, while the latter corresponds to the specific and partial objectives attached to individual rulings.

Mohammad Hashim Kamali has done more than perhaps any other contemporary scholar to popularize and systematize the maqāṣid

---

[23]. Muḥammad al-Ṭāhir Ibn ʿĀshūr, Treatise on Maqāṣid al-Sharīʿah, trans. Mohamed El-Tahir El-Mesawi (London and Washington, DC: International Institute of Islamic Thought, 2006), 183.

[24]. ʿAllāl al-Fāsī, *Maqāṣid al-Sharīʿah al-Islāmiyyah wa-Makārimuhā* (Casablanca: Maktabat al-Wiḥdah al-ʿArabiyyah, n.d.), 3.

tradition for the fields of Islamic economics and finance through writing in English for a global audience largely unfamiliar with the Arabic uṣūl al-fiqh literature. In his famous manuscript "Maqāṣid al-Sharīʿah Made Simple", Kamali synthesizes the classical and modern definitions into the comprehensive formulation already noted in Section 2. The Sharīʿah is predicated on the benefits of the individual and the community, and its laws are designed to protect these benefits and to facilitate the improvement and perfection of the conditions of human life on earth.[25] Kamali's account is significant for the present study in three respects: i) it explicitly connects maqāṣid to questions of ijtihād and legal reform; ii) it treats the classification of maqāṣid, examined in Section 7, as a live methodological tool rather than a historical curiosity; iii) it provides much of the conceptual vocabulary (higher objectives, wisdom behind rulings, public interest- masleh mursala) through which Islamic finance practitioners and regulators have come to discuss Sharīʿah compliance.

Taken together, these modern reformulations accomplish a pivotal shift, whereas the classical jurists raised maqāṣid principally as an interpretive aid internal to uṣūl al-fiqh, the modern reformers present maqāṣid as an autonomous methodology capable of guiding legislation, ijtihād, and institutional design in domains, such as modern banking, insurance, and capital markets. It is this autonomous, generative use of maqāṣid that underlies its contemporary application in Islamic finance.

6. The Significance of Maqāṣid for Jurisprudence and for the Believer

Beyond their analytical utility, the maqāṣid occupy for many classical and modern scholars an almost existential significance, both for the discipline of jurisprudence and for the individual believer's relationship to the law. Al-Shāṭibī captures this significance in a phrase that has become almost familiar within the tradition;

"والمقاصد أرواح الأعمال"

25. Kamali, Maqāṣid al-Sharīʿah Made Simple, 4.

(The the objectives are the very souls of actions.)[26]

On this view, an act performed in technical conformity with legal form but lacking of any awareness of its underlying purpose is lifeless. However, it may declare valid as a matter of positive law, but dull as a matter of ethical substance. A contract structured to avoid the appearance of ribā while replicating its economic substance exemplifies precisely this kind of soulless compliance. The act survives formal scrutiny while losing the purpose.

Ibn ʿĀshūr extends this significance to the discipline of jurisprudence as a whole, describing his own project of systematizing the maqāṣid as an effort to be a guiding light for those versed in religious learning and a reference point among them when views diverge and eras change, and a means to reducing disagreement among jurists across different regions.[27] On this account, maqāṣid serves a unifying and stabilizing function within a legal tradition otherwise inclined to division across schools, regions, and historical periods. In this case, specific rulings can change over time and place, but the underlying goals provide a shared framework to evaluate the rationality of each ruling in its context.

A further, more personal dimension of significance is articulated by Shāh Walī Allāh al-Dihlawī (d. 1176/1762) in Ḥujjat Allāh al-Bālighah:

(ومنها أن يحصل به الاطمئنان الزائد على الإيمان)

(The objectives theory increases satisfaction in belief.)

In other words, grasping the wisdom behind the law's rulings produces a certainty (iṭmiʾnān) that exceeds mere belief. Al-Dihlawī's explains by the example of the Prophet Abraham, whose request to witness the mechanics of resurrection was answered not because his

---

26. al-Shāṭibī, *al-Muwāfaqāt*, 2:344.

27. Ibn ʿĀshūr, Treatise on Maqāṣid al-Sharīʿah, 5.

faith was deficient, but so that the convergence of multiple proofs and paths of knowledge might settle his heart.[28]

وَاِذْ قَالَ اِبْرٰهٖمُ رَبِّ اَرِنِیْ كَیْفَ تُحْیِ الْمَوْتٰی ؕ قَالَ اَوَلَمْ تُؤْمِنْ ؕ قَالَ بَلٰی وَلٰكِنْ لِّیَطْمَىِٕنَّ
قَلْبِیْ ؕ قَالَ فَخُذْ اَرْبَعَةً مِّنَ الطَّیْرِ فَصُرْهُنَّ اِلَیْكَ ثُمَّ اجْعَلْ عَلٰی كُلِّ جَبَلٍ مِّنْهُنَّ جُزْءًا ثُمَّ
ادْعُهُنَّ یَاْتِیْنَكَ سَعْیًا ؕ وَاعْلَمْ اَنَّ اللّٰهَ عَزِیْزٌ حَكِیْمٌ[29]

> *(And ˹remember˺ when Abraham said, "My Lord! Show me how you give life to the dead." Allah responded, "Do you not believe?" Abraham replied, "Yes I do, but just so my heart can be reassured." Allah said, "Then bring four birds, train them to come to you, ˹then cut them into pieces,˺ and scatter them on different hilltops. Then call them back, they will fly to you in haste. And ˹so you will˺ know that Allah is Almighty, All-Wise.)*

