



# 10<sup>th</sup> AICIF 2022

## 10<sup>th</sup> ASEAN INTERNATIONAL CONFERENCE ON ISLAMIC FINANCE 2022

The Role of Islamic Banking and Islamic Social Finance for Economic Sustainability

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### ABSTRACT BOOK

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# THEME: SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND ISLAMIC FINANCE

## BLUE SUKUK; AN ALTERNATIVE SOCIALLY RESPONSIBLE INVESTMENT FOR SUSTAINABILITY AND BLUE ECONOMICS DEVELOPMENT

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### ABSTRACT

The topic of preserving the marine ecosystem in the framework of blue economics are becoming the subject of discussion by the global leaders nowadays. The market value of marine and coastal resources is valued about USD 3 Trillion or approximately 5% of the global GDP. Moreover, 76 percent of the world's coral reef species and 37 percent of the world's coral reef fish species lives in Indonesia's ocean. The marine commodity industry directly involves a staggering 2.8 million household. Furthermore, 54 percent of Indonesia's animal protein comes from fish and seafood product. Currently, the fisheries sector contributes to USD29.6 billion or 2.6 percent of the national GDP, including the contribution for the tourism sector and environmental ecosystem. However, the financing program for this sector are still limited. Given the importance of developing and offering alternative financing investment, a new investment product which complies to the blue economics principle for sustainable development as well as shariah compliance are needed. Thus, this paper explores the potential issuance of the global blue sukuk to finance blue project and economy in Indonesia. We develop the framework and sample of sukuk structures. It is hoped that by launching the blue sukuk, it may support the SDG program for sustainable finance of blue economics program. Our framework is suitable for both sovereign and corporate blue sukuk. Furthermore, the project based blue sukuk may support to alleviate the poverty of people who live along the coast and protect them from the impact of climate change.

**Keywords:** *Blue Sukuk, Blue Economics, Sustainable Finance, Socially Responsible Investment, Climate Change*

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## ASYMMETRIC INFORMATION ISSUES IN MICRO-ENTERPRISE FINANCING OF MICROFINANCE: LESSONS FROM BAITUL MAAL WA TAMWIL (BMT) IN INDONESIA

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### ABSTRACT

Poverty has emerged as one of the most significant impediments to economic progress, particularly in emerging nations. Small and medium-sized enterprises (SMEs) are recognized as one of the best platforms for innovation, productivity, and dynamism, supporting numerous economic sectors through job creation, product development, export orientation, and national revenue growth, particularly in low-income countries. However, in many established and developing nations, SMEs face hurdles to getting external capital during the early and middle stages of their entrepreneurial life cycle. One of the major reasons for the difficulties of funding small and medium-sized businesses is that capital lenders suffer moral hazard in the face of asymmetric information. This study uses a qualitative approach through in-depth interviews with several experts and practitioners of Baitul Maal wa Tamwil (BMT) in Indonesia with the aim of exploring problems related to asymmetric information on microbusiness financing at one of the popular Islamic microfinance institutions in Indonesia, namely Baitul Maal wa Tamwil (BMT). The results of the research are expected to contribute to the scientific treasures related to the issues of micro-enterprise financing and Islamic microfinance institutions.

**Keywords:** *asymmetric information, micro-enterprise financing, microfinance, Baitul maal wa tamwil, SMEs*

THEME:  
SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND ISLAMIC FINANCE

## THE ROLE OF ISLAMIC FINANCE AND TAKAFUL IN REALIZING SUSTAINABLE DEVELOPMENT

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### ABSTRACT

Social, environmental and governance imbalances have led to various initiatives supported by the United Nations, including the Sustainable Development Goals (SDGs), which will be the global development agenda from 2015 to 2030. Due to the transformative and sustainable nature of this agenda, it is necessary to fulfill all goals and equip all possible resources. Islamic finance has the potential capacity to participate in this process due to the nature of its fundamental principles of supporting comprehensive social and development promotion activities. In this paper, the role of Islamic finance in promoting financial inclusion, reducing the risk and vulnerability of the poor, and contributing to financial development and stability will be discussed. Takaful is one of the Islamic finance tools to cover risk, and its small scale named Micro Takaful can be effective in reducing the risk and vulnerability of the poor. Due to the adaptation of Takaful products with the Maqasid of Sharia as well as its collaborative and risk-sharing nature instead of risk transfer, it can have a significant target market in both Muslim and non-Muslim countries.

**Keywords:** *Islamic Finance, Takaful, Micro Takaful, SDGs, Financial Inclusion*

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## PUBLIC-PRIVATE PARTNERSHIP THROUGH SHA'RIAH FINANCING SCHEME: OPPORTUNITIES AND CHALLENGES FOR SUSTAINABLE DEVELOPMENT

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### ABSTRACT

The infrastructure development requires significant financing and PPP (Public-Private Partnership) has been popular among development countries. However, PPP often warrants more complex financial contract between involving parties. The demand for PPP financing for infrastructure extend the need for Sha'riahh finance through syndicated financing. This paper aims to provide the opportunities and challenges of using Sha'riahh financing in the PPP infrastructure project in the developing country. The paper explicates three PPP projects in Indonesia, two railroads in Sumatra and one railway in Sulawesi. All projects are in their early stage but has been funded by the Sha'riahh contract. Using qualitative method by analyzing various documents and reports, this paper explains the current regulation and framework available to apply Sha'riahh financing in to the PPP infrastructure project. This paper argues that Sha'riahh financing is very much suitable with the sustainable concept in infrastructure development as it is against the Islamic principles to damage the environment and harm others. Thus the infrastructure development with Sha'riahh finance should also adhere to the higher ethical standard which comply with Islamic principles. However, as the practice of Sha'riahh financing in PPP is still rudimentary, there are numerous challenges to overcome as will be discussed in this paper. This paper contributes to the literature by providing example on how Sha'riahh financing can be applied to the PPP scheme which may become a benchmark for other interested parties involving in the sustainable development projects.

**Keywords:** *Public Private Partnership (PPP), PPP Financing, Sha'riah Financing, PPP Sha'riah, Infrastructure Development, Sustainable Development*

THEME:  
SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND ISLAMIC FINANCE

## A STUDY ON THE EFFECTIVENESS OF ISLAMIC MICROFINANCE TOWARDS THE POVERTY REDUCTION IN MOGADISHU, SOMALIA

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### ABSTRACT

One of the major problems confronting both underdeveloped and Muslim majority nations such as Somalia is poverty. An estimated 970 million of the world's population live below the poverty line (\$1.25). The establishment of Islamic microfinance institutions has provided hope to the poor that can now break their vicious circle of poverty and fulfil the dream of future prosperity in the Islamic way. The main objective of IsMFIs is to uplift the socio-economic status of the poor, so it is essential to evaluate their impact on the programme's participants. This research attempts to examine the effectiveness of IsMFIs toward income, health care, education and employment in poverty alleviation among the people in Mogadishu, Somalia. In total, 151 microfinance recipients participated in the survey. This research adopts a quantitative methodology. Google form survey was used as an instrument for data collection through convenience sampling technique and descriptive analysis. The study results support the wide literature belief that IsMFIs can significantly improve the participants' socio-economic status. In addition, mixed results reveal that IsMFIs positively impact household income, household healthcare, household education, and employment. Lastly, implications of the study for IsMFIs, policy regulators, and recommendations have been provided in line with the major findings. Such as a regular awareness program in collaboration with the religious organizations by the IsMFIs to promote and increase trust and a designated department to assist and guide the program participants in selecting appropriate and viable businesses as many of them are operating in very small businesses.

**Keywords:** *Poverty, Islamic Microfinance, Household Income, Household Education, Household Healthcare, Employment Rate*

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## FROM GREEN TO BLUE: A CONSIDERATION ON BLUE SUKUK FOR THE PROTECTION OF OCEAN IN THE SOUTHEAST ASIA

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### ABSTRACT

Impacted from the aspiration from Sustainable Development Goals (SDGs) as issued by the United Nations, many industries are progressively moving forwards in adapting their businesses and investments to reach such ends. While the economic sustainability is arguably possible to be achieved within the current landscape of Islamic social finance practices, the feasibility of sukuk issuances as a financing mode for project developments is undeniable. By detecting the increase of green sukuk issuances in the global financial market, it is timely to consider the application of blue sukuk for project developments, especially in relation to the protection of ocean in the Southeast Asia. This research focuses (i) to discover the pathway for having blue sukuk issuances in the Southeast Asia, (ii) to investigate the relevant international regulations which need to be considered for project developments relating to ocean; and (iii) to evaluate the sustainable development projects suitable for the protection of ocean in the region. By applying qualitative based research and doctrinal legal approaches, this research traces the latest development from a practical sense as can be observed from the current scenario. As a part of the findings, it is possible to have issuances of blue sukuk as an Islamic social finance instrument for sustainable development projects relating to the protection of ocean in the Southeast Asia. The international regulations are obviously clear on the responsibility of the countries towards protecting the area of the sea that closed to their shores. However, in order to ensure that the blue sukuk issuances for the protection of the ocean and their related sustainable development projects are viable, it is recommended for the countries in Southeast Asia to consider a stng cooperation through ASEAN.

**Keywords:** *Sustainable Development Goals, Islamic Social Finance, Blue Sukuk, Ocean, ASEAN*

THEME:  
SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND ISLAMIC FINANCE

## **SOCIAL IMPACT MEASUREMENT IN ISLAMIC FINANCIAL INSTITUTIONS: REVIEW ON SOCIAL IMPACT REPORTING OF ISLAMIC BANKS IN MALAYSIA**

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### **ABSTRACT**

The paper reviews social impact reporting of both local and foreign Islamic banks in Malaysia, for the year 2020. By developing important keywords related to social impact, this paper explores how Islamic banks measure their engagement and activities towards sustainability and social impact-related agenda. Finding shows that different banks report their social impact in one of the two manners; sustainability statement that is incorporated in annual report, or independent sustainability report. Moreover, different banks found to utilize different guidelines and standards for their sustainability reporting, depending on their agenda and variables that are material to the respective banks. For sustainability and social impact-related agenda, 14 out of 16 Islamic banks in Malaysia found to highlight the United Nations Sustainable Development Goals (UNSDG) in their sustainability report. While all local Islamic banks managed to mentioned about Value-Based Intermediation (VBI) and its importance in carrying out the sustainability agenda, only few of foreign Islamic banks in Malaysia managed to do so. For SIM mechanisms, most Islamic banks found to use storytelling approach and materiality assessment in highlighting their achievement in social impact, whilst very few banks adopt other mechanisms such as value creation model, data on sustainability and environment, as well as developing their own mechanism based on theory of change. This shows that SIM has been practiced in Islamic banks in Malaysia, mainly as indicators and guide to measure their success in achieving their agenda and roadmap towards social impact and sustainability.

**Keywords:** *social impact measurement, social impact, sustainability, Islamic banks, Islamic financial institutions*

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## **CONSTRUCTING A BUSINESS MODEL FOR ISLAMIC DIGITAL PENSION FUND: DEPTH THINK CASE STUDY FROM INTERDAP AND MALAYSIA**

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### **ABSTRACT**

The objective of this paper is to redesign the Indonesian pension fund's business model, management system, and new strategies to balance adequate profits, affordability, and sustainable programs. Consider the Malaysian pension system and adapt the INTERDAP application used by PT. Angkasa Pura II. Through this qualitative case study, we applied the foundations of the Triangle Sharia Justice Ecosystem (TSJE); Sharia, digitized the system, and supported green investment in the long run. By modeling the business strategy, facilitating the business model and supplier relationship management, and creating mutually beneficial management among stakeholders. The study found that Malaysia's pension system has an investment purpose. Indonesia, on the other hand, provides pension loans only based on previously agreed cumulative contributions. Malaysia encourages people across the country to save on severance funds. The pension system is still managed conventionally. Malaysia requires a pension contribution of 23% of the employee's base salary, while Indonesia requires only 3%. This will affect the contribution of pension funds to the GDP. Malaysia's pension fund accounts for 60% of the GDP. Besides, Indonesia is at only 6.03%. Another view is, to become a developed country, pension funds need to reach 60% of GDP by 2045. Because 42% of the total supply of funds in the infrastructure sector comes from pension funds. The practical implications of this study are access to information, security, and transparency in the management of pension funds through a digital system supervised by the Sharia Regulator (BPS) and the Indonesian government's efforts to realize that supports the green economy This study integrates the foundations of the TSJE about pension funds management. The limitation of the research study is that more detailed studies and methods are needed to analyze this study. It is expected that this TSJE system will be applied further.

**Keywords:** *Digital, Green Investment, Pension Fund, Sharia, TSJE*

**ESG PRACTICES AND FIRM RISK: EVIDENCE FROM MALAYSIA**

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**ABSTRACT**

This study examines the effect of environmental, social, and governance (ESG) practices on firm risk in Malaysia. Prior research has primarily focused on countries with more developed ESG awareness, and minimal studies have investigated the interaction between ESG and Sharia-compliant firms. Therefore, these two combined effects are mostly unknown and worth researching. This paper aims to fill this gap by assessing whether Sharia-compliant firms can obtain a more significant risk-mitigating impact for greater ESG scores for non-financial firms. This study employed a panel data analysis based on a sample of listed firms from 2008 to 2020. The primary independent variable in this study is ESG scores and their components, while the firm risk is measured using total and systematic risk.

**Keywords:** *ESG practice, Firm Risk, Shariah-compliant, Sustainability Reporting*

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**ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE: A BIBLIOMETRIC ANALYSIS**

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**ABSTRACT**

This study analyses the Environmental, Social and Governance (ESG) performance by applying a bibliometric analysis of documents published in the Scopus databases. Bibliometric study shows the patterns of the previous studies related on the topic. Total data collected from the Scopus database was 386 articles from 2017 to 2023, with the sources keywords on ESG and performance. By using Vos-viewer for bibliometric analysis, the content of articles can be observed to mapping the previous and future studies. The study mentioned that there was six cluster related to the paper's topic on ESG performance. To the best of our knowledge, there is limited analyses on the bibliometric for this focus field. This study also provided some relevant information regarding the publisher, journal and authors who are concerns on ESG performance. This study provides current trends of the research paper on ESG performance, and enable future researcher to examined the future research directions. And the key findings are about the corporate financial performance.

**Keywords:** *ESG performance, bibliometric analysis, scopus*

# THEME: TAKAFUL AND RETAKAFUL

## TAKĀFUL RISK FUND AND REPORTING: LEGALITY OR LEGITIMACY?

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### ABSTRACT

This article critically reviews the current Takāful risk fund of the selected Takāful operator's model based on Shariah principles, rulings, and requirements; and the regulatory guidelines and policy documents. In particular, the issue of mutuality, reciprocity, as well as exchange transfer and contribution within Takaful arrangement, need to be explicated given the overriding commercial concerns of Takaful fee, Mudarabah profit, and agency fee as well as windfall gain which may cause dissonance to the sanctity of the mutual cooperation and assistance promoted by Takaful. It will highlight the issue(s) of legality and legitimacy among the shareholders, takāful operators, and policyholders and present the social constructs of takāful fund based on the different takāful operating models as specified by the Takāful Operating Framework. It will also examine the consequences of takāful fund reporting practices and the implications of the adoption of relevant international financial reporting standards. Finally, this article will attempt to articulate the analytics for the social legitimacy of Takāful and propose an assessment of Takaful models proximate to the desired social legitimacy.

**Keywords:** *Takāful Operating Models, Takāful Surplus, Social Legitimacy, and Reporting Requirements*

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## IS TAKAFUL A BUSINESS ENTITY OR A CHARITY ORGANIZATION? TAKAFUL NATURE EXAMINED

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### ABSTRACT

This paper concerns an examination of the nature of the Takaful institution. Takaful emerged as an alternative to the conventional insurance industry by following the Shari'ah principles. Conventional insurance is not Shari'ah compliant because it goes against the prohibitions of Shariah on interest, uncertainty, and gambling in Islamic contracts and financial transactions. This necessitated the development of Islamic insurance, generally known as Takaful. While being considered an Islamic finance business organization, Takaful relies on the values and principles of Islamic charity. This will raise the question of whether Takaful is a charity organization or a business entity. This paper, therefore, intends to investigate Takaful's nature and the implications and consequences of the identified nature in terms of efficiency and operational outcome. The research adopts a qualitative methodology by critically analyzing Takaful..this paper suggests that Takaful is primarily a charity organization with subordinate elements of a business entity. Having said that, the current Takaful practice in both general insurance and family insurance goes hand in hand according to the established principles of business entities. This has resulted in a diminished charity nature of Takaful.

**Keywords:** *Takaful, conventional insurance, business entity, charity organization*



THEME:  
TAKAFUL AND RETAKAFUL

## SHARĪ'AH ISSUES IN THE TREATMENT OF QARḌ (QARḌ FACILITY) FOR SOLVENCY OF TAKĀFUL FUND IN A TAKĀFUL UNDERTAKING

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### ABSTRACT

Solvency of takāful fund and mechanism for providing financial support towards the solvency of the takāful funds are two important elements in formulating the solvency requirements of a takāful undertaking (TU). The supervisor may require a takāful operator to extend qarḍ and earmarked qarḍ facilities, to takāful fund in deficit or shortfall giving rise to issues regarding the measurement of qarḍ for general purpose and prudential reporting. In addition, qualitative method is applied as the paper provides a review of the nature of qarḍ (i.e. subordination) and Sharī'ah rulings from traditional and contemporary jurists' viewpoints, on the requirement to financially support the solvency of takāful funds. This study is expected to

provide useful insights to the supervisors with regard to the selection of measurement models and treatment of various funds over the interpretation and application of IFRS 17 to takāful industry, as the January 2023 implementation deadline draws nearer. Finally, the paper identifies and highlights issues that militate against the solvency and underwriting capability of the takāful fund namely, wakālah fees, profit-sharing ratios, and surplus distribution.

**Keywords:** *Solvency of takāful fund, takāful undertaking, qarḍ facility*

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## INTENTION TO PARTICIPATE IN MICRO TAKAFUL SCHEME AMONG POOR FAMILY: A CASE STUDY ON EAST JAVA PROVINCE

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### ABSTRACT

This study aims to investigate the behavioural intentions of poor families in East Java, as well as their intentions to participate in microtakaful schemes. The study developed an extended theory of planned behaviour (TPB) model and used multiple regression to analyze data received from 304 questionnaires. Responses were collected using a combination of internet surveys and traditional paper-based questionnaire distribution. The study finds that poor families in East Java have a strong need for microtakaful. It is shown that attitude, subjective norms, price, and knowledge constructs all have a positive influence on behavioural intention to participate in microtakaful. The results also revealed that the price construct was found to be the most important factor influencing the intentions toward participating in microtakaful among the poor families. Additionally, the findings on unique questions show that the majority of the included respondent who originates from a low family background has a positive behavioural intention toward microtakaful.

**Keywords:** *Microtakaful, TPB, Poor Family, Behavioural Intention*

THEME:  
TAKAFUL AND RETAKAFUL

## INTRODUCING TAKAFUL IN THE PHILIPPINES: FACTORS INFLUENCING THE WILLINGNESS TO PARTICIPATE IN THE TAKAFUL INDUSTRY AMONG MUSLIMS IN THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

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### ABSTRACT

In these times of the pandemic, the insurance industry continues to expand progressively, and many consider insuring themselves and their families through a conventional insurance. Conventional insurance is contrary to Islamic principles because of the involvement of interest, uncertainty, and gambling which is strictly prohibited in Shariah (Islamic law) making Muslim Filipinos uncomfortable participating in it. Takaful, also known as Islamic insurance, is following the Islamic rules and principles. However, the development of Islamic insurance in the Philippines, particularly in the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM), appears to be unperformed. This study aims to determine the willingness of Muslim-Filipino Income Earners in BARMM to participate in the possible introduction of the Takaful industry in the Philippines as well as to determine the factors that influence their willingness to participate in it. This is particularly timely as there had already been laws, regulations, and circulars mandating the promotion and development of Islamic banking and finance in the Philippines which makes it a great opportunity for Takaful operators to introduce the product in the country. The self-administered questionnaire had been distributed to the Muslim income earners in the different provinces of BARMM. Using Ordinal Regression with a sample of 384, results indicated that among the independent variables namely: awareness, trust, personal income, perceived usefulness, perceived risk, and social influence, only the latter showed a significant influence on the dependent variable. Nonetheless, the findings showed that 86.98% of the respondents agreed that Islamic insurance should be offered in the Philippines. In addition, 72.92% of the respondents are willing to participate in the possible introduction and operation of Takaful in the Philippines signifying that there is a great opportunity and demand for Takaful to be offered in the country.

**Keywords:** *Takaful, Islamic insurance, BARMM financing development*

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## PROPOSITION OF A TAKAFUL PRODUCT AND ITS PRICING MODEL FOR THE HIGH INFLATION ENVIRONMENT

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### ABSTRACT

Death risk coverage in family takaful is one of the important items, which is able to support vulnerable people in the society. In many takaful products, the death benefit is a fixed amount. In inflationary economies, this characteristic causes the purchasing power of death benefits to quickly erode and the expected support of the insured for the survivors is not realized in reality. In this article, the definition of death benefits in terms of an intrinsic asset (gold) has been introduced as a strategy to retain the value of death benefits. Therefore, a convenient pricing model is implemented and the effect of this change in the base of death benefit on the net premium is analyzed based on different inflationary conditions. Finally, the applications of this alternative are analyzed in terms of purchasing power changes in death benefit as well as payable premiums in comparison with a corresponding product with monetary fixed death benefit.

**Keywords:** *Takaful, high inflation economy, product design*

THEME:  
TAKAFUL AND RETAKAFUL

## IMPROVING MICROTAKAFUL OFFERING THROUGH STAKEHOLDERS' COLLABORATION: CRITICAL ANALYSIS USING SYSTEMATIC LITERATURE REVIEW

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### ABSTRACT

This study aims to identify the gap created through the inadvertent production of the various microtakaful products by the takaful industry. Although these products are direct response to the regulatory and supervisory call for expansion of financial inclusion, the issues and challenges arising from lack of harmonisation and proper coordination among takaful operators and government agencies, lack of data management of the B40 and improper product management have made it difficult for the targeted segment to participate despite the abundance of microtakaful products. This study attempts to identify the gaps and recommend future research areas to further develop the industry. A systematic literature review (SLR) approach is adopted by screening through various research papers, news excerpts, industry reports, academic journals and annual reports of various government agencies to understand the features of microtakaful products, and the types of collaboration between takaful operators and government agencies in offering microtakaful products to the B40. Key terminologies used to search include microtakaful", "Islamic microinsurance", "B40" and "underserved". Thematic analysis will subsequently be conducted to identify the similarities, patterns as well as cross references between these documents in an attempt to obtain key information that will help achieve the objective of this study. The study identifies several gaps due to the abundance of microtakaful initiatives by the takaful industry in collaboration with the government agencies are not well coordinated, leading to the B40 to be largely untapped and still underserved. The findings also uncover the various challenges faced by the microtakaful initiatives when political instability causes frequent change in public policies, specifically on the benefits allocated for the economic advancement of the B40.

**Keywords:** *micro takaful, Islamic microinsurance, B40, underserved*

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## IFRS 17 ADOPTION FOR TAKAFUL CONTRACTS: EVIDENCE FROM MUSLIM COUNTRIES

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### ABSTRACT

The global insurance industry is in the process of implementing IFRS 17 Insurance Contracts by 1<sup>st</sup> January 2023. The shariah insurance industry is in the crossroads if IFRS 17 should also be adopted for the takaful contracts. This paper explores the decisions of some selected countries in terms of whether IFRS 17 should also be applied to the takaful operators, or whether they consider to choose the alternatives: adopting Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards or creating their own accounting standard. Using sources from various reliable reports and interviews with national standard setters, this study finds that many muslim countries sampled in this study have decided to adopt IFRS 17 also for takaful contracts. However, the largest muslim country in the world, Indonesia, has decided to adopt IFRS 17 by 2025 with the exclusion of Takaful Contracts in the scope. Malaysia has been the first country to adopt IFRS 17 for Takaful Contracts when she made decision to do so in 2020. AAOIFI amendments to their takaful standards maybe futile as they are issued very late in the global timeline of IFRS 17. This paper contributes to the literature of the debate of application of IFRS to the shariah transactions.

**Keywords:** *IFRS 17, Takaful Contracts, Insurance Contracts, Accounting Standards*

THEME:  
TAKAFUL AND RETAKAFUL

## IDENTIFYING AND RANKING FACTORS AFFECTING THE DEMAND FOR TAKAFUL INSURANCE IN IRAN

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### ABSTRACT

In recent decades, the Islamic financial services industry has grown significantly. With the increasing development of the Islamic financial system, takaful products have also experienced extensive growth and changes. In order to further promote this type of insurance, it is important to identify the key factors on demand and also evaluate their importance. In Iran's insurance industry, no takaful product has been offered yet, and insurers have recently entered this field. Therefore, the results of this research can be useful for policymakers and takaful operators in formulating appropriate strategies to increase demand for takaful insurance. In this regard, in this research, the general aspects of takaful insurance are first explained. Then, the indicators affecting demand were identified using library studies and a review of written documents, and these indicators were categorized into four economic, social, and demographic sectors, marketing and sales, as well as product characteristics. After that, using a field study and distributing a questionnaire among the experts in the research field, the level of importance of the indicators was analyzed relative to each other and the indicators were ranked according to their importance.

**Keywords:** *Takaful insurance, insurance demand, ranking*

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## THE ROLE OF TAKAFUL AND RETAKAFUL IMPLEMENTATION IN THE SUSTAINABLE DEVELOPMENT OF ISLAMIC COUNTRIES

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### ABSTRACT

Considering the growth rate of Takaful in western markets and the ever-increasing expansion of products offered in the form of Takaful in Islamic countries, it is necessary to form Retakaful at the international level and pay attention to the role of this type of process in the development and improvement of business and its effects on economic development, and also at a higher level, the improvement of economic, social, cultural and political relations among Islamic countries shows the need to address this issue even more. The purpose of this research is to investigate the effects of Takaful implementation in promoting the sustainable development of Islamic countries. The current research has been conducted using a mixed method; in the qualitative part, using the Grounded theory method and the paradigm model, the initial model has been obtained, and then in the quantitative part, the resulting model has been examined. Since Takaful and Retakaful play a significant role in Islamic financing, covering the risks of non-believers within the framework of Islamic Sharia and investment based on Islamic contracts and in accordance with Sharia and taking advantage of the partnership structure in the form of cooperation and using donations to The title of godly and halal financial resources is in the form of a model such as an endowment and proxy. In this research, while counting the differences resulting from the implementation of this model with conventional insurance, the role of these worin on the sustainable development of Islamic countries has been explained.

**Keywords:** *Takaful, Retakaful, Sustainable Development, Economic Growth, Insurance Penetration Rate*

THEME:  
TAKAFUL AND RETAKAFUL

## THE EFFECT OF INSTITUTIONAL THEORY TOWARDS SHARIAH AUDIT PRACTICE IN MALAYSIAN TAKAFUL INDUSTRY

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### ABSTRACT

Ineffective governance practice in any Islamic Financial Institutions will lead to the possibility of facing shariah risk and incident of shariah risk in their activities and operation. Shariah audit function is one of the components of governance that play a role in ensuring Islamic Financial Institutions to have a sound and effective internal control system of shariah compliance. This study aims to examine the effect of institutional theory towards shariah audit practice in Malaysian Takaful industry. For this study, Institutional theory describes how the social environment shapes organizational structures and processes. Semi-structured interviews was conducted with the auditors who involved in the shariah audit to get in depth understanding on the process of shariah audit. Data were analysed by using thematic analysis. In line with Shariah audit practice, an organization's commitment to effective Shariah compliance could lead from isomorphism due to environmental pressures. The finding discovers that there are impact of coercive isomorphism, mimetic isomorphism and normative isomorphism towards the current Shariah audit practice. Therefore, the results may be used to find the expectations from the practitioners on enhancing the current practice of shariah audit.

**Keywords:** shariah audit, Takaful, institutional theory, shariah non-compliance risk, shariah governance

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## EXPLORATORY STUDY ON ORPHANED SURPLUS IN THE TAKAFUL INDUSTRY

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### ABSTRACT

Surplus sharing is among the salient feature of Takaful products currently being offered in the market. It can be defined as the sharing of surplus between Participants that have been contributing to the pool of fund; Participants Risk Fund (PRF). The surplus arises may also be shared by the Participants and the Takaful Operator based on the terms and conditions stipulated in the Takaful certificate. This research sought to understand orphaned surplus and to what extent does it differ from the 'conventional' surplus in the Takaful industry. Another primary focus of the research was to discover how the orphaned surplus originated or created. The research also highlighted the dissimilarities between orphaned surplus in Takaful and orphan estate in conventional insurance. The research also found out that the orphaned surplus may be evident in a profit-sharing (*Mudharabah*) contract and may not be evident in a gratuitous (*Tabarru'*) contract. This is primarily due to the inherent nature of the *Tabarru'* contract itself. There have been countless literatures or studies pertaining surplus sharing in Takaful of which the similarities between them are that they refer to the same kind of surplus that can be distributed or shared among the participants/certificate holders. Lack of studies on the subject matter are among the challenges of the research. The studies found out that orphaned surplus is not interchangeable or equivalent to the surplus arises from the PRF though there might be some resemblance between them. To cater for this research, the research engaged with Takaful Operators in Malaysia, specifically the Operators with *Mudharabah*-based contract in their portfolio. The research also sought the opinions from the Shariah Departments, several members of the Shariah Committees and Islamic Finance experts on the subject matter. However, the research is confined to the Takaful industry in Malaysia and may not be fully applicable to the Takaful Operators in foreign countries. The research suggests that there are need to ensure that the orphaned surplus in the Takaful industry is well-managed and for the regulator to publish guidelines on the treatment of the orphaned surplus.

**Keywords:** takaful, orphaned surplus, Islamic insurance, surplus sharing, ta'awun

## ANALYSIS OF ACCEPTANCE LEVEL OF TAKAFUL PRODUCTS IN IRAN

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### ABSTRACT

Takaful is a type of Islamic insurance wherein members contribute money into a pool system to guarantee each other against loss or damage. Even though the entire population of Iran is made up of Muslims, the takaful product has not been offered by Iran's insurance industry so far. Therefore, considering the entry of Iranian insurers into this field to develop these products in Iran, it is necessary to check the customer's acceptance rate of takaful products in Iran. Indeed, with the greater number of insurers in this country, the awareness of takaful products is still low among the citizens. The main objective of this study is to determine and analyze the factors of consumers' acceptance of takaful (Islamic insurance) in Iran. To evaluate the level of awareness or acceptance of takaful insurance and its main principles, we need to identify the factors influencing the Iranian people in their choice to choose takaful over conventional insurance. Some of the factors considered to have an influence on the acceptance of takaful products in Iran are as follows: demographic variables (such as age, gender, marital status, religion, income, education, occupation, period of having traditional insurance, province or locality), macroeconomic variables (such as inflation rate, stock market index, gold market index, ...), price, services quality, shariah view, marketing and advertisement variables and product characteristics. To examine the acceptance and awareness of takaful in Iran, the researchers employed a qualitative research approach and the questionnaires were distributed to customers because the purpose of this study was to measure the individual reasons for the community using takaful products. Based on the research's results, Iranian insurers can show a positive or good image to their consumers by producing a good product that will give a good experience to them.

