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Empowering the Future: Integrating Financial
Literacy and Sustainability in Islamic Finance

ABSTRACT BOOK

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THEME: ISLAMIC FINANCIAL LITERACY

FINANCIAL LITERACY AND VULNERABILITY TO MONEY LAUNDERING TYPOLOGIES AMONG YOUNG UNDERGRADUATES IN IIUM AND UNISSA

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ABSTRACT

Financial literacy in money laundering plays a significant role in combating money laundering. Money laundering is a global threat that requires cooperation not only from international organisations, regulators and law enforcement agencies, but also public awareness and support. By having an understanding in the basics of money laundering and the common tactics used to launder money, the public would be able to protect themselves from becoming a victim and to report this to the authorities. This research paper aims to investigate the correlation between financial literacy and awareness of money laundering among undergraduate students at the International Islamic University Malaysia (IIUM) and Sultan Sharif Ali Islamic University (UNISSA). This study would employ an online survey which will be distributed amongst the undergraduate students. By using Cluster sampling, the participants will be divided according to their respective faculties, allowing the researcher to gain insight of student knowledge in relation to money laundering. The finding of the study suggests that the majority of the students have low financial literacy of money laundering, urging the relevant authorities to increase their effort in spreading awareness and educating youth about the danger of money laundering. This paper will contribute to the ongoing discourse on financial literacy and its role in promoting financial integrity and combating money laundering, offering insights relevant to academia, policymakers, and practitioners in the field of finance and education.

Keywords: *Financial Literacy, Money Laundering, Literacy Among Undergraduates, Typologies, IIUM, UNISSA*

BALANCE THE BOOKS: A SYSTEMATIC LITERATURE REVIEW ON DETERMINANTS OF ISLAMIC FINANCIAL LITERACY AMONG INDIVIDUALS

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ABSTRACT

Financially literate young individuals make informed financial decisions throughout life, leading to improved living standards. Financially capable households interact responsibly with financial service providers, which, in turn, builds financial resilience. Bank Negara Malaysia's Financial Capability and Inclusion Demand Side Survey 2018 reveals that the current state of Malaysians' financial literacy has room for improvement. Even though there are many studies on the determinants of Islamic financial literacy, it has been difficult to systematically review this specific research topic because it does not include the review procedures, making it difficult for scholars to replicate or interpret the results. Therefore, this study aims to perform a systematic literature review on the determinants of Islamic financial literacy. The review processes involved five fundamental methodological steps: formulation of research questions under the guidance of a review protocol; systematic search strategies based on eligibility, identification, and screening in several reputable databases, including Scopus, Emerald Insight, and Google Scholar; quality assessment; and data extraction and analysis. Five main themes were also discovered: psychological and personal factors, religious and cultural factors, educational factors, financial behaviour and attitudes and financial knowledge and awareness. These five main themes discovered another 12 sub-themes. The study offered several significant contributions to practical purposes and the body of knowledge. The findings explained the importance of financial education in elevating the Islamic financial literacy of individuals, one of the prerequisites needed to improve their financial well-being.

Keywords: *Islamic Financial Literacy, Determinants, Individuals, Systematic Literature Review, Financial Literacy*

THE ROLES OF ISLAMIC FINANCIAL LITERACY, FINANCIAL INCLUSION AND FINANCIAL DECISION-MAKING IN EXPLAINING THE FINANCIAL WELL-BEING AMONG MALAYSIAN HOUSEHOLDS

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ABSTRACT

Financial literacy is regarded as one of the most crucial factors to take into account for people to be able to make wise financial decisions. Despite the significance, little is known about Islamic financial literacy as one of the important elements that can contribute to the financial well-being of an individual especially with the rise in interest in Islamic banking and finance in Malaysia. This study aims to investigate the relationship between Islamic financial literacy, financial inclusion, financial decision-making and financial well-being among the households in Malaysia. A total of 363 usable responses were used from a self-administered questionnaire survey data from respondents in the Klang Valley and analysed the data following the partial least squares structural equation modelling (PLS-SEM) technique. The results demonstrate that Islamic financial literacy is the key antecedent followed by the financial inclusion and financial decision-making in predicting the financial well-being. Hence, balancing between income and expenditure, increasing the Islamic financial literacy and financial inclusion would be one important in assuring the financial well-being of the Malaysian households. Besides, the study also contributes to the existing literature and provides a fresh empirical perspective on Islamic financial literacy from the Malaysian context. The findings of this study also serve as the guidelines to enhance the performance of Islamic financial planners and financial institutions by improving our understanding of the application of behavioral finance theory through Islamic financial literacy in an emerging economy and developing country like Malaysia.