Applied to the domain of finance, this insight suggests that an appreciation of the maqāṣid underlying the prohibition of ribā and gharar should not be a formal compliance, rather it should be oriented to genuine welfare apart from a mere technical permissibility.[30]

7. The Threefold Classification: Ḍarūriyyāt, Ḥājiyyāt, Taḥsīniyyāt

Beyond identifying the substantive content of the maqāṣid, the classical tradition was developed initially by Imām al-Ḥaramayn al-Juwaynī (d. 478/1085) and given its definitive form by al-Shāṭibī. Accordingly, all interests (maṣāliḥ) are classified into three descending tiers of importance.[31]

---

[28]. Shāh Walī Allāh al-Dihlawī, Ḥujjat Allāh al-Bālighah, chap. 14; cf. the English rendering by Marcia K. Hermansen, The Conclusive Argument from God (Leiden: Brill, 1996). 278.

[29] . Al-Qur'ān 2: 260.

[30]. Muhammad Akmal, Syed Muhammad Abdul Rehman Shah, Awais ur Rehman, and Muhammad Shehryar. "The Impact of Corporate and Shari'ah Governance on the Risk Profile of Islamic Financial Institutions." *Journal of Islamic Monetary Economics and Finance* 12, no. 2 (2026): 263-282.

[31]. Kamali, Maqāṣid al-Sharīʿah Made Simple, 17–20, summarizing al-Shāṭibī's development of al-Juwaynī's classification.

The first and most important tier is al-ḍarūriyyāt (the essentials), comprising precisely the five objectives discussed in Sections 3 and 4. These are termed essential because their absence does not merely damage social life but threatens its very deep collapse. According to al-Shāṭibī's own views a society that fails to protect these five foundations go downhill into disorder, corruption, and the loss of both religious and worldly welfare.

The second tier is al-ḥājiyyāt (complementary), which consist of what is required by the community for the smooth attainment of its interests and the proper functioning of its affairs, but whose neglect does not cause the social order to collapse outright, it merely functions less well. Ibn ʿĀshūr illustrates this tier with reference to legal concessions (rukhaṣ) structured to ease transactional hardship, their absence would not destroy society, but it would impose avoidable difficulty upon it.[32]

The third tier is al-taḥsīniyyāt (embellishments), described by Kamali as desirable refinements that seek to attain perfection in the customs and conduct of people at every level of achievement.[33] Rules of etiquette, cleanliness, and moral excellence beyond the bare minimum required by law belong to this tier. Their neglect causes neither social collapse nor significant hardship, but their observance elevates the moral and visual quality of communal life.

This three-way hierarchy performs important normative work. It supplies a principle of priority for resolving conflicts between competing interests. For instance, a ḥājī consideration conflicts with a ḍarūrī one, the essential must prevail. Similarly, a taḥsīnī consideration conflicts with either of the higher tiers. In the domain of Islamic finance, this hierarchy translates into concrete interpretive guidance, provided it does not compromise a ḍarūrī objective. An illustrative application of the

32. Ibn ʿĀshūr, Treatise on Maqāṣid al-Sharīʿah, 123.

33. Kamali, Maqāṣid al-Sharīʿah Made Simple, 20.

hierarchy can be seen in the juristic treatment of insurance-like risk mutualization (takāful). Classical jurisprudence developed no dedicated law of insurance, yet contemporary scholars have justified takāful as serving a ḥājī interest (the mitigation of otherwise harmful individual risk) provided its structure avoids the elements of gharar and ribā that would compromise the ḍarūrī protection of property. The permissibility of takāful thus rests not on a specific textual license but on a maqāṣid-based judgment that a ḥājī need may be met so long as no ḍarūrī objective is thereby sacrificed, precisely the mode of reasoning the three-way classification is designed to support.

8. Extension of the Classical Five Maqāṣid

Al-Ghazālī's fivefold inventory, though foundational, was never regarded by later scholars as a closed or exhaustive list. Ibn Taymiyyah (d. 728/1328) reformulated the underlying principle in more general terms, holding that the following principal:

إن المقصود من الشرع إما جلب المصلحة أو دفع المضرة أو مجموع الأمرين.[34]

(Intents of law giver is to secure benefits or repelling evils or both of them.)

The above principal helps to multiply benefit and to protect from harm, formulating broad enough to accommodate objectives unforeseen by earlier jurists. This openness has been explored by twentieth- and twenty-first-century scholars seeking to extend the maqāṣid framework to challenges, which were not exist in the classical period.

Muḥammad Nejatullah Siddiqi, for instance, has argued for the inclusion of environmental protection among the recognized objectives of the Sharīʿah, on the ground that ecological degradation threatens the very conditions like, life, property, and intergenerational welfare, for

[34] . al-Āmidī, *al-Iḥkām fī Uṣūl al-Aḥkām*, 3:271.

which the classical objectives were designed to safeguard.[35] Similarly, Muḥammad Umer Chapra extends the maqāṣid framework to encompass good governance, arguing that the invigoration of the human self, faith, intellect, posterity, and wealth (the ingredients of genuine human development) cannot be secured under conditions of corruption, unaccountable authority, or institutional failure.[36] As a result, single-minded pursuit of economic growth without corresponding attention to governance and equity produces social pathologies *i.e.* inequity, family breakdown, delinquency (lawbreaking), and unrest, in the long run.[37]

Ibn-e-Āshūr, however, came with the most systematic economic extensions in the classical framework of maqāṣid. Taken together, these extensions illustrate a consistent methodological principle, new objectives are not invented but are derived through a variety of juristic tools including analogy, where he generated the classical five objectives from a fresh reading of revealed texts and lived social conditions. Environmental protection, good governance, and economic development are defended as maqāṣid not because they are fashionable contemporary concerns but because they can be shown, through the same inductive method as employed by al-Ghazālī.