**Keywords:** *Takaful Insurance, Acceptance Rate, Insurance Industry*

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## TRAVEL RISK MITIGATION ON TOURISM INDUSTRY: A SYSTEMATIC REVIEW AND FUTURE DIRECTION

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### ABSTRACT

**Purpose:** This study aims to explore systematically the travel risk in tourism industry from previous studies and examining the risk mitigation taken based on Risk Perception Theories. **Methodology:** The data obtained in this study were generated from previous literature on travel risk field based on 57 articles published between years 2011 – 2021. The articles were located by searching keywords string in the Scopus and Web of Sciences databases. The authors review and identify the gap of the literature, thus develop a comprehensive conceptual model for travel risk mitigation on the subject of study. **Finding:** The result highlighted that there were a trend to discuss on the travel risk in tourism, as travel risk were mainly referred as personal risk in the previous literature. However, very scarce study has proposed a proper risk mitigation. **Implication:** The review taken in this paper will resolve the literature gaps in the area of risk mitigation of travel risk in tourism. Hence, bring a conceptual model for travel risk mitigation. **Originality/ Value:** This paper is original in term of highlighting travel risk mitigation in tourism industry, which are limited on previous study. This paper also disclose a gap of studies that can be explored by future studies theoretically and practically.

**Keywords:** *Systematic Literature Review, Risk Perception Theories, Travel Risk, Risk Management, Tourism*

THEME:  
TAKAFUL AND RETAKAFUL

## THE NEED FOR TAKAFUL PROTECTION FOR SENIOR CITIZENS: THE ANALYSIS IN MALAYSIA

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### ABSTRACT

Aging population refers to a shift in the distribution of a country's population toward older ages, which is typically reflected in a rise in the population's mean and median ages, which indicate a decrease in the percentage of children and an increase in the percentage of elderly people. Malaysia is seeing a significant increase in the number of older people. In less than two decades, there will be three elderly Malaysians for every twenty Malaysians. Based on statistics, the proportion of people 65 and older (older people) in Malaysia rose from 7.0 in 2021 to 7.3 percent by 2022. According to the UN's definition, Malaysia has an aging population. Additionally, the median age increased from 30.1 to 30.4 years from 2021 to 2022. The impact of aging on infrastructure, housing, income, and economic growth is not just about the size of the elderly population; it also includes their welfare, health, care, and living conditions. For that, a thorough preparation process needs to be done by various parties to deal with the situation. Funding is one of the biggest obstacles the government faces in providing comprehensive protection for the elderly. Even though the government spent a lot of money providing these programs, it was not enough. Therefore, another source of funding assistance is required to support these programs. Since the beginning of Islamic civilization, the Islamic treasury has held takaful, a type of financial instrument. It has made a sizable contribution to the local and global economies. One of the top nations recognized as a hub for Islamic finance innovation in terms of both products and best practices, such as takaful, is Malaysia. Since its introduction in Malaysia, the takaful market has indeed experienced remarkable growth, and it is anticipated that this growth will continue in the years to come. The questions are, however, whether there are enough takaful products available for the elderly. And how specifically can takaful support serve as a tool in assisting in carrying out the duties in confronting the difficulties that come with dealing with the challenges of an aging population? The first objective of this study is to assess the products that are offered to the elderly in Malaysia. The second is to analyze the takaful's potential and capacity to function as a tool that helps fulfill the obligations to protect the elderly.

**Keywords:** *Takaful, elderly, ageing population, protection, funding assistance*

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## TAKAFUL PLAN FOR E-HAILING: A COMPARISON BETWEEN THE AVAILABLE PRIVATE MOTOR TAKAFUL IN MALAYSIA

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### ABSTRACT

The era of digitalization and technology brings tremendous changes in most industries including E-hailing services. E-hailing services receive a lot of attention as it helps people to commute from one place to another comfortably, with more flexibility, convenience, less costly, and quicker compared to traditional public transport. E-hailing offers public transportation services through an electronic application. E-hailing drivers eventually expose themselves to higher motor-related risks such as road accidents, attacks by robberies, threats, or even hijacking. Hence, each e-hailing driver is urged to have an adequate takaful plan to be protected from any unfortunate events. Looking at the need to have a takaful plan for e-hailing service, this paper aims to compare functional private motor vehicle takaful plans offered by existing takaful operators and suggests improvements on it. Comparative analysis was made to see any similarities and differences between the available private motor takaful in the market. The researcher believes this study enables e-hailing drivers to have wider options and sufficient coverage offered by takaful operators while driving and the results of the present research add value to the existing knowledge base.

**Keywords:** *E-hailing services, takaful, general takaful, motor vehicle, private car*

THEME:  
TAKAFUL AND RETAKAFUL

## THE DIZYGOTIC TWINS IN INSURANCE: SIMILARITY BETWEEN TAKAFUL AND P2P INSURANCE AND THEIR PRACTICAL IMPLICATIONS

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### ABSTRACT

This paper first explores the theoretical similarity between Takaful (Islamic insurance) and P2P insurance, and then, given the similarity, it investigates practical lessons and challenges for one of the insurance products from the viewpoint of the other, respectively. P2P insurance, which has become more popular than before in the context of increasing trend of fintech (financial services enhanced by high used of information technology), stands for insurance transactions composed of a group of people of a common attribute, such as friends, a bunch of people collected through a social networking service, and those people who drive cars of the same brand. P2P literally means Peer-to-Peer, which actually stands for networking of insurance participants among themselves, which is enabled by widespread penetration of computers and smartphones. Takaful product was originally structured in 1979 in search of realizing a Shariah-compliant insurance equivalent, as insurance itself contains prohibited elements in Shariah, such as *riba*, *gharar* and *mysir*. One of the most outstanding features of Takaful is that customers of the insurance are considered as “participants” of the scheme, unlike “the insured” in conventional insurance. Participants in the Takaful scheme are regarded as helping each other, which is the root of the word. Here we can find the similarity between the two insurance products. Each product is designed for “participants” that are the members of each insurance product. Although the timing and intention of origination of these products is completely different, so is the existence of Shariah screening process, the fact of designing an insurance product for the mutual sake within one group is the same. Hence, there are several lessons to be gained from one for the sake of the other, which are explored and examined in this paper. In this context, one failure case of P2P insurance took place recently in Japan. In this regard, the company should have learned essential aims of doing business from Takaful products based on its similarity to Takaful, while the Takaful industry can learn from this failure for more fundamental growth of the industry, as well as introduction of information technology for better service of Takaful-tech.

**Keywords:** *Takaful, Takaful-tech, P2P Insurance, Islamic Finance*

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## FACTORS INFLUENCING BEHAVIOURAL INTENTION TO PARTICIPATE IN FAMILY TAKAFUL IN MALAYSIA: AN EXTENSION OF UTAUT2 THEORY

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### ABSTRACT

This paper aims to investigate the critical success factors that affect behavioral intention to participate in family takaful in Malaysia using the extended Unified Theory of Acceptance and the Use of Technology Model (UTAUT2). This study examines the direct relationship between performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, and habits toward behavioral intention to participate in family takaful in Malaysia. Moreover, the study explores the indirect relationship between behavioral intention and trust. This research uses quantitative methods. The data were collected from 384 respondents using a convenience sampling technique. The relationship among the variables is assessed using partial least squares structural equation modeling for hypothesis testing. The results suggest that performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, and habit are strong predictors of behavioural intention to participate in family takaful in Malaysia. Moreover, trust mediated the relationship between behavioural intention and participation in family takaful in Malaysia. This study provides an extended UTAUT2 model that has never been tested in the context of family takaful. The study contributes to the field of consumer behaviour and marketing of Islamic financial products.

**Keywords:** *family takaful, behavioural intention, UTAUT2 model, trust, Islamic financial products*



THEME:  
TAKAFUL AND RETAKAFUL

## THE ENFORCEMENT OF FINANCIAL OMBUDSMAN SCHEME (FOS) TO MALAYSIAN TAKAFUL AND INSURANCE SECTORS: AN ANALYSIS OF ALTERNATIVE DISPUTE RESOLUTION (ADR) FROM A PERIOD OF 2013 TO 2021

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### ABSTRACT

The introduction of the Islamic Financial Services Act 2013 or IFSA into the Malaysian legislative landscape has shaped the Islamic financial services industry (IFSI) tremendously. Focusing on providing effective dispute settlement and financial protection towards the customers, IFSA creatively formulates the financial ombudsman scheme (FOS) which is effectively enforceable towards banking and insurance sectors. Without any exception, FOS is equivalently applicable towards Islamic banking and Takaful sectors in the country. Reaching towards FOS's first decade of establishment, this research stands (i) to evaluate the application of FOS, specifically on the use of alternative dispute resolution in Takaful and insurance sectors from a period between 2013 to 2021. This is done by following the latest reports from the one and only Ombudsman for Financial Services (OFS) of Malaysia. This research also (ii) examines approaches of dispute settlement of selected cases which were taken by OFS. By appreciating the advantages of qualitative approaches, the researchers depend on doctrinal legal analysis, arm-chaired research strategies, and observational investigation from the identified trends in the IFSI. As a part of findings, it is found that there is a steady increase of cases which were referred to OFS. Types of complaints may be varied. During the period of COVID-19 lockdown which is between 2020 to 2021, there is an increase of complaints from the customers relating to scams. This is happened due to the change in the engagement and communication between the customers and their Takaful and insurance operators.

**Keywords:** *Takaful, Alternative Dispute Resolution, Financial Ombudsman Scheme, Malaysia*

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## THE APPLICABILITY OF THE INSURABLE INTEREST ON THE TAKAFUL INTEREST FROM THE SHARIAH PERSPECTIVE

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### ABSTRACT

As the core of Takaful, Tabarru' concept signifies that the Takaful participants mutually agree to guarantee each other from any form of risks acceptable by Shariah by a commitment to contribute. On that basis, Shariah Advisory Council ("SAC) has resolved that the concept of insurable interest can be applied in Takaful and it does not contradict Shariah principle. Paragraphs in Schedule 8 of Financial Services Act 2013 ("FSA 2013") and Islamic Financial Services Act 2013 (IFSA), provides that a person shall be deemed to have an insurable interest in the life of another person if the other person is in the following four categories, namely, (i) his spouse or child, (ii) his ward under the age of majority at the time the insurance is effected, (iii) his employee, (iv) a person on whom he is wholly or partly dependent for maintenance or education at the time the insurance is effected. The present paper will critically examine the position of those individuals with insurable interest in FSA 2013, particularly by referring to several decided Malaysian cases law to study the legal definition and standings of each category in the eyes of the law. Further, this present paper also will vitally analyze such positions of the persons with permissible takaful interest from the Shariah perspective. The finding of this study could serve as a call for policymakers, regulators, or even Islamic authority bodies to deduce clear parameters on the permissible extent of the takaful interest based on the Shariah position of each category of individuals.

**Keywords:** *Insurable interest, permissible takaful interest, IFSA, Shariah perspective, definition*

THEME:  
TAKAFUL AND RETAKAFUL

## **TAKAFUL ON COVID-19 COVERAGE: CASE STUDY OF MALAYSIAN'S GENERAL TAKAFUL OPERATOR**

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### **ABSTRACT**

COVID-19 has been declared as a pandemic by the World Health Organization since the year 2020 and has become a global issue in the health and economic sectors. The pandemic has affected millions of people worldwide by reducing health rates and financial well-being. This has also led to mental health problems. This research aims to observe and compare the COVID-19 coverages offered by general takaful operators in Malaysia. This research adopts a qualitative approach where secondary data is collected through the websites and documentation of the sample of three (3) general takaful operators. Later, a comparative analysis is conducted to compare the COVID-19 coverage offered by the operators. The analysis found that various coverages of COVID-19 have been offered by general takaful operators. The general takaful operator that has offered more initiatives to help COVID-19 victims was Etiqa General Takaful Berhad in TripCare 360 Takaful (6 coverages), followed by Zurich General Takaful Malaysia Berhad in Z-CoVac Protect Takaful (2 coverages). The coverage varied from medical expenses to COVID-19 post-vaccination inconvenience or death. The findings from this research reveal that each operator has put effort into giving the best COVID-19 coverage for their customers. This research is significant to the academic literature as well as industry players in their effort to provide the best coverage against the pandemic through product innovation in order to fulfil society's needs and remain reliable in the industry.

**Keywords:** Covid19, General Takaful, coverages, Takaful operators, Malaysia

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## **AN EXPLORATORY STUDY OF ABSOLUTE ASSIGNMENT IN MALAYSIA TAKAFUL INDUSTRY: BETWEEN A TRADE PRACTICE, A FEE-BASED SERVICE AND A SOCIALLY RESPONSIBLE VALUE-BASED INTERMEDIATION**

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### **ABSTRACT**

Schedule 10 of Islamic Financial Services Act 2013 (IFSA 2013) provides four (4) instances in which Takaful benefits are to be distributed upon the death of Takaful participant, namely to the nominated executor who is entrusted to distribute the benefits according to the participant's wish; or beneficiary under conditional hibah; or pledgee; or assignee. Para 7 clearly states that the claim of pledgee or the assignee shall have priority over the claim of the nominee. Consequently, absolute assignment has been actively provided by certain Trust Companies that are engaged by their customers directly or through selected Takaful Operators to manage their properties which may include Takaful benefits. Absolute assignment will give the Trust Companies an absolute right to the ownership of the Takaful policy and benefits, surpassing over that of the participant's as well as nominee's. This practice raises such issues as conflicting legal rights between the original Takaful participant and the newly assigned Trust Company over the Takaful policy, legality of the contract and possible conflict to the objective of Takaful. The study aims at exploring the extent of practice of absolute in the Takaful industry; its implication to the Takaful participants and operators; potential Shariah and legal issues surrounding such practice. In order to study the emerging insights of absolute assignment practice, this exploratory research is carried out to fill in the gap in knowledge, confirm the research-able area; guide to suitable methods of data collection and sampling strategies aiming at producing valid as reliable data to prove the research hypotheses. The study found that, absolute assignment does have direct implication to the Takaful contract and benefits that is essentially brought to the attention of the industry practitioners. The findings shall serve as a material reference for efficient distribution of Takaful benefits and transparent management of claims. It is timely for the Takaful operators in particular to reflect their motivation to the practice of absolute assignment, whether as a mere industry trade practice, or for a fee-based motive or otherwise that do not reflect a socially responsible value-based intermediation.

**Keywords:** Takaful, assignment, hibah, takaful benefit, claim

# THEME: ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

## THE IMPLEMENTATION OF MAQASHID SHARIA TO OVERCOME HIGH INCOME INEQUALITY AND TO ACHIEVE ENVIRONMENTAL SUSTAINABILITY

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### ABSTRACT

Theoretical and empirical research often points to a positive relationship between income inequality and environmental degradation. However, attempts to conceptualize the implementation of Maqasid Shariah on high income inequality and environmental degradation are rare in the existing literature. The aim of this paper is to present a conceptual framework to aid understanding and explaining the application of Maqasid Shariah to offer solution for countries with high income inequality and maintain environmental quality. The study is qualitative in nature and adopts methods of library research and critical content analysis. The research is conducted through two stages. Firstly, an introduction indicates how countries with high income inequality rates and environmental devastation require solutions. The study view that the potential role of Maqasid Shariah can resolve such state of affairs to achieve Islamic sustainable development. Secondly, a review of literature shows how Maqasid Shariah is able to assure sustainable development and welfare throughout the Islamic civilizational era. It points to the need to study such legacy and identify how it can solve contemporary problems of income inequality and environmental destruction. Review of income inequality and environmental degradation studies indicates how serious these problems are for future development. The results and analysis provide solution to overcome high income inequality and achieve environmental sustainability through Shariah objective. Through zakat distribution, Islamic finance, cash waqf and infaq, countries who suffer of high income inequality and environmental degradation could reduce income gaps between the poor and the rich. Jointly, environmental sustainability can be achieved though green waqf or forest waqf and green investment in Islamic way.

**Keywords:** *Environmental Sustainability, Islam, and income inequality*

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## ISLAMIC FINANCE AND SUSTAINABLE DEVELOPMENT GOALS IN AFGHANISTAN

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### ABSTRACT

Achieving sustainable development goals through Islamic Finance (IF) is a need of the time in Afghanistan. The purpose of this study is to investigate the connection between IF objectives with United Nations Sustainable Development Goals (UNSDGs), and to suggest market-based solutions to sustainable development challenges faced by the country. Using a predictive analysis, this study analyzed the historical data of IF in Afghanistan from - and measured these results against a contemporary IF study towards the sustainability of social finance and economic growth. The inherent overlap between IF and SDGs play a significant role in facilitating the engagement of the private sector, governments, and key stakeholders operating in the Islamic finance sector within Afghanistan. The study also examine the correlation between IF and UNSDGs. Further studies are needed to establish fundamental relationships and develop practical solutions.

**Keywords:** *Islamic Finance, Sustainable Development Goals, IFIs, Infrastructure Development, UNDP*

THEME:  
ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

## **CORPORATE OWNERSHIP STRUCTURE OF CORPORATION IN SUPPORTING SUSTAINABILITY DEVELOPMENT: THE SHARIAH PERSPECTIVE**

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### **ABSTRACT**

This study examines dispute resolution used by microfinance institutions in Madura, because each region has its own characteristics in dispute resolution, including in sharia disputes. This character exemplifies society's proclivity to act. As a result, this study was carried out to examine the proclivity of microfinance institutions to resolve disputes, where this proclivity is based on public trust. This study was carried out using qualitative methods, including direct interviews with informants, online interviews, and offline interviews. Thus, the study discovered that dispute resolution in Islamic microfinance institutions in Madura tended to use the role of Kyai as a mediator, who were thought capable of providing a middle ground for their problems, as opposed to using a mediator mandated by a Supreme Court Regulation (PMA).

**Keywords:** *Dispute, Sharia Micro Finance Institution, Madura*

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## **RISK-RETURN TRADE-OFF ON LQ45 STOCKS. EMPIRICAL ANALYSIS ON INDONESIA STOCK EXCHANGE**

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### **ABSTRACT**

The objective of this study is to analyze the stock risk-return trade off on LQ45 stocks in the Indonesia Stock Exchange (IDX) from 2016 up to 2020. The study provides strong evidence that the risk-return trade off holds for the LQ45 stocks and supports the CAPM on the positive linear relationship between systematic risk and stock return. We argue that it is also important to have a good sample stock that meet the criteria of high trading liquidity as this is essential to explain stock risk-return behavior. Stock risk-return behavior can be distorted due to low trading liquidity causing the risk-return trade off not to hold. This study offers insight on how investors should structure their portfolio considering the market risk and the systematic risk of the stocks.

**Keywords:** *Risk, Stock return, LQ45, Indonesia*

## CHALLENGES AND FUTURE OF HALAL TOURISM

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### ABSTRACT

Tourism is a societal, cultural and commercial phenomenon which involves the movement of people to nation states or places outside their common environment for personal or professional purposes. Tourism is one of the business segments which is presently growing very fast all over the world and is one of the new phenomena that has emerged in the halal industry. Halal tourism, a term widely used as a synonym for Muslim travel, refers to foods, vacation, recreation and social purposes that fulfill sharih requirements. This work intends to highlight the challenges that could lessening the growth of halal tourism which may affect negatively the future of halal tourism. Information was collected through previous published scientific works as well as scientific publications related to the subject. Even though numerous international halal tourism providers guarantee their clients that they are providing a comprehensive halal product(s), yet this is not true as several halal tourism providers do not completely encounter the necessities of halal concept. Findings from several research reported that one of the main challenges of halal tourism in general and service providers in particular is lacking of harmonised halal tourism standard or guidelines which can help them to design and activate their policies and services for the satisfactory of Muslim tourists. Furthermore, due to the variance between the demands of non-Muslim and Muslim tourists, the non-Muslim tourists may decide not to travel to a certain destination in the absence of particular attributes. Additionally, it is important that personnel training as well as sources need to be adapted to halal tourism products and services. Also, political environment and economic stability is one of the main challenges that may impact negatively on the halal tourism growth and development. Except the time of the global health crisis of Covid-19, tourism industry is progressively competitive. Therefore, innovation is one of the success features in this enormous market. One of the best practices to make destination Muslim friendly is Muslim friendly applications. Travel agents could target Muslim travellers by conducting halal trips to Muslim tourists; availability of halal food, visits to mosques and Muslim trip guides.

**Keywords:** *Halal Guidelines, Innovation, Muslim Friendly Application, Political Stability*

# THEME: ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

## EVALUATION ON THE PRACTICE OF IJARAH FOR VEHICLE FINANCING AND ITS REGULATION IN ISLAMIC FINANCIAL INSTITUTIONS IN SRI LANKA

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### ABSTRACT

The growth of the Islamic banking system has been enhanced by the introduction of Islamic financial innovations. Ijārah is one of the Islamic financial instruments used by Islamic financial institutions to finance a variety of assets, including consumer products, commercial property, residential real estate, and vehicles. In Sri Lanka, it is predominantly used for vehicle financing and its total share is 21% of overall financing. Of 29 Islamic financial institutions, about 13 offer Ijārah facilities for vehicle financing. Since the demand for Ijarah is high among individual and corporate customers, it has grown in popularity in the Islamic financial industry. Notwithstanding its long presence and popularity, the current practices of Ijārah for vehicle financing in Sri Lanka have been the subject of an intense debate among Shariah scholars and the customers. Therefore, this study aims to examine the current practice of Ijārah for vehicle financing and its regulation from a practitioner perspective. Three leading institutions have been selected as case studies from three types of financial institutions, namely Islamic banks, Islamic windows and leasing companies. Since this paper is exploratory in nature, the qualitative method of study is used. The primary and secondary data were gathered through interviews, annual reports, and magazines, as well as from recent publications. The study reveals the application of Ijārah for vehicle financing remains relatively undeveloped, and efforts should be strengthened to provide a better and more legitimate structured application of Ijārah for vehicle financing in Islamic financial institutions in Sri Lanka.

**Keywords:** *Ijārah for vehicle financing, Practice, Sharīah compliance, Islamic banking and financing, Sri Lanka*

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## AN EVALUATION OF CASH WAQF MANAGEMENT IN ISLAMIC BANKS IN BANGLADESH

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### ABSTRACT

Cash waqf, derived from Waqf- an old and traditional way of charity or philanthropic works as promulgated by Islamic law and the Islamic way of life, has attracted Islamic Financial Institutions especially Islamic banks to increase their deposits as well as to do philanthropy through banking systems. Islamic Banks in Bangladesh maintain such mudaraba cash waqf deposits accounts. This paper aims at the justification and outcomes of maintaining such accounts in Islamic Banks in Bangladesh. Data will be collected and analyzed from secondary sources like earlier literature, laws, and principles. Annual reports of the related Islamic Banks and other Waqf fund management-related reports will also be examined for this study. The findings of the study will further popularize cash waqf, and help contribute much more to the socio-economic development of Corona-affected segments of Bangladesh.

**Keywords:** *Cash Waqf, Mudaraba, Corona-affected, justification, outcomes*

THEME:

ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

## REGULATORY ISSUES, CHALLENGES, AND PROSPECT FOR ISLAMIC BANKS IN TURKEY, MALAYSIA, AND INDONESIA: A COMPARATIVE APPROACH

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### ABSTRACT

The issues and challenges faced by Islamic banking in some countries such as Malaysia, Indonesia, and Turkey are appropriate to explore. Despite having a legacy of strong Islamic law, the majority Muslim population, and the strategic location of each country, they have not been able to dominate the local market share of Islamic banks compared with the conventional banks. This research aims to examine Islamic banks in terms of the distinguish regarding to the legal and regulatory progress in those countries, especially on their SWOT and propose strategies for developing them. This study is a qualitative study as a main method that takes data from various works of literature, namely books, journals, and other sources. Primary data has also been explored by conducting an in-depth interview with the experts regarding these issues. The expert interview is conducted in Malaysia, Indonesia and Turkey since 2018 to 2022. Basically, they were bankers, Islamic scholars, Islamic bank officers and academicians. Meanwhile, this research also applied a comparative approach. This research found that government support stands as the first priority from an opportunity aspect. Islamic bank in those countries also needs to be aware of the absence of separate law as the main priority of threats aspect. Another finding shows that separate law and regulation is the main strategy to enhance Islamic banks in each country. This study could serve as a reference point for the regulator in formulating appropriate policy strategies to increase the market share of Islamic banks in Malaysia, Indonesia, and Turkey. This research is also expected to be able to contribute to enriching scientific studies in an effort to popularize Islamic banking in whole Muslim countries.

**Keywords:** *Islamic Banking and Finance, Indonesia, Malaysia, Turkey, Issues and Challenges, Comparative Approach, Propose Strategy*

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### POTENTIAL OF ISLAMIC MICROFINANCE: ISSUES, CHALLENGES AND WAY FORWARD

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### ABSTRACT

Microfinance is an important tool in promoting financial inclusion, which it has been attracted by global attention. More countries are offering microfinance with the support of the government, specialized organizations, and financial institutions. Microfinance is regarded as a means to promote inclusive growth. Therefore, this study is aimed to discuss on the potential of Islamic microfinance, the issues and challenges in offering this product to the customers. The study also provides the practical recommendations of Islamic microfinance to the providers. The study employs qualitative research method by using the primary data collection. The input of the study is obtained from the semi-structured interview from the representatives of State Islamic Religious Councils (SIRCs) and Islamic financial institutions. The originality of this study may contribute to the formation of a new body of knowledge and enrich the literature sources in the field of Islamic microfinance that will benefit both academicians and practitioners.

**Keywords:** *Islamic microfinance, financial inclusion*

THEME:

ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

## ROLE OF ISLAMIC MICROFINANCE IN ENHANCING FINANCIAL INCLUSION IN BANGLADESH: A SYSTEMATIC LITERATURE REVIEW

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### ABSTRACT

Islamic microfinance (IsMF) is an interest-free, often non-collateral financing arrangement for providing small loans to the poor and underprivileged. Through IsMF, the poor are able to access financial resources and it becomes possible for them to improve their economic and social wellbeing. While there can be various models of IsMF, in essence, the process involves offering financial and technical assistances to the poor, and nurturing empathy and philanthropy by following the principles of Islamic Shariah. However, it has been found that the implementation of IsMF programmes in Bangladesh is still at a nascent stage, though it is a Muslim majority country with approximately 90% Muslims. Generally, financial inclusion is a major issue in Bangladesh as more than 45% of adults in the country are out of the formal financial services (Bangladesh Bank, 2019). Furthermore, the financial inclusion rate for women is only 26%. As a consequence, the poor are suffering from hardcore poverty and unable to meet basic financial needs. This study aims to identify the reasons for the low financial inclusion rate in Bangladesh. It will also highlight the effective ways to enhance financial inclusion through IsMF in Bangladesh. A systematic literature review approach has been adopted in this study, and for this purpose, 20 peer-reviewed articles published in the last five years have been collected and analysed to acquire the necessary information. It is expected that the findings of this study will be useful for the financial institutions, civil society organizations, and the government of Bangladesh to take effective measures to adopt IsMF programmes for improving the financial inclusion rate and ensuring the welfare of the marginalised people in this country.

**Keywords:** *Microfinance; Islamic Microfinance; Financial Inclusion; Bangladesh*

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## AN ANALYSIS OF THE IMPACT OF ISLAMIC MICROFINANCE AMONG ASNAF

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### ABSTRACT

Microfinance has been proved that it is an effective tool for poverty reduction and socioeconomic development. Yet, the impact of microfinance to the recipients still questioned and varies from one institution to others. This research analyzes the impact of Islamic microfinance among asnaf. The study employs qualitative research method by using the primary data collection. The input of the study is obtained from the semi-structured interview from the representatives of State Islamic Religious Councils (SIRCs) and Islamic financial institutions. The originality of this study may contribute to the formation of a new body of knowledge and enrich the literature sources in the field of Islamic microfinance that will benefit both academicians and practitioners. This impact study on performance and measurement may significantly contribute toward the sustainable and socially impactful growth of the Islamic finance industry, especially in achieving the maqasid Shariah and Value Based Intermediation (VBI) goals.

**Keywords:** *Islamic microfinance, impact study, poverty alleviation, financial inclusion, sustainability*



THEME:  
ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

## THE EFFECT OF FINANCING DISTRIBUTION ON NPF IN ISLAMIC BANKING: A SHORT AND LONG-TERM ECM ANALYSIS

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### ABSTRACT

This research aims to analyse the effect of murabahah, mudharabah, and musyarakah financing on Non-Performing Financing (NPF). NPF is a ratio that reflects financing risk in Islamic banking. The higher the NPF value indicates the higher the financing risk in Islamic banks. This research examined the effect of financing distribution on NPF based on the quarterly data from BSI from 2015 to 2022. This research used the Error Correction Model (ECM) analysis. The results showed that in the long-term, the distribution of murabahah, mudharabah, and musyarakah financing did not affect NPF. Meanwhile, in the short term, only murabahah and musyarakah financing affected NPF with a significance level of 0.05 and 0.03 respectively. The results can be a significant indicator of adequate steps for BSI in taking a financing distribution policy to prevent financing risk.

**Keywords:** *NPF, financing risk, financing distribution, Islamic banking, ECM*

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## DOES STAKEHOLDER ENGAGEMENT REDUCE SYSTEMIC RISK? EVIDENCE FROM THE MALAYSIAN BANKING SECTOR

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### ABSTRACT

The global financial crisis has led to a call to place greater importance on value creation for stakeholders to maintain financial stability. This is because the prevailing corporate governance and regulations, which focus primarily on shareholder value maximization, reinforce reckless lending heightening bank failure risks and the overall fragility of the banking sector. In this paper, we examine whether banks with a higher level of stakeholder engagement (SE) have lower contributions and exposure to systemic risk using a sample of Malaysian listed banks. To measure bank systemic risk contribution and exposure, we compute Adrian and Brunnermeier's (2016) conditional Value-at-Risk (CoVaR) estimates using the banks' daily data for the period 1 January 2007 to 31 March 2022. A content analysis of the banks' financial and non-financial reports to measure the level of banks' engagement with their stakeholders is also conducted. With closer SE, banks' contribution and exposure to systemic risks are expected to reduce. In addition, it is anticipated that SE would result in lower systemic risk contribution and exposure for banks with a larger share of Islamic assets. This is since Islamic banks are inherently better positioned to promote value-based or responsible financing.

**Keywords:** *Systemic risk, CoVaR, stakeholder engagement, Malaysian banks.*

THEME:  
ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

## **SIGNIFICANCE AND POTENTIAL ROLE OF THE ISLAMIC BANKING AND FINANCE SERVICES IN BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO**

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### **ABSTRACT**

The purpose of this study was to promote and introduce the significance and potential role of the fundamental principles and concepts of Islamic banking and finance services to the people of the Bangsamoro Autonomous Region in Muslim Mindanao in order to enhance their understanding of utilizing Islamic banking and finance services. This study employed a quantitative research approach, and the findings were based on data collected using a twelve-page structured questionnaire. There were 500 questionnaires issued, and a total of 436 were returned with responses. In addition, weighted mean and frequency and percentage distributions were used to evaluate and analyze the obtained data. As a result, the majority of respondents strongly agreed that Islamic banking and finance services are advantageous for individuals of all religions and beliefs. Islamic banking and finance services assist in resolving economic backwardness, attracting additional aid and finances for economic progress, attracting and promoting productive investment, and contributing to economic growth and attracting constructive investment. According to the study, the government of the Bangsamoro Autonomous Region in Muslim Mindanao should organize an annual conference with the participation of various sectors and the collaboration of select ASEAN universities and banks with expertise in Islamic banking and finance services in order to increase the Bangsamoro people's knowledge of existing Islamic banking and finance services.