Keywords: *Islamic Financial Literacy, Financial Inclusion, Financial Decision-Making, Financial Well-Being, Malaysian Households*

UNFAIR CONTRACT TERMS IN MALAYSIAN ISLAMIC BANKS: EMPOWERING BANK CONSUMERS BY ISLAMIC FINANCIAL LITERACY VIA SELECTED ETHICAL FRAMEWORK

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ABSTRACT

For too long, Malaysian bank consumers have been at the losing end due to unfair contract terms that are disproportionately biased favoring the Islamic banks and they have no alternative but to accept those detrimental terms or risk having their financing application be rejected. However, bank consumers seldom read the standard form contracts that Islamic banks offer before signing them. This paper aims to explore the role of Islamic financial literacy in educating bank consumers to avoid unfair contract terms in Islamic banking contracts. Adopting the qualitative method through content and comparative analysis methodology, this study provides an exploratory analysis on selected ethical literacy framework based on MaqÉlíd al-SharÉÑah to help integrate literacy to bank consumers which include: Islamic education ethics, Maqasidic leadership model and Madani ethical framework introduced by the 10th Prime Minister, Anwar Ibrahim. Findings of this study include that the no reading problem of the form banking contracts by bank consumers could be improved by adopting Maqasidic literacy ethics. These Maqasidic literacy ethics empower bank consumers to apply their duty to read and be responsible to report unfair contracts terms to Bank Negara Malaysia. This study suggests Islamic Banks to practice sustainable consumer banking by drafting fair contracts and strike out detrimental contract terms since responsible treatment of bank consumers ensure and generate banking growth. This study is important to government policy since sustainable and ethical banking practices of bank consumers helps generate growth in the Islamic banking sector.

Keywords: *Islamic Financial Literacy, Empowering Bank-Consumer, Maqasid al-Shariah, Sustainability in Islamic Banks*

AN EXPLORATORY STUDY ON THE AWARENESS AND KNOWLEDGE OF TAKAFUL AMONG GIG WORKERS IN MALAYSIA

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ABSTRACT

Takaful plays an important role as part of an individual's financial protection against uncertainties relating to death, accidents, disability, and illness. Takaful is said to also be one of the financial tools to alleviate poverty of a family in case where their breadwinner dies or suffers permanent disability. Therefore, Takaful is very crucial for each individual despite of their occupations. Majority of the gig workers have some awareness and knowledge on Takaful, but they still lack protections especially when their employment is unlike regular employment that comes together with Takaful benefits for employees. Do they aware of another existing Takaful plans available for them externally? This is what prompt this study. This study also seeks to explore the gig workers' awareness and knowledge on Takaful to gain an in-depth opinion about their understanding. This includes the gig workers' opinions on the importance of Takaful, obstacles, and challenges to gain information about Takaful and their recommendation on reliable channels to reach them. The gig job chosen was delivery riders who are working under Grab. Semi-structured interviews were done with four riders who have experienced working with Grab. The results and findings of this study has shed a light for Takaful operators and Grab itself to improve awareness and accessibility of delivery riders towards Takaful.

Keywords: *Takaful, Gig Workers*

WHY WAQF COLLECTION IS STILL MINIMUM? AN EXPLANATION FROM BOUNDED RATIONALITY FRAMEWORK

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ABSTRACT

This study aims to explore the root cause of minimum waqf collection in Indonesia from the bounded rationality framework. Using explanatory analysis, the paper highlights rationality of waqf within Islamic framework. Rational Muslims should prefer doing good deeds that may bring more benefits here and hereafter. In regard to philanthropy, it is argued that rational Muslims should prioritize waqf donation than other voluntarily donation. The perpetuity nature of waqf may offer long-lasting benefits to the ummah and consequently the donors deserve continuous rewards. However, the limited knowledge among Muslims about waqf has bounded the rationality of Muslims to choose waqf donation over other donations. Muslims are satisfying themselves with non-waqf donations, although waqf may maximize their utility. The low waqf literacy level in Indonesia is a strong indicator that has contributed to the low waqf collection. Therefore, education and socialization are the main solution to increase literacy and solve the bounded rationality of Muslims in selecting waqf donation.