---

[35]. Muhammad Nejatullah Siddiqi. "Sharīʿah, Economics, and the Progress of Islamic Finance: The Role of Sharīʿah Experts." Cambridge, MA: Islamic Finance Project, Harvard Law School, 2006; Siddique, Muhammad Abubakar, and Syed Muhammad Abdul Rehman Shah. "The Concept of Combination of Contracts in Islamic Finance." *Malakand University Research Journal of Islamic Studies (MURJIS) ISSN: 2708-6577* 3, no. 02 (2021): 64-87.

[36]. Muḥammad Umer Chapra, The Islamic Vision of Development in the Light of Maqāṣid al-Sharīʿah, Occasional Papers Series 15 (Jeddah: Islamic Research and Training Institute, and London: International Institute of Islamic Thought, 2008), 1–5.; Darwis, Sarah Zettira Agam, Muh Taufiq, A. Ifayani Haanurat, and Ramly Ramly. "Shariah Governance and Maqasid al-Shariah in Islamic Banking: A Systematic Literature Review." Jurnal Ekonomi Bisnis dan Akuntansi 6, no. 2 (2026).

[37]. Chapra, Islamic Vision of Development, 6–9.

Ibn-e-Āshūr's contribution is significant enough in Islamic finance and needs to be treated in separate section 9.

9. Ibn Āshūr's Economic Objectives and the Maqāṣid of Wealth

Among Ibn ʿĀshūr's most enduring contributions to maqāṣid theory is his explicit articulation of the objectives specific to the Sharīʿah's economic provisions through the general objective of ḥifẓ al-māl. Ibn Āshūr outlines these economic objectives as the wisdom (ḥikmah) that the Sharīʿah intends across all of its economic ruling to preserve the benefits (maṣāliḥ) of society and to prevent harm to it.[38]

Four such objectives merit particular attention. The first is the circulation of wealth (dawarān al-māl), the principle that wealth ought not to stagnate in the hands of a narrow class but should circulate throughout society, generating productive activity and broadly shared prosperity. The same principle textually anchored in the Qurʾān that wealth not merely circulate among the wealthy of a community (Al-Ḥashr 59:7). The second is the promotion of transparency and accountability in economic dealings aligned with Quran and Sunnah with emphasis on honest measurement, full disclosure, and the documentation of debt obligations. The third is the protection of the economic order against dispute and instability, achieved through rules that minimize ambiguity (gharar). The fourth, closely related, is the upholding and promotion of justice in the very process of acquiring wealth, not merely in its subsequent distribution, such that illegitimate modes of acquisition (usurious lending, gambling, or fraud) are excluded at the point of transaction rather than corrected after the fact.

To these four, Ibn ʿĀshūr's have added the objective of sustainable ownership, it means property rights, once justly acquired, should be secure and stable rather than perpetually exposed to arbitrary expropriation or erosion. Further he extended the framework to

---

[38]. Ibn ʿĀshūr, Treatise on Maqāṣid al-Sharīʿah, chap. on economic objectives (al-maqāṣid al-māliyyah).

embrace economic development, poverty alleviation, and the fair distribution of wealth as legitimate maqāṣid. These additions position Ibn ʿĀshūr's economic maqāṣid exactly within the concerns of modern development economics, while retaining their grounding in the textual and juristic tradition.

The significance of this economic extension for Islamic finance can hardly be overstated. It provides criteria for evaluating financial activity that go beyond the simple binary of ḥalāl and ḥarām to ask (i) whether a given financial practice serves or undermines the circulation of wealth, (ii) whether it is conducted with adequate transparency, (iii) whether it minimizes rather than manufactures dispute and uncertainty, and (iv) whether it secures justice in acquisition rather than merely in outcome. A financing structure might avoid the technical prohibition of ribā through careful legal drafting while nonetheless failing each of these four tests; concentrating wealth, obscuring true costs, generating disputable ambiguity, or reproducing the very inequities in acquisition that the prohibition of ribā was meant to prevent. It is precisely this gap between formal compliance and substantive objective that a maqāṣid-based methodology in Islamic finance intends to deal. The same gap is dealt in Section 10 directly.

10. Application of Maqāṣid al-Sharīʿah in Contemporary Islamic Finance

Maqāṣid al-Sharīʿah have diversified applications across the contemporary emerging disciplines while facilitating modern scholars including that of Islamic finance.