**Keywords:** *Islamic Banking and Finance Services, Bangsamoro, Autonomous Region in Muslim Mindanao, Bangsamoro People, Asian Universities, Banks*

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## **ISLAMICITY AND REPORTING PERFORMANCE ON ISLAMIC BANKING FINANCIAL PERFORMANCE IN INDONESIA POST-COVID-19 (PERIOD: 2019-2021)**

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### **ABSTRACT**

Islamic banking is an institution engaged in carrying out company performance based on sharia principles. Islamic banking needs to measure financial performance in the post-covid-19 period. Several ratios can be used to measure financial performance, such as the Islamicity Performance Index and Islamic Social Reporting. This study aims to analyze the effect of the Islamicity Performance Index and Islamic Social Reporting of Islamic banking in Indonesia post-Covid-19. This type of research is quantitative. The sample used is 14 Islamic Commercial Banks in Indonesia in the period 2019-2021 (post-Covid-19). The data analysis technique used is panel data regression analysis which is processed using the Eviews 12 program. The results of this study indicate that the Islamicity Performance Index and Islamic Social Reporting have a significant effect on Financial Performance in Islamic Banking in Indonesia post-Covid-19.

**Keywords:** *Islamicity Performance Index, Islamic Social Reporting, Financial Performance*

THEME:

ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

## INTRODUCTION OF ISLAMIC FINANCE IN COMOROS: OPPORTUNITIES AND CHALLENGES

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### ABSTRACT

Comoros is a country located in east Africa home to 800,000 inhabitants, with its 99.9% Muslim population, Comoros is the only predominantly Muslim country in east Africa. However, its financial system is operating fully under conventional system. Comorian Muslim population are underprivileged by the conventional system with its expensive products, high interest rate, and its implication with non-shariah compliant elements. The conventional system obliterates customers especially those involving in small and medium enterprises. For that, the Comorian financial system aspires to adopt Islamic banking and finance activities as additional opportunity to the existing system in the country. Despite the potential of Islamic banks in generating large fund from reluctant depositors to finance the deficit units, promoting greater financial inclusion, and its risk-sharing features, the willingness to initiate the non-interest banking in the country may generate a lot of issues relating to regulations, human resources, as well as awareness. This paper aims to expose some of these issues in terms of challenges and opportunities and at the end provide possible solutions to the dilemma. This study will spread awareness among the community on recognizing Islamic Finance as a financial system opportunity and how it can be a useful approach to boost the country's economy. The result of this research will provide valuable suggestions for the advocates to further overcome the challenges that may face the Islamic Finance industry in Comoros. The paper utilizes analytical, observational, and descriptive approach of qualitative research methodology which rely on secondary data inform of textbooks, journals, newspapers, relative websites and so on.

**Keywords:** *Islamic Banking, Islamic Finance, Comoros, Opportunities, challenges*

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## THE DEVELOPMENT OF ISLAMIC BANKING REGULATIONS, PROVISIONS AND LAWS IN KYRGYZSTAN

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### ABSTRACT

Islamic Banking refers to a system of banking or banking activity which is consistent with Islamic Law (Shariah Law) and is guided by Islamic economics. Islamic law strictly prohibits the collection and payment of interest, also commonly called *riba*, trading in financial risk (gambling) and investing in haram business. The growth and development of the Islamic finance must be accompanied by the corresponding development of the supporting legal, regulatory framework to ensure its soundness and stability. The legal, and regulatory framework is an important pillar in the development of Islamic finance for every country. Its objectives are to maintain confidence in the banking system, protect consumers and promote public awareness.

**Keywords:** *Islamic Banking & Finance, Legal, Regulatory Framework, Islamic Finance Institutions, Shariah Law, Kyrgyzstan*

THEME:

ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

## THE IMPACT OF ISLAMIC BRANDING ON CUSTOMER LOYALTY WITH CUSTOMER SATISFACTION AS AN INTERVENING VARIABLE

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### ABSTRACT

Existence of an Indonesian Islamic bank is intended to meet the needs of the community in sharia-based financial services. The largest Islamic bank in Indonesia today is the Indonesian Islamic Bank (BSI). The BSI branch office closest to the city center is BSI Siliwangi. The existence of BSI is expected to be able to provide satisfactory service to its customers. BSI is the result of a merger of 3 state-owned Islamic banks, namely BSM, BNIS, and BRIS. After the merger, of course, many changes were felt by customers, therefore this research was motivated by the level of loyalty of customers who had migrated their accounts to BSI. This study was shown to determine whether there is an influence of Islamic branding and customer satisfaction on customer loyalty at BSI KC Cirebon Siliwangi. This study uses quantitative methods with a sample size of 100 respondents. Sampling used the solving technique with the purposive sampling method. The data analysis techniques used in this study include the research instrument test, classical assumption test, hypothesis testing, path analysis, and the coefficient of determination test. Based on the calculation of the t-test (by partial) Islamic branding has a positive and significant influence on customer loyalty. Islamic branding has a positive and significant effect on customer satisfaction. Customer satisfaction has a positive and significant influence on customer loyalty. Islamic branding has a positive and significant effect on customer loyalty which is mediated by customer satisfaction at BSI Cirebon Siliwangi Cirebon customers. Based on the calculation of the f-test (simultaneously) customer satisfaction and Islamic branding on customer loyalty have an f-count greater than the f-table ( $21,820 > 3.94$ ) and a significance value of 0.000.

**Keywords:** *Islamic Branding, Customer Satisfaction, Customer Loyalty, Bank Syariah Indonesia (BSI)*

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## NATURE-RELATED FINANCIAL RISKS & RELIEFS: AN INVESTIGATION ON MALAYSIAN ISLAMIC BANKS' APPROACHES IN ASSISTING THEIR CUSTOMERS

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### ABSTRACT

Changes in the global climate is inevitable to be stopped when it is associated to the local's weathers and environment. Such changes are visible from the changes in patterns of nature-related disasters that are happening in many countries. When it is related to the practices of banks, it is apparent that nature-related financial risks cannot be dismissed without a proper consideration. Simultaneously, their customers who are facing unfortunate circumstances increasingly demand their banks to provide a proper consideration on reliefs in mitigating their situation. This research is carried out to investigate the current approaches that are taken by Islamic banks in Malaysia relating to (i) their nature-related risks and (ii) their available reliefs which they provide for their customers. This research is important as an evaluation on the current practice of Islamic banks in assisting their customers while facing disasters which seem heightening the negative impact on their socio-economic lives and daily businesses. This research applies qualitative research, observation from the Islamic banking and finance practices and analysing available data, especially floods which have affected Malaysia at national level. As part of the findings, certain Islamic banks in Malaysia have taken a progressive approach in providing reliefs for their customers. However, it appears that there is some lagging when considering the nature-related financial risks.

**Keywords:** *Islamic Finance, Financial Risks, Financial Reliefs, Risk Mitigation, Malaysia*

THEME:

ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

**AN ANALYSIS OF AUDIT APPROACH AND METHODOLOGY ADOPTED BY INTERNAL SHARIAH AUDITOR OF ISLAMIC FINANCIAL INSTITUTIONS (IFIS) - A CASE OF MALAYSIA**

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**ABSTRACT**

The purpose of this study is to evaluate the need of Internal Shariah Auditor to have a robust and dedicated integrated Internal Shariah Audit Approach and Methodologies and to develop an "Integrated Internal Shariah Audit Framework" a new landscape and perspective to solutioning and facilitating the role of Internal Shariah Auditor effectively in Malaysia. This research will employ two-stage approaches, i.e. collecting and analysis of available data and documents publicly available from the internet. In accordance to the methodology of systematically review approach, 29 empirical and theoretical works published in Mendeley, Internet and Google Scholar that dealt with the competencies, effectiveness of the internal Shariah Audit, internal audit approach and methodologies including relevant Shariah principle were selected for examination and analysis. In light of the existing research studies' limitation, this study suggests that the replicating and adopting the modified conventional Internal Audit Framework by the Internal Shariah Auditor may be able to constantly meet the objective of Shariah. While, the application of Islamic Framework to develop an Integrated Internal Shariah Audit Framework is able to provide a new landscape and perceptible to solutioning and facilitating the role of Internal Shariah Auditor effectively in Malaysia. This study adds to the growing importance of competency practise among IFIs employees particularly the internal Shariah Auditor.

**Keywords:** *Internal Shariah Audit, Systematic Literature Review, Islamic Financial Institutions, Competencies, Islamic Principles, Internal Audit, Audit Approach and Methodologies*

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**A PROPOSED A NEW FRAMEWORK FOR UTILISING THE ISLAMIC BANKS' RESERVES IN THE CENTRAL BANK**

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**ABSTRACT**

The problem of the reserve requirements of Islamic banks is one of the concerns that the Yemeni central bank and the Islamic banks continue to differ on. Since it is against Sharia'h, the central bank does not offer the same interest to Islamic banks as conventional banks, which must keep reserves with the central bank. As a result, the purpose of this article was to provide a framework for utilizing the reserve requirements of Islamic banks. According to this study's findings, Islamic banks do not benefit financially from their reserve requirements in the same way that conventional banks do, thus this paper proposed that central bank can utilize some of these reserves to help low-income households launch their small businesses under the supervision of Islamic microfinance institutions through the partnership formulas that are compliant with Sharia'h.

**Keywords:** *reserve requirements, low-income families, Islamic banks, and microfinance*

THEME:  
ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

### FINANCIAL CRISIS, CREDIT RISK AND BANK CAPITAL

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#### ABSTRACT

Crisis is one of the largest issues facing the international financial system, such as the global financial crisis of 2007 and 2008 and the current worldwide economic catastrophe triggered by the COVID-19 pandemic at the start of 2020. After each financial crisis, authorities implement regulations to prevent a recurrence, such as Basel III capital requirements, and risk management in the majority of the world's banks focuses primarily on credit risk. The conditions produced by the crisis have unique consequences for the management and mitigation of credit risk from the standpoint of banking sector including in both conventional and Islamic banking systems. In this context, this paper demonstrates the lessons learned from the financial crisis, as well as the importance of Basel regulatory capital for banks, by providing empirical literature on the influence of bank regulatory capital on credit risk using three proxies. Understanding the Basel rules and their significance is critical for regulators and participants, as research shows that banks that have implemented these new requirements are more resilient through risk management strategies and regulatory capital management, as well as increasing bank stability and protecting it from financial fragility, particularly during financial crises.

**Keywords:** *financial crisis, resilient, risk management, credit risk*

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### THE CHALLENGES AND DETERMINANTS OF SHARIAH AUDIT PRACTICES IN IFIA

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#### ABSTRACT

The purpose of this research is to investigate and evaluate the most important variables that play a critical role in improving the performance of internal Shariah audits in the Islamic banking business, the challenges of shariah audit, and assessing the practice of shariah audit in the Islamic financial institutions (IFIs). However, this research examines the current literature in order to gain a complete understanding of the primary elements influencing the success of Shariah auditing in Islamic banks, assessing the practice of shariah audit in the Islamic financial institutions. The findings of the research reveal that there are many factors influencing the practice of shariah audit in the IFIs such as the external and internal factors as well as the challenges of applying the shariah audit in the IFIs such as collecting audit evidence, developing a systematic and thorough audit program, and Shariah Audit Education.

**Keywords:** *shariah audit, Effectiveness of shariah audit, Islamic Banks, Audit and Governance Committee, Shariah governance*

THEME:

ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

### ISLAMIC EQUITY FINANCING AS A FINANCIAL INCLUSION ENABLER: NIGERIA IN SPECTRUM

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#### ABSTRACT

Inclusivity in access to finance is a global concern and a key enabler of the prime Sustainable Development Goals (SDGs). This study focuses on appraising Islamic equity financing as an essential vehicle for a deepened and effective financial inclusion in Nigeria. The study relies on primary and secondary data sourced from surveys, interviews, official publications, working papers, articles, e-books, websites, and online resources in furtherance of its objectives. Through the adoption of qualitative analysis, content analysis is used to define the status of financial inclusion in Nigeria. This study finds that engendering even access to financial products and services to all sections of the society in an effective, and sustainable way is the critical formula to achieving financial inclusion of Nigerian compatriots. Consequently, the study recommends that Islamic Banks in Nigeria increase their sectoral allocations for Islamic equity financing contracts in their financial asset creation. Further, the Central Bank of Nigeria (CBN), being the key regulator of Nigeria's financial industry, is enjoined to evolve strategies that will see to the expansion of the country's financial inclusion drive through Islamic equity financing and contracts.

**Keywords:** *Islamic Equity Financing, Financial Inclusion, Sustainable Development Goals (SDG)*

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### ETHICAL BANKING PRACTICES IN MALAYSIAN BANKING INSTITUTIONS

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#### ABSTRACT

Ethical banking has unique characteristics and philosophies with embedded economic, social and environmental impacts help to promote banks sustainability agenda. Ethical banking is an emerging banking subsector with competitive advantages, which offers new business opportunities and profitability for the participating banks. However, ethical banking is a voluntary movement, with no formal regulation that identifies which banks are ethical or vice versa. In the case of Malaysia, ethical banking is relatively a new practice and banks' participation is based on own initiatives. The divergences of practices may indicate a different understanding of the ethical banking concept in the absence of guidelines which will cause monitoring difficulty and confusion among practitioners and customers. To address the issue, this paper aims to: identify elements of ethical banking and investigate the ethical banking practices in Malaysian banking institutions. This study follows a qualitative approach by way of systematic literature review, document analysis and semi-structured interview, with subsequent analyses. Ethical banking should receive more attention from policymakers as this concept has grown significantly since the beginning of the financial crisis and, if strengthened, could contribute to developing a stronger retail banking sector more responsive to customer needs. The implementation of ethical banking in Malaysia will enhance nation's socioeconomic well-being in line with the UNs SDGs and RMK-12.

**Keywords:** *social banking, green banking, environmental, sustainability, shariah*

THEME:

ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

## GEN Z AND SUPPORT TOWARDS ISLAMIC COMMERCIAL AND SOCIAL FINANCE INTEGRATION

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### ABSTRACT

The integration of Islamic commercial and social finance is receiving increasing attention, especially as the global economy attempts to recover from the aftermath of Covid-19. Therefore, it is important to examine what factors contribute to the success of the integration of Islamic commercial and social finance. One form of integration is operational integration between Islamic banks and ZISWAF institutions (zakat, infaq, sadaqa, and waqf). These institutions could offer various joint products, including specialized savings accounts where profit sharing is distributed directly to the social institution rather than to the account holders. The objective of this study is to analyze the determinants of Generation Z's intention to support the program. The Partial Least Square-Structural Equation Model is used to analyse the responses of 425 Muslim Gen Z in Bogor. The result shows that attitude, religiosity, knowledge, functional factor, and trust have a significant and positive influence on the intention to support the Islamic commercial and social integration. Moreover, trust also moderates the positive influence of knowledge on Gen Z intention.

**Keywords:** *Islamic commercial and social integration, Intention, partial least square*

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## CAN SHARIA INVESTMENT BE AN INCLUSIVE GROWTH TOOL? STUDY IN PRE AND POST-PANDEMIC ERA

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### ABSTRACT

This study aims to empirically examine the role of Islamic investment, as measured by Islamic stocks and Sukuk on inclusive growth in Indonesia. In addition to sharia investment, this study also adds several control variables adopted from several separate works of literature, including the effects of the Covid-19 pandemic, as determinants of inclusive growth. In contrast to existing studies, the test was conducted using several different measures of inclusive growth. By using the principal component analysis (PCA) method to measure the composite index of inclusive growth and the time series regression model with monthly data at the national level for 2011-2022 for testing, this study produces several main findings. There are indications that Islamic investment has a role in inclusive growth in Indonesia, although the results are quite varied. Sharia stocks were found to significantly reduce poverty and unemployment, while Sukuk played a significant role in reducing poverty and inequality. At the same time, both can encourage the strengthening of HDI and the quality of inclusive growth as a whole. This study also found that the Covid-19 pandemic was significant in suppressing inclusive growth performance in Indonesia.

**Keywords:** *inclusive growth, Islamic investment, Islamic stocks, sukuk*



THEME:

ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

**IDENTIFYING FACTORS OF FINANCIAL EXCLUSION OF RURAL FARMERS: CASE STUDY IN ULU DONG RAUB, PAHANG**

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**ABSTRACT**

Islamic Microfinance Services and Products is a no new topic that helps in financial Inclusion. The services and products benefit the most for low-income groups to maintain their activities or business to generate an income. The business can be in various forms such as sales, food, and beverages, agricultural and fisheries sector. However, even with the services and products of Islamic Microfinance, it is found that there is an exclusion for the rural areas in the financial system. Therefore, this study narrows down it research to a sub-district of Raub named Ulu Dong in Pahang to identify the factors of exclusion of the rural farmers in the areas. With qualitative methodology through library research and interview, this research concludes their findings at the end.

**Keywords:** *agriculture, financial exclusion, rural farmer, Malaysia*

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**REMODELING QARD HASAN WITH CASH WAQF FUND : ECONOMIC STABILITY SOLUTION POST COVID-19**

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**ABSTRACT**

Islamic banks' role is crucial in maintaining the country's financial stability by offering the right product for Malaysia's B40 and M40 income groups, especially post- Covid-19. However, with the limited product variations and high rates of charges on consumers of Islamic financing products, the ability of Malaysia Islamic Banking Institutions to meet the standard of Islamic social finance is questionable. The Covid-19 pandemic has significantly impacted household income, influenced the household structure for B40 and M40 in Malaysia, especially those who have lost their source of income during the Covid-19 pandemic. This study adopted content analysis as a tool to remodel Qard Hasan (QH) by highlighting Cash Waqf (CW) as a source of funding mechanism to facilitate B40 and M40 households in Malaysia. The aim is to provide an alternative for personal financing during the economic crisis and particularly post- Covid-19. QH via CW model was developed with strict Standard Operating Procedure to ensure stability to the targeted parties. Moreover, when the chance to borrow is easy, the purchasing power will increase, and the economy will be boosted. Opportunity to implement the QH via CW fund is timely and important as an alternative solution to sustain the country's economy. In conclusion, QH can be implemented with a new approach so that it is not considered a burden to the Islamic financial system in Malaysia particularly and globally in general.

**Keywords:** *Qard Hasan, Cash Waqf, Post Covid-19, Financial Sustainability*

**CURRENT ISSUES & CHALLENGES IN MALAYSIAN PRISON: WHAT ARE THE ROLES OF ISLAMIC FINANCIAL INSTITUTIONS?**

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**ABSTRACT**

One of the issues facing prisons in Malaysia is that the number of prisoners kept on increasing over the years which then resulted in the issue of overcrowding at prisons and subsequently led to health and mental issues. From the economic perspective, prison is comprising of abundant human capital resources, operated in restricted environments with high level security measures. Currently, it is the sole responsibility of the government to absorb the costs of maintaining the prisons which include maintenance and operating costs related to prisoners. However, despite the large number of human resources available in the prisons, these resources have remained idle and not being fully utilized for the economic generation process. Harnessing the full potential of the labour resources available in prisons will bring significant impact on the country's economy in terms of cost reduction and increment in goods and services production. In this regard, the Islamic financial institutions have a potential role to play in addressing these issues, with the possibility for IFIs to provide financial resources and strengthen engagement with the Prison Department through innovative financing models towards financial sustainability of the prisons. Thus, this research paper intends to conceptualize how IFIs can contribute towards developing the potentiality of prisoners in generating income for the country and preparing them with financial independence upon their release from prisons.

**Keywords:** prisoners, human capital resources, IFIs, economic activities, costs

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**THE IMPACT OF ISLAMIC MICRO FINANCING ON RURAL POVERTY ALLEVIATION: AN EMPIRICAL STUDY ON MIDDLE PART OF BANGLADESH**

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**ABSTRACT**

The purpose of this study is to investigate the impact of Islamic Micro Financing on poverty alleviation in rural areas of the middle part of Bangladesh. This research explores the significance and aggregate impact of micro-enterprises in generating employment and reducing poverty in less-developed rural parts of the country. For the data collection purpose, the Dhaka division, the middle part of Bangladesh was considered in this research. Rural residents with the capacity to work and minimum primary education are measured as samples in this study. Nevertheless, SmartPLS was used in this study to perform the data analysis. This research helps to show the importance of Islamic Microfinance in the underdeveloped segment of society and its positive impact on poverty reduction. This study shows that people's perception has a significant impact on Islamic Micro Finance (IMF) and IMF has a great impact on eradicating poverty. The potential sources of new additional incomes that lead to social and economic well-being and poverty alleviation are increasingly recognized by Islamic Microfinance. Thus, this study will help legislators, SME investors, and business students to give utmost importance to the development of Islamic Micro-Finance because IMF has a major contribution to rural society's economic growth and development.

**Keywords:** Islamic Microfinance, Poverty Alleviation, Rural, SmartPLS, Bangladesh

THEME:  
ISLAMIC BANKING, ISLAMIC SOCIAL FINANCE AND CRISES

**A CRITICAL ANALYSIS ON THE IMPLICATION OF SECTION 281 IFSA 2013 ON SHARIAH COMPLIANCE REQUIREMENTS FROM LEGAL PERSPECTIVE**

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**ABSTRACT**

Ensuring shariah compliance is cardinal in the business operation of IFIs. In Malaysia, the emphasis for the IFIs to ensure shariah compliance does not only statutorily required by the Federal laws (Section 28(1) of IFSA 2013) but also with the strict supervision from the Bank Negara Malaysia (BNM) through the issuance of policy guidelines (SGPD 2019) and strict reporting requirement to the BNM in the event of Shariah non-compliance (SNC). However, section 281 of the same Act provides that any contravention to any provision of IFSA will not invalidate the contract. This section might be argued to connote a meaning that the obligation of both parties to the contract remains regardless of the existence of SNC in the contract. From the bankers' perspective, further interpretation of this section will eventually compromise the strict enforcement of Shariah compliance requirements in their banking operations. Thus, this paper intends to critically analyze the effect of invoking the section in proving the subsistence of both parties' obligations to the contract and the threat that the section may bring in the IFI's responsibility to ensure Shariah compliance in all of its affairs, business, operations, and activities. The result of this study could be used to strengthen the understanding of relevant parties to the contract in fulfilling their obligation under Shariah compliance requirements at all material times regardless of the existence of Section 281 IFSA.

**Keywords:** *IFSA 2013, Shariah Compliance, Shariah non-compliance, Islamic banks*

# THEME: FINTECH, DIGITALIZATION AND ISLAMIC FINANCE

## COVID AND FINTECH: AN OUTLOOK ON BRUNEI DARUSSALAM

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### ABSTRACT

The abrupt and sudden introduction of the Covid-19 virus has changed many aspects of our lives. Nations become susceptible to the idea that a small but harmful organism, is able to destroy not just the livelihood but also the health of the individuals involved. The progressive heed of technology has also marked the important realm internet can actually propel into for better and faster financial services. This paper looks at the grasp and influence Covid-19 has that stopped normal life routines, complemented later by the use of fintech for ease and especially safety. Further deliberation is later derived on its outlook and progress in Brunei's current landscape. The study is conducted qualitatively with available updates and information regarding Covid-19 in Brunei Darussalam through library research. The study found that numerous activities with the use of technology are fortunate enough to highlight the presence of financial organisations and institutions coming together for a common cause. Furthermore, the relevance does signify a greater opportunity and output that aligns not just with the role of institutions and organisations as their corporate social responsibility, it also highlights the close alignment and essence of Maqasid al-Shariah into the picture.

**Keywords:** Covid, Fintech, maqasid al-Shariah, technology, institutions

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## EXPLORATION OF SHARIA BANK SERVICES IN MUHAMMADIYAH'S HIGHER EDUCATION ENVIRONMENT

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### ABSTRACT

Technological advances facilitate financial transactions on the M-Banking platform page in this age of digital transformation. Specifically, Islamic mobile banking. One of the many innovations and benefits of the current fintech application for its users is the simple and convenient ability to pay tuition fees via mobile banking. Now, due to technological advances, there is no need to wait in lengthy lines, freeing up time for more productive endeavors at Muhammadiyah University. SEM analysis using SmartPLs 3.3.3. This finding may have significant implications for scholars, practitioners, and users of sharia mobile banking. This study examines the perception of m-banking in Islamic banking as it relates to the provision of services via applications. As a result of this study, the existence of sharia m-banking makes transactions extremely simple, but there are still some technical obstacles that banks must consider when offering services through mobile banking applications. This study will examine BSI Mobile and Muamalat Mobile as mobile banking applications. The conclusion of this analysis is that the BMI Mobile application is less suited for Muhammadiyah circles than the BSI Mobile application. Consequently, the typical user is more comfortable with BSI Mobile than BMI Mobile.

**Keywords:** Islamic Banking, Fintech, Sharia Bank, Muhammadiyah, TAM Analysis

THEME:  
FINTECH, DIGITALIZATION AND ISLAMIC FINANCE

## ENHANCING ACCESS TO FINANCE AMONGST ASNAF MICROENTREPRENEURS: HOW CAN ISLAMIC FINTECH PLAY A ROLE?

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### ABSTRACT

While the ideal case is that microentrepreneurs should gain easy access to finance as they require more financial support, traditional financial institutions often reject their financing applications due to the high risk associated with this segment. This study aims to explore the potential application of Islamic FinTech to expand financing outreach in zakat institutions. In achieving its objectives, this study examines the current state of microfinancing which includes the market size and players, existing financing schemes available, current issues and challenges facing zakat institutions, and potential FinTech applications that can be adopted for the micro-financing industry. A critical analysis of the market is important as a starting point in comprehending Asnaf microentrepreneurs who are facing this financial difficulty. It is believed that zakat institutions can play an effective role in enhancing access to finance for the underserved. This study is only limited to the Malaysian context but can be further extended in more comprehensive empirical research. The findings will assist zakat institutions in formulating their FinTech financing strategy and provide an alternative approach to improve microentrepreneurs' repayment capability.

**Keywords:** Access to finance, Islamic FinTech, Asnaf microentrepreneurs, Microfinancing

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## MEASUREING THE CUSTOMER'S PERCEPTION OF THE USE OF FINANCIAL TECHNOLOGY IN ALGERIAN ISLAMIC BANKS TO ENHANCE FINANCIAL INCLUSION

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### ABSTRACT

Financial technology has emerged as one of the main factors that changed the way the financial and banking industry works, its use has been enhanced in the financial industry around the world, stemming from the increasing spread of innovative banking services that are characterized by high efficiency and low costs. Financial technology has a real ability to change the structure of financial services and make it faster, cheaper and safer, especially for the large segment of society that does not deal with the banking system. This study aimed to measure the customer's perception of the use of financial technology in Algerian Islamic banks to enhance financial inclusion. The hypothesis model is based on Technology Acceptance Model (TAM). The methodology in this study includes data collection through questionnaires distributed to the users of financial technology, the sample included the users and non-users of mobile financial services, and data analysis using the Structural Equation Model. The study had the following objectives, to assess the individual awareness of mobile financial services; Perceived usefulness has a (positive or negative) impact on the intention to use the service. Perceived ease of use has a (positive or negative) impact on attitude towards the service. Perceived risk has a (positive or negative) impact on attitude towards the service. Trust has a (positive or negative) impact on attitude towards the service. Convenience has a (positive or negative) impact on the intention to use the service. Attitude towards the service has a (positive or negative) on intention to use the service. The implication of this research helps to determine the right communication and strategy so that more users with more benefits can utilize this technology. These results can be extended to any developing country.

**Keywords:** Financial technology, Algerian Islamic banks, financial inclusion

THEME:  
FINTECH, DIGITALIZATION AND ISLAMIC FINANCE

### **IMPACT OF ELECTRONIC SERVICE QUALITY ON CUSTOMER SATISFACTION OF ISLAMIC BANKS IN PAKISTAN**

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#### **ABSTRACT**

Islamic banking experienced a remarkable development and increasingly challenging pace over the past decade. The concept of digital banking channel has been gaining increasing popularity not only in Pakistan but all over the world in recent years due to nature of these channels for providing faster banking services delivery to a wide range of customers. The study was conducted to investigate the influence of electron service quality on the satisfaction level of Islamic banks customers within Pakistan. The study also figured out what are the factors customers believe are hurdle in usage of digital channels offered by different banks to their customers. The study made use of a questionnaire, filled from 152 customers of Islamic banks who are using banks digital channels by random sampling. Descriptive statistics, correlation analysis and multiple regression model were employed to achieve the objectives of the study. The study found that all five electronic service quality dimensions found to have positive and statistically significantly influence on the level of satisfaction of the Islamic banking customers. The results provides Islamic banking industry regulators, central bank, academicians and practitioners useful guides in their efforts to formulate adequate electron service quality mechanism to attract and retain more customers and to promote digital banking channels.

**Keywords:** *Electronic Service Quality, Customer Satisfaction, Islamic Banks, Pakistan*

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### **THE APPLICATION OF MOBILE BANKING SERVICES BY MALAYSIAN ISLAMIC BANKS: AN EVALUATION ON THE CUSTOMERS' MAIN CONCERNS**

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#### **ABSTRACT**

The continuous advancement of financial technologies in the realm of Islamic banking and finance is influenced with the spread of banking digitalization. The digitalization of banking undeniably related to the expansion and dependency on the use of internet among the customers. Instead of depending on physical location, Islamic banks nowadays have ample chances to engage and communicate with their customers through this current online banking platforms. In order to ensure their consistent follow-up with the latest digital transformation, Islamic banks must be ready to adopt the new technology, ready to shift their costs of services to the online applications and re-consider their corporate structures. Focusing on the application of mobile banking as a prominent part of banking digitalization among Malaysian Islamic banks, it is important to consider their customers' concerns relating to its usages. Thus, this research focuses (i) to explain the understanding on what is considered as a mobile banking and its usages among Malaysian Islamic banks; and (ii) to evaluate the concerns among Islamic banks' customers relating to the use of mobile banking in their daily activities. In doing this research, the researchers apply the qualitative research approaches and content analysis of obtained data from library-based research. As part of findings, it is identified that the customers' concerns are related to their awareness, knowledge in using the mobile banking, trust towards the safety of their personal information or transactions, and the security of the mobile banking system.

**Keywords:** *Banking digitalization, Islamic banking, mobile banking, customers, Malaysia*

THEME:  
FINTECH, DIGITALIZATION AND ISLAMIC FINANCE

## POTENTIALS OF ISLAMIC PEER-TO-PEER (P2P) CROWDFUNDING AS AN ALTERNATIVE FOR FINANCING MODEL FOR MSME IN NIGERIA

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### ABSTRACT

The Micro, Medium & Small enterprises (“MSME”) sector plays a vital role in driving socio-economic growth, particularly in emerging economies like Nigeria. Recent interplay between financial services and technology (FinTech) has revolutionize financial intermediation and brought about innovative, sustainable and cheap source of funding for MSMEs, chief among of which is P2P crowdfunding. This study investigates the potentials of Islamic P2P Crowdfunding model as an alternative to MSME funding in Nigeria. The study relies on primary and secondary data sourced from surveys, interviews, official publications, working papers, articles, e-books, websites, and online resources in furtherance of its objectives. The study finds out that factors enhancing the potentials of Islamic P2P Crowdfunding in Nigeria include the rapid development of Islamic finance industry, evolution of digital economy, vibrant MSME ecosystem powered by demands driven population, and essentially, a supportive regulatory regime. The study concludes by recommending that the various industry stakeholders should capitalize on the identified potentials to collaborate on embracing the Islamic P2P crowdfunding to bridge the funding gap for MSMEs. It equally urged the policy makers and regulators to enhance policy advocacy and requisite Shari’ah compliance framework to assure the integrity of the Islamic P2P crowdfunding practice.