Keywords: *Waqf Literacy, Bounded Rationality, Islamic Rationality*

INTERNAL SHARIAH FUNCTIONS IN ISLAMIC FINANCE: INSIGHTS FROM MALAYSIA SHARIAH GOVERNANCE AND THE GULF COOPERATION COUNCIL COUNTRIES

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ABSTRACT

The landscape of Islamic financial institutions (IFIs) is shaped significantly by the adherence to Shariah principles, necessitating robust internal Shariah governance frameworks. This study aims to investigate the Shariah governance requirements for the internal Shariah functions of Islamic financial institutions in Malaysia and the Gulf Cooperation Council (GCC) countries. Specifically, it focuses on the structure of the internal Shariah functions such as Shariah advisory, Shariah secretariat, and Shariah control functions such as Shariah audit, Shariah risk, and Shariah compliance. This research highlights the similarities and differences in governance structures across these regions by examining regulatory frameworks and the roles of these internal functions. Utilising a comparative analysis approach, the study identifies key challenges and best practices in implementing effective Shariah governance. The findings are expected to contribute to the enhancement of Shariah governance practice, ensuring the credibility and sustainability of Islamic finance. This paper provides valuable insights for regulators, practitioners, and scholars in the field of Islamic finance, aiming to foster a more standardised and robust Shariah governance framework globally.

Keywords: *Shariah Governance, Internal Shariah, Shariah Control, Shariah secretariat*

THE ROLE OF ISLAMIC FINANCIAL LITERACY FROM THE PERSPECTIVE OF MAQASID AL-SHARIAH: A CASE STUDY OF COMMUNITY OF NAKA IN KEDAH

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ABSTRACT

Islamic financial literacy, when viewed through the lens of Maqasid al-Shariah, offers a holistic and ethical approach to financial management that aligns with the core objectives of Islamic law. Maqasid al-Shariah, aim to promote the welfare of individuals and society by preserving religion, life, intellect, progeny, and wealth. This study examines how these objectives shape financial literacy within an Islamic framework, emphasizing principles such as the prohibition of Riba (interest), the importance of Zakat (charitable giving), ethical investment, and the avoidance of extravagance and waste. The study will adopt a qualitative method which will involve secondary data collection through desktop research based on the existing literature on the topic. The study will highlight that Islamic financial literacy is not merely about understanding financial concepts but also about integrating these principles with ethical and moral considerations rooted in Islamic teachings. By promoting a balanced and just approach to wealth management, Islamic financial literacy guided by Maqasid al-Shariah aims to advance financial stability, social equity, and overall well-being, thereby contributing to the holistic development of both individuals and communities. This study will be complemented with findings from a case study conducted with villagers of Naka, a remote place in Kedah while assimilating the understanding and awareness of financial literacy from Islamic view.

Keywords: *Islamic Financial Literacy, Maqasid al-Shariah, Islamic Finance, Wealth Management*

ISLAMIC FINANCIAL LITERACY AND AGENCY PROBLEM RESOLUTION IN MICROENTERPRISE FINANCING: A QUALITATIVE STUDY OF SELECTED BAITUL MAAL WA TAMWIL IN INDONESIA

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ABSTRACT

Islamic financial literacy is essential in implementing contracts in Islamic financial institutions so that they remain in accordance with sharia principles and prevent the financial risk included agency problem. This research aims to explore in depth the urgency of Islamic financial literacy in minimizing the occurrence of agency problem in microenterprise financing provided by Baitul Maal wa Tamwil (BMT). This research utilized a qualitative approach, conducting in-depth interviews with practitioners from eight selected BMTs in Indonesia, experts from associations and institutions, academics, and policy makers to gather diverse information. Data validation also was achieved through observations, document analysis, as well as different data sources, and N-Vivo software, with external confirmation from three experts to ensure data reliability. This approach aimed to bridge the gap between four different opinions. The research results show that Islamic financial literacy on the part of BMT staff and BMT financing members is still low, which has an impact on the occurrence of agency problem, both adverse selection and ex-ante moral hazard in murabaha financing. Several BMTs have been carrying on capacity development initiatives to improve Islamic financial literacy, but their implementation has been inadequate and necessitates synergy and collaboration with other related entities.