10.1 Maqāṣid as an Interpretive Framework for Islamic Commercial Law

The prohibitions of ribā (interest, or more precisely any unjustified, predetermined increment in a loan or exchange contract) and gharar (excessive uncertainty or ambiguity that could lead to dispute or exploitation) constitute the two pillars of Islamic commercial law. Understood in isolation, these prohibitions might appear as arbitrary restrictions on freedom of contract; understood maqāṣid-wise, they emerge as direct implementations of Ibn ʿĀshūr's economic objectives discussed in Section 9. The prohibition of ribā protects the objective of justice in acquisition by foreclosing a mode of debt, which is actually the predetermined return on money divorced from productive risk-bearing. The Sharīʿah regards as inherently inequitable because it guarantees a gain to the party possessing capital regardless of the outcome of the underlying economic activity, while transferring the entire risk to the party in need. The prohibition of gharar protects the objectives of transparency and dispute-avoidance by requiring that the subject matter, price, and terms of a contract be sufficiently well-defined that neither party can exploit informational or contractual ambiguity to the other's damage.[39]

10.2 Maqāṣid-Based Evaluation of Islamic Financial Products

Recent scholarship reinforces this substantive approach by moving maqāṣid analysis from a largely normative aspiration toward measurable institutional assessment. Mohammed and Md Taib (2025) demonstrate that Islamic banks can appear stronger when evaluated through performance measures derived from maqāṣid al-sharīʿah rather than conventional financial indicators alone. Their evidence is important because conventional profitability and efficiency measures may capture only part of an Islamic financial institution's performance. A maqāṣid-based assessment can therefore complement, rather than simply replace, conventional financial analysis aligned with maqāṣid. This strengthens the argument that the substantive objectives of Islamic finance should be reflected in the criteria used to evaluate products and institutions.

[39]. Siddiqi, "Sharīʿah, Economics, and the Progress of Islamic Finance," 4–8; Arista, N., A. Zuliansyah, and I. Susanto. "The Impact of Green Banking Adoption, Company Size, and Good Corporate Governance on the Profitability of Islamic Commercial Banks in Indonesia." Mutanaqishah: Journal of Islamic Banking 6, no. 1 (2026): 53–67. https://doi.org/10.54045/mutanaqishah.v6i1.3499.

Recent literature also expands the application of maqāṣid into sustainability and ESG-oriented finance. Yulita (2025) finds substantial conceptual and empirical alignment between maqāṣid al-sharīʿah and environmental, social, and governance objectives, particularly in environmental stewardship, social equity, and ethical governance. Hartanto *et al*. (2025) likewise develop a sustainability framework that integrates business sharing, social-religious responsibility, environmental responsibility, and ethics and Sharīʿah principles. These developments give practical content to the paper's earlier discussion of wealth circulation, justice, transparency, and avoidance of harm, showing that contemporary maqāṣid analysis can address sustainability challenges without abandoning its classical foundations.

Conceptually, these prohibitions of ribā and gharar can be satisfied through purely formal legal engineering restructuring, despite this arrangement we find an economically identical, fixed, and predetermined return in a sequence of sale contracts, whereas the maqāṣid framework has become indispensable as a substantive check on product design. A maqāṣid-based evaluation asks not only whether a product avoids the literal terms "interest" or "uncertainty" but whether it serves the circulation of wealth, whether its costs and risks are transparently disclosed, whether it minimizes rather than manufactures the potential for dispute, and whether the resulting distribution of risk and return is genuinely more equitable than its conventional counterpart. Products that pass the formal test of Sharīʿah compliance while failing this substantive inquiry have been the subject of continuous criticism within the Islamic finance literature, precisely on maqāṣid grounds.[40]

[40]. Siddiqi, "Sharīʿah, Economics, and the Progress of Islamic Finance," 9–14, describing the gap between the vision and the reality of contemporary Islamic finance; Shah, Syed Muhammad Abdul Rehman, and Muhammad Irfan. "Prohibition of interest and initiative of Islamic banking: A historical review of Pakistan." *Al-'Ulūm Journal of Islamic Studies* 3, no. 2 (2022): 1-21.

10.3 Justice, Efficiency, and Falāḥ as Economic Outcomes

Beyond contract-level analysis, maqāṣid al-sharīʿah provide the criteria by which the aggregate performance of an Islamic economic system should be judged. Muhammad Akram Khan captures this point succinctly in observing that Islamic economic agents are expected to seek maṣlaḥah rather than utility in the conventional, purely subjective sense[41]. Therefore, agents are expected to pursue outcomes that are objectively good, as determined by the maqāṣid, rather than outcomes that merely satisfy unconstrained individual preference. On this view, the maximization of profit is not prohibited, but it is bounded. Accordingly, profit-seeking must operate within, and be reconciled with, the requirements of justice and fair dealing, such that the various economic outcomes generated by Islamic financial activity stick toward a common end (falāḥ) rather than devolving into zero-sum competition between economic agents.

This orientation toward falāḥ, rather than growth or profit alone, is endorsed by Muḥammad Nejatullah Siddiqi when he insists that genuine development is achieved only when it complies with maqāṣid al-sharīʿah. Simultaneously, this concept of falāḥ advances justice and efficiency, the twin concerns that Siddiqi identifies as common to both economics and the Sharīʿah properly understood.[42] The law of business contracts, with its foundational prohibitions of gharar and ribā, is not an external constraint imposed upon economic activity but a sound mechanism through which justice and efficiency are jointly secured.

The contracts free of exploitative ambiguity and predetermined, risk-free return are contracts, which allocate, at same time, risk and reward in a manner more likely to sustain productive investment, equitable distribution, and social trust over time.

---

[41]. Muhammad Akram Khan, An Introduction to Islamic Economics (Islamabad: International Institute of Islamic Thought and Institute of Policy Studies, 1994), 63.