**Keywords:** *Fintech, Islamic Crowdfunding, Nigeria, Peer-to-Peer, MSME Financing*

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## THE SELECTION OF DIGITAL BANKING SERVICES BY ISLAMIC BANKS IN INDONESIA: AN ANP APPROACH

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### ABSTRACT

Technology advances have played an important role in the financial sector, particularly the banking sector. It has made considerable changes to banking services, namely, digital banking which refers to internet banking and mobile banking. Nevertheless, Indonesian Islamic banking has experienced issues with digital banking adoption due to budget constraints and a sizable investment. It is necessary to make prioritization the services of digital banking. Accordingly, this present study is aimed at investigating the selection of digital banking services in Islamic banking. In addition, the factors that contribute to the selection of digital banking service is also investigated. Using the Analytic Network Process (ANP) method, technology is considered the most important factor contributing to the selection of digital banking services. In particular, security and risk in the technology occupy the most critical aspect need to be addressed. The results of ANP also show that transfer and payments services and opening accounts services are the most important services of digital banking that need to be adopted by Islamic banks. These services support the basic needs of customers namely the transaction purpose. It is suggested for Islamic banks adopt these services prior to adopting other digital banking services, and ensure its risks have been mitigated. Similarly, it is recommended for the regulator to set up a policy ensuring the bank has mitigated the risks of digital banking services prior to delivering the services to the customer and creates an environment that supports the increase of transaction purpose.

**Keywords:** *Digital banking, Indonesia, ANP*

## CHALLENGES OF DIGITAL TRANSFORMATION IN ZAKAT INSTITUTION: A CASE STUDY IN BRUNEI

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### ABSTRACT

Digital transformation is seen as important initiative for organization towards increasing customers' values and remain competitive in the industry. However, digital transformation is not merely adopting technology into the current infrastructure but rather to align the digital strategy and organizational long-term strategy to achieve its main objectives and vision in a more effective and efficient manner. Easier said than done, not all organizations are keen towards digitalization especially weighing all the possible risks of such move. Digital transformation surely can push the organization to be more productive and dynamic but it comes with a lot of challenges. In this study, zakat institution in Brunei is studied to identify their status in terms of digitalization and possible challenges it is facing heading towards digital transformation. Survey was distributed to 43 zakat officers in the headquarter and findings from the survey indicated a mixed-perception of digitalization initiatives by the top management from the officers. Mixed-perception on the digitalization initiatives, benefits and challenges encountered by the Zakat officers signaling the need for a more inclusive digital strategy. Findings from this study can help top management to come up with a more efficient and effective digital strategy towards embracing digital transformation and most importantly for better customers' values.

**Keywords:** *digital transformation, zakat institution, Brunei*

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## OPTIMIZING DIGITALPRENEURSHIP THROUGH DIGITAL SKILLS AND PLATFORM STRATEGY ON MSMEs IN CENTRAL JAVA

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### ABSTRACT

The new normal era brings a positive effect to the business world, especially MSMEs that are taking advantage of digital information technology development. An appropriate application of digital information technology can be used as a supporting factor for business sustainability. Digitalpreneur is an entrepreneurship transformation that can take advantage of digitalization, including the use and development of information technology. Many factors can support optimizing the application of digitalpreneurship, namely digital skills and platform selection strategies. MSMEs' readiness to become digital entrepreneurs starts from readiness in digital skills and platform selection strategies. Adequate digital skills and accuracy in platform selection strategy support the success of MSMEs towards digitalpreneurship. This research developed conceptual definitions and indicators of digital skill and platform strategy variables that affect the optimization of digitalpreneurship. The future research agenda will explain and aim at how to prove the validity of a research proposal.

**Keywords:** *Digital Skill, Platform Strategy, Digitalpreneurship, MSMEs*



## IS THE ISLAMIC RELIGIOSITY BECOME THE BEHAVIOR CASHLESS AMONG MUSLIM COMMUNITY?

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### ABSTRACT

The development of non-cash transaction users has increased significantly every year. The many conveniences and benefits provided by non-cash payment systems make people compete in using them for transactions. Thus it will directly affect consumer behavior. The provision of non-cash-based transactions is caused by the many conveniences and benefits provided to users and can solve cash handling. Among the types of non-cash transactions that are currently widely used by the public are credit cards, credit cards, gopay, ovo, funds, shopee pay, Mandiri e-money, BRI Brizi, BNI Tapcash, BCA Flazz and Telkomsel Cash. start-up businesses from various fintech companies. Indonesia occupies the fourth position with the largest digital payment transaction value in Asia Pacific in 2020, with transactions reaching 35.7 billion USD. Besides that, Indonesia has a Muslim-majority population. In Islam, the religiosity factor can also be an indicator that can influence the behavior patterns of individuals and society. If someone has high Islamic religiosity, he will behave in accordance with religious values. Likewise, in using non-cash transactions, someone who has high Islamic religiosity will not use non-cash transactions for things that are prohibited by religion. The purpose of this study is to conceptualize the role of Islamic religiosity on people's behavior with a public acceptance approach to payment system technology, known as the Technology Acceptance Model (TAM). The methodology used in this research is qualitative through content analysis. The results of this study reveal that indicators in Islamic religiosity such as Belief and Practice have a significant linear relationship with the behavior of using non-cash transactions. This can be interpreted that the two have a unidirectional relationship, namely, when the aspect of religiosity has a high value, the behavioral variable in the use of non-cash transactions will also be high. Therefore, it can be concluded that there is a very close relationship between the aspects of religiosity and the behavior of using non-cash transactions.

**Keywords:** *Islamic Religiosity, Consumer Behavior, Technology Acceptance Model*

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## DOES DIGITALIZATION REDUCES INCOME INEQUALITY? EVIDENCE FROM OIC COUNTRIES

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### ABSTRACT

In this paper, we attempt to test the reducing effect of digitalization on income and wealth inequality. Our study focuses on Organization of Islamic Cooperation (OIC) countries for 2010-2021. We use a multiproxy of digitalization from the International Telecommunication Union ICT database and comprehensive inequality proxy from the World Inequality Database consisting of 56 OIC member countries and estimate their relationship by performing a panel regression. Our finding reveals that digitalization can alleviate income and wealth inequality. Its narrowing effect also applies to income gender inequality. The share of female income to male income increases due to increased digitalization. The net inflow of foreign direct investment and political stability also can narrow income and wealth inequality. However, in the case of gender income inequality, political stability has not been in favor of women. OIC countries' governments should continue to adopt policies to promote the development of technologies through infrastructure development that increases internet and telecommunication coverage. The government also needs to increase foreign investment by improving the ease of doing business and maintaining political stability as well as promoting equal rights for women citizens.

**Keywords:** *Digitalization, Income Inequality, Wealth Inequality, Income Gender Inequality, and OIC Countries*

THEME:  
FINTECH, DIGITALIZATION AND ISLAMIC FINANCE

**DOES A CRYPTOCURRENCY COMPLY TO SHARIAH?:  
'URF BASED AND ARCH-GARCH MODEL**

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**ABSTRACT**

Islamic finance is one of the economic sectors that shows promising growth in the last decades. According to the Islamic Financial Services Industry (2017), the total assets in Islamic finance were around USD 1.89 trillion in 2016, with a growth rate of 15-20% per annum (Qoyum et al., 2021). Nowadays, since their first establishment in 1963, Islamic financial industry, like their conventional counterparts, have become an important part of modern financial intermediaries (*Ishak, et.al., 2021*). Islamic finance has a critical role in promoting Islamic economic practice. Nevertheless, some Islamic economic expert opined that u-turn phenomenon in Islamic economy was predominantly caused by the current practice of Islamic finance which is tend to just imitated conventional finance. Islahi (2015) argues that Islamic economists have been too much focused on Islamic finance. This argument was supported also by Kahf (2001), with his statement that Islamic finance has been “a beautiful illusion for the core of Islamic economics”.

**Keywords:** *cryptocurrency, Shariah, Urf*

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**THE ROLE OF DIGITAL FINANCIAL SERVICES IN ACCELERATING WOMENS ECONOMIC EMPOWERMENT  
IN INDONESIA: WHAT IS LEFT TO THE LEARN**

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**ABSTRACT**

The rapid growth of digital financial services provides opportunities for advancing gender equality more broadly. This is because digital financial services (DFS) are increasingly accessible to homemakers who do not have bank accounts. So that can use it can use to reduce gender disparities in accessing finance and advance women's economic empowerment (WEE) within their households and local economies, this study aims to examine the effect of digital financial services (DFS) on Women's Economic Empowerment. Collected the secondary data from various sources to study the role of digital financial services in Indonesia like 120 women who use smartphones, are homemakers and are active in social organizations in Indonesia, such as account holders who use digital payments to pay their electricity bills, pay motorbike bills and shop for various household needs. The results of this study indicate that the use of digital financial services has a positive effect on reducing the gender gap and the use of digital financial services has a positive effect on Women's Economic empowerment.

**Keywords:** *womens, economic empowerment, digital financial services*

# THEME: ZAKAT, WAQAF AND SADAQAH

## THE CONCEPTUAL FRAMEWORK OF MUSTAHIQ ENTREPRENEURS' WELFARE IN PRODUCTIVE ZAKAT EMPOWERMENT (SHARIA MAQASID APPROACH)

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### ABSTRACT

The performance of micro-enterprises is crucial and a big challenge for mustahiq entrepreneurs. Business continuity is needed because mustahiq entrepreneurs make a living through these entrepreneurial activities. But in business development sometimes mustahiq face obstacles to making it happen. This study aims to identify and describe the welfare factors of mustahiq. The charting the Field method is used to sort articles by topic, discussion, year, and sources used in this study. Meanwhile, data were obtained from literature studies from various sources, including reference journals for the period 2012-2022. This research produces a conceptual framework regarding mustahiq welfare factors which include internal and external aspects of mustahiq, namely productive zakat, Islamic entrepreneurial motivation, competence, and success of sharia maqasid businesses. This study enriches previous limited studies on the welfare of mustahiq entrepreneurs that are following maqasid sharia and contribute to mustahiq entrepreneurs, poverty alleviation, and good zakat management.

**Keywords:** *Maqasid Sharia Welfare; Productive Zakat; Islamic Motivation, Competence; Business Success*

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## IMPLICATIONS OF ZAKAT ON THE ECONOMIC GROWTH AND HUMAN DEVELOPMENT INDEX IN INDONESIA PERIOD OF JANUARY 2019 – JUNE 2022

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### ABSTRACT

The Economic Growth and Human Development Index (HDI) have become as the main barometers in observing regional development achievements in developing countries, including Indonesia. Both economic growth and HDI in Indonesia have shown dynamic and stable development, until the era of Covid-19 Pandemic emerged and lasted for two years which caused a tremendous effect for both. Majority of both the monetary and real sector cannot provide significant implications for economic growth and HDI in Indonesia when hit by the Covid-19 Pandemic, but it does not relate for zakat. This research aims to analyze the implications of zakat on the economic growth and HDI in Indonesia for the period of January 2019 – June 2022. The source of data used in this research is secondary data. The research method used in this research is a quantitative method with analytical techniques of the simple regression and correlation analysis. The expected result of this research is that zakat have positive implications for the economic growth and HDI in Indonesia both before, during, and after the Covid-19 Pandemic. Mapping of alternative regional development policies in Indonesia after the Covid-19 Pandemic also becomes the next concern that will be answered by this research with zakat instruments based.

**Keywords:** *Economic Growth, HDI, Zakat, and Implications*

THEME:  
ZAKAT, WAQAF AND SADAQAH

## INCOME ZAKAT COLLECTION THROUGH SALARY DEDUCTION IN SELANGOR A PROPOSED FRAMEWORK FOR SUSTAINABILITY

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### ABSTRACT

This study aims to improve the method of zakat collection through salary deduction by improving calculation in the salary system. Specifically, the objectives of this study are to increase zakat collection in the future in Selangor, to recommend suitable measures to develop income zakat calculation in the salary system and to suggest deduction of income zakat as of the deduction of LHDN income tax deduction (MTD or PCB) in the salary system. The aim of this study are, to increase income zakat collection, to calculate income zakat with accurate calculation for employees based on their eligibility in the salary system and to avoid a non-movement of zakat deduction in employees' salaries in the coming years. To achieve this, auto calculation will be imposed by employer on employees for income zakat in the salary system before income tax deduction for organisations in Selangor. This study is significant since zakat is one the important elements in Islamic Social Finance that is very crucial to be explored and utilized for ummah betterment. Hence, for the significance of this study, it will be beneficial for the ummah, especially to zakat payer (mukallaf) and zakat receiver (asnaf). The benefit is also for the Lembaga Zakat Selangor and to the future researchers on how to improve income zakat collection. This is by proposing a framework on how to maintain zakat sustainability in future by improving the collection method especially for income zakat and to ensure zakat collection is more than zakat distribution in the future in Selangor.

**Keywords:** *Technology, Income Zakat, Income Tax, Zakat Collection, Salary Deduction, Sustainability, Islamic Social Finance*

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## REVIVING ABANDONED CONVENTIONAL COASTAL POND WITH WAQF ON PERMA-AQUACULTURE IN INDONESIA

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### ABSTRACT

It has been discovered that industrial coastal ponds harm the environment. The primary cause of environmental damage caused by land clearing and pond management involves using chemicals and other artificial matter. This event then brings the abandoned fishpond, which can no longer grow fish or shrimp. The destruction of nature is contrary to Islamic teaching. As a result, this research aims to create a waqf model in a coastal pond using perma-aquaculture. Perma-aquaculture is a method of raising fish or shrimp by collaborating with nature and not using any artificial chemicals. Then, it is expected that fishers and stakeholders desire to practice this waqf on perma-aquaculture to maintain the natural balance.

**Keywords:** *Waqf, Aquaculture, Coastal Pond, Environment*

THEME:  
ZAKAT, WAQAF AND SADAQAH

## THE ROLE OF ZAKAT INSTITUTION IN COMBATING POVERTY: A CASE STUDY OF UNHCR'S REFUGEE ZAKAT FUND DURING COVID-19 CRISIS

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### ABSTRACT

During the recent advent of the COVID-19 pandemic, many countries have struggled to eradicate it and extenuate its adverse socio-economic effects on the world. It has been acknowledged that international collaboration was necessary to face such a global challenge, and a lot of methods have been suggested for funding and tackling the problems at hand. In this regard, the UNHCR's Refugee Zakat Fund played a significant role during the COVID-19 pandemic. The UNHCR's Refugee Zakat Fund raised \$38.1 million in the first half of the year, far surpassing a target of US\$26 million originally set for 2019 and establishing itself as a globally trusted and Shari'ah compliant structure for efficient collection and distribution of Zakat funds to the most vulnerable refugees and internally displaced persons (IDPs). This study aims to investigate how the UNHCR's Refugee Zakat Fund collected its fund and how it distributed it for the benefit of refugees. Relying on secondary data collected from the website of UNHCR-Refugee Zakat Fund, the study follows two methodology approaches. Firstly, an Inductive Approach via extrapolating the Refugee Zakat Fund aid, through studying the available reports. This approach will help to reach an accurate assessment of the situation of the Refugee Zakat Fund during the COVID-19 pandemic. Secondly, the study will apply an analytical deductive approach as well by analyzing issues and providing solutions and suggestions.

**Keywords:** *Zakat, UNHCR's refugee, COVID-19*

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## ON THE DIMENSIONS OF WAQF PERFORMANCE MEASUREMENTS - A SURVEY

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### ABSTRACT

Issues in *waqf* management have been widely discussed with concerns about whether they have been effectively and efficiently managed in order to achieve intended objectives of their stakeholders. Studies on the performance measurement of these institutions revealed the use of financial ratios as the dominant dimension in the measurements. It has been argued that because of their non-profit religious nature and because they are entrusted with assets for social and economic development of the society, their performance measurement should additionally measure dimensions related to and focussed on realization of their goals, missions and stakeholders' objectives. This paper reports a survey of these additional performance measurement dimensions as suggested in the literature with the aim of formulating a framework of performance measurements which encompasses both financial and non-financial dimensions. A literature review was carried out in the search for non-financial performance dimensions as practiced for non-profit organizations (NPO) as an effort to comprehend how they can be adapted to *waqf* institutions performance measurements. The main objective of this paper is to attain a collection of measurement tools, quantitative and qualitative, which may be adapted for use in measuring *waqf* institutional performance. It is a hope that this paper serves to provide a useful collection of methods as well as offer a significant insights into the "available" dimensions of assessing performances of *waqf* institutions.

**Keywords:** *Waqf, Performance, Measurement, Stakeholders*

THEME:  
ZAKAT, WAQAF AND SADAQAH

## ZAKAT MANAGEMENT MODEL BY INVOLVING GOVERNMENT SERVANT ISLAMIC PROPHETIC VALUE VARIABLE (CASE STUDY IN INDONESIA)

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### ABSTRACT

The great potential of Zakat in Indonesia is very huge, therefore zakat management is essential to be explored in more detail by involving the great role of government. As the government intervention is less however community role has been instrumental beyond its functions. The role of the government should be active in zakat as in the teaching of Islam since the era of the Caliphate. Based on government role theory in terms of political, social, economic, and religious perspective the government should be active include in Zakat. The Zakat potency in Indonesia until 2020 has only reached 4% (0.75 trillion from 220 trillion IDR per year). Many studied said that there are lack of government role, if it is the existence of Good Corporate Governance (GCG), Trust theory in Zakat couldn't reach the optimum result. It is necessary to design a conceptual model for involving government role variables based on the leadership of the spiritual servants of Islam as a "moderating variable" to cover research gap in the most previous research which are only studied the effect GCG variables (transparent, trust, accountability etc.) to Zakat collection. The new variables (Government Servant Islamic Prophetic Value) were derived from three theories namely; Government Role theory, Islamic Spiritual Leader theory and GCG theory. The research used qualitative methods by conducting interviews some prominent people namely the leader of BAZNAS (National Zakat Agency), Zakat agency, the leader of Zakat institution. The sampling method used snowball method in order fulfil the best model. Results revealed that the model resulted more power as government take overover-involved possibility in line with their authorities i.e. provide and support the regulations, monitoring and facilitating infrastructures.

**Keywords:** Zakat, Trust, Government, Islamic Value

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## DETERMINANTS OF INTENTION TO PATRONIZE ZAKAT INSTITUTIONS AMONG ACADEMICIANS OF MARAWI, PHILIPPINES

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### ABSTRACT

The institutionalization or establishment of zakat institutions in the catholic country of the Philippines remains a challenging endeavour for the minority Muslim Filipinos. The Zakat Institution has a promising role in poverty alleviation among marginalized Muslim Filipinos, especially in Marawi City, devastated during the 2017 Marawi Siege and exacerbated by the economic crises caused by the COVID-19 pandemic. If there is one, the noble mission of the Zakat institution is accomplished and sustained if it is well patronized. This study examined the factors influencing potential zakat payers' intention to patronize zakat institutions, using the theory of planned behaviour. The quantitative research method was utilized. Five hundred survey questionnaires were distributed to academicians at Bangsa Moro Autonomous Region in Muslim Mindanao (BARMM), specifically in Marawi City. The Pearson Product-Moment Correlation and Multiple Regression analysis analyzed 366 completed survey questionnaires. According to the study's findings, Attitude, Subjective Norms, and Perceived Behavioral Control all had a significant relationship with the intention to patronize Zakat Institutions. However, only Attitude and Perceived Behavioral Control influence academicians' intention to patronize zakat institutions in the Philippines. Triggering the influencing factors will maximize zakat collection, resulting in more beneficiaries being served. This research contributes to the advocacy and promotion of zakat institutions in the Philippines.

**Keywords:** Zakat Institution Patronage, Filipino Muslim Academicians, Theory of Planned Behavior

THEME:  
ZAKAT, WAQAF AND SADAQAH

## CWL-FRA (CASH WAQF LINKED DINFRA): WAQF INNOVATION MODEL AS AN INSTRUMENT FOR NATIONAL ECONOMIC RECOVERY AND SUSTAINABILITY

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### ABSTRACT

Cash waqf is a type of modern waqf that has a lot of potential in today's world. In Indonesia, Aside from its potential of 180 trillion per year, cash waqf is still not optimal in terms of collection, management, and distribution. At the same time, the infrastructure sector in Indonesia faces challenges, specifically in terms of funding. Therefore, the innovation of the CWL-FRA (Cash Waqf Linked DINFRA) model is here to be a solution for these two problems because the proposed model is the result of an integration between efforts to optimize cash waqf and infrastructure funding through the Infrastructure Investment Fund (DINFRA). The waqf funds in this CWL-FRA innovation will be allocated to the mauquf 'alaih from the profits of the infrastructure investment funds themselves, which will then become a source of useful assets in the long run. As a result, the goal of this scientific paper is to create a capable model of strengthening the ecosystem of Islamic social financial institutions and maximizing the potential achievement of cash waqf in Indonesia as a form of implementing sustainable finance as well as an effective instrument in recovery national economy that is realized through infrastructure development. This paper using ANP (Analitic Network Process) and Delphi method. The ANP test is to formulate proposed models that are most effective in restoring the economy and Delphi used to explain the SWOT analysis of the ANP results as the proposed model. Data collection techniques were carried out through questionnaires to 9 respondents representing academics and expert practitioners from both the waqf and infrastructure sectors. From the resulting Delphi test output, it was discovered that all respondents believed there was a relationship between the SWOT indicators, demonstrating that this model is feasible to implement. Furthermore, based on the level of agreement of respondents, this model aims to make a positive contribution to national economic recovery, become a sustainable source of social funds, optimize the potential of waqf in Indonesia, strengthen the ecosystem of waqf social finance institutions, and improve the quality of management and maintenance of infrastructure in Indonesia.

**Keywords:** *Cwl-Fra; Cash Waqf; Dinfra; Economy Recovery*

## MUHAMMADIYAH WAQF ORGANIZATION: OPPORTUNITIES AND PROSPECTS

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### ABSTRACT

*Muhammadiyah* is an Islamic organization that is very well known in Indonesia because its usefulness has a massive impact on the ummah. The Central Board Council of *Muhammadiyah* 2010-2015 on *Muhammadiyah* has since engaged in charitable efforts, particularly in education, health, public welfare, economics, and da'wah from waqf properties, including waqf land. *Majelis Wakaf dan Kehartabendaan* establishes an asset management division as *Muhammadiyah's* function to administer Waqf and the organization's assets in a professional, transparent, accountable, and productive manner to provide the community with social benefits. This research uses observation and interviews to examine the waqf challenges and opportunities in the *Muhammadiyah* organization. Lastly, this paper highlight that the dilemma of effective coordination and integration between centralized and decentralized administration is also a fundamental challenge of waqf management in *Muhammadiyah*.

**Keywords:** *Waqf, management, administration, Muhammadiyah Organization*

## SOCIAL IMPACT MEASUREMENT AS AN ACCOUNTABILITY TOOL FOR WAQF ORGANISATIONS

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### ABSTRACT

This paper aims to highlight the role of social impact measurement (SIM) as an accountability tool for waqf organisations by responding to the growing call for measuring impact and ensuring their sustainability as one of the essential vehicles of Islamic social finance. Despite the rapid growth of waqf worldwide, there is still a pressing need for greater accountability to ensure the waqf achieves its potential and higher purposes. The relationship between the waqif (donor) and the mutawalli (trustee) is fundamentally built upon the concept of accountability, aimed at ensuring the intended impact of social services is responsibly and adequately made. While accountability has been explored from mostly the perspectives of disclosures, accounting practices, and standards, this paper aims to link SIM as another tool to discharge accountability, not only to funders and beneficiaries, but ultimately also exploring the concept of “felt accountability”, which is an intrinsic drive to be accountable to live up to the organisational vision, mission, and values. There are many reasons for social impact to be measured, one of them being a measure of accountability. SIM not only proves the activities done by the organisations, but it also verifies the impact achievement and provides stakeholders with an opportunity to improve the quality of their programmes with the resources available. The study undertakes a critical review of the literature on accountability practices within waqf organisations and how SIM enhances the practice. This paper is expected to advance the literature on SIM as a tool for waqf organisations to discharge accountability.

**Keywords:** *Waqf organisations, accountability, social impact measurement*

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## HOW DO ISLAMIC BANKS REPORT AND DISTRIBUTE ZAKAT IN MALAYSIA?

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### ABSTRACT

Malaysian Islamic banks have been paying, reporting, and distributing their zakat, albeit not all banks are doing so. This information can be found in their financial statements. This study intends to cover both reporting and distributing practices of those banks. Focusing on all sixteen Islamic banks in Malaysia, this study was conducted using content analysis and semi-structured interviews. With the help of financial statements and annual reports, content analysis was employed. Then, officers dealing with the zakat fund were interviewed to gather their insights on how banks distribute the zakat. This study anticipates information that is not published in the financial statements and annual reports of the banks, particularly on zakat distribution practices.

**Keywords:** *Distribution, Islamic banks, Reporting, Zakat*



## ALGERIAN ḤUBŪS AND ITS DEVELOPMENT STAGES (FROM PRE-OTTOMAN RULE TO THE POST-INDEPENDENCE ERA)

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### ABSTRACT

This research seeks to illustrate chronologically the major historical development stages of the Algerian Ḥubūs system. Most Waqf institutions in Algeria share a similar historical development pattern with other Islamic countries. The development of Ḥubūs in Algeria will be divided into four main periods; the pre-Ottoman Caliph period; during the Ottoman Caliph period; French occupation period; and lastly the period of modern Algerian state. to boost knowledge and augment researchers' thoughts regarding the practice of Waqf in Algeria. Since limited studies have addressed this issue in the context of Algeria. This study implemented library research, and a conceptual approach as the method of analysis. Furthermore, the researchers assessed a significant body of relevant studies written on several aspects of the Ḥubūs history in Algeria, to provide readers and scholars with lessons from Waqf institutions in Algeria throughout four different stages in history. While the Ḥubūs institution performed a pivotal role in many societal segments of Algerians' life during the two first stages, it has witnessed a massive deterioration in term of its impact during the post Ottoman era, especially during the French colonization period. The destructive consequences of the colonial period extremely hampered the efforts of the new Algerian state regaining the glorious role of Waqf institutions. The results show that Waqf is one of the immutable national values in Algeria, and that has played a significant socio-economic role once recognized as the backbone of the economic system.

**Keywords:** *Algeria, Ḥubūs system, Waqf institutions, Sustainable Development*

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## THE PRACTICE OF GOOD GOVERNANCE IN ZAKAT MANAGEMENT: A HOLISTIC AND COMPREHENSIVE APPROACH TOWARDS ZAKAT COLLECTION AND DISTRIBUTION

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### ABSTRACT

The purpose of this paper is to provide a general exposition on the concept of good governance of zakat, applying its management as an important panacea in today's prevalent situation of financial calamity. The objective of this paper is to analyze the implication of good governance on zakat management as it is a prerequisite for a well-organized society. Good governance dictates a set of policies to promote broad based economic growth, a dynamic private sector and social policies that will be directed towards zakat management. Seen from the Islamic point of view, careful application of good governance is vital to maximize economic and social advancement. Islam is a comprehensive code of life, and it provides guidelines for social, political, and economic systems. Hence, Islam concerns itself for collecting zakat and providing a decent life to its entire people through a prolonged welfare scheme that is essential for all Muslims. Subsequently, Islam needs rulers to prevent a drop in the standard of living of their subjects, thus they must concern themselves with stabilizing their economy and assuring constant economic growth. Therefore, good governance is to deliver and apply the regulation and duties in the best manner. The goal of Islamic good governance system is to eliminate corruption from the society and implementations of social justice as well as welfare of the people as the Shari'ah emphasizes the fair dealings in every aspect of life and observe justice to the masses. The methods of data collection are involved library research through reading and content analysis of primary and secondary sources.

**Keywords:** *Good governance, Zakat management, Economic growth, social advancement*

THEME:  
ZAKAT, WAQAF AND SADAQAH

## ZAKAT BANKING: A NEW BANKING BUSINESS MODEL GIVING LOANS WITHOUT INTEREST; PRELIMINARY FINDING

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### ABSTRACT

The conventional bank gives loans and charges interest to make profits. Islamic bank avoids loans to avoid interest, but instead gives trade-based financing and charges equivalent profit rates. Critics say Islamic banks failed in achieving their social objective. Yet, Islamic bank proponents are clamming for maqasid shariah to justify. Irrelevant to the validity of such a claim by shariah scholars, the problem that both banking systems do not give loans without interest is still prevailing. On the other hand, despite not giving the details, Sayyid Abul A'la Mawdudi the originator of Islamic Economics idea rationalizes that "the scourge of interest can be replaced and removed by a social order based on zakat and sadaqat". Therefore, in attempting to interpret Mawdudi's rationale, the paper intends to highlight the proposed new banking business model that is financially viable to give loans without interest by incorporating the prescribed elements of Zakat and Waqf (a form of sadaqat). To justify this new banking business model, exploratory sequential mixed methods research is needed with the following two key objectives, i) to explore what are the stakeholders' views on the new banking business model and ii) to find out how financially viable the new banking model. As Magretta said, "When business models don't work, it's because they fail either the narrative test (the story doesn't make sense) or the numbers test (the P&L doesn't add up)". Although it is expected that the new banking business model narrative may make sense and it can be financially viable; however at the time of writing this paper, research works are still in progress. Therefore, this paper will only present the preliminary finding on the financial viability test. The proposed business model will have a major social and economic impact on Islamic society once readers understand that there can be a possible solution to enable banks to give loans without interest and by the same token willing to participate in this development named Zakat Banking.

**Keywords:** *Banking, Zakat Bank, Loan Without Interest*

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## WAQF ASSETS MANAGEMENT ON TRADITIONAL TERRITORIES : WAQF GOVERNANCE, RECEPTE A CONTRARIO AND MASLAHAH UMMAH'S PERSPECTIVES

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### ABSTRACT

Nazhir has been unable to recognize waqf assets that lack legitimacy and do not comply with administrative regulations. As a result, Nazhir didn't record and report these assets to stakeholders. There are still numerous waqf Nazhir that administer waqf assets without obvious legality of asset ownership, creating the possibility of fraud in their management. This study's case occurred in a Muslim minority area, namely Bali. According to observations, Nazhir manages waqf assets that stand on traditional territories without the legitimacy of proof of ownership. Consequently, these waqf assets are not recorded in financial statements or reports on waqf asset acquisition. The research approach used is a qualitative case study in Muslim minority communities of Bali. Direct observation and interviews are used to collect data. Data were analyzed using descriptive and narrative methods. Based on the findings, strategies for minimizing risks in managing waqf assets on the traditional territory are (1) the local government issuing a policy stating that it is permitted to manage waqf assets with temporary waqf criteria. The administration was completed by releasing the Minutes of Receipt of waqf assets known to the customary administrators, nazhir, wakif, and the office of religious affairs (KUA). (2) Nazhir has the authority to ruislag waqf assets to land that is permitted to become private property, such as Village Yard land (PKD). (3) Nazhir failed to report the management of waqf assets on customary land would struggle to reach Islamic corporate governance requirements in terms of disclosure and transparency. Nazhir is obligated reports on the administration of waqf assets to the Indonesian Waqf Board regularly.