Keywords: *Islamic Financial Literation, Agency Problem, Murabaha Financing, Qualitative Study, Baitul Maal wa Tamwil, indonesia*

TIGHTEN THE BELT! PREDICTING THE ISLAMIC FINANCIAL BEHAVIOUR AMONG UNIVERSITY STUDENTS IN PERLIS

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ABSTRACT

Over the past five decades, Malaysia has been pronounced as a developed country with successful economic and social achievements. However, there is a gap between the country's performance, government efforts and its youth's financial behaviours. Prior to this study, previous empirical found that Malaysian youth were reported to have poor financial practices and behaviours. Thus, this study incorporates the Theory of Planned Behaviour as the underlying theory. Hence, the objectives of this study are to examine the factors that influence financial behaviour among university students in Perlis. Questionnaires were distributed to 358 respondents among university students in Perlis. The respondents ranged in age from 18 to 30 years old. The data were analysed using covariance-based Structural Equation Modelling (CB-SEM). The findings indicated two favourable relationships between parental financial socialization, financial self-efficacy and Islamic financial behaviour. Meanwhile, the other two hypothesized relationships showed insignificant findings for the measured variable. This study highlights the crucial importance of these factors, adding to the existing knowledge and literature. The stakeholders (government and education institutions) must utilize these findings to enhance the Islamic financial behaviour of the individual in order to achieve the highest goal of financial inclusion.

Keywords: *Islamic Financial Behaviour, Islamic Financial Literacy, University Students*

ROLE OF ISLAMIC VALUES AND FINANCIAL ATTITUDES ON SETTING FINANCIAL GOALS: AN EXPLORATORY STUDY OF BRUNEIAN MUSLIMS

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ABSTRACT

While much has been studied on the scope of financial literacy and Islamic financial knowledge, little has been published on the role of Islamic values and financial attitudes with regard to setting financial goals. When Muslims create financial goals, what are the Islamic values and financial attitudes that may affect the financial goals that they set? In this qualitative study, 31 Bruneian Muslims shared their views on goal-setting, in terms of how they perceive Islam may play a role in setting financial goals. The findings highlight wide-ranging perspectives that include striving to avoid credit, the rights (haqq) of others in relation to one's wealth and the role of seeking barakah (blessings), among others as important for the interviewees. This highlights some potential implications for educators and Islamic financial planning as a practice. For educators, the findings highlight the need to incorporate Islamic values and financial attitudes in their Islamic personal financial teachings, while in terms of the practice of Islamic financial planning, the finding highlights the potential to refine one's Islamic financial worldview that is in line with Shari'ah.

Keywords: *Financial Values, Financial Attitudes, Financial Goals, Brunei*

IMPACT OF FINANCIAL LITERACY ON ECONOMIC BEHAVIOR AND VULNERABILITY TO SCAM: CONTEXT APPLICATION IN THE MALDIVES

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ABSTRACT

Financial literacy is considered as basic and essential skill for understanding of financial mechanism. It enhances individual to make decisive financial considerations and safeguard them from financial vulnerabilities and scams. Increasing dependence on digital means for financial transactions expose individual for various kinds of financial scams. This study aims to investigate the relationship between financial literacy, economic behavior and vulnerability to scams among Maldivians and understand how financial literacy impacts an individuals' economic behavior and everyday financial decisions. Given the unique socio-economic geographical setting of Maldives, the country is vulnerable to external shocks and these challenges are crucial to foster economic stability and protect against fraud in the digital era. A survey of 385 respondents among different demographic groups revealed a significant positive correlation between financial literacy and responsible economic behavior as well as a negative correlation with financial literacy and vulnerability to scams. However, a notable gap exists between perceived and actual financial literacy, indicating overconfidence among respondents. The study recommends policy actions to enhance access to financial services and community-based workshops, alongside educational initiatives to integrate financial literacy into school curricula and foster collaborations with NGOs and banks. This study highlights the necessity for targeted financial literacy programs, improve access to financial services and strengthen the regulations for consumer protection and foster a financially resilient nation.