[42]. Siddiqi, "Sharīʿah, Economics, and the Progress of Islamic Finance," 1–2.

10.4 Demonstrative Application to Contemporary Financing Instruments

Consider three widely used Islamic financing structures in light of the maqāṣid criteria developed above. *Muḍārabah* (profit-sharing partnership), in which one party supplies capital and another supplies labor and expertise, embodies the maqāṣid of justice in acquisition directly. We observe that return to the capital-provider is contingent on the venture's actual performance rather than fixed in advance, and loss (where not due to the manager's negligence) is borne by the capital itself rather than transferred entirely to the party without capital. In Muḍārabah, an allocation of risk that mirrors the underlying logic of proportionate, non-exploitative exchange found throughout the ḍarūriyyāt discussed in Section 4. Sukūk (Islamic investment certificates), when properly structured to represent genuine, undivided ownership in identifiable underlying assets or ventures, serve the maqāṣid of wealth circulation by channeling savings into productive real-economy activity, though critics have noted that many sukūk structures in practice incorporate purchase-undertaking mechanisms that guarantee the return of principal regardless of asset performance, thereby approximating conventional debt and undermining the very risk-sharing objective the instrument was meant to embody. Murābaḥah (cost-plus sale financing), the most widely used retail Islamic financing structure, satisfies the formal prohibition of ribā by structuring the transaction as a sale rather than a loan, yet has attracted sustained maqāṣid-based criticism precisely because, in many implementations, the financing institution's involvement in the underlying commodity trade is nominal, and the economic profile of the transaction (a fixed, predetermined return over a fixed term) differs little from that of an interest-bearing loan.[43] These three examples illustrate the analytical compliance of the

[43]. Siddiqi, "Sharīʿah, Economics, and the Progress of Islamic Finance," 10–13; Shah, SMAR, & Rashid, A. Governing Principals of Shari'ah: A Study of Islamic Business Transactions for Contemporary Practices. Al-Azhāar, Special Edition 1, no. 2 (2015): 158-170.

maqāṣid framework within a single family of nominally Sharīʿah-compliant instruments. These all contracts are different (substantively advance the objectives of justice, risk-sharing, and productive wealth circulation) from those that merely replicate conventional finance under an Islamic label.

11. Maqāṣid and Islamic Legal Methodology

The renewed prominence of maqāṣid al-sharīʿah in contemporary Islamic finance cannot be separated from a broader question of method within Islamic legal theory. As Kamali observes, several of the traditional instruments of uṣūl al-fiqh; general consensus (ijmāʿ), analogical reasoning (qiyās), and even independent legal reasoning (ijtihād), have become encumbered with conditions difficult to satisfy in the contemporary socio-political environment of Muslim-majority states, that's why sit uneasily with the pace of change confronting modern economies.[44] Reaching a genuine ijmāʿ among a globally dispersed and institutionally fragmented body of jurists isdifficult to achieve on most contemporary financial questions. Likewise, qiyas presupposes an identifiable precedent (aṣl) in the textual corpus as a presupposition that strains and entirely absent from the classical legal imagination, when applied to contemporary instruments like derivatives, complex sukūk structures, digital assets.

In this context, maqāṣid al-sharīʿah has come to be seen, in Kamali's words, as offering a ready and convenient access to the Sharīʿah. Maqāṣid methodology capable of generating rulings on novel questions of contemporary world by providing direct solution through the framework of the objectives the Sharīʿah, without requiring either consensus or analogy when for both become it become difficult for jurists to fulfill the classical defined criteria.[45] It doesn't mean that

---

[44]. Kamali, Maqāṣid al-Sharīʿah Made Simple, 28–30.

[45]. Kamali, Maqāṣid al-Sharīʿah Made Simple, 30; Rehman Shah, M. A., Rashid, A., & Khaleequzzaman, M. (2019). Determinants of financial leverage in Islamic banks. In

maqāṣid displaces the traditional sources of law rather, it operates as an interpretive lens through which those sources are read and as a supplementary source of guidance where the traditional sources are silent or ambiguous. For instance, Sharīʿah board evaluating a novel financial instrument may find no direct textual precedent or established analogy to draw upon, yet can still assess the instruments as the guidelines examined on maqāṣid about protection of wealth in Sections 9 and 10. Recall the discussed screening questions in Sections 9; does it serve the circulation of wealth, does it preserve transparency, does it avoid manufactured dispute, does it secure justice in acquisition?

The methodological significance of this shift should not be understated. It represents a move from a jurisprudence oriented primarily around the classification of individual acts as permitted or prohibited toward a jurisprudence oriented around the systemic objectives those classifications are meant to serve. Alternatively, it is a move that brings Islamic legal methodology into closer dialogue with economic and financial reasoning, which is likewise concerned with systemic outcomes rather than isolated transactions. This convergence explains why maqāṣid al-sharīʿah are removed from modern finance despite its origins in a discipline of Islamic law. After all, we may see that maqāṣid al-sharīʿah has become an indispensable reference point for regulators, Sharīʿah boards, social scientists, contemporary jurists and economists equally.