**Keywords:** *Waqf, traditional territory, asset, Nazhir, Governance*

THEME:  
ZAKAT, WAQAF AND SADAQAH

## STRATEGIES FOR IMPROVING CASH WAKF FUNDRAISING THROUGH OPTIMIZATION OF CASH WAKF LITERACY IN INDONESIA

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### ABSTRACT

Indonesia is a country with the largest Muslim population in the world, this supports Indonesia to have a high potential for waqf, especially from the potential for cash waqf. However, the implementation of the understanding of cash waqf in the community is limited and is still fixated on traditional waqf which causes the collection of waqf to be low. BWI reports that the potential for waqf in Indonesia is around Rp. 180 trillion per year, while the calculation of the realization of waqf in 2020 only reached Rp. 397 billion. In addition, survey data related to the literacy level of cash waqf reviewed by the Fiscal Policy Agency, Ministry of Finance of the Republic of Indonesia, stated that the cash waqf literacy index data reached 0.475 which was included in the poor or low category. This phenomenon requires a strategy to increase the level of waqf literacy in the community, especially in cash waqf literacy. So that the existence of cash waqf can help to empower the national economy. Therefore, increasing public literacy on cash waqf must be realized. The purpose of the study was to determine the extent of the influence of literacy on optimizing the collection of cash waqf in the community. This research is a qualitative research through content analysis, by digging up information and data through scientific journals and sources from technology media. The analytical method used is data collection, data reduction, data presentation and conclusion drawing. Based on this explanation, it is important to conduct this research as an evaluation material in increasing cash waqf literacy in the community and an overview of the current conditions related to the level of waqf literacy in Indonesian society. The results showed that the influence of literacy on the fundraising of cash waqf in Indonesia had a high category and showed significant positive results.

**Keywords:** *Fundraising waqf, waqf literacy, cash waqf*

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## ISSUES AND CHALLENGES OF WAQF IN MARAWI CITY AND PROPOSED ACTION PLAN FOR THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

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### ABSTRACT

Waqf (endowment) as an Islamic community finance mechanism can be seen as a great imminent instrument that plays a significant role in generating a prominent source of financing for the community and for the needs of the Muslims who are multipart and growing. Waqf is an important factor of the Islamic economic instruments which is absolutely believed, can answer the socio-economic problem mainly in the good challenge to eradicate poverty due to scarcity and insufficiency of income and employment. Although Waqf had been implemented in the Philippines for many years, it has yet given an impact in contributing welfare of the people in this present day. Thus, this study used qualitative research methods to be gained from library research, and web-based journals and articles. The literature related to the development and management of waqf properties was gathered and reviewed thoroughly. Prior studies provide interesting insight on the importance of masjid, madrasah, healthcare centers and integrated schools before the Marawi City war broke up in May 2017. Secondary data on the recent position of the waqf properties in Marawi City has been obtained from the newspaper, Television News Watch, and you tube. This study attempts to discuss issues and challenges facing Muslims during the implementation of Waqf. Hence, this paper proposed simple action plan that should be taken by Bangsamoro to improve the effectiveness and efficiency of Waqf. In addition, the paper will identify the significance impact of Waqf implementation in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) towards creating and establishing Ministry of Religious Affairs in support to Islamic Procedural Law, Islamic Financing and Banking and other concerns related to social welfare of the Bangsamoro.

**Keywords:** *Waqf, Socio-economic, managing, administration of Waqf*

THEME:  
ZAKAT, WAQAF AND SADAQAH

## WAQF AS A SOLUTION IN SOLVING THE PROBLEM OF POVERTY AND UNEMPLOYMENT IN INDONESIA

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### ABSTRACT

This research aims to analyze waqf management as a solution in solving the problem of poverty and unemployment in Indonesia. This research uses qualitative methods with a literature review approach. The result of this study show that waqf is able to solve the problem of poverty and unemployment by managing waqf well and productively whose results and benefits are aimed at meeting the basic needs of the community such as clothing, food, house, education and health. Including using waqf as an investment that can open new jobs. This reasearch can be used to contribute thoughts and ideas in resolving the problem of poverty and unemployment in Indonesia through waqf management.

**Keywords:** *Waqf, Islamic Philanthropy, Poverty, Unemployment*

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## THE LEVEL OF ACCOUNTABILITY OF THE CASH WAQF MANAGEMENT INSTITUTION AFTER THE ISSUANCE OF ACCOUNTING STANDARD 112

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### ABSTRACT

This study aims to measure the level of accountability of cash waqf management institutions after the issuance of the Accounting Standard (PSAK) 112. Of the 302 cash waqf management institutions registered with the Indonesian Waqf Board (BWI), 14 institutions were obtained that published financial statements in 2021. This study used content analysis based on PSAK 112 and the accountability index of waqf institutions based on internet financial reporting (IFR). The results showed that the majority of waqf institutions did not meet the accounting standards of PSAK 112. Based on the accountability category, waqf management institutions based on PSAK 112 are classified as very low levels. Meanwhile, measurements using the accountability index only reach the middle level. Of the two measurements of accountability levels, KSPPS BMT ITQAN occupies the highest score position. Increased accountability of waqf institutions can be supported by intervention and supervision from the government through BWI. This research has implications for mapping the level of accountability of cash waqf management institutions in Indonesia.

**Keywords:** *Accountability, Cash Waqf, PSAK 112, Accountability Index*

THEME:  
ZAKAT, WAQAF AND SADAQAH

### ACCOUNTABILITY NAZHIR WAQF : IS NECESSARY TO AUDIT WAQF INSTITUTION?

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#### ABSTRACT

The problem face in waqf accountability is the case of social institutions that have audited their financial statements, but fraud has occurred. Therefore, audited financial statements of nazhir waqf are important because they will minimize fraud. The innovation this research is to map the problems and solutions for presenting audited financial statements on nazhir waqf. The finding is to achieve waqf accountability, it is necessary to separate the management between waqf and zakat management. Then implement accounting standards nazhir waqf, and conduct an audit process to independent auditors. As for efforts to minimize auditor fees, auditors need to be given literacy about knowledge waqf.

**Keywords:** *accountability, waqf, audit, accounting, Nazhir*

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### NADZIR'S PROFESSIONALISM IN INCREASING THE TRUST OF THE WAQIF ON WAQF GOVERNANCE

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#### ABSTRACT

The success of waqf management lies in the existence of nazir in maximizing the role of waqf. Therefore, the existence and quality of nazir should receive more attention, both from individual nadirs, organizations, and legal institutions. In Indonesia, the majority of waqf is managed by individual nazir (66%) and is traditional, so the waqf cannot be managed professionally. This study aims to find out how to increase waqif trust through nazir professionalism. The research method used is a conceptual study or literature. The results showed that the professionalism of nadzir in addition to waqf management was also able to improve the social and economic welfare of the community as a means to maintain the trust of the wakif. The trust of the wakif is influenced by the professionalism of the nazir in managing waqf which refers to modern management principles in waqf, namely aspects of transparency and accountability. These two aspects will be the basis for monitoring the development of waqf, both in terms of reports and others.

**Keywords:** *Nazir, Professionalism, Trust*

THEME:  
ZAKAT, WAQAF AND SADAQAH

## INVESTMENT OF WAQF THROUGH THE INTERPRETIVE STRUCTURAL MODEL (ISM) APPROACH

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### ABSTRACT

In Islamic shari'a, waqf is the practice of sunnah maliyah, where the practice not only has a dimension of worship, but also has a very broad dimension including from the economic aspect. This paper will try to elaborate the form of Islamic finance in terms of investment in waqf assets as is the case in several Islamic countries in the world. This paper will also analyze the formulation of a strategy for developing waqf assets based on digitalization technology through the Interpretive Structural Model (ISM) approach. The methodology in this paper is carried out with a qualitative approach whose sources are taken from references to books, journal articles and websites. The analytical technique to answer this formulation is the ISM approach. The results show that on the productive waqf side of waqf and the role of waqf institutions, the impact of waqf plays a very important role in the consumption of mustahik (ummah) with the first step in processing ISM is to create a Structural Self Interaction Matrix (SSIM), where the variables are made contextual relationships by making one variable  $i$  and variable  $j$ . The next step is to create a Reachability Matrix (RM) by changing  $V$ ,  $A$ ,  $X$ , and  $O$  with the numbers 1 and 0. The final step is to create a Canonical Matrix to determine the level through iterations, so waqf funds that collected can be used to increase the economic growth of the people.

**Keywords:** *Waqf Property Investment, Interpretive Structural Model.*

# THEME: ISLAMIC WEALTH MANAGEMENT

## MOSQUE-BASED ECONOMIC EMPOWERMENT STRATEGY IN IMPROVING COMMUNITY WELFARE: SWOT ANALYSIS APPROACH (CASE STUDY AT MASJID RAYA AL FALAH SRAGEN)

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### ABSTRACT

History records that during the time of Rasulullah SAW, mosques played an important role in the development of Muslims. At that time the mosque did not only act as a place of worship, but the mosque had a more important role, namely as a center for education and empowerment of Muslims which was regulated and organized by mosque administrators. Therefore, a mosque management strategy is needed to empower and prosper the surrounding community so that they can unite the principles of the mosque administrators themselves. Therefore, it is necessary to have a mosque management strategy in empowering and prospering the surrounding community so that it can unify the principles of the mosque management themselves. This study aims to find out how the Al Falah mosque-based economic empowerment strategy in Sragen can improve people's welfare. The method used is descriptive qualitative with data collection techniques through observation, interviews, and documentation which are analyzed using SWOT analysis and triangulation. The results of this study are that the mosque-based economic empowerment strategy carried out by the Al Falah Mosque in Sragen in improving people's welfare is by analyzing the environment, formulating strategies, implementing strategies, and evaluating strategies. It should be noted, with the existence of several mosque-based economic empowerment programs, that the impact of economic empowerment on the surrounding community after the implementation of the program carried out by the Great Mosque of Al Falah Sragen has a very positive and significant impact on the surrounding community.

**Keywords:** *Empowerment, Strategy, Masjid, Welfare, SWOT*

## THEME: ISLAMIC FINANCIAL LITERACY

### THE ROLE OF FINANCIAL BEHAVIOUR, FINANCIAL STRESS AND FINANCIAL WELL-BEING TOWARDS ISLAMIC FINANCIAL LITERACY

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#### ABSTRACT

Financial literacy is an important national issue and become the main focus in many countries. Various reports have confirmed that a huge number of world's population is lacking knowledge on finance. The increasing number of people with low level of financial literacy reflect the effectiveness of their educational institution and impact the well-being of national economy in a country. Thus, this study explores the role of financial behaviour, financial stress and financial well-being towards the Islamic financial literacy. The study employs qualitative research method by reviewing the selected literature using content analysis. The financial behaviour, financial stress and financial well-being are good predictors to determine the level of Islamic financial literacy. The study suggests that the regulator and education institutions should provide more relevant projects and programs to improve the knowledge and understanding on Islamic financial literacy especially among youth, to reflect on good financial behaviour and financial well-being according to Islamic principles.

**Keywords:** *Islamic financial literacy, financial behaviour, financial stress, financial well-being, sustainability*

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### AN EXPLORATORY STUDY ON HOUSEHOLDS' OVER-INDEBTEDNESS FROM A SHARIAH PERSPECTIVE

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#### ABSTRACT

At the individual level, indebtedness creates vulnerability to exploitation (Dzulm). While slavery in the past often resulted from a crippling vicious cycle of debt, in modern times labour bondage due to debt (also known as debt slavery or debt bondage) are still widespread. As in many countries around the world, household over-indebtedness in Malaysia is becoming an increasingly widespread phenomenon. The problem has been further compounded with the profound negative social and economic impact of the COVID-19 pandemic. As Islam fought against slavery in its multiple dimensions, including the financial dimension. In Islamic, the risk of falling into debt bondage is mitigated by prohibiting any usurious transactions and providing specific recommendations aimed at regulating the relationship between debtors and creditors. Unlike other religions, Islam is the only religion that gives the debtor a right on the wealth of those whose wealth is above a certain threshold (Nisab). This study aims to explore the different aspects of indebtedness from a shariah perspective. To meet this research objective, the study follows a qualitative methodology represented by an intensive review of literature and sayings of the Prophet (pbuh) as well as a series of interviews with reputable scholars. This study provides an in-depth understanding of the position of Sharia regarding debt in different circumstances, the relationship between debtors and creditors, preventive solutions, as well as the solutions provided by Sharia to help people who are over-indebted.

**Keywords:** *Households, Indebtedness, Shariah*



## RELIGIOUS AWARENESS AND SMALL PERCENTAGE OF ZAKAT AL-MAL COLLECTION IN BRUNEI DARUSSALAM: RELATIONS AND SOLUTIONS

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### ABSTRACT

Zakāt is an effective socio-economic tool to alleviate poverty in the Muslim society. In Brunei Darussalam, zakāt is managed by Brunei Islamic Religious Council (MUIB), and there has been no issue pertaining the Zakāt al-Fiṭr as majority of Muslims in Brunei paying this zakāt. However, the Zakāt al-Māl face several problems as the percentage of collection is still considered weak. The purpose of this study is to understand the relationship between the said issue and the religious awareness among the public. This study adopted a mixed method approach; qualitative and quantitative through interviews and distributing survey questionnaire among the public. From two interviews with the Zakāt officers of MUIB and 319 respondents from the survey, Nvivo11 and SPSS27 software were used as a tool to analyze the data obtained. The study has found evidence that religiosity and knowledge on Zakāt al-Māl have significant relationship with the awareness of the Zakāt al-Māl payers. The study then suggests in order to improve the Zakāt al-Māl payments in Brunei, there is a need to increase religious awareness among the public particularly Zakāt al-Māl payers through increasing their religiosity and knowledge on Zakāt al-Māl. The study suggests MUIB to increase the awareness of the public through collaborations with mosques in Brunei to increase the religiosity among the public. Conducting roadshows and booths presentation through schools, universities, colleges and frequently visited public area to increase the public's knowledge of Zakāt al-Māl is also necessary. At the same time, MUIB has to fully utilize technology including social media as an effective platform to increase the religious awareness.

**Keywords:** *Negara Brunei Darussalam, zakāt payment, Zakāt al-Māl, religious awareness*

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### CONSUMER AWARENESS OF TAKAFUL

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### ABSTRACT

This paper aims to identify the categories that exist in the spectrum of consumer awareness of takaful to ensure the efforts taken in promoting awareness of takaful are delivered in a comprehensive and effective manner. It also addresses the role of takaful operators related to promoting consumer awareness of takaful. The study adopts qualitative-based research. Primary data is gathered using semi-structured interviews and content analysis is undertaken to identify and interpret the data obtained from the interview in developing the categories of consumer awareness. It has been discovered that the spectrum of consumer awareness of takaful can be categorized into four different categories which are awareness in terms of (1) importance of takaful coverage, (2) takaful product features, (3) takaful as a Shariah compliance alternative to conventional insurance and (4) consumer's rights and responsibilities to the takaful contract. The study also finds that the takaful operators in the industry need to collaborate and work as a whole in the effort to promote consumer awareness of takaful. This study appears as a primordial attempt to discuss and identify the categories that exist in the spectrum of consumer awareness with reference to the takaful industry in Malaysia; while other studies related to consumer awareness of takaful are more focused on examining the level of knowledge and awareness of consumers in takaful.

**Keywords:** *Consumer, awareness, takaful, Islamic finance*

## THE RAHN PRACTICES BY THE REAL ESTATE AGENCIES IN AFGHANISTAN: THE SHARIAH AND LEGAL ANALYSIS

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### ABSTRACT

The purpose of this paper is to assess the current practices of al-Rahn (mortgage) by Real Estate Agencies (REA) in Afghanistan. The local Islamic scholars and Muftis perspectives are not clear about the current practice of al-Rahn. Some of them justified the current practice based on the concept of Bay al-Wafā, whilst the others are of the view that the present practice is an interest-based contract. Afghanistan is an Islamic country located in the heart of south-central Asia and has more than 39 million people, 99% of which are Muslims. Al-Rahn still continues in its traditional and classic form in Afghanistan where there are some Shariah and legal issues remain in its current application. Hence, this study will investigate the Shariah and legal issues existed in the current structure of al-Rahn in the country. The study will pursue a qualitative library-based approach to explore the current practices of al-Rahn by REA. Only secondary data from a variety of sources, including case studies, periodicals, newspapers, related articles, and current literature, will be chosen for this purpose. For data interpretation, the narrative analysis method will be used. The findings of this research will help the REA and contracting parties to understand the legal and Shariah issues related to the al-Rahn contract. It will also help the related regulatory authority to take action to ensure that the practices of al-Rahn comply with Sharī'ah principles, not only to meet up the expectation of the public but also as legally required by the legislation of the country.

**Keywords:** *Al-Rahn, Shariah and legal issues, Islamic micro-finance, real estate agencies, Islamic Finance*

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## DETERMINANTS INFLUENCING THE SPIKE IN MALAYSIAN YOUTH BANKRUPTCY

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### ABSTRACT

This research intends to identify the factors that have contributed to the recent increase in youth bankruptcy in Malaysia. This research may also provide beneficial and theoretical evidences and information to society, such as the government, family, youth, and future researchers, considering that young people are the primary backbone for national development. Hence this research comes with two objectives: to identify the relationship between sociodemographic (education level and occupation) factors and to determine the relationship between usage of credit cards, materialism and medical expenses to the increase in the number of young people declaring bankruptcy. Sociodemographic information about the respondents who filed for bankruptcy was acquired from the Malaysia Department of Insolvency (MDI) in Kuala Lumpur and Negeri Sembilan branches. The questionnaire was constructed using primary data and distributed to 119 people who had filed for bankruptcy with the Malaysian Department of Insolvency (MDI). Multiple Linear Regression methods were used to examine the relationship. Education, occupation, credit card usage, materialism, and medical expenses are the five independent variables used to determine youth bankruptcy. As a result, three out of five turns out to be significant in explaining youth bankruptcy which are education, credit card usage and medical expenses. A great deal of misconception has been practised by many youths nowadays, seeing as they do not acknowledge how severely the problem is and what the causal effects will be, due to their inattention to financial management.

**Keywords:** *youth bankruptcy, credit card, materialism*

THEME:  
ISLAMIC FINANCIAL LITERACY

## **ROLES OF ISLAMIC FINANCIAL LITERACY ON FINANCIAL DECISION MAKING: BUILDING A CONCEPTUAL FRAMEWORK BASED ON THE THEORY OF PLANNED BEHAVIOR AND SOCIAL COGNITIVE THEORY**

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### **ABSTRACT**

With the recent surge in interest in Islamic banking and finance, the subject of Islamic financial literacy has taken on new significance. With the growth and development of Islamic financial products, it is possible to choose the right ones and make the right decisions about Islamic financial products by acquiring Islamic financial literacy. The objective of this study is to propose a conceptual framework for the roles of Islamic financial literacy in financial decision-making among working adults in Malaysia. This study will employ the Theory of Planned Behavior, Social Cognitive Theory, and Islamic financial literacy to test their influence as independent variables on financial decision-making in choosing Islamic financial products. Nonetheless, there is a lack of literature available to show the connection between the Theory of Planned Behavior, Social Cognitive Theory, and the roles of Islamic Financial Literacy in financial decision-making. This study's originality may contribute to the construction of a new body of knowledge and expand the literature sources in the subject of a conceptual framework, which will be beneficial to academics and practitioners alike.

**Keywords:** *Islamic financial literacy, TPB, Social Cognitive Theory, financial decision making*

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## **SHARIA INVESTMENT DECISION MAKING: GENDER LENS INVESTING (GLI), FEAR OF MISSING OUT (FOMO), AND SHARIA FINANCIAL LITERATION**

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### **ABSTRACT**

Gender Lens Investing has garnered increasing global attention in recent years. Gender Lens Investing is one of the gender equality targets contained in sustainable development (SDGs) by 2030. Gender Lens Investing is an investment strategy that integrates gender analysis into investment analysis of investment decision-making and behavior. Fear of Missing Out is an investment strategy that integrates analysis of investor behavior in decision-making and investment behavior based on trends and joining friends. Meanwhile, Islamic financial literacy is an individual's understanding of fund management, contracts in Islamic finance and investment. This study aims to determine and measure the effect of gender lens investing fear of missing out, and Islamic financial literacy on investment decision-making. The data used in this study is to use primary data by using a questionnaire. The research sample is 100 respondents who are Islamic capital market investors. The method used is a quantitative method, with the help of the SPSS application in processing data. The results of this study are that there is an influence between gender lens investing and Islamic financial literacy on sharia investment decision-making.

**Keywords:** *Gender Lens Investing, Islamic Financial Literacy, Fear of Missing Out, Investment Decision Making*

# THEME: ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

## IMPLICATIONS OF ZAKAT ON ECONOMIC GROWTH AND HUMAN DEVELOPMENT INDEX IN INDONESIA

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### ABSTRACT

Economic Growth and the Human Development Index (HDI) have become the main barometers in observing regional development in developing countries, including Indonesia. Both economic growth and HDI in Indonesia have shown dynamic and stable developments since 2010. This continued until 2019 which is believed to be the endpoint of the economy. Some monetary instruments and fiscal strategies are considered when measuring economic growth and HDI. An interesting fact is that the zakat is one of the instruments in question. This study aims to analyze Zakat's economic growth and HDI in Indonesia from January 2010 – December 2019. The source of data used in this study is secondary data. The research method to be used is a quantitative method with analytical techniques in the form of simple regression and correlation analysis. The expected result of this research is that zakat can give a positive impact on the trend of economic growth and HDI in Indonesia from 2010 to 2019. The emergence of the Covid-19 pandemic in Indonesia has proven to disrupt the mapping of zakat potential in Indonesia for two years. The government can use this event as price evaluation material for restructuring zakat-based economic development policies in the post-Covid-19 pandemic period.

**Keywords:** *Economic Growth, HDI, Zakat, and Implications*

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## SUKUK'S ROLE IN FINANCING INFRASTRUCTURAL DEVELOPMENT DURING COVID-19 PANDEMIC IN NIGERIA

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### ABSTRACT

Covid-19 pandemic has had some far-reaching socioeconomic impacts not only to individuals but states and other forms of human collectivities. Among some of the devastating impacts of the pandemic is its effects on financing infrastructural development particularly in the global South. In spite of this fact, Nigeria has found Sukuk financing as an alternative source for financing some of its infrastructural development with the country issuing *Sukuk* worth N362.577 billion. The proceeds of the Sukuk were deployed for the construction and rehabilitation of nearly a hundred road projects across the country. The latest *Sukuk* issued in December 2021 was over-subscribed by 346 percent according to the country's debt management office. This article aims at investigating why *Sukuk* offers a significant alternative source of financing infrastructural development in Nigeria. The article argues that the lack of availability of conventional sources of financing development, economic downturn caused by Covid-19 pandemic, the potential investment return, the *Sukuk* structure, and *Sukuk* successes in other economies all contribute to the *Sukuk* thriving as an important alternative source of financing infrastructural development in Nigeria. Findings of this article are expected to contribute to the expansion of Sukuk beyond the pandemic time and the progression of other forms of Islamic financial instruments in financing infrastructural development in Nigeria.

**Keywords:** *Covid 19; Financing Development; Global South; Islamic Finance; Sukuk*

THEME:  
ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

### **A CONSIDERATION ON REFUGEES' FINANCIAL ASSISTANCES: WHY HUMANITARIAN SUKUK IS IMPORTANT?**

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#### **ABSTRACT**

As the year 2023 approaches, the contemporary world is witnessing the biggest refugee crisis since World War II. As a result of the vast migration of migrants caused by war and genocide, these refugees face famine and loss of human rights which is beyond comprehension. Malaysia is one of the countries that host the largest number of refugees. It has an honourable reputation for allowing them to access the territory of the country and live with a comfortable condition. Europe also gives refugees several privileges. Lately, however, these privileges have gradually diminished during the recent European financial crisis. Nowadays, there are many researchers discovered and written very deeply regarding humanitarian aid instruments inspiring their principles from the conventional economy. However, there is a wide gap in literature review and a few sources regarding humanitarian Sukuk. The aim of this research is to list a different category of humanitarian instruments that aim to assist refugees and meet their needs in the long-term period and provide an overview regarding Sukuk and its strength in mitigating the refugees' crisis in the short and long-run period and also its critical role to boost the economy of Malaysia through refugees' side. This research explores the potentials of humanitarian Sukuk in overcoming the refugee crisis in Malaysia. The researchers found that the Sukuk has high potentials to be used as alternative financing in overcoming refugee crisis. It is also a practical instrument in eliminating the refugee crisis. In this study, the researchers proposed certain structures of Sukuk that can be adopted in financing humanitarian aids to overcome the refugee crisis within the Malaysia borders.

**Keywords:** *Refugees, Financial Assistance, Sukuk, Humanitarian Sukuk, Malaysia*

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### **THE FUNCTION OF MACROPRUDENTIAL POLICY ON LOAN GROWTH AND RISK-TAKING IN ISLAMIC BANKING AND FINANCIAL INSTITUTIONS: EVIDENCE FROM ISLAMIC COUNTRIES**

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#### **ABSTRACT**

The recent Global Financial Crisis (GFC) has emphasized the importance of the implementation of Macroprudential Policy (MPP) to promote financial stability in the banking and financial institutions. The main objective of this paper is to evaluate loan growth and bank risk-taking tendency by Islamic banks during crisis and normal periods and how MPP moderate the relationship between loan growth and risk-taking to promote financial stability in the Islamic financial institutions. This paper will use a dynamic panel dataset to regress the analysis from the year 2005-2020. The paper will apply Z-score to measure bank risk and the Generalized Method of Moments (GMM) will be used to measure the impact of MPP on the relationship between loan growth and bank risk-taking. However, the empirical findings will suggest which particular MPP are more suitable and effective in controlling abnormal loan growth and risk-taking appetite to enhance financial stability in the Islamic banking and financial institutions. Though, Islamic banking and financial institutions are still in the infancy stage of implementing macroprudential policy, hence, it is important to investigate how macroprudential tools are effective in Islamic financial institutions as compared to conventional financial system.

**Keywords:** *Macroprudential policy, Islamic bank, Loan growth, Risk-taking, Financial stability*

THEME:  
ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

## THE ROLE OF ISLAMIC SOCIAL FINANCE AND DIGITALIZATION ON THE MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) SUSTAINABILITY IN BANGLADESH

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### ABSTRACT

Bangladesh has strong economic potential in the south Asian region. Over the last decade, it has been providing upward remittance flow, stable macroeconomic conditions and robust ready-made garment (RMG) export growth. However, economic sustainability is under challenge due to the COVID-19 pandemic, the ongoing Russia-Ukraine crisis, and the oil prices hike. Micro, small and medium enterprises (MSMEs) play a multifaceted role to remain economic stability and sustainability. In this consequence, Islamic social finance can play a vital role to regain the unforeseen consequences by digitalizing its instruments (e.g. zakah, sadaqah, waqf, qard, takaful, Islamic micro finance, sukuk and crowdfunding). Moreover, it has gained a lot of attention for equity-based financing, easy access and collection process, equitable distribution, humanity's well-being and poverty alleviation in society. The aim of this study is to develop a conceptual model by investigating theoretical and empirical literature. The findings show that Islamic social finance and digitalization have a significant role in MSMEs sustainability. Moreover, the government initiative (i.g. regulatory framework) has a significant mediating role for MSMEs sustainability in Bangladesh during the post-COVID-19 era. The findings of this study will provide a fresh contribution to the policymakers and stakeholders of Islamic finance to reshape the future of Islamic and finance under a digitalization environment which should be associated with maqasid al-Shariah.

**Keywords:** *Islamic social finance, digitalization, MSMEs, sustainability, and Bangladesh*

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## THE EFFECTS OF RECENT COURT RULINGS IN MALAYSIA AND PAKISTAN ON ISLAMIC FINANCE INDUSTRY

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### ABSTRACT

Malaysia and Pakistan have actively dealt with a series of litigation in the court of laws. The objective of this paper is to analyse the impact of recent rulings in Islamic finance cases to the industry. The rulings in both nations have various impacts and resulted in a relief to the industry but at the same time may harm and enhance shariah reputation. The study refers to cases decided from 1983 to 2021 detailing reported cases in journals and unreported cases in muamalat court Jalan Duta. The study is important to measure risks and compliance requirements in the industry as imposed by the Central Banks from both countries. The study concludes with critical observations and recommendations for improvement.

**Keywords:** *cases, court, Malaysia, Pakistan Effects, Islamic finance*

THEME:  
ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

## ANTECEDENTS AND CONSEQUENCES OF MARKET ORIENTATION IN MSMEs IN CENTRAL JAVA (CONCEPTUAL MODEL)

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### ABSTRACT

Globalization is increasingly heating up competition between companies around the world, including MSMEs in Central Java. Those who are not able to adjust to the environmental changes that occur will be threatened with the sustainability and growth of their business. The consequence will be job loss and will increase poverty levels. The contribution of MSMEs in creating job opportunities, absorbing labor and improving people's welfare is unquestionable. It is urgent to create the right strategy to improve its performance so that it is able to deal with the fluctuations in the business environment that occurs. The research that will be proposed here focuses on improving the performance of MSMEs with a primary data approach considering that MSMEs (objects of research) do not all have complete financial reports. The performance improvement strategy follows the resource theory (RBV), which is derived towards intangible assets through a market orientation approach (market orientation = MO) and an entrepreneurial spirit resource approach (entrepreneurial orientation = EO). In previous studies related to the effect of MO on performance the results are still mixed. It is interesting to re-examine and at the same time close the research gap, a new framework of thinking is proposed by adding antecedents to MO which then looks at the consequences on performance. The object of research is KLBI SMEs numbered 31001,31002,31004, the furniture industry from wood, rattan and or bamboo, and metal in Central Java, precisely in Kab. Japan and Kab. Klaten. Purposive sampling and the formula from Hair were applied to obtain a sample of 210 divided into 2 research object areas. Research hypothesis: EO has a significant effect on the performance of SMEs; EO has a significant effect on MO; MO has a significant effect on the performance of SMEs. The statistical tool uses SEM-AMOS.

**Keywords:** MSME performance, market orientation, entrepreneurial orientation

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## ZAKAT: STATE REVENUE OR RELIGIOUS REVENUE

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### ABSTRACT

Either in the form of taxes or a part of the national income, state revenue generally understood as taxes, fees, licenses, fines, and charges for services imposed by the legislature on individuals, businesses, or agencies outside state government. Taxes constitute the primary source of state revenues. The state constitution makes a provision that they can expand the sources of revenues for socioeconomic purposes. On the other hand, *Zakat* in language is an infinitive of the verb *zakat*. *Zakat* means to grow and to increase. When it is said about a person, it means to improve, to become better. Consequently, *zakat* is blessing, growth, cleanliness, and betterment. In *Shari'ah* the word *zakat* refers to the determined share of wealth prescribed by God to be distributed among deserving categories. As religious obligation on every eligible muslim, *zakat* constitutes revenue which is considered as religious revenue. *Zakat* is a mandatory donation of certain percentage as determined by Islam which must be paid annually or on the harvest or treasure (*Rikaz*) by Muslims to be distributed to eight (8) eligible categories. Based on these two facts, this paper highlights through descriptive and library research the issue either *Zakat* could be considered as state revenue or religious revenue. The paper found that *zakat* is primarily religious revenue because it is written in the scripture but it might be considered as partly state revenue.