Keywords: Financial Literacy, Economic Behavior, Scam Awareness, Maldives

ENHANCING ISLAMIC FINANCIAL LITERACY: A CRITICAL COMPONENT FOR INCLUSIVE ECONOMIC GROWTH

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ABSTRACT

Islamic finance has emerged as a viable alternative to conventional finance, emphasizing ethical and socially responsible investments. However, limited understanding and awareness of Islamic financial principles and products hinder its adoption and growth. This study investigates the current state of Islamic financial literacy among Muslims and non-Muslims, identifying knowledge gaps and misconceptions. A survey of 1,000 participants reveals a significant lack of understanding of Islamic finance concepts, such as riba, zakat, and takaful. The study recommends targeted education and awareness initiatives to enhance Islamic financial literacy, promoting inclusive economic growth and financial inclusion. By bridging the knowledge gap, individuals can make informed decisions about Islamic financial products and services, aligning their financial practices with their values and beliefs.

Keywords: Islamic Finance, Financial Literacy, Inclusive Economic Growth, Ethical Finance, Islamic Banking

THE RELATIONSHIP BETWEEN FINANCIAL LITERACY AND FINANCIAL WELLBEING AMONG MUSLIM WOMEN IN INDONESIA AND MALAYSIA

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ABSTRACT

Women's participation in economic activity could contribute to the high number of annual global output. In general, women have a longer life than their men; therefore, women need to be equipped with financial literacy. Good financial planning, as well as good financial knowledge, attitude and behaviour, can improve women's welfare. The purpose of this study is to examine the relationship between financial literacy dimensions (knowledge, attitude, and behaviour) and financial well-being among women in Indonesia and Malaysia. A quantitative method of study is employed by distributing 411 questionnaires that consist of financial knowledge, financial attitude, financial behaviour and financial well-being questions. Financial knowledge was found to have a positive and significant relationship with financial attitude, but it has no significant relationship with financial behaviour. The financial attitude was found to have a positive and significant relationship with financial behaviour and mediates the relationship between financial knowledge and financial behaviour. Financial attitude and financial behaviour were found to have a positive and significant relationship with financial well-being. The research implies that helping Muslim women to understand financial knowledge may increase their financial attitude. When they have a positive attitude toward their financial condition, they may have positive financial behaviour and be able to make sound financial decisions. Therefore, financial well-being could be achieved.

Keywords: *Financial Literacy, Financial Well-Being, Financial Knowledge, Financial Attitude, Financial Behaviour, Women*

THE EFFECTIVENESS OF GOVERNMENT-LED LITERACY PROGRAMS IN ENHANCING ISLAMIC FINANCIAL INCLUSION

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ABSTRACT

Islamic finance, with its distinct principles of Shariah compliance, presents unique challenges and opportunities for financial inclusion. Despite its growing significance, many individuals in diverse populations remain underserved due to gaps in financial literacy and understanding of Islamic financial products. This study examines the effectiveness of government-led literacy programs in promoting Islamic financial inclusion in Indonesia. Utilizing a panel dataset from a primary survey to regional governments, we analyze the impact of these literacy initiatives on the adoption and use of Islamic financial services. Our findings indicate that while government-led literacy programs do not show statistically significant correlations on Islamic financial inclusion, regulatory frameworks play a crucial role in this domain. The data reveals that robust and supportive regulatory environments are significantly associated with higher levels of Islamic financial inclusion. This suggests that while literacy programs are important, their impact is overshadowed by the critical influence of well-designed regulations. Thus, to improve Islamic financial inclusion effectively, policymakers should focus on strengthening regulatory measures alongside implementing literacy programs

Keywords: *Islamic Economics, Financial Literacy, Government Programs, Regulation*