12. Critical Perspectives and Contemporary Challenges

The central challenge is not whether maqāṣid should be considered, but how it can be operationalized without reducing a multidimensional normative framework to a narrow checklist. Fahlevi, Heryanto, and Mahmudah (2026) find that improvements in financial indicators such as ROA do not necessarily translate into proportional

Islamic Finance, Risk-Sharing and Macroeconomic Stability (pp. 121-149). Cham: Springer International Publishing.

improvements in maqāṣid performance. This distinction supports the paper's criticism of relying exclusively on financial outcomes: institutional profitability may coexist with weaker performance in education, justice, or broader welfare objectives. The implication is that maqāṣid-based evaluation should distinguish financial sustainability from substantive realization of Sharīʿah objectives. Further, Hudaefi, Fahmi Ali, and Kamaruzaman Noordin (2019) meet the gap where conventional measures ignore Sharīʿah aspects and existing Islamic indices overlook financial benchmarks by developing an Integrated Maqāṣid al-Sharīʿah-Based Performance Measure (IMSPM). Applying this mixed-method yardstick to 11 global Islamic banks, they find that the sampled banks performed highest on the objective of **nafs (self)** over the three-year period. This harmonized index provides a fresh, measurable tool for stakeholders to assess both the religious and financial performance of Islamic banks.[46]

The governance dimension has also become more prominent in the 2025–2026 literature. Recent work on Shariah governance argues that a compliance-oriented model may be insufficient when Islamic financial institutions are expected to demonstrate substantive welfare, sustainability, transparency, and ethical innovation. This development strengthens the institutional concern identified above.[47] Maqāṣid reasoning requires clear governance responsibilities, transparent indicators, and credible oversight if it is to avoid becoming discretionary rhetoric. In this respect, contemporary maqāṣid governance can serve as a bridge between classical legal objectives and modern institutional accountability.

---

[46]. Hudaefi, Fahmi Ali, and Kamaruzaman Noordin. "Harmonizing and constructing an integrated maqāṣid al-Sharīʿah index for measuring the performance of Islamic banks." *ISRA International Journal of Islamic Finance* 11, no. 2 (2019): 282-302.

[47]. Akmal, Muhammad, Syed Muhammad Abdul Rehman Shah, Awais ur Rehman, and Muhammad Shehryar. "The Impact of Corporate and Shari'ah Governance on the Risk Profile of Islamic Financial Institutions." *Journal of Islamic Monetary Economics and Finance* 12, no. 2 (2026): 263-282.

The growing reliance on maqāṣid al-sharīʿah in Islamic finance has also been challenged. Critics have raised at least three distinct concerns, each bearing directly on the discipline's claim to rigor and its practical utility for an industry that must, ultimately, produce enforceable contracts and predictable regulatory outcomes.

The first concern is the inherent subjectivity of maṣlaḥah-based reasoning. Because maṣlaḥah is, by definition, a judgment about benefit and harm, and because such judgments are open to reasonable disagreement, maqāṣid-based analysis risks devolving into a vehicle for justifying whatever conclusion a particular scholar or institution already favors, dressed in the vocabulary of higher objectives.[48] A jurist inclined toward permissiveness may invoke the objective of facilitating economic need (ḥājah), while one inclined toward strictness may invoke the objective of protecting property from exploitation, both citing "maqāṣid" for opposite conclusions.

The second concern is the risk of maqāṣid being invoked to legitimize transactions that a more rigorous textual analysis would prohibit. The use of maqāṣid, in effect, as a rhetorical solvent dissolving textually clear prohibitions in the name of a supposed higher purpose. Instruments such as bayʿ al-ʿīnah (a sale-and-buyback arrangement functionally equivalent to an interest-bearing loan) have, in some jurisdictions, been defended by appeal to the maqāṣid of facilitating liquidity, but now the structure's evident tension with the textually explicit prohibition of ribā.[49]

---

[48]. See, e.g., the critical literature surveyed in Necmeddin Guney, "Maqasid al-Shari'a in Islamic Finance: A Critical Analysis of Modern Discourses" (Konya: Necmettin Erbakan University, 2024); Shah, Syed Muhammad Abdul Rehman, Rehan Tahir, Gohar Khan, and Muhammad Ali. "Interest-Based Banking Model: Historical Development and Inception of Islamic Banks." IUB Journal of Social Sciences 5, no. 2 (2023): 282-291.

[49]. Guney, "Maqasid al-Shari'a in Islamic Finance," discussing bayʿ al-ʿīnah and related unintended consequences of broadened maqāṣid reasoning.

The third concern is institutional aspect of Islamic financial industry. Contrasting the classifications of ḥalāl and ḥarām, which can in principle be codified into determinate legal rules, maqāṣid-based reasoning resists easy codification and therefore complicates the work of standard-setting bodies seeking uniformity in cross-jurisdictional Sharīʿah governance. Different Sharīʿah boards, applying the same maqāṣid vocabulary, can and do reach conflicting conclusions on the permissibility of similar structures. This conflicting environment may generate a kind of legal uncertainty, nullifying the maqāṣid of dispute-avoidance.

These challenges have prompted a growing body of scholarship devoted to operationalizing maqāṣid al-sharīʿah through formal assessment tools (so-called maqāṣid-based performance indices) (i) that attempt to score Islamic financial institutions against quantifiable proxies for the objectives discussed in Section 9. (ii) The ratio of profit-and-loss-sharing to debt-based financing as a proxy for risk-sharing and justice in acquisition. (iii) The proportion of financing directed to productive real-economy sectors as a proxy for wealth circulation, and measures of financial disclosure as a proxy for transparency.