**Keywords:** state revenue, religious revenue, zakat

THEME:  
ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

## ISLAMIC FINANCE TOWARDS A COMMUNITY ECONOMIC RESILIENCY AMIDST COVID-19 PANDEMIC IN LANA DEL SUR, PHILIPPINES

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### ABSTRACT

This study was undertaken primarily to highlight the views of the different respondents on how Islamic finance in any way can affect community economic resiliency amidst Covid-19 Pandemic in the case of Lanao del Sur, Philippines. The respondents who participated in the wide ranging survey were sampled from the population by multistage sampling (first, by cluster sampling then by purposive sampling, by proportionate sampling and simple random). Data collection was done in Lanao del Sur Philippines, and to gather data on the respondents' socioeconomic profile for profiling purposes and the respondents' perception on how Islamic finance can affect community economic resiliency amidst Covid-19 Pandemic Lanao del Sur, Philippines the researcher used questionnaire, interview, focus group discussion, and observation.

**Keywords:** *Islamic Finance, Community Economic Resiliency, covid-19, Lanao del Sur, Philippines*

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## ONLINE BUSINESSES VIZ A VIZ SUSTAINABLE ECONOMIC DEVELOPMENT AMIDST COVID-19 PANDEMIC AMONG THE MERANAW IN THE PHILIPPINES

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### ABSTRACT

Online businesses become the trend in this COVID-19 Pandemic. It is what specifically helps those none-government employees who are not expecting a monthly salary. This sustains their everyday living as means of survival. This study attempts to understand the role of online businesses for a sustainable economic development. It is for a fact that these online businesses have been a source of income among Meranaw in the Philippines primarily because of the availability of internet amidst COVID-19. According to Melody and Robert (2011), the incredible growth of the internet has given opportunities for people to involve in an online global business. This study also concerns the perceptions of the Meranaw online sellers in the country. It made use of Cross-Sectional survey research design and utilized qualitative descriptive approach in the interpretation of data gathered. Simple Random Sampling was utilized using fishbowl technique in gathering the number of respondents in the study. This study results include the struggle of the online sellers in their online businesses, and the challenges they encountered as they do online selling. The opportunities brought by the COVID-19 Pandemic to the respondents were also acknowledged. This is the same with the extent of viability these online businesses brought to the respondents. Undeniably, in today's time especially on the sprouting years of the pandemic, online businesses become a tool towards sustainable economic development among Meranaws. In light of the findings, this paper further proposes recommendations to ensure a robust action plan to help those online sellers. Hopefully, this study can be one of references to consider on the importance of the topic to ensure sustainable economic development in an online business.

**Keywords:** *Online Businesses, SED, COVID-19, Pandemic, Philippines*



THEME:  
ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

**POLITICAL STABILITY AND HUMAN DEVELOPMENT  
IN THE ORGANIZATION OF ISLAMIC COOPERATION (OIC) COUNTRIES**

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**ABSTRACT**

In many Muslim countries, there are dynamics in political stability and security issue. This study examines the relationship between political stability and human development in the Organization of Islamic Cooperation (OIC) member countries. The political stability variable comes from the governance index published by the World Governance Indicator (WGI), which measures political stability, absence of violence, and terrorism. Secondary data on the Human Development Index (HDI) variable comes from the World Bank. This study analyzes 50 OIC member countries for 2003-2019 by employing the Granger causality method for panel data. The results show a bidirectional causality between the political stability index and the human development index in all OIC member countries. However, in countries with a very high HDI, the relationship between the two variables is unidirectional. In contrast, in the group of countries with a high and low HDI, the two variables have no connection.

**Keywords:** *political stability, human development, OIC member states*

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**THE ROLE OF ISLAMIC BANKS ON ECONOMIC GROWTH IN INDONESIA**

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**ABSTRACT**

Islamic banking plays at least four important roles: encouraging lending, stimulating savings, increasing financial stability, and contributing to the financing of morally acceptable projects. The finance-led growth hypothesis or "supply-leading view" theory generally assumes that the financial sector is driving economic growth. By observing all Islamic Banks registered with the Financial Services Authority during 2017-2020 using panel data, data is obtained as much as 224. Analysis method use panel data regression. The results show that Islamic Banks during 2017-2020 have not been able to prove The finance-led growth hypothesis or "supply-leading view" theory. This is probably because the market share of Islamic banks in Indonesia still low, and during the observation period, there was a period in which Indonesia experienced the COVID-19 pandemic which disrupted economic activity and of course had an impact on banking performance and economic growth in Indonesia.

**Keywords:** *Islamic Banks, Economic Growth*

## GREEN-HALAL TOURISM AS THE SOLUTION TO DISSOLVE CLIMATE CHANGE CRISIS: EVIDENCE FROM THE READINESS OF INDONESIAN GOVERNMENT

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### ABSTRACT

Climate change crisis is a phenomenon of environmental change triggered by human activities, such as business activities that are not atmosphere friendly and increasing global warming. Research related to climate change has revealed a significant result in fostering the environmental issue. However, the role of human activities to overcome this problem still remains more paucity of evidence. Therefore, this study aims to measure the readiness of Indonesian government in developing green-halal tourism as the solution to dissolve the climate change crisis. This research method used literature study. Data is obtained through a search of laws, regulations, policies, textbooks, journal articles, websites, and other relevant sources. To develop the concept of green halal tourism, we discuss it in four parts, starting with the presentation of the trends and prospects for the development of the halal industry, mentioning the challenges and obstacles in the development of green halal tourism, providing theories or concepts related to the elements of green tourism, and finally, we construct strategies that can be taken by the Indonesian government in the development of green halal tourism.

**Keywords:** *halal tourism; green economy; climate change crisis*

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## INDICATING HALAL FOOD AND BEVERAGE INDUSTRY RANKING METHODOLOGY FOR INDONESIA

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### ABSTRACT

The main aim of the research is to examine the current ranking of halal food and beverage industry for Indonesia by formulating halal food and beverage industry ranking indices that will be used to measure the development of halal food and beverage industry sector. After examining the current ranking, we found that there are lacking of variables that are representative enough for Indonesia. Thus, through deep literature study, we propose seven dimensions of maqāsid shari'ah namely hifzul addin, hifzul annafs, hifzul aql, hifzul annasl, hifzul maal, hifzul 'alam, and hifzul marwah. These seven dimensions are linked to supporting indicators with references from national and international publications. This research finding could serve as references for government in formulating policies for Indonesia as well as other countries. Most importantly this halal food and beverage ranking indicator can also be employed to rank halal industry development in each province in Indonesia.

**Keywords:** *Halal Ranking, Halal Food and Beverage, Maqāsid Shari'ah, Indonesia*

THEME:  
ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

**MAPPING CIRCULAR ECONOMY AND SUSTAINABILITY RESEARCH:  
A THIRTY-YEAR BIBLIOMETRIC ANALYSIS**

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**ABSTRACT**

Considering the last three decades of growing literature in business and economics subjects related to the circular economy and sustainability, this study aims to identify the research development of these topics. The lack of a comprehensive map of these topics encourages the authors to do so. Hence, the purpose of our study is to highlight the most productive and influential authors, affiliations, and countries, to reveal the most cited article, network visualization of the research, and thematic cluster identification. Our study employs a bibliometric analysis from 4,473 research papers on circular economy and sustainability. The data collection and refinement are based on the Scopus database from 1990 to 2023. We also use VoSViewer software for data visualization and thematic cluster analysis. The results revealed that the research development in the circular economy and sustainability is increasing rapidly. We found six thematic clusters focusing on business and economics subjects that have connected to each other. Investigating them, the authors provide mapping research over the last three decades and highlight future avenues for better circular economy transition. This study allows for identifying dynamic connections among thematic clusters over thirty years period.

**Keywords:** *Circular economy, Sustainability, Bibliometric analysis*

# THEME: MAQASID AL-SHARIAH AND ISLAMIC FINANCE

## BITCOIN, A CRITICAL SHARĪ-AH REVIEW AND ITS RELEVANCE TO THE CONTEMPORARY ISLAMIC FINANCE

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### ABSTRACT

Bitcoin is the prime cryptocurrency in the group of all decentralized digital assets, currencies and tokens that has taken the world by storm, since its debut in 2009 as revolutionary paternity that challenges the political, economic and social underpinnings of society. It has cut across several areas of interest and has a wide-ranging business, economic, environmental, legal, political, and regulatory significance. Since then, it has attracted and garnered the attention of academics, professionals, governments and businessmen, and Islamic scholars. Bitcoin is the first and the most popular cryptocurrency which challenges the long-standing and unchanged fiat payment systems that have been in place for several centuries. While cryptocurrencies are not likely to replace traditional fiat currency, they could change how Internet-connected global markets interact and operate, as well as clear away barriers surrounding cross-border financial transactions and exchange rates. Bitcoin is a digital and non-tangible innovation that offers several benefits, such as transaction speeds, low costs, and peer-peer trustable dealings by eliminating the need for a third-party intermediary to process transactions. This has sparked the interest of beginner investors to join the industry not only for the fear of missing out but without sufficient knowledge of the Sharī'ah. Several Muslim entrepreneurs have expressed their concerns and apprehensions to the various Ulamā for guidance so as not to pander to Harām transactions, for its newness in the frontier of financial enterprises. This trend has since then engaged many Islamic scholars around the world to issue conflicting Fatwā, thereby putting more pressure on the interests of the Muslim entrepreneurs undertaking Bitcoin investment. It is the objective of this presentation to review and highlight some of the most prominent Fatwā against Bitcoin and proffer the way forward of the problem. In addition, the presentation explores not only the potential and relevance of Bitcoin in the structure of Islamic banking and finance but also in busting the sector with unlimited benefits to all investors. Bitcoin and other cryptocurrencies are highly consonant with Islamic finance and can provide solutions to the associated problems of fiat money, which Islamic finance scholars were in some instances uncomfortable with. Unlike the fiat currency, the supply of Bitcoin and many other digital currencies are specified, an innovation that eliminates not inflation, but potential deception and inflation.

**Keywords:** *Bitcoin, Fatwā, Harām, Ulamā, Sharī'ah*

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## SHARIAH GOVERNANCE AND AUDIT IN THE ISLAMIC BANKS

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### ABSTRACT

Implementing Shariah governance through the Shariah Supervisory Board (SSB) is critical for monitoring and governing the activities of IBs to ensure their integrity, credibility, and transparency. Failure to adhere to proper Shariah governance processes will result in the failure of Islamic banks to uphold Shariah in their operations. The purpose of this research is to investigate Islamic banks' Shariah governance methods. In addition, Shariah auditing became a concern more than three decades ago, as the Islamic financial industry advanced. However, obtaining a report that explains the present situation of shariah audit research is difficult. As a result, it is vital to evaluate the Shariah audit research. Thus, the goal of this study was to use the Inductive technique to assess and depict the current situation of Shariah auditing. Moreover, we will analyse the previous related literature to evaluate and assess shariah governance and audit in the Islamic banks. The results of this study reveal that shariah auditing and governance have a substantial impact on the performance of Islamic banks.

**Keywords** *Shariah governance framework, Shariah Supervisory Board (SSB), Shariah audit, Shariah Committee, Islamic banks*

THEME:  
MAQASID AL-SHARIAH AND ISLAMIC FINANCE

## DO SHARI'AH-COMPLAINT FUNDS/ETFs OUTPERFORM THEIR CONVENTIONAL COUNTERPARTS IN THE UNITED STATES?

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### ABSTRACT

Socially Responsible Investing (SRI) is a type of investment that considers the social, environmental, and ethical aspects of the stock, mutual fund, or exchange-traded fund (ETF) before making an investment decision. SRIs are a subset of Islamic investments which require additional restrictions as they have to follow specific Shari'ah compliance guidelines. There is an increasingly high demand for Islamic assets in the United States, not only from Muslims who want to adhere to their way of life but also from the larger community because of their socially responsible nature and superior performance over the years. In this article, we use some descriptive analysis and the Capital Asset Pricing Model (CAPM) to compare the performance of Islamic Mutual Funds and ETFs with that of their conventional counterparts in the United States for the last two decades. We also compare such performance during periods of crisis, such as the 2007-8 crisis and the recent COVID-19 Pandemic in 2020, to assess the resilience of Islamic funds. The results suggest that Islamic funds perform at par with their conventional counterparts. The study contributes to the academic literature by comparing Islamic investments with conventional ESG-compliant funds and ETFs. On the practical front, the study reveals that the performance of Islamic investments is at par with their conventional counterparts despite the additional restrictions imposed by Shari'ah compliance requirements.

**Keywords:** *Islamic ETFs, Mutual Funds; Conventional Funds, Socially Responsible Investments; Performance*

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## ASSESSMENT OF FINANCIAL PERFORMANCE OF RSI SULTAN AGUNG SEMARANG THROUGH THE MAQHASHID SHARIA CONCORDANCE (MSC) APPROACH

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### ABSTRACT

Islamic economics has a goal to achieve maqhashid sharia through the realization of justice and balance in society. This paper aims to assist the management of RSI Sultan Agung Semarang in measuring the company's performance using the Maqhashid Syariah Concordance (MSC). The company's performance measurement is measured in four main areas, including: Work plans that are prepared to meet the principles of fairness, Fair hospital rates for patients, doctors and hospitals, Recommendations from the Sharia Committee on policies taken by hospitals and Cooperation with sharia banks. This research design uses descriptive quantitative analysis by analyzing the financial statements of the Sultan Agung Hospital Semarang during 2017 to 2021. The data is calculated using an index according to the Maqhashid Syariah Concordance model. The results of the paper show that the portion of da'wah and social costs shows a very good value, the ratio of complaints to tariffs is still within reasonable limits, the role of the Sharia Committee is in accordance with its function and the portion of RSI Sultan Agung Semarang cooperation with Islamic banks is larger than conventional banks. The conclusion of this paper is that the financial performance of RSI Sultan Agung Semarang based on the Maqhashid Syariah Concordance approach is good. Suggestions that can be given are to increase cooperation with Islamic banks and reduce cooperation with conventional banks.

**Keywords:** *Financial Performance, Justice, Maqhashid Syariah Concordance*

**QARDHUL HASAN AS A PROPOSED TOOL FOR SOCIAL FINANCING THROUGH TEMPORARY CASH WAQF AND ZAKAH: A MAQASID APPROACH**

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**ABSTRACT**

This research article aims to study the possibility of actualizing temporary cash Waqf and Zakah in contemporary world as they constitute the basin pillars of social financing in Islamic financial and economic system, and they have a very important role in achieving higher intents of Shariah like justice, social cooperation, and economic welfare. The problem of the research lies in the differences of opinions of scholars regarding permissibility of applying Qardhul Hasan on Zakah and this article attempts to employ Maqasid approach to give the preference among those views as well as delineating the rules and proposing suitable tools for it. Similarly, it again taking Maqasid approach propose application of Qardhul Hasan on temporary cash Waqf. The study is carried out considering the contemporary Islamic banks in general and suggest for actual application in Malaysian context. Content analysis and comparative analysis methods have been used to carry out the research. The research concludes that applying Qardhul Hasan through temporary cash Waqf and Zakah for social financing is permissible in the light of Maqasid-e-Shariah.

**Keywords:** *Temporary Cash Waqf, Qardhul Hasan, Social financing, Islamic banks, Maqasid-e-Shariah*

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**LINKING SUSTAINABLE DEVELOPMENT GOALS WITH MAQASHID SHARIA IN ISLAMIC BANKS**

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**ABSTRACT**

This study investigates the Sustainable Development Goals (SDGs) that can be integrated with maqasid sharia in managing Islamic banks. This research design is qualitative through content analysis to find the principles of SDGs that have similarities with the maqasid sharia component. This paper offers stakeholders and Islamic banks to assess sustainable strategic management according to an Islamic perspective. This study was conducted on Indonesian Islamic banks as Islamic banks whose majority shares are controlled by the state and have the most significant assets in Indonesia. This study can identify strategies related to SDGs that will be useful for other Islamic bank managers.

**Keywords:** *SDGs, Islamic banks, Maqasid Shariah, assets*

THEME:  
MAQASID AL-SHARIAH AND ISLAMIC FINANCE

## MODELLING FINANCIAL REALIZATION USING MAQĀSID ASY-SYARĪ'AH APPROACH: CASE OF CENTRAL BANGKA REGENCY

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### ABSTRACT

This thesis discusses how the financial realization in the monitoring and evaluation data of the regional budget of Central Bangka Regency is in accordance with the maqāsid asy-syarī'ah approach or not yet approaching, also this research will provide a new model for regional development programs that are in accordance with the 5 maqāsid asy-syarī'ah priorities. This study uses a qualitative method using the analytic network process or ANP with case studies in the central Bangka regency. This method is a way of obtaining decisions and using calculations to get a ratio scale. Data from this study was obtained from interviews with related sections, direct observations, and related data. From this study will be known the results that the Realization of Monitoring and Evaluation of Data Bangka Tengah District is not approaching of maqāsid asy-syarī'ah, also this study will find a new data monitoring and evaluation model by five concepts maqāsid asy-syarī'ah.

**Keywords:** *Monitoring and Evaluation, APBD, Maqāsid Asy-Syarī'ah*

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## SUSTAINABILITY AND ISLAMIC SOCIAL BANKING: A SYSTEMATIC LITERATURE REVIEW

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### ABSTRACT

Islamic banking should function beyond commercial banking and serve at every level of the community through its product and service offerings, distribution channels, and sustainable activities. On top of having financial performance measurement, Islamic banks suffer from a lack of a mechanism to measure their social impact on society. One of the factors is the absence of a definite conceptual definition of Islamic social banking and its comprehensive themes developed thus far. The major observation is that all these social themes are scattered under different sustainability agendas (i.e., SDG, ESG, SRI, and CSR) established by different groups and organizations. From the Islamic perspective, all the themes are rooted in Maqasid Shariah. Therefore, constructive action should be taken and the development of an integrated framework of Islamic social banking is one of the aspects that need to be identified. This paper aims to identify, review and synthesize the sustainability agendas and their connection to Islamic social banking and Maqasid Shariah based on a systematic review. Guided by the PRISMA Statement (Preferred Reporting Items for Systematic reviews and Meta-Analyses) review method, a systematic review of the Google scholar, Scopus, Emerald insights, Taylor and Francis, Springer, World of Science, and Science Direct databases identified several related studies. The inclusion criteria are: i) publication date between 2017 and 2022, ii) country, iii) methodology, iv) model/theory, and v) dimension. Narrative synthesis and systematic review were performed and reported based on respective main and sub-themes developed. Several recommendations are highlighted which relate to conducting more qualitative studies, having a specific and standard systematic review method to guide research synthesis in the context of Islamic social banking, and to practice complementary searching techniques such as citation tracking, reference searching, and contacting experts.

**Keywords:** *Sustainability, Social banking, Maqasid Shariah*

THEME:  
MAQASID AL-SHARIAH AND ISLAMIC FINANCE

## ISLAMIC PUBLIC –PRIVATE PARTNERSHIP MODEL FOR DJIBOUTI GEOTHERMAL PROJECT FINANCING: CONCEPTUAL FRAMEWORK BASED ON MAQASID AL-SHARIAH

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### ABSTRACT

In view of its strategic location at the intersection of the Red Sea and Indian Ocean, Djibouti has capitalized on its geostrategic position by specializing in transport and logistical operations. Due to that, Djibouti is experiencing steady economic growth, however, a long-standing issue facing the economy is the energy deficit and high dependence on imported fossil fuels. Despite Djibouti being rich in renewable energy, it does not have natural oil, gas, coal, and hydropower, for that reason, Djibouti mostly depends on energy imports from Ethiopia and fossil fuel from the international market. Accordingly, the cost of the electricity is very high which has impeded the socio-economic development of Djibouti. Thus, the Djibouti government has taken decisive action in exploring geothermal energy. The international experts have explored huge geothermal resources potential to meet the needs of consumption and commercially exportable geothermal reserve, nonetheless, the project is yet to be completed because of financial and technical constraints. Hence, there is a quest for a sustainable financing model that is cost effective, enhancing the fund accessibility, and helping successful completion of the project. The aim of this study is to propose for the development of Islamic PPP financing based on Musharakah and Istisna. The combination between PPP and Islamic models is expected to accelerate sustainable investment for renewable energy, given the fact that Islamic PPP financing is based on Islamic principles, enabling the government to shift away from interest-based financing and accumulated interest that just keeps growing and increasing the national debt burden which is among the highest in Africa. The research adopts Maqasid Al-Shariah theory to develop a conceptual framework for Islamic PPP financing based on Musharakah and Istisna in the context of the Djibouti geothermal project.

**Keywords:** *Geothermal, Musharakah, Istisna, Maqasid Al-Shariah, PPP financing, Djibouti*

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## MAQASHID SHARIA FRAMEWORK: SHARIA FINANCIAL INCLUSION THROUGH INDONESIAN SHARIA MOBILE BANK

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### ABSTRACT

Financial Technology (Fintech) has emerged as a payment tool that can process payments faster, easier, more efficiently, and safer. This concept encourages us can understand Islamic financial inclusion in the present and future. Although it has many benefits and advantages, examining BSI Mobile to sharia principles still need to be discussed further. This qualitative research observes BSI Mobile application launched by Islamic Banks in Indonesia. This study examines the compatibility of BSI Mobile with Maqashid sharia which is very important to determine whether it is in accordance with the objectives of Islamic law or not. This study adapts the BSI Mobile application which is integrated with the Maqashid sharia concept. This is conducted by reviewing the BSI Mobile and Bank Syariah Indonesia applications that are used to assess the proposed framework as case relevant. This research is expected to be able to encourage Islamic financial inclusion and encourage non-cash transactions developed by the Indonesian government.

**Keywords:** *BSI mobile, Financial Inclusion, Maqashid Sharia*



THEME:  
MAQASID AL-SHARIAH AND ISLAMIC FINANCE

## SECONDARY SUKUK TRADING AND RIBA (INTEREST): A SHARIAH ANALYSIS OF SOME SELECTED SUKUK STRUCTURES

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### ABSTRACT

While Sukuk was initiated as the Shariah-compliant alternative to interest-based bonds, Sukuk trading in the secondary market must also be void of interest or forms that mimic the conventional dealings to be Shariah-compliant. The purpose of this study is to examine the practices of secondary trading of some Sukuk structures. In reality, some of these practices are largely based on the conventional forms that make them resemble conventional bonds or employ interest-based approaches. Typically, Murabaha sukuk represents debts in the buyer's liability of the goods after they are sold, Salam sukuk represents the Salam capital before it is paid to the seller whereas Istisna'a Sukuk represents money for manufacturing or construction of the Istisna' project. The study adopts a descriptive-analytical approach to review relevant literature and Shariah rulings of relevant Fatwa bodies and then evaluate selected Sukuk structures and applications by examining illustrations and diagrams that represent the secondary sukuk transactions to understand the extent to which these structures resemble interest-based dealings. The study observes that Sukuk goes through multiple stages from subscription until the completion of the project, especially Sukuk intended for financing projects. Notwithstanding, trading in Sukuk at the stage of subscription must follow the rulings of trading in currency. This is because currency and debts are *ribawi* commodities and hence, *Riba al-Buyu* (interest in trading) practices must be avoided to ensure Shariah compliance. The amounts must be equal when the same class of *ribawi* commodities are sold and also spot basis.

**Keywords:** *secondary ukuk trading, sukuk structures, Shariah compliant*

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## VISUAL MAP OF SHARIA INSURANCE RESEARCH IN INDONESIA : A SYSTEMATIC LITERATURE REVIEW OF 1991-2022

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### ABSTRACT

The research aims to broaden the understanding of the topic of takaful (sharia insurance) in Indonesia over the last 20 years through bibliometric analysis and visualization of research maps using the VosViewer application. In the period 2002-2022, there was a significant growth in the number of publications on the topic of sharia insurance with a total of 996 publications with a total of 4,319 citations. In 2017 there was a very rapid escalation in the number of publications, which grew 77% from the previous year. UIN Banten, UIN Jakarta and Unair became the institutions with the most published articles on sharia insurance topics. The 40 best articles that discuss sharia insurance have been mapped from the perspective of accounting science. The publication of Tuffahati, Mardian, & Suprpto (2016) was the most influential with 32 citations. Through visual analysis, the sharia insurance research map produces 127 total link strength, 46 keywords (terms), and 9 clusters. The novelty of this research includes three things, namely the use of VosViewer in bibliometric techniques, a specific discussion of the accounting field, and the scope of research in Indonesia.

**Keywords:** *sharia insurance, accounting, visual analysis, bibliometric, vosviewer*

THEME:

MAQASID AL-SHARIAH AND ISLAMIC FINANCE

**CRITICAL EVALUATION OF THE SHARĪAH ASPECTS OF MODARABAH COMPANIES IN PAKISTAN**

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**ABSTRACT**

Islamic finance in Pakistan has grown in the last two decades. In 2021, there are twenty-nine Modaraba companies listed and supervised by the Security Exchange Commission of Pakistan (SECP). Modaraba companies offer innovative Islamic products and financial projects which may lead to a greater risk of Sharī'ah Non-compliance (SNC) exposure to the Islamic Financial Institutions (IFIs) in its effort to stay competitive. This research attempts to identify Sharī'ah non-compliant issues and current practices of Modaraba companies in Pakistan and the extent of compliance with SECP rules and guidelines. This study uses a qualitative research approach, conducting semi-structured in-depth interviews with Islamic finance experts in Pakistan targeting Modaraba companies in Pakistan. Both primary and secondary sources are used for data collection. The finding shows that these Modaraba companies adhere to the SECP rules and requirements, with some minor differences in the implementation process. The findings would contribute positively to enriching and contributing to the existing literature on the Sharī'ah non-compliant practices by Modaraba companies in Pakistan whilst at the same time establishing the levels of compliance of these companies under investigation.

**Keywords:** *Modaraba Companies, Sharī'ah Non-compliance, Islamic Finance, Sharī'ah Aspects, Critical evaluation*

## THEME: OTHER TOPICS RELATED TO ISLAMIC FINANCE

### THE INFLUENCE OF ISLAMIC WORK ETHICS TOWARDS BUSINESS PERFORMANCE AMONG MARANAO ENTREPRENEURS IN MARAWI CITY

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#### ABSTRACT

Islam as a way of life provides guidance in all aspects in the lives of every Muslim individual. In every guidance, benefits and moral values are present. Thus, business is not an exception. Honesty, justice and public welfare are the essential frameworks necessary in the conduct of business. These teachings are not exclusive to Muslims but to non-Muslims as well, who believe that fair trading and moral values are important in business dealings. Islamic work ethics is one of the valuable factors that allows entrepreneurs to work safely, ethically, and positively. However, problems exist with respect to ethics in business. This is demonstrated by the abandonment of both religious and universal values for the sake of material wealth. It is for this reason that this study was conducted in order to explore how Islamic work ethics, business ethics in particular, influence the business performance of select thirty-five entrepreneurs as respondents in Marawi City, Philippines. A cross-sectional survey design was utilized and uses descriptive approach in interpreting the data from a self-made questionnaire distributed to the said respondents. The data were analyzed and interpreted using 5a -point Likert scale ranging from 5 indicating strong influence to indicating strongly do not influence and were statistically treated using frequency, percentage, and weighted mean. Relative to the questionnaire raised, findings depict how Islamic ethics are embedded in the entrepreneurial activities of the respondents. It also reveals that Maranao entrepreneurs adhere to honesty, justice, and public welfare and perceived them as influential to the survival and success of their business performance. Hence, it is suggested that the respondents will be encouraged to continue their good deeds as these are considered ibada and a way of pleasing Allah (swt).

**Keywords:** *Influence, Islamic work ethics, business performance, and Maranao entrepreneurs*

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### PURCHASE INTENTION TO MUSLIM CONSUMERS Z GENERATION ON E-COMMERCE (B2C) IN INDONESIA

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#### ABSTRACT

Indonesia is one of the countries with the highest number of online buyers. This happened along with many e-commerce platforms that developed both in the form of Customer to Customer (C2C), Business to Customer (B2C) and Business to Business (B2B). One of the potential target markets of e-commerce (B2C) is Z generation which is one of the largest market share in Indonesia after millennial generation. This generation can access information from websites, including e-commerce, faster than the previous generation. This study aims to determine the factors that influence Muslim consumer behavior in using e-commerce in online shopping using the Structural Equating Modeling (SEM) method. The sampling technique used was purposive sampling taken from 100 respondents and processed using SMART-PLS applications. The results of this study indicate that perceived risk, perceived site and quality enduring involvement have a positive effect on perceived trust while situational involvement has a negative effect. The enduring involvement, situational involvement, and perceived trust have a positive effect on purchase intention while the perceived risk has a negative effect. Only product description is the only variable that has no effect on perceived trust. The findings of this study will assess the importance of product descriptions and perceptions of website quality on intentions for B2C e-commerce for Z generation Muslim consumers in Indonesia.

**Keywords** *Purchase Intention, gen Z, e-commerce, Business to Customer, Muslim behavior*

THEME:

OTHER TOPICS RELATED TO ISLAMIC FINANCE

## A COMPARATIVE STUDY BETWEEN ISLAMIC AND CONVENTIONAL REPO IN MALAYSIA

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### ABSTRACT

A sound and stable financial system are essential to any banking and financial system's regulators. Bank Negara Malaysia (BNM), the Central Bank of Malaysia, has enforced several monetary policy tools to ensure an ideal money supply level in the market. Numerous monetary policy tools are adopted by policymakers and market regulators worldwide, such as open market operations, statutory reserve deposits, and discount policies. Among these market mechanisms, many central banks favored open market operations due to their ease of use and flexibility. This paper aims to analyze Islamic and conventional repos in Malaysia. The method of this study is based on library research. Open market operations involve purchasing and selling securities or short-term financial instruments such as the central bank's repurchase agreements (repo). Islamic repo performs similar functions as those of the conventional market, except that Shariah laws and principles bound these functions. In other words, it provides an avenue for money market participants to invest short-term surplus funds or to obtain short-term funding in a Shariah-compliant way. The Islamic repo's main distinct structure uses a host of Shariah-compliant contracts, whereas the conventional repo is primarily designed based on loans. In the modern Islamic financial industry, Islamic repo alternatives such as bilateral Islamic repo, collateralized murabahah, and the SBBA in the case of the Malaysian market are said to have a great deal of potential to serve the liquidity need of market participants.

**Keywords:** *Conventional, Islamic, Repos, and Malaysia*

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## HYBRID SUKUK IN LIGHT OF THE RECENT IMPLEMENTATION OF AAOIFI SHARIAH STANDARD 59 RELATED TO THE SALE OF DEBT

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### ABSTRACT

Sukuk is among the primary fund-raising method for the sovereigns and corporates in a Shariah-compliant manner. Besides the Islamic investoSukukukuk has been well received by conventional investors as an instrument that can provide similar risk and reward equal to the bond. As there are various Sukuk structures in the market, hybrid Sukuk is among the popular structure preferred by the issuers. One of the reasons is it requires a lower physical or tangible asset requirement i.e. 30% out of the total Sukuk issuance amount ("tangibility ratio"). However, this changes with the implementation of Shariah Standard no. 59 on the Sale of Debt by the Accounting and Auditing Organisation for Islamic Financial Institutions ("Standard 59") ("AAOIFI"). It mandates a higher tangibility ratio requirement and an additional requirement of maintaining the tangible asset value. Thus, this paper aims to explore further the implication of these requirements toward the underlying asset condition and tradability of hybrid Sukuk, and another potential impact.