Such indices represent a genuine advance insofar as they subject maqāṣid-based evaluation to a measure of empirical discipline, converting what might otherwise remain an impressionistic judgment into a reproducible metric. Yet they also illustrate the difficulty of fully capturing a normative concept as rich as maṣlaḥah in quantifiable terms, and the risk that institutions will optimize for the chosen proxy rather than for the underlying objective it was designed to represent. It is a familiar difficulty in the measurement of any complex social good, but one of particular consequence for an industry which claims to legitimacy, rests substantially on the credibility of its Sharīʿah-compliance metrics.

These concerns do not, in the view of this paper, undermine the maqāṣid project as such, rather, they underscore the necessity of methodological discipline in its application. Because the classical jurists insisted that maqāṣid must be derived inductively from a vast text body and not imposed on it a priori, this is the best way to prevent the concerns mentioned above. The maqāṣid-based analysis of a financial instrument is defensible only if it can demonstrate, as Ibn ʾĀshūr and al-Shāṭibī required, that the objective invoked is truly attested by the revealed law and juristic precedent in the relevant field, and not just asserted as a matter of convenience.

13. Conclusion

An additional implication emerging from recent literature is that maqāṣid should be treated as a multidimensional framework of institutional performance rather than merely as a supplementary justification for individual products by individual firms. The newer performance-measurement literature indicates the value of combining financial indicators with measures of justice, social welfare, governance, education, environmental responsibility, and ethical conduct. This extends the paper's conceptual argument by suggesting that future empirical research can test whether Islamic financial institutions that perform better financially also perform better in realizing maqāṣid. Such research would help transform the formal-versus-substantive debate from a largely theoretical discussion into an empirically testable question.

This paper has traced the doctrine of maqāṣid al-sharīʿah from its classical foundations in the work of al-Shāṭibī, al-Āmidī, and al-Ghazālī, through its systematic modern elaboration by Ibn ʿĀshūr, ʿAllāl al-Fāsī, and Mohammad Hashim Kamali, to its contemporary application in the theory and practice of Islamic finance. Accordingly, the following several conclusions emerge after reviewing maqāṣid literature analytically;

First, maqāṣid al-sharīʿah is not a modern innovation, already attached to classical Islamic law for the convenience of the contemporary finance industry. Further, maqāṣid al-sharīʿah is an internal and long-standing feature of Islamic legal methodology, presented in emergent form from the earliest period of uṣūl al-fiqh and rendered explicit by successive generations of jurists precisely because a law which is fund indifferent to its own purposes cannot reliably guide conduct in circumstances.

Second, the functional content of the maqāṣid is developed through elaboration of the five essential objectives, their three-way classification, and their extension into explicitly economic domains through the work of Ibn ʿĀshūr and his successors. This decomposition provides a coherent and textually grounded set of criteria by which financial activities (the circulation of wealth, ensuring transparency, dispute-avoidance, and justice in acquisition) can be evaluated. These criteria are neither arbitrary nor infinitely flexible, rather these are derived, as the classical method requires, from an inductive reading of the Sharīʿah's own provisions.

Third, and most significantly for the practice of Islamic finance, maqāṣid al-sharīʿah functions as an indispensable corrective to a purely formalistic conception of Sharīʿah compliance. The prohibitions of ribā and gharar are not abstract technical rules to be avoided in existing contractual engineering but needs to be equipped through maqāṣid for the sake of the deeper objectives of justice, transparency, and equitable exchange. An Islamic finance industry that internalizes this understanding (evaluating its products not merely by their formal structure but by their spirit with the objectives those structures are meant to serve) stands a better chance of realizing falāḥ, both for its individual participants and for the societies within which it operates, than one content with technical compliance alone.

The undisciplined perspectives of maqāṣid are also explored in last section. The doctrine's continued credibility, both as a matter of Islamic legal theory and as a practical tool for financial regulation, depends on its disciplined, textually grounded application, in compliance with the maqāṣid method as al-Ghazālī, al-Shāṭibī, and Ibn ʿĀshūr first established it. Future research might usefully extend this analysis through empirical study of how specific Sharīʿah boards operationalize maqāṣid-based criteria in practice, and through comparative examination of how jurisdictions with differing regulatory traditions have institutionalized or failed to institutionalize maqāṣid as a formal component of Sharīʿah governance.

Bibliography

Akmal, Muhammad, Syed Muhammad Abdul Rehman Shah, Awais ur Rehman, and Muhammad Shehryar. "The Impact of Corporate and Shari'ah Governance on the Risk Profile of Islamic Financial Institutions." Journal of Islamic Monetary Economics and Finance 12, no. 2 (2026): 263-282.

al-Āmidī, Sayf al-Dīn. al-Iḥkām fī Uṣūl al-Aḥkām. Beirut: Dār al-Kutub al-ʿIlmiyyah.

al-Dihlawī, Shāh Walī Allāh. Ḥujjat Allāh al-Bālighah. Translated by Marcia K. Hermansen as The Conclusive Argument from God. Leiden: Brill, 1996.

al-Fāsī, ʿAllāl. Maqāṣid al-Sharīʿah al-Islāmiyyah wa-Makārimuhā. Casablanca: Maktabat al-Wiḥdah al-ʿArabiyyah, n.d. Mohammed, Mustafa Omar, and Fauziah Md Taib. "Developing Islamic Banking Performance Measures Based on Maqasid al-Shari'ah Framework: Cases of 24 Selected Banks." Journal of Islamic Monetary Economics and Finance 1, no. 1 (2025): 55–78. https://doi.org/10.21098/jimf.v1i1.483.

al-Ghazālī, Abū Ḥāmid Muḥammad ibn Muḥammad al-Ṭūsī. al-Mustaṣfā. Edited by Muḥammad ʿAbd al-Salām ʿAbd al-Shāfī. Beirut: Dār al-Kutub al-ʿIlmiyyah, 1993.

al-Shāṭibī, Abū Isḥāq Ibrāhīm ibn Mūsā. al-Muwāfaqāt fī Uṣūl al-Sharīʿah. Beirut: Dār al-Kutub al-ʿIlmiyyah, n.d.

Anwar, Amelia, Is Susanto, and Heni Noviarita. "Reconstructing Sharia Corporate Governance in Islamic Financial Institutions through the Integration of Maqasid al-Shari'ah and Sustainability." Journal of Inclusive Economy and Sustainable Development (2026).

Arista, N., A. Zuliansyah, and I. Susanto. "The Impact of Green Banking Adoption, Company Size, and Good Corporate Governance on the Profitability of Islamic Commercial Banks in Indonesia." Mutanaqishah: Journal of Islamic Banking 6, no. 1 (2026): 53–67. https://doi.org/10.54045/mutanaqishah.v6i1.3499.

Chapra, Muḥammad Umer. The Islamic Vision of Development in the Light of Maqāṣid al-Sharīʿah. Occasional Papers Series 15. Jeddah:

Islamic Research and Training Institute; London: International Institute of Islamic Thought, 2008.

Darwis, Sarah Zettira Agam, Muh Taufiq, A. Ifayani Haanurat, and Ramly Ramly. "Shariah Governance and Maqasid al-Shariah in Islamic Banking: A Systematic Literature Review." Jurnal Ekonomi Bisnis dan Akuntansi 6, no. 2 (2026).

Fahlevi, Muhammad Ryan, M. Fajar Rizky Heryanto, and Nurul Mahmudah. "Financial Performance of Islamic Commercial Banks: Integrating Liquidity, Profitability, and Maqashid al-Shariah Framework." Indonesia Accounting Research Journal 13, no. 4 (2026): 343–355.

Guney, Necmeddin. "Maqasid al-Shari'a in Islamic Finance: A Critical Analysis of Modern Discourses." Konya: Necmettin Erbakan University, 2024.

Hartanto, Agus, Nachrowi Djalal Nachrowi, Palupi Lindiasari Samputra, and Nurul Huda. "Developing a Sustainability Framework for Islamic Banking: A Maqashid Shariah Quadruple Bottom Line Approach." International Journal of Islamic and Middle Eastern Finance and Management 19, no. 3 (2025): 767–802. https://doi.org/10.1108/IMEFM-02-2025-0088.

Ibn ʿĀshūr, Muḥammad al-Ṭāhir. Treatise on Maqāṣid al-Sharīʿah. Translated by Mohamed El-Tahir El-Mesawi. London and Washington, DC: International Institute of Islamic Thought, 2006.

Kamali, Mohammad Hashim. Maqāṣid al-Sharīʿah Made Simple. Occasional Papers Series 13. London: International Institute of Islamic Thought, 2008.

Khan, Muhammad Akram. An Introduction to Islamic Economics. Islamabad: International Institute of Islamic Thought and Institute of Policy Studies, 1994.

Rehman Shah, M. A., Rashid, A., & Khaleequzzaman, M. (2019). Determinants of financial leverage in Islamic banks. In Islamic Finance, Risk-Sharing and Macroeconomic Stability (pp. 121-149). Cham: Springer International Publishing.

Shah, Syed M. Abdur Rehman. “Application of Maqasid-e-Shariah in Islamic Finance.” Unpublished conference presentation, n.d.

Shah, Syed Muhammad Abdul Rehman, and Muhammad Irfan. "Prohibition of interest and initiative of Islamic banking: A historical review of Pakistan." *Al-'Ulūm Journal of Islamic Studies* 3, no. 2 (2022): 1-21.

Shah, Syed Muhammad Abdul Rehman, Rehan Tahir, Gohar Khan, and Muhammad Ali. "Interest-Based Banking Model: Historical Development and Inception of Islamic Banks." *IUB Journal of Social Sciences* 5, no. 2 (2023): 282-291.

Shah, Syed Muhammad Abdul Rehman. "Governing principals of shari'ah: A study of Islamic business transactions for contemporary practices." *Shah, SMAR, & Rashid, A.(2015). Governing Principals of Shari'ah: A Study of Islamic Business Transactions for Contemporary Practices. Al-Azhāar, Special Edition* 1, no. 2 (2015): 158-170.

Siddiqi, Muhammad Nejatullah. “Sharīʿah, Economics, and the Progress of Islamic Finance: The Role of Sharīʿah Experts.” Cambridge, MA: Islamic Finance Project, Harvard Law School, 2006.

Siddique, Muhammad Abubakar, and Syed Muhammad Abdul Rehman Shah. "The Concept of Combination of Contracts in Islamic Finance." *Malakand University Research Journal of Islamic Studies (MURJIS) ISSN: 2708-6577* 3, no. 02 (2021): 64-87.

Yulita, Nurma. “Integrating Sustainability and Maqashid Shariah in Islamic Banking: A Systematic Literature Review.” Salam (Islamic Economics Journal) 6, no. 2 (2025). https://doi.org/10.24042/sfdaaa10