**Keywords:** *Islamic capital market, Sukuk structuring, hybrid Sukuk, AAOIFI Shariah standards, sale of debt*

THEME:  
OTHER TOPICS RELATED TO ISLAMIC FINANCE

## THE TENDENCY OF ISLAMIC MICROFINANCE INSTITUTIONS IN MADURA TO RESOLVE DISPUTES

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### ABSTRACT

This study examines dispute resolution used by microfinance institutions in Madura, because each region has its own characteristics in dispute resolution, including in sharia disputes. This character exemplifies society's proclivity to act. As a result, this study was carried out to examine the proclivity of microfinance institutions to resolve disputes, where this proclivity is based on public trust. This study was carried out using qualitative methods, including direct interviews with informants, online interviews, and offline interviews. Thus, the study discovered that dispute resolution in Islamic microfinance institutions in Madura tended to use the role of Kyai as a mediator, who were thought capable of providing a middle ground for their problems, as opposed to using a mediator mandated by a Supreme Court Regulation (PMA).

**Keywords:** *Dispute, Sharia Micro Finance Institution, Madura*

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## EL-DEPROS PROTOTYPE: AN INITIATION FOR INTRINSIC VALUES INTERNALIZATION IN THE WORKPLACE

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### ABSTRACT

The COVID-19 pandemic has hurt all walks of life. The implementation of health protocols is carried out intensively to reduce the spread of this virus. One example is the implementation of large-scale lockdowns and social restrictions. This of course causes a shift in the social culture of the community. The problem is that not everyone can be able to transform and adapt according to existing rules. Work that was originally done in the office, can now be done at home. Work From Home has both positive and negative sides. So in the post-covid-19 recovery period, many employees are not ready to return to the office, one of the reasons is that they feel comfortable working from home and are reluctant to return to direct manager pressure. EL-DEPROS (Electronic-Development Islamic Productivity) is proposed to accelerate the adaptation process, with the theme of the distribution of web-based knowledge. The EL-DEPROS prototype uses three main actors in its work process which are: Expertise, Administrator, and User. These three users will respond to each other and work together and transfer knowledge between experts and users. In this case, the administrator acts as a liaison between expertise and users. The implementation the use of this website is used to reduce the retention of employees' adaptation time in their early days of work. The use of training and development values based on Al-Quran and As-Sunnah is intended to strengthen their mental condition and reconstruct their work mindset. Islam is a Way of Life that can place employee morale at the highest level.

**Keywords:** *EL-DEPROS, Pandemic, Efficiency, Performance*

THEME:  
OTHER TOPICS RELATED TO ISLAMIC FINANCE

## ISLAMIC COMMUNICATION IN OUTBOUND MANAGEMENT TRAINING

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### ABSTRACT

This article aims to explain the concept of good communication in carrying out OTM (outbound management training) activities. This activity is carried out not only carried out by individuals but this activity is carried out by a team. In a team, each individual must work together with other individuals a team. Cooperation between individuals and other individuals in a team requires communication. Communication that is suitable for building interaction between people is Islamic communication. Islamic communication is very good if used in this activity because in it there is communication with good and polite words for anyone who is invited to communicate. Every individual must be able to communicate well. This good communication can be done by applying Islamic communication in it. The teachings of Islamic communication already existed in the time of the Messenger of Allah and this teaching is also good for every individual, especially the students, to be able to learn it. Good communication will have a good impact as well. The impact of communicating with Islam is a very variety of forms, starting from the number of good words that appear when talking to others and the words spoken also contain a reward of Their own are also delicious and polite if used. There are still many things that are very important in carrying out outbound management training activities, starting from the work on all tasks in training and development in this activity, both individuals and teams. So that the results that can be taken if you use good communication in OTM are very beneficial for the company and other parties, especially in carrying out daily life in the world of work.

**Keywords:** *Islamic Communication; Outbound Management Training; Training and Development*

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## A FRAMEWORK TO ANALYSE FRAUD RISK FOR NON-PROFIT ORGANISATIONS

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### ABSTRACT

Non Profit Organisations (NPOs) are not immune to fraud. It gets higher when they have weaker internal controls, lack of business and financial expertise and overreliance on volunteer boards. Gibelman and Gelman (2002) found that NPOs were vulnerable to financial and non-financial misconduct. This paper presents a conceptual framework for fraud risk management for NPOs. This paper reviews and synthesises the relevant literature on Fraud, Risk management and Non-profit organisations. Non-profit organisations must control the chances of fraud to preserve the integrity of NPOs. This paper presents a conceptual framework of Fraud Risk Management which would be helpful for further empirical research in this area. These findings are not solely relevant and applicable to Non-profit organisations but also to corporate organisations.

**Keywords:** *Risk management, Framework, Fraud, Non-Profit Organisations and internal control*

THEME:  
OTHER TOPICS RELATED TO ISLAMIC FINANCE

**IMPROVING BUSINESS SUCCESS THROUGH THE USE  
OF ACCOUNTING INFORMATION AND BUSINESS  
CAPITAL MANAGEMENT**

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**ABSTRACT**

The micro, small and medium enterprise (MSME) sector is the largest economic support sector in Indonesia, but along with the development of the times, there are still many problems that occur and have not been resolved, one of which is the low business success of MSMEs. This research aims to offer a conceptual framework effect of the use of accounting information and venture capital management on business success. This study uses a quantitative approach with research data in the form of primary data through a questionnaire. The population in this study are owners or managers of micro, small and medium enterprises (MSMEs) in Central Java. The sampling technique used is non-random sampling with the purposive sampling method. The data analysis technique in this study will use multiple linear regression analysis. Several factors that influence business success proposed in this conceptual article are the use of accounting information and business capital management.

**Keywords:** *Use of Accounting Information, Business Capital Management, Business Success*

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**THE ROLE OF RELIGIOSITY AND HARD WORKING ON HUMAN RESOURCES PERFORMANCE BMT UMMAT  
SEJAHTERA ABADI**

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**ABSTRACT**

The purpose of this study is to determine the effect of the variable Religiosity, Hard working on Performance of Islamic microfinance or Baitul Mal Wat Tamil (BMT), Indonesia. BMT is a microfinance institution that operates based on sharia principles and is a legal entity. We distributed questionnaires to 52 employee respondents at BMT Ummat Sejahtera Abadi. The sampling technique in this study is to use saturated sampling techniques and the test using path analysis. The results in this study indicate that religiosity and hard work will improve the performance of BMT human resources. Religiosity is the level of faith, understanding ,and obedience in religion, understanding in a person in living or practicing the teachings of the religion he believes in. While hard work is interpreted as an effort to move and get maximum results at work. These two things are indicated to improve the performance of BMT human resources.

**Keywords:** *Religiosity, Hard work, Human Resources Performance*

THEME:

OTHER TOPICS RELATED TO ISLAMIC FINANCE

### **NAFSUL IHTISAB CHANGE AGILITY: A FONDATION TO SPREAD THE SPIRIT OF CHANGE**

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#### **ABSTRACT**

The concept of change agility has been widely discussed in previous studies. However, there is still an opportunity to be re-examined because this concept is still lacking in moral values that can be added from Islamic Values. This study aims to introduce the value of Ammar Ma'ruf which is driven by the spirit of Nafsul Ihtisab in employees related to their ability to respond to the change process, namely Nafsul Ihtisab Change Agility. In the current era of disruption and pandemic, the world is changing so fast, that it takes a spirit of religiosity and the ability to change in order to survive and be able to keep up with the times. Nafsul Ihtisab Change Agility is the ability to initiate change from within the employees themselves and wants to spread the spirit of change to other employees by helping each other so that they can change for the better, sincerely only expecting the pleasure of Allah SWT. This new concept is built on the concept of employee agility, the ability of employees to deal with change and, coupled with the values of religiosity. This concept has dimensions of proactivity, competency and moral value (nafsul ihtisab). Employees who apply religious values such as Ammar Ma'ruf with the spirit of Nafsul Ihtisab can be one way to occur better change and can ensure that no employee is left behind in this change because between employees will help and advise each other just to hope for the pleasure of Allah SWT

**Keywords:** *Change, Ammar Ma'ruf, Nafsul Ihtisab, Change Agent, Agility*

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### **THE PRESENTATION AND DISCLOSURE OF ISLAMIC BANKS' FINANCIAL STATEMENTS: A COMPARATIVE ANALYSIS OF IFRS AND AAOIFI FINANCIAL ACCOUNTING STANDARDS**

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#### **ABSTRACT**

Financial reporting is a formal recording of transaction and activities of a financial entity. The demand for standards in financial reporting started way back before introducing the Malaysian Accounting Standards Board (MASB). A comparative analysis of the presentation and disclosure of Islamic banks' financial statement based on IFRS and AAOIFI financial accounting standard (FAS) is essential in explaining Islamic banks' reporting and compliance. Therefore, this study was conducted to compare the two accounting standards and their effectiveness in different Islamic Banks. This study adopts semi-structured interviews which has been conducted with industry practitioners and academicians to investigate the underlying issues in general on the different reporting based on the two standards, particularly on the reporting and disclosure of the Profit-sharing investment accounts. The results show that IFRS focuses on reporting the economic substance of transactions while the AAOIFI focuses on ensuring the IFIs regulations adhere to Shariah laws. The AAOIFI has been unwelcoming to two concepts in the IFRS; the time value of money and substance over form

**Keywords:** *AAOIFI, IFRS, Islamic Banks, Profit- sharing investment account*



THEME:  
OTHER TOPICS RELATED TO ISLAMIC FINANCE

## FINANCIAL REPORTING OF ISLAMIC FINANCIAL TRANSACTIONS: A CASE STUDY OF VEHICLE FINANCING BASED ON AL-IJARAH THUMMA AL-BAY' (AITAB)

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### ABSTRACT

The financial reporting of Islamic financial transactions has sparked some issues in the past, as it appeared identical to one of conventional financial instruments. Operating within Shariah parameters, the Islamic financial instruments mostly revolve around sale-based, lease-based, and profit-sharing contracts. However, as far as Malaysia is concerned, these Islamic financial instruments are recorded in accordance with MFRS 9 standard based on the concept of 'substance over form'. Needless to say, this practice may cause controversies within the Islamic finance industry, as it pushes the narrative that the Islamic financial instruments are no different than the conventional ones which recognize the time value of money, where the profit allocation is based on amortized cost. This research paper seeks to put an end to the debate by perusing which applicable accounting standard best reflects a faithful representation of Islamic financial reporting. This paper adopts a qualitative method by reviewing all potential accounting standards, analyzing various relevant academic papers issued by local and international accounting boards, and conducting interviews with a few prominent industry players who are well-versed in accounting and Islamic finance. This study finds that adopting accounting standards other than MFRS 9 standard may violate the doctrine of economic substance over legal form, jeopardizing the 'faithful' aspect of financial reporting. This study also finds that adopting MFRS 9 standard does not capture the Shariah elements of the underlying shariah contracts of the Islamic financial instruments. This research paper concludes that while Islamic financial reporting should adopt a similar standard as that of conventional, the additional reporting requirements by Bank Negara Malaysia set the former apart from the latter.

**Keywords:** Accounting, Reporting, Islamic Finance, AITAB Financing

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## INDONESIA'S SOUTH-SOUTH COOPERATION IN PROMOTING SHARIA ECONOMIC DEVELOPMENT IN SUDAN

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### ABSTRACT

This study discusses Indonesia's South-South Cooperation (SSC) in encouraging the development of Islamic Economics in Sudan through technical cooperation between the two countries. The method used in this research is descriptive qualitative with a systematic literature review. The results of the study show that SSC Indonesia's policy in promoting sharia economic development in Sudan is positive. Result: The results of the study prove that the impact of implementing Indonesia's SSC policy in Sudan can encourage economic growth in Sudan, providing convenience in managing business among Small and Medium Enterprises (SMEs). This study provides evidence to support economic growth among developing countries and must use other successful developing country economic methods or strategies because the business or economic structure of society tends to be the same. The problems faced by Indonesia tend to be the same as those of Sudan, so the sharia economic development program is attractive to be implemented in Sudan because the sharia economic strategy is considered successful in several economic sectors in Indonesia. Indonesia's development strategy as a fellow developing country is more acceptable in Sudan than the economic development strategy of developed countries which sometimes fails to be implemented due to the already high standard of economic strategy. Standards of economic development through developed country banks require complicated capital lending standards and have big consequences.

**Keywords:** South-South Cooperation, Sharia Economics, Indonesia, Sudan

THEME:  
OTHER TOPICS RELATED TO ISLAMIC FINANCE

## CHALLENGES OF IMPLEMENTING GREEN SUKUK: A SYSTEMATIC LITERATURE REVIEW

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### ABSTRACT

Reviews of the literature are considered to be crucial exercises for evaluating the type of information produced in a field of study, its gaps, and potential future advancements. However, there is research examining the challenges of the systematic review papers published on green Sukuk literature. Therefore, the objective of this study is to systematically explore and identify the challenges concerning green Sukuk in order to provide a thorough analysis for future research. The researcher used Scopus and Google Scholar to look for publications about green Sukuk published in the chosen journals and articles containing the term "green Sukuk." The study's results demonstrated a variety of obstacles facing green Sukuk to inform the appropriate stakeholders on developing the effort required for green Sukuk to advance.

**Keywords:** *Green Sukuk, challenges, systematic literature*

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## DEVELOPING CONCEPTUAL FRAMEWORK FOR PUBLIC-PRIVATE PARTNERSHIP PROJECTS VIA MOBILIZATION OF ISLAMIC FINANCE IN INDONESIA

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### ABSTRACT

Indonesia needs to address the issue of widening infrastructure gaps by investing IDR 6,445 trillion in infrastructure development until 2024. The investments, however, cannot be funded solely from the government budget as it can only cover for 37 percent from the required amount. The concept of Public-Private Partnership (PPP) has the potential to fulfill the requirements of the remaining 63 percent of the funding gap of infrastructure investment in Indonesia. Islamic finance has potential to support the PPP projects as the alternative financing source to meet this objective. Islamic finance focuses on the risk allocation through distribution into the best possible parties in the transaction that is also in line with the concept of PPP. Despite the increasing efforts to mobilize Islamic finance for financing PPP projects, so far there has been no projects funded under Islamic finance instruments in the existing PPP projects that have reached "Financial Close" with a total investment of US\$67.27 billion. This study aims to develop a conceptual framework based on the cycle of the PPP process using the institutional theory and value chain theory. The institutional theory is important to regulate the PPP arrangement from being an innovation to procuring infrastructure assets outside the government budget. PPP projects present a contractual term of the long-term concession agreement, and the applied PPP concept comprises the causal processes from inputs, related activities, outputs, and outcomes as defined under the value chain theory. The primary purpose of the Conceptual Framework is to explore the status and challenges of Islamic Finance mobilization in PPP infrastructure projects in Indonesia. The framework also assists the study in exploring the feedback from the relevant stakeholders and formulating a way forward. The study is expected to contribute to proposing the applicable policy and framework recommendation, strategy, and incentives to mobilize proper Islamic finance resources for the development of PPP projects in Indonesia.

**Keywords:** *Conceptual Framework, Islamic Finance, Public-Private Partnership, Indonesia*

THEME:  
OTHER TOPICS RELATED TO ISLAMIC FINANCE

## **SRI-LINKED SUKUK: AN INNOVATION AND OPPORTUNITY FOR CAPITAL MARKET PLAYERS IN MALAYSIA**

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### **ABSTRACT**

In line with Malaysia's commitment to becoming a carbon-neutral nation by 2050, the Securities Commission Malaysia (SC) is facilitating the high-emitting greenhouse gas industry to transition towards net zero with the issuance of the SRI-linked Sukuk Framework. This paper will review the SRI-linked Sukuk Framework, explore the features of the SRI-linked sukuk and opportunities of this innovation for institutional investors with sustainability portfolio in Malaysia. This paper adopted exploration research method to study the characteristics, features, and core components of the SRI-linked Sukuk Framework. In addition, comparative study is performed to exhibit different requirements between SRI-linked Sukuk Framework with International Capital Market Association (ICMA) Sustainability-Linked Bond Principles and other relevant standards. Finally, this paper will analyse the available sustainability-linked sukuk issued in Malaysia, the features, its significant terms, and conditions focusing on the Second Party Opinion. The paper acknowledges that besides the primary difference of Shariah-compliant element on the Framework/Standards, there is a different requirement set for the appointment of external reviewers for pre-issuance and the credential requirements of the external reviewers set by the Framework/Standards. Regardless of differences in the sets of requirements of the Framework/Standards, the issuance of SC's SRI-linked Sukuk Framework is an important milestone and opportunity for the Malaysian' capital market issuer that seek to transition or commit to sustainable objectives and attract more sustainable-focused investor specifically the institutional investors with sustainable portfolio.

**Keywords:** *SRI-linked Sukuk, sustainable, transition, institutional investors*

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## **EMBEDDING INVESTMENT AND VALUE-BASED INTERMEDIATION IN ISLAMIC BANKING OPERATIONS IN MALAYSIA**

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### **ABSTRACT**

This paper seeks to analyse the current Islamic banking model in Malaysia based on the financial intermediation model and its suitability in meeting commentators expectations in delivering what is perceived as the banking model most preferred by Shariah practitioners. There have been many criticism of the existing Islamic financial intermediation banking model where Shariah practitioners view the model as a mere replication of the conventional banking model. In addition, regulators in Malaysia continues to encourage the move towards value-based intermediation to be embedded as part of the existing financial intermediation model, while not forgetting to also expand into exploring "profit sharing" banking model. This research aims to examine, compare and contrast the features of the various banking models namely the financial intermediation model, the investment intermediation model, and the value-based intermediation model as there is a lack of understanding between the various banking models. This research will assess the advantages of amalgamating the three intermediation models in Malaysia into a single, feasible banking model while also identifying the intrinsic challenges in each model. This research examines whether the existing financial intermediation model can be operated side-by-side with other models to offer solutions to different segments and profiles of customers. This research adopts a qualitative approach based on data collected from articles, books, and online sources on the definition of the various banking models. The research will assist the Islamic financial industry in examining the most suitable intermediation model that will lead to recommendations in order to meet the expectation of Shariah practitioners and regulators while providing sustainable business returns for the shareholders.

**Keywords:** *Islamic Financial Intermediation, Investment Intermediation, Value-Based Intermediation, Islamic Banking, Malaysia*

## THE APPLICATION OF SANDA (RAHN) IN THE MERANAW SOCIETY IN THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

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### ABSTRACT

Rahn is an alternative way of a person to meet his needs when a human being faces a financial problem. It is a contract between the debtor and the creditor involving property whether the movable or immovable property in exchange with a certain sum of money within a reasonable period of time. This study will be conducted to identify the application of Sanda (Rahn) in the BARMM. The study made use of a Cross-Sectional Survey research design and utilize a descriptive survey method for the collection of primary data from the respondents, by means of self-structured validated questionnaire. The survey questionnaire was distributed through purposive quota sampling from the 500 Ulama respondents in the entire Bangsamoro Autonomous Region in Muslim Mindanao. The study result includes the application of Islamic law on Rahn and its concept and its principles. It was also found out that Islam permits the practice of Mortgage as it is established in the Holy Qur'an and The Sunnah of the Prophet Muhammad (S.A.W). Sanda (Rahn) is an alternative way for the Meranaw to solve their financial needs, without taking any interest out of that mortgage and the preservation and protection of the property are observed. However, there are still Meranaws who have no much knowledge of Islamic mortgage as to its validity and acceptance because they only know what is prohibited in any kind of transaction is the prohibition of riba but they pay less attention to some of their financial transactions that can fall into a riba like too much mark-up profit into goods for sell. Moreover, in line with the findings of the study, this paper humbly proposes a recommendation to ensure that the Muslim Society in the BARMM does not practice any prohibited acts concerning Riba transactions. Furthermore, this study can be one of the references for the proper application of Sanda in connection with the concept and principles of Rahn.

**Keywords:** *Rahn, Sanda, Mortgage, Meranaw Society, Bangsamoro Autonomous, Region in Muslim Mindanao (BARMM)*

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## THE ROLE OF MACHIAVELLIAN, ALTRUISM, RELIGIOUSITY, WHISTLEBLOWING SYSTEM, AND ACCOUNTING FIRM SIZE IN MITIGATING FRAUD INTENTION

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### ABSTRACT

This study explores personal and organizational factors in mitigating fraud. Fraud is an interesting discussion because it is considered a global threat because fraud can cause companies to lose assets. The losses experienced by the company will be even greater if the company cannot overcome the causes of fraudulent behavior. Fraud hexagon theory is known to be effective in detecting the possibility of fraud and the tendency of fraud motivated by personal and organizational factors. Therefore, the researchers examined factors such as machiavellian, altruism, religiosity, whistleblowing system, and accounting firm size in mitigating fraud intention. This study uses a self-administered survey to accountants in Indonesia. Accountants were chosen as the sample because the accounting profession has considerable potential in committing fraud. To avoid common method bias, we performed ex-ante and ex-post on the questionnaire. This research model was tested using Structural Equation Modeling-Partial Least Square (SEM-PLS). The results show that personal factors in the form of machiavellian, altruism, religiosity have a direct impact on decreasing fraud intention. Whistleblowing system and accounting firm size are also able to encourage the effectiveness of fraud mitigation. The results of this study provide practical and theoretical contributions to managerial decision making. Companies should include personal tests at the time of employee recruitment because the main factor that determines individual fraud behavior is personal factors. Therefore, combining personal factors and organizational factors can encourage the success of the internal control system.

**Keywords:** *Machiavellian, Altruism, Religiosity, Whistleblowing System, Accounting Firm Size, Fraud Intention*

THEME:  
OTHER TOPICS RELATED TO ISLAMIC FINANCE

## **ECONOMIC EMPOWERMENT OF ISLAMIC BOARDING SCHOOLS THROUGH OPTIMIZATION OF HALAL VALUE CHAIN: A CONCEPTUAL OFFER**

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### **ABSTRACT**

According to the Islamic Boarding Schools Database in 2022, Indonesia will have 31,385 Islamic boarding schools, with a total of 4.29 million students, of which 44.2% have economic potential. Islamic boarding schools encourage students to have an entrepreneurial mindset to help the nation's economy grow, hence it can be claimed that they have pioneered the economic development of the people, especially in Indonesia. Islamic boarding schools' economies are developed by a range of economic activities that include suppliers, producers, distributors, and concurrently, customers. Many Islamic boarding schools manufacture goods like food and sell them to others. This demonstrates the presence of a network or relationship amongst pesantren that if developed, has the potential to lead to economic development. But there are many other types of barriers that have an impact on hampering the empowerment and economic development of Islamic boarding schools. One of which is the suboptimal management of economic management. One of the main strategies is the implementation of a halal value chain ecosystem in the Islamic boarding school's business unit. Therefore, the goal of this study is to conceptualize the optimization of the halal value chain that can offer solutions to strengthen the economy of Islamic boarding schools in Indonesia. This study is based in a library and uses a descriptive methodology to gather data on literacy, which is subsequently subjected to content analysis or other types of scientific analysis. The findings of this study provide an acceptable empowerment model for Islamic boarding schools that is also in line with the halal value chain cycle, which is anticipated to best support their economic empowerment.

**Keywords:** *Halal Value Chain, Economic Empowerment, Islamic Boarding School*

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## **IMPROVING SUSTAINABLE PERFORMANCE FOR MSMEs THROUGH HALAL SUPPLY CHAIN MANAGEMENT**

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### **ABSTRACT**

To maintain the MSME business in intense competition, halal supply chain management is one of the competitive strategies. Through stringent requirements on products and services, MSMEs can maximize product safety, quality, and sustainability. The implementation of HSCM is an opportunity to increase the market share and profitability. Therefore, to fill out the gap, this study examines the impact of implementing 10 HSCM constructs on the HSCM effectiveness in maximizing the sustainability performance of MSMEs in economic, social, and environmental aspects. This research is quantitative research. Data were collected using a self-administered survey on MSMEs spread across various regions of Indonesia. Based on the results of data analysis using SEM-PLS, it is known that 6 HSCM constructs are the main supporters of Halal integrity maintenance, customer satisfaction and branding, and process quality improvement. In addition, the large number of HSCM constructs implemented is directly proportional to the increase in the sustainable performance of MSMEs. Therefore, MSMEs can use HSCM as a quality control system for sustainability performance as a managerial implication.

**Keywords:** *halal supply chain management (HSCM), HSCM effectiveness, sustainability performance*

THEME:  
OTHER TOPICS RELATED TO ISLAMIC FINANCE

## THE APPLICATION OF ARTIFICIAL INTELLIGENCE IN METAVERSE: EVALUATING NEW CHALLENGES ON PERSONAL DATA PROTECTION IN RELATION TO FINANCIAL SYSTEM

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### ABSTRACT

This article aims to examine and evaluate new challenges of personal data protection in the financial system as a result of the application of artificial intelligence in the metaverse. This evaluation is critical since this advanced technology is yet to be regulated by the relevant financial authorities. Nowadays, there are already a number of issues relating to personal data protection in the financial system which needed comprehensive resolutions. In this research, qualitative and normative legal research methods are referred to and used. Additionally, content analysis from literature review and descriptive analysis are utilised in the course of finding relevant data. From this research, it is discovered that there is the possibility that the application of metaverse and artificial intelligence may decrease the level of privacy and protection on personal data of users. At the same time, they can cause a substantial impact and influence for a long-term economic sustainability, especially within the financial system. Furthermore, there is no available laws and policy that are in place to regulate matters of privacy and personal data protection when come to the application of artificial intelligence as well as in the metaverse. This research also highlights the legal approaches that are taken by the European Unions (EU) in dealing with the application of artificial intelligence.

**Keywords:** *Financial system, metaverse, artificial intelligence, personal data protection, Islamic finance*

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## SHARIAH GOVERNANCE FRAMEWORK OF ISLAMIC FINANCIAL INSTITUTION: COMPARISON BETWEEN MALAYSIA AND INDONESIA

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### ABSTRACT

Over the last several decades, In Indonesia and Malaysia, Islamic Finance and Banking have been remarkably operating and developing as a consequence of successful Shariah Governance Framework implementation in the Islamic Financial Institutions. The main purpose of this paper is entirely dedicated to comparing and contrasting the Shariah Governance Frameworks of two neighbour countries. It is because these two countries have already manifested their precise and vigorous efforts to become the Islamic Financial hub in both their located region and the world. This study is carried out by utilizing a qualitative research analysis method based on the case study of Indonesian and Malaysian Shariah Governance Frameworks. The main comparison areas focus on Malaysian Shariah Governance Policy Document 2019 and Indonesian Peraturan Bank Indonesia 2009. The responsibilities of the Board of Directors, Senior Management, Shariah Supervisory Board and Shariah Compliance Culture are all compared further in detail. The paper revealed that Indonesia and Malaysia have many similarities along with dissimilarities between their Shariah Governance Frameworks in their Islamic Financial Institutions. Because the Boards of Commissioners and Directors of Indonesian Islamic Financial Institutions do not have an active responsibility in Shariah Governance, unlike Malaysia, Indonesian Shariah Governance is not as comprehensive as Malaysian Shariah Governance. Furthermore, in Indonesia Shariah Governance does not require the establishment of Shariah regulating functions, as it does in Malaysia, and there is a lack of efficient Shariah non-compliance (SNC) risk management. The paper also concludes that both countries have pros and cons in their Shariah Governance Frameworks.

**Keywords:** *Islamic Finance and Banking, Shariah Governance Framework, Islamic Financial Institution, Indonesia, Malaysia*

THEME:  
OTHER TOPICS RELATED TO ISLAMIC FINANCE

**DISTINGUISHING ISLAMIC CORPORATE GOVERNANCE OF INDONESIA SYARIAH COMMERCIAL BANK THROUGH A MIX METHOD APPROACH, DOES INTELLECTUAL CAPITAL MATTER?**

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**ABSTRACT**

This study aims to analyze the different effects of Islamic Corporate Governance (ICG) as proxied by the Sharia Supervisory Board and the board of directors on financial performance proxied by Return On Assets (ROA) and Zakat On Equity (ZOE) moderated by Intellectual Capital (IC) between before and during the Covid-19 pandemic. The method used is the Sequential Explanatory Mix Method. The first is the estimation of panel data regression using the Generalized Method of Moments (GMM) - 2 step system using the Eviews 12 application, the second is qualitative analysis using Burhan Bungin's theory. The data used is from 7 Indonesian Sharia Commercial Banks (BUS) registered with the OJK with quarterly financial reports for the 2018-2021 period. The results of this study are that there is no effect between ICG and financial performance except that the board of directors has a weak effect on ROA. However, when combined with IC as a moderating variable, the influence of ICG on financial performance can be moderated by a weaker IC, except for ZOE. Then there are differences in influence from before and during the Covid-19 pandemic, these differences have resulted in new findings that the influence of ICG on financial performance is able to overcome the problem of the financial crisis due to the Covid-19 pandemic.

**Keywords:** *Islamic corporate governance, Intellectual Capital, financial performance*

دور التمويل الأصغر الإسلامي في تمكين المرأة اليمنية اقتصادياً  
THE ROLE OF ISLAMIC MICROFINANCE IN EMPOWERING YEMENI WOMEN ECONOMICALLY

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خلاصة البحث

هدفت الدراسة الحالية الى معرفة الدور الذي يلعبه التمويل الأصغر الإسلامي في تمكين المرأة اقتصادياً في اليمن، كدولة من الدول الأقل نمواً. تبنت الدراسة المنهج النوعي Qualitative Approach من خلال إجراء مقابلات مع سبعة مختصين في مؤسسات التمويل الأصغر الإسلامي. تم تطبيق التحليل الموضوعي لتحليل البيانات، وأظهرت النتائج عن وجود أهمية للتمويل الأصغر الإسلامي في التمكين الاقتصادي للمرأة وبالذات للمرأة الريفية، إلا ان النتائج أوضحت ان هناك تحديات وصعوبات شكلت عائق أمام تقديم العون للنساء في دعم مشاريعهن، ومن تلك التحديات العادات والتقاليد التي تعتبر اهم تحد يواجه مؤسسات التمويل الأصغر الإسلامي في اليمن ويليه الأمية المالية للمرأة، بالإضافة الى الأوضاع السياسية غير المستقرة التي تمر بها البلاد وتحديات أخرى ارتبطت بالوضع الداخلي لتلك المؤسسات. جاءت أهمية هذه الدراسة من الدور الذي يلعبه التمويل الأصغر الإسلامي في التنمية الاقتصادية، بالإضافة الى مساعدة صناعات القرار من خلال تنفيذ خطط واستراتيجيات فعالة لدعم التمويل الأصغر الإسلامي في اليمن.

كلمات مفتاحية: التمويل الأصغر الإسلامي، تمكين المرأة اقتصادياً، اليمن

خطاب الضمان بين معيار هيئة المحاسبة والمراجعة للمؤسسات المالية الإسلامية (أيو في) وفتاوى بيت التمويل الكويتي  
THE LETTER OF GUARANTEE BETWEEN THE STANDARD OF THE ACCOUNTING AND AUDITING  
ORGANIZATION FOR ISLAMIC FINANCIAL INSTITUTIONS (AAOIFI) AND THE FATWAS OF KUWAIT  
FINANCE HOUSE

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ملخص البحث

فلما كثرت النوازل والمستجدات في المجتمع المسلم نتيجة للتطور العلمي في حياة الناس، نادى الكثير من العلماء بفتح باب الاجتهاد الجماعي، وإيجاد مؤسسات جماعية يتحقق من خلالها هذا النوع من الاجتهاد القائم على المشورة وتبادل الرأي في القضايا المطروحة، والخروج منها برأي يحمي الأمة من التفرق والاختلاف، ويجمع كلمتها ما أمكن. وقد صدرت عن هذه الهيئات الجماعية فتاوى وقرارات ومعايير كثيرة، وفي مسائل متعددة. وعادةً ما تتكون هذه الهيئات من مجموعة من العلماء، أصحاب الشأن في علوم الشرع ومقاصده، والذين يبذلون جهوداً كبيرة في سبيل إصدار ما يحتاجه المسلمون من فتاوى وقرارات متوافقة مع أحكام الشريعة، وملائمة لروح العصر، لكن عملهم لا يتجاوز كونه جهود بشرية محتملة الخطأ والصواب، وغير معصومة، ويدل على هذا الشيء اختلاف الفتوى أحياناً من هيئة جماعية إلى أخرى في نفس المسألة، ولهذا الأمر فقد تناول الباحثون وطلاب العلم بعض قرارات وفتاوى هذه الهيئات الجماعية، ودرسوها وبذلوا من أجلها المزيد من البحث والجدد خدمة لها، وسعيًا إلى تطوير بعض جوانبها. لذا فقد نويت البحث في هيئة من هذه الهيئات الجماعية وهي هيئة المحاسبة والمراجعة للمؤسسات المالية الإسلامية من خلال دراسة معاييرها الشرعية، وذلك لما لهذه الهيئة من دور في ساحة الاجتهاد المعاصرة، وعلى مستوى كثير من الدول الإسلامية، فقد لاقت معاييرها قبولا ملحوظا، واستعان بها الكثير من المؤسسات المالية الإسلامية لحل ما واجهتها من مشكلات ونوازل تتعلق ببقه المال والبنوك. وستتناول هذه الدراسة خطاب الضمان بين معيار هيئة المحاسبة والمراجعة الإسلامية أيوفي وفتاوى بيت التمويل الكويتي، وذلك من خلال إيراد أنواع خطاب الضمان المعاصر المعمول بينها في المؤسسات المالية، مقارنة بأراء الفقهاء، والترجيح بينها، للوصول إلى نتائج تساهم في تطور أنواع خطاب الضمان، لتسهيل العمل بين العملاء والمؤسسات المالية

وستتناول هذه الدراسة خطاب الضمان بين معيار هيئة المحاسبة والمراجعة الإسلامية أيوفي وفتاوى بيت التمويل الكويتي، وذلك من خلال إيراد أنواع خطاب الضمان المعاصر المعمول بينها في المؤسسات المالية، مقارنة بأراء الفقهاء، والترجيح بينها، للوصول إلى نتائج تساهم في تطور أنواع خطاب الضمان، لتسهيل العمل بين العملاء والمؤسسات المالية

كلمات مفتاحية: خطاب الضمان، مقارنة، ترجيح، أنواع، نتائج



**MEASURING THE EFFECT OF AUDITING OPERATIONAL RISKS ON THE QUALITY AND MANAGEMENT OF PROFITS (AN APPLIED STUDY ON THE KURDISTAN INTERNATIONAL ISLAMIC BANK FOR INVESTMENT AND DEVELOPMENT/ ERBIL FOR THE PERIOD 2006-2020)**

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**ABSTRACT**

تهدف هذه الدراسة الى استكشاف اثر تدقيق حجم المخاطر التشغيلية في تخفيض ممارسة ادارة الارباح لمصرف كردستان الدولي الاسلامي للاستثمار والتنمية في اربيل ، وتحسين جودة الارباح فيها من ناحية اخرى للمدة (2006-2020) . تستعرض هذه الدراسة الادبيات الموجودة لبناء معرفة شاملة حول المخاطر التشغيلية واثرها في جودة ادارة الارباح . اما في الجانب العملي فقد تم الاعتماد على المنهج الوصفي التحليلي ، من خلال تحليل البيانات المالية المأخوذة من التقارير السنوية لمصرف كردستان الدولي الاسلامي . وقد اشارت نتائج البحث الى وجود اثر معنوي غير خطي من SPSS والمنشورة في هيئة الاوراق المالية في العراق ، وفق برنامج الدرجة الثالثة بين حجم رأس المال اللازم لتغطية المخاطر التشغيلية ، والذي يمثل المتغير المستقل ، ومدى جودة الارباح في المصرف % من التغيرات الحاصلة في 52.4 ومدى ممارسة ادارة الارباح فيه، واللذان يتمثلان بالمتغير التابع ، فقد كان المتغير المستقل يفسر % تفسيره متغيرات اخرى غير مدروسة . ومن خلال التعرف على اشارات قيم المستحقات الاختيارية 47.6 المتغير التابع والباقي للمصرف، فقد اتسمت بقيم سالبة للمدة 2006-2012 ، مما يدل على وجود جودة ارباح (جودة ابلاغ مالي ) ، وعدم ممارسته لا ادارة الارباح . في حين ان المدة 2013-2017 كانت قيم المستحقات الاختيارية موجبة مما يدل على عدم وجود جودة ارباح في المصرف وممارسته لادارة الارباح . كما اشارت النتائج الى ان قيم المستحقات غير الاختيارية كانت جميعها سالبة للمدة 2006-2020 ، مما يدل على ان ادارة المصرف تمارس سياسة محاسبية متحفظة .

*الكلمات الافتتاحية : التدقيق القائم على المخاطر ، المخاطر التشغيلية ، جودة ادارة الارباح*

**بيع الوفاء وتطبيقاته المعاصرة**

**BAY' AL Wafa (SALE WITH A PROMISE TO BUY BACK AT FACE VALUE) AND ITS CONTEMPORARY IMPLEMENTATIONS**

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**ملخص**

يسعى هذا البحث إلى التعرف على حقيقة بيع الوفاء وتطبيقاته المعاصرة في المؤسسات المالية الإسلامية، حيث أن بعض المؤسسات المالية الإسلامية تتعامل به في مجالات مختلفة تحت مسميات معاصرة، وقد اختلف فيه الفقهاء قديماً وحديثاً نظراً لتعدد صورته في المذاهب الفقهية ولعدم ورود نص صريح من القرآن أو السنة بشأنه. لذلك سيجاول الباحثان إلقاء الضوء على حقيقة بيع الوفاء من خلال مفهومه وبيان صورته، ثم التطرق إلى بيان أقوال الفقهاء وأدلتهم، منقلاً بعد ذلك للحديث عن بعض تطبيقاته المعاصرة وبيان آراء الفقهاء المعاصرين بشأنها، وقد خلص البحث إلى أن بيع الوفاء هو من العقود الصورية، حيث يشترط على المشتري الوفاء برد العين إلى البائع متى رد البائع له الثمن، فهو في الظاهر رهن في صورة بيع، ويخالف مقتضى عقد البيع وحكمه الذي يفيد ملك المبيع على سبيل الدوام والاستقرار.

*كلمات مفتاحية: بيع الوفاء، المؤسسات المالية الإسلامية، العقود الصورية، الرهن، مقتضى عقد البيع*

دور الصكوك الإسلامية في إدارة سيولة البنوك الإسلامية  
THE ROLE OF ISLAMIC SUKUK IN MANAGING ISLAMIC BANKS' LIQUIDITY

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ملخص البحث

تُعد إدارة فائض السيولة في البنوك الإسلامية ذات أهمية كبيرة قد تؤثر سلباً أو إيجاباً على الدور التنموي للبنوك وعلى مدى الاستقرار المالي الذي تسعى البنوك إلى تحصيله. وتُعد الصكوك أحد أبرز ابتكارات الهندسة المالية المعاصرة، والتي أثبتت جدارتها وقيمتها في التعاملات المتنوعة في البنوك الإسلامية. والهدف من هذا البحث هو تسليط الضوء على أهمية الصكوك في إدارة فائض السيولة في البنوك الإسلامية. ومن أهم النتائج التي توصل إليها البحث هي أهمية الصكوك الكبرى في حل مشكلة فائض السيولة في البنوك الإسلامية، بجانب أن ماليزيا والبحرين تُعد من الدول التي أنتجت صكوك متنوعة لاستخدامها في عدة مجالات، وأن صكوك الإجارة من أكثر الصكوك المستخدمة في البنوك الإسلامية. ويوصي الباحث بضرورة تحديد استراتيجيات ووسائل شاملة وفاعلة لاستخدام الصكوك في إدارة فائض السيولة للوصول إلى الاستخدام الأمثل للسيولة، بجانب أهمية إصدار تشريعات ووضع لوائح وآليات منضبطة لإصدار الصكوك، إضافة إلى فهم ما يحتاجه السوق في الدول التي تستخدم الصكوك في إدارة فائض السيولة لكي يتم استخدام أنواع الصكوك المناسبة لهذه الدول.

كلمات مفتاحية: الصكوك, البنوك الإسلامية, فائض السيولة

قياس الوعي السلوكي نحو استخدام التمويل الإسلامي الأصغر للمشاريع الصغيرة والمتوسطة في طاجيكستان  
MEASURING THE BEHAVIOURAL INTENTION TOWARD ADOPTING ISLAMIC MICROFINANCE FOR SMES IN  
TAJIKISTAN

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ملخص البحث

طاجيكستان، هي دولة ذات أغلبية مسلمة تقع في آسيا الوسطى، بدأ بها للتو تأسيس التمويل الإسلامي الأصغر، ومع النظر إلى التحديات التي تواجه مؤسسات التمويل الأصغر الحالية في البلاد، والآثار السلبية المستمرة للأزمة المالية، تبحث الجهات الرسمية عن حلول لتصحيح النظام المالي والمؤسسات المالية غير المنتجة في البلاد وبناءً عليه، فإن الغرض من هذا البحث هو استكشاف إمكانية إدخال نظام للتمويل الإسلامي الأصغر في طاجيكستان من خلال تحليل استخدام الخدمات مؤسسات التمويل الإسلامي الأصغر بأسلوب النهج الكمي. إضافة إلى ذلك، المتغير الثابت وهو موقف لنجاح السلوك ومعيار الشخصي وسيطرة تحكم السلوكي والنية والسلوك العلاقة بين المتغير الثابت من ناحية، وبين المتغير التابع من ناحية أخرى، وتعتمد الدراسة على استبيان آراء المشاركين في كل من مدينتي "دوشانبي" و"خوجاند" في طاجيكستان. وذلك لأهمية الدراسة التجريبية لتحديات مؤسسات التمويل الإسلامي الأصغر، ودراسة الوعي، والمعايير الاجتماعية، ومعرفة المنتج، ومستوى الثقة، في إنشاء مؤسسة تمويل إسلامي مصغر في البلاد.

كلمات مفتاحية: تمويل الإسلامي الأصغر, طاجيكستان

دور الصناديق الاستثمارية الوقفية في تحقيق التنمية المستدامة  
THE ROLE OF WAQF ENDOWMENT INVESTMENT FUNDS IN ACHIEVING SUSTAINABLE DEVELOPMENT

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خلاصة البحث

يهدف البحث إلى بيان دور الصناديق الاستثمارية الوقفية في تحقيق التنمية المستدامة، من خلال الدعم المحلي في شتى المجالات سواء اقتصادية وتعليمية وصحية وغيرها من المجالات التي تحتاج إلى تنمية مستدامة للمحافظة بشكل كبير على الأصول الحالية وتنميتها وتطويرها لتدوم أكثر مدة ممكنة وتخدم أكثر عدد من الأجيال، واستخدم المباحث المنهج الوصفي في جميع البيانات وتحليلها ووصفها للوصول إلى نتائج الدراسة والتي من أهمها، أن للصناديق الاستثمارية الوقفية دور كبير في القضاء على الفقر وتحقيق تنمية مستدامة للمجتمع سواء كانت اقتصادياً أو علمية أو صحية، وتعتبر الصناديق الاستثمارية الوقفية منتج يحقق التنمية المستدامة للأوقاف، وأوصت الدراسة بضرورة تفعيل نموذج الصناديق الاستثمارية الوقفية في جميع البلدان لأنه يعمل على إنتاج قوة مالية ووقفية تساعد بشكل كبير على تحقيق التنمية، وعمل خطط بعيدة المدى للاستفادة بشكل أكبر من هذه الصناديق.

الكلمات المفتاحية: الوقفية, الصناديق الاستثمارية, التنمية المستدامة

تناقص المشاركة وأصولها وتفسيرها من منظور فقهي

DIMINISHING MUSHARAKAH AND ITS FOUNDATION AND EXEGESIS FROM FIQH PERSPECTIVE

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ملخ البحث

كثُر الحديث عن المشاركة المتناقصة في هذه الآونة، وعقدت لأجلها ندوات ومؤتمرات، وكتبت فيها أبحاث كثيرة تباينت فيها وجهات نظر الباحثين من حيث التوصيف والتخريج فهل هي من قبيل شركة الملك أو شركة العقد أو أنها تأخذ من كل منهما بطرف أو أنها عقد مستحدث. وقد حاول كلُّ إيجاب تخريج فقهي لها وردّها إلى أصل فقهي، ووجد فيهم من أسرف في محاولته، ولما كانت الآثار الناجمة عن هذا العقد تختلف باختلاف تكييفها، فقد كان لابدّ من إعادة النظر في التخريج والتدقيق والتأصيل وملاحظة ما يترتب على ذلك من الآثار. وفي هذه الورقة ستحاول الباحثة جهودها أن تتم ما أنجزه الباحثون وتبين الخلل في محاولات بعضهم، وترجو الباحثة أن يكون عملها إضافةً جديدةً نافعةً يمكن أن تستفيد منها المؤسسات المالية الإسلامية والأفراد على حدٍ سواء.

كلمات مفتاحية: المشاركة، المتناقصة، شركة ملك، شركة عقد، المؤسسات المالية الإسلامية

دور صندوق الزكاة الليبي في تحقيق التنمية الاجتماعية والاقتصادية  
(صندوق الزكاة زلتين أنموذجاً)

THE ROLE OF THE LIBYAN ZAKAT FOUNDATION IN THE ACHIEVEMENT OF SOCIAL AND ECONOMIC  
DEVELOPMENT (ZLITEN ZAKAT FOUNDATION AS A MODEL)

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ملخص البحث

التوزيع العشوائي والفردية لأموال الزكاة عطلها عن تحقيق مقاصد وغايات مشروعيتها؛ فاضطرت معظم الدول الإسلامية -وعلى مقدمتها دولة ليبيا- في إنشاء صناديق للزكاة من أجل مساهمة أموال الزكاة في عملية التنمية الاقتصادية وفق عمل مؤسسي منظم ودقيق، وبما من شأنه أن يعود على مستحقيها بالخير والنفع، إلا أن الحقيقة والواقع أن نفقات صندوق الزكاة بزلتين تتركز على الإنفاق الاستهلاكي فقط؛ دون الإنفاق الاستثماري للمهن التي تضمن توفير فرص عمل للشباب ونماء لأموال الزكاة باستمرار. وقد أوصت رسالة دور الزكاة في التنمية الاقتصادية في المجتمع الليبي إلى ضرورة دراسة مشاريع استثمارية وتشجيع الاستثمار بأموال الزكاة. ستسلط هذه الورقة البحثية الضوء على معرفة دور الزكاة في تنمية الاقتصاد الجزئي تحقيقاً للغايات المقاصدية من شرعتها، مدعماً الباحث آراء ذوي الاختصاص والخبرة في تحقيق ذلك منهج الدراسة. تمثلت المناهج التي اعتمدها الباحث في المنهج الاستقرائي التحليلي، المنهج الوصفي، وبتداخل هذين المنهجين سيتضمنان جمع المادة العلمية لموضوع المقالة في محاور منسجمة مع غاياتها وأهدافها مجيبة عن أسئلتها مقدمة حلول جذرية لمشكلاتها وتبعاتها. واعتمد الباحث على المقابلة الشخصية من أجل إثراء الدراسة في الإجابة المباشرة والمركزة حول إشكالية الدراسة، وخاصة أن المقابلة استهدفت الشخصيات المؤثرة في قرار صندوق الزكاة الليبي، وممن لهم نشاطات وخبرات وتجارب في حقول هذه المناصب الوظيفية. جدول (1) خصائص وخبرة والمراكز الوظيفية للمستجيبين في المقابلات.

كلمات مفتاحية: الاستثمار، الزكاة، ليبيا، التنمية

الشمول المالي في الصومال بين الواقع والتوقعات

FINANCIAL INCLUSION IN SOMALIA BETWEEN REALITY AND EXPECTATIONS

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ملخص البحث

بعد عقدين من الحرب الأهلية، استعادت الصومال شيء من الاستقرار والسلام، ولكن الوضع الاقتصادي غير سهل ويبقى البلد عرضة للهزات السياسية والاقتصادية والبيئية. وحيث أن الناتج المحلي الإجمالي للفرد يعادل 435 دولاراً فإن الصومال تبقى أدنى من المعدل في بلدان جنوب الصحراء الكبرى في أفريقيا الذي يقدر بـ 1,750 دولار. ويعيش 73% من السكان في الفقر، حيث يعيش 80% في المناطق الريفية ويعيش 43% على دولار واحد في اليوم فقط. يعتبر الصوماليون أناس بروح ريادة أعمال عالية، ولكن تظهر أبحاث السوق مؤخراً أن أقل من 5% من الطلب على التمويل للمشاريع الصغيرة والمتناهية الصغر يتم تلبيته حالياً في الصومال. وحجم الطلب غير الملبي يمكن ترجمته إلى أكثر من مليوني مشروع محتمل ومئات الملايين من الدولارات من التمويل المطلوب. يهدف البحث للكشف عن واقع الشمول المالي في جمهورية الصومال، ورصد أهم التحولات بعد الاستقرار السياسي، يعتمد البحث المنهج الوصفي التحليلي في دراسة الأدبيات، والمنهج الكمي في تحليل البيانات الثانوية ذات الصلة بحجم استخدام أدوات التمويل والبطاقات البنكية.

الكلمات المفتاحية: الشمول المالي، الاستبعاد المالي، الخدمات المالية عبر الهاتف المحمول، الصومال

بعاد التنمية المستدامة كمقاربة لتحقيق مقاصد الشريعة وفق الاقتصاد الإسلامي.. قراءة في المنهج والآليات  
SUSTAINABLE DEVELOPMENT ASPECTS AS MEANS TO FULFILL SHARI'A OBJECTIVES AS PER ISLAMIC  
ECONOMICS METHODOLOGY AND MECHANISM REVIEW

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### الملخص

تتأسس الشريعة ورسالة الإسلام على تحقيق المقاصد التي تسعى لحفظ الحقوق وصونها، وتتمحور هذه المقاصد الشرعية في غاياتها حول مفهوم المصلحة وما يقابلها من مفسدة، تسعى إلى درئها، وعليه تشمل مقاصد الشريعة الخمسة كل مناحي الحياة الإنسانية بأبعادها المختلفة. ينطلق التصور الإسلامي للتنمية في الاقتصاد الإسلامي من أن الله سبحانه وتعالى خلق الكون واستخلف الإنسان ليعمر الأرض وفق شريعته، فرضت الازمات الاقتصادية والقضايا الاجتماعية والبيئية نفسها على أجنات المنظمات الدولية وسياسات الدول، لتحقيق العدالة الاجتماعية – الاقتصادية، والاهتمام بإعمار الأرض عبر إقرار أهداف التنمية المستدامة السبعة عشر وغاياتها والتي تأتي متوافقة من خلال الركائز الأربع الرئيسية وهي المجتمع والاقتصاد والبيئة والمؤسسات المحلية والتي تجتمع كلية ومقاصد الشريعة. وعليه، فالتنمية المستدامة من المنظور الإسلامي هي تنمية شاملة متوازنة تركز على مبدأ العدالة والحرية والتكافل الاجتماعي، بحيث أنها نابعة من الإنسان نفسه باعتباره مستخلفا في هذه الأرض ولذا وجب عليه المحافظة عليها وتنمية بيئته اقتصاديا واجتماعيا وسياسيا وثقافيا في إطار أبعاده الروحية والاخلاقية والحضارية دون إفساد في الأرض. التنمية المستدامة هي أساس وإطار للنمو باستخدام المصادر بهدف تلبية احتياجات الإنسان والحفاظ على البيئة في الوقت الحاضر مع الاحتفاظ بحق الأجيال القادمة. لذا تسعى الدول لتحقيق أبعاد الاستدامة عبر رؤيتها الوطنية، من خلال مؤسساتها المختلفة الحكومية والخاصة والمجتمع المدني. إن المحافظة على البيئة هي جزء من البناء الثقافي الإنساني في المجتمع الإسلامي، ومن هنا فإن دلالات التنمية المستدامة تتجسد في الاقتصاد الإسلامي من حيث القيم الإنسانية والتشريع، تسعى الورقة للبحث في إمكانية تجسيد مقاصد الشريعة الخمسة عبر أبعاد التنمية المستدامة، واعتماد الأخيرة كمقاربة لحفظ مصالح الإنسان وحماية البيئة والموارد الطبيعية وصيانتها من مفاصد الاستنزاف والتبذير، وحماية الحقوق الاقتصادية والمستوى المعيشي عبر الرشادة والحوكمة، مع تبيان نظرة الاقتصاد الإسلامي في تناول أبعاد

**الكلمات المفتاحية:** مقاصد الشريعة، التنمية المستدامة، الاقتصاد الإسلامي، البيئة

### صكوك الإجارة الإسلامية كأداة لتعزيز الاستقرار المالي - نماذج لبعض الدول العربية ودول جنوب شرق آسيا-

### ISLAMIC IJARAH SUKUK AS A TOOL TO ENHANCE FINANCIAL STABILITY - MODELS OF SOME ARAB COUNTRIES AND SOUTH ASIAN COUNTRIES-

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### ملخص البحث

تعد الصكوك الإسلامية من أهم أدوات التمويل الإسلامي وهذا لكونها بديلا للسندات الربوية، ولعل أبرزها وأكثرها انتشارا وتداولها ما يعرف بصكوك الإجارة، حيث تعمل هذه الأخيرة على ضمان الارتباط بين الاقتصاديين النقدي والعيني وبالتالي تحقيق ما يسمى بالاستقرار المالي. ولهذا تسعى دراستنا للإجابة عن المشكلة التالية: إلى أي مدى يمكن أن تساهم صكوك الإجارة في تعزيز الاستقرار المالي؟ حيث تهدف الدراسة إلى تسليط الضوء على أهم ابتكارات التمويل الإسلامي ألا وهي صكوك الإجارة، والتي تعمل على مواكبة التطور التكنولوجي والمساهمة في دفع عجلة التنمية الاقتصادية والاجتماعية بالإضافة إلى أنها تعتبر من عوامل استقرار المشاريع أثناء حدوث الأزمات المالية وبالتالي تعزيزا للاستقرار المالي. فقد تم الاعتماد في دراستنا على المنهج الوصفي التحليلي، من خلال استخدام مؤشر Z-Score للاستقرار المالي ومعدل إصدار صكوك الإجارة الإسلامية. وتوصلت دراستنا إلى أن العلاقة بين صكوك الإجارة الإسلامية والاستقرار المالي ليست بعلاقة طردية دائما، ففي بعض الأحيان قد تكون علاقة عكسية. لذا يجب تشجيع استخدام صكوك الإجارة مع العمل على تعزيز الابتكار المالي في المؤسسات المالية والمصارف الإسلامية لمواجهة الصدمات المالية ومنه تعزيز الاستقرار المالي.

**الكلمات المفتاحية:** التمويل الإسلامي، صكوك الإجارة الإسلامية، الاستقرار المالي

محو الأمية بالمصارف والتمويل الإسلامي في إقليم كردستان العراق: الواقع والآفاق  
LITERACY IN ISLAMIC BANKING AND FINANCE IN THE KURDISTAN REGION OF IRAQ, REALITY, AND PROSPECTS

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### المخلص

تجربة العمل المصرفي الإسلامي والتمويل بالصيغ الإسلامية، وتفعيل نشاط المؤسسات المالية الإسلامية بشكل عام لا زال ضعيف جداً في إقليم كردستان العراق، كما أن عدد الحسابات المصرفية المفتوحة لدى المصارف الإسلامية بلغ (88558) في (2022) وهو يمثل (0,014%) من نسبة السكان، والأموال المدخرة لازالت معطلة عن دورها الحقيقي في التنمية الاقتصادية الاجتماعية. كما أن هناك غياب تام لمؤسسات التكافل ومؤسسات التمويل الأصغر والمتوسط الإسلامية، فبحسب الإحصائيات هناك مصرفان إسلاميان فقط التابع للإقليم، ومن هذا المنطلق بات ضرورياً تسليط الضوء على هذا الجانب حتى نستكشف مسببات هذا الغياب، لكون نسبة المسلمين في إقليم كردستان تتجاوز 95%، ومحو الأمية المالية الإسلامية بات من أولويات العمل الإسلامي في بعده الاجتماعي والاقتصادي. التأخر في تفعيل تجربة العمل المصرفي والمالي الإسلامي، وسيتم تحليل نتائج المقابلة بالطرق العلمية الحديثة، للوصول الى النتائج المرجوة. سيستخدم الباحث في هذه الورقة المنهج الوصفي والتحليلي، كما سيعتمد أداة المقابلة لاستكشاف أسباب التأخر في تفعيل تجربة العمل المصرفي والمالي الإسلامي، وسيتم تحليل نتائج المقابلة بالطرق العلمية الحديثة، للوصول الى النتائج المرجوة.

الكلمات الافتتاحية: محو الأمية، المصارف والمؤسسات الإسلامية، إقليم كردستان العراق

(مؤسسة صندوق الفلاح الاجتماعي) سورابايا وفقا لفقهاء الزكاة المعاصر YDSF مفهوم صنف في سبيل الله كمستحق الزكاة في  
THE CONCEPT OF ASNĀF FĪ SABĪLILLAH AS A RECIPIENT OF ZAKAT IN YDSF SURABAYA ACCORDING  
TO CONTEMPORARY FIQH OF ZAKAT

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### خلاصة البحث

في سبيل الله هي إحدى أصناف مستحق الزكاة التي لها المفاهيم المتعددة. و أنها تختلف من أصناف الثمانية الأخرى. و ذلك بأن لها مفهوم خاص بحيث لا يمكن بيان وتفسير معناها. اي في سبيل الله إلا باقتران مع الحال وظروف و زمانه. و بفضل جهود و اجتهاد العلماء المعصرون يعطى المساهمة الجليلة وذلك بورود آراهم خاصة لمواجهة هذه القضية. و تستطيع أنه تطبق تلك الآراء مع تطور الزمان. وحتى يكون المفهوم عندهم سهلا و ميسرا في تطبيق. و أن فيها او في تلك القضية حدود شرعية لا بد ان تراعى و أن لا تجاوز عنها لأجل الحصول على المصلحة المرجوة لدى المستحقين. يهدف هذا البحث في المؤسسة YDSF سورابايا لها مصطلحات خاصة التي تتعلق "في سبيل الله" و طبقت في كثير من برامجهم في الزكاة. وهذا البحث سيتم بتحليل ذلك البرامج وقف مفهوم فقهاء الزكاة المعاصرة. طريقة البحث المستخدمة في هذا البحث هي طريقة وصفية نوعية. وهذا البحث يبتعد عن الحقائق الميدانية ثم تتحقق على أساس النظريات القائمة، أي مع نتائج المقابلات والوثائق. ونتائج هذا البحث هي أن لمؤسسة YDSF سورابايا هي أولاً، استنتج الباحثة من مفهوم في سبيل الله عند مؤسسة YDSF سورابايا بأن هذا الصنف هو كل شخص يقوم لإعلاء كلمة الله و ليس الجهاد فيسبيل الله على معنى الحرب فحسب بل أوسع منها. و استند رجال المؤسسة YDSF سورابايا بدليل القرآن هي سورة البقرة: 195. واعتبر بأنه معنى الجهاد في سبيل الله اي الحرب و المقاتلة في سبيل الله. في ذلك الزمان يختلف مع الواقع في زماننا الحاضر. لذلك فسّر YDSF سورابايا بأن الجهاد في سبيل الله هي كل شخص يقوم لإعلاء كلمة الله. وجعل مؤسسة YDSF سورابايا المدرس و المعلم في تامدارس الدينية و معلم القرآن هذا الصنف أي في سبيل الله، و يحق لهم اعطاء الزكاة. وكان المؤسسة YDSF سورابايا في ممارسة الزكاة معتمدا و متمسكا برأي الشيخ يوسف القرضاوي. ثانياً، أن مفهوم في سبيل الله عند مؤسسة YDSF سورابايا يوافق مع آراء العلماء المعصرون منها. سيد السابق، محمد سلوت، و يوسف القرضاوي. لا يوافق هذا المفهوم عند الدكتور وهبة الزحيلي لأنه حمل عنه في سبيل الله إلى معناه لأصلي هي وذلك على شكل الحرب وليس دونه.

**الكلمات الرئيسية:** في سبيل الله، مستحق الزكاة، فقهاء الزكاة المعاصر.

*كلمات مفتاحية: التمويل الأصغر الإسلامي، تمكين المرأة اقتصادياً، اليمن*

### تطبيب المال الحرام بانتقاله إلى ذمة الوارث عن طريق الميراث

## THE PURIFICATION OF UNLAWFUL (HARAM) MONEY BY TRANSFERRING IT TO THE HEIR THROUGH INHERITANCE

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### ملخص البحث

اتفق العلماء أن المال المكتسب بطريق غير شرعي هو مال حرام لا يدخل في ملك المسلم إذا كانت الذمة واحدة، وأن كل مال منع الشارع من حيازته يدخل في هذه الحرمة، إلا أنهم اختلفوا فيما إذا تغيرت ملكيته بالميراث، ودخلت في ذمة الوارث، وهنا تكمن مشكلة البحث، إذا إن حيازة المال بطريق مشروع وهو الميراث يثبت له صفة جديدة وينفي عنه المانع من انتقاله للوارث وهي الحرمة، ويثبت في ذمة الوارث وملكه بصفة المال الحلال. تهدف هذه الدراسة إلى بيان وتحليل ما مدى ثبوت حق الوارث في الميراث إذا تمت حيازته من قبل الموروث بطريق غير مشروع، لأن المال المنتقل إلى ملك الوارث لم يدخل في ملك الموروث لوجود المانع وهو الكسب الحرام، وإلى بيان ما مدى التطبيب الذي يضيفه الميراث على المال الحرام بنقله إلى مالك جديد ليس مسؤولاً عن كسب صاحبه. وقد اعتمدت هذه الدراسة على المنهج الاستقرائي وذلك من خلال تتبع آراء الفقهاء وأدلتهم في تحديد معنى الكسب الحرام وهل هو صفة دائمة تلزم المال أم تلزم مالكة، والأدلة التي اعتمدها عليها. كما اعتمدت على المنهج التحليلي المقارن في مناقشة آراء الفقهاء وأدلتهم وتحليلها، مع مقارنة هذه الأحكام بما يجري عليه العمل في المجامع الفقهية المعاصرة. وقد خلصت هذه الدراسة إلى نتائج مهمة منها: أن الأصل في انتقال المال بطريق الميراث الحل ما لم يتيقن الوارث بحرمة هذا المال بمعرفة عين صاحبه، وأن انتقال المال الحرام المعروف مصدر كسبه إلى الوارث يكسبه صفة جديدة تثبت له الحل في الملك والاستعمال وفق ما أقر به المجلس الأوروبي

*كلمات مفتاحية: ميراث، تركة، مال حلال، مال حرام، تطبيب المال*



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