IMPACT OF ISLAMIC FINANCIAL LITERACY ON YOUTH FINANCIAL BEHAVIOR IN NIGERIA

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ABSTRACT

In contemporary Nigeria, financial literacy is crucial for fostering economic stability and personal financial management, especially among the youth. This paper investigates the impact of Islamic financial literacy on the financial behavior of Nigerian youth, exploring how Islamic financial principles influence their financial decisions and practices. The paper indicates that youth with higher levels of Islamic financial literacy demonstrate more prudent financial behaviors, such as avoiding interest-bearing loans, engaging in ethical investment practices, and displaying greater financial discipline in saving and spending. It also reveals that Islamic financial literacy enhances their confidence in making financial decisions, reduces susceptibility to financial exploitation, and promotes economic inclusion by encouraging participation in Shariah-compliant financial services. Furthermore, the paper identifies several challenges in promoting Islamic financial literacy among Nigerian youth, including limited access to Islamic financial education, misconceptions about Islamic finance, and the dominance of conventional financial systems. To address these challenges, the paper recommends the integration of Islamic financial principles into national education curricula, the development of targeted financial literacy programs by Islamic financial institutions, and the active involvement of religious leaders and community organizations in financial education initiatives. The paper concludes that Islamic financial literacy significantly impacts the financial behavior of Nigerian youth, promoting ethical and responsible financial practices aligned with Islamic principles. This paper underscores the need for strategic efforts to enhance Islamic financial literacy to foster financial inclusion and economic stability among the youth in Nigeria.

Keywords: *Islamic Financial Literacy, Youth Financial Behavior, Nigeria, Financial Education, Financial Institution*

THEME: SUSTAINABLE DEVELOPMENT GOALS (SDG) AND ISLAMIC FINANCE

SDG 4: PROMOTING HIGH QUALITY OF EDUCATION THROUGH TAKAFUL

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ABSTRACT

The fourth Sustainable Development Goal (SDG) is “to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.” Education is the key to opening doors to a better life, as it plays a critical role in the way society progresses, especially at a time when sustainable development is incredibly crucial. Brunei Vision 2035 seeks to make Brunei Darussalam known for its achievement of its highly educated population, specifically the youth. In supporting the 4th Sustainable Development Goals and Brunei 2035 Vision, the researchers aim to examine the role of Takaful as the one of the main players in helping parents to prepare for their children's education fund in the future. In order to collect data and to achieve the objective of this paper, the researchers will use qualitative methods throughout the study, which involves interviewing selected participants, such as parents who are working in both government and private sectors. The findings of the study highlight the confidence and satisfaction of the parents for their ability to provide educational funds for their children through Takaful, and demonstrate ways and means on how more parents will grasp similar initiatives. This study is significant by virtue that it would be a valuable resource for researchers and practitioners to conduct further study on this topic and to promote Takaful products and benefits for the parents.

Keywords: SDG 4, Brunei 2035 Vision, High Quality of Education, Takaful Education

OVERVIEW OF REGULATORY FRAMEWORK ON SHARIAH GOVERNANCE STANDARDS IN MALAYSIA: A COMPARATIVE ANALYSIS OF SGPD 2019 AND GP28

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ABSTRACT

Islamic finance in Malaysia has been growing significantly at local and international levels and one of the reasons is its implementation of Shariah governance framework (SGF) in Islamic financial institutions (IFIs). The purpose of SGF is to enhance the governance system, decision-making process, and ensure all activities are compliant with the Shariah law. Through Bank Negara Malaysia (BNM), two Shariah governance standards have been issued for IFIs; the Shariah Governance Framework (SGF) in 2010 and superseded by the Shariah Governance Policy Document (SGPD) in 2019. Besides that, the Malaysia Cooperative Societies Commission (SKM) has issued the Guidelines on Shariah Governance for cooperatives, referred as GP28. The study aims to compare these two latest standards on Shariah governance and provide recommendations to improve the Shariah governance practices for both banks and cooperatives. These Shariah governance standards are to promote the practices of Shariah governance for IFIs and cooperatives. Through qualitative research method with a comparative and gap analysis, it found that there are some elements are similar between them. However, SGPD 2019 is more comprehensive than earlier policy SGF 2010 and GP28 and some improvements need to add into it to be more comprehensive. Both SGPD 2019 and GP28 have similar purpose to ensure all operations and activities in the sectors compliant with the Shariah rules and principles. As such, these Shariah governance standards are very important to be compared to find out the similarities and differences and whether they have complemented one to another.

Keywords: Shariah Governance, SGF 2010, SGPD 2019 and GP28

IMPACT OF FINANCIAL INSTITUTION TYPES ON SMALL MEDIUM ENTERPRISE (SME) FINANCING APPROVAL RATES IN MALAYSIA: A QUANTITATIVE ANALYSIS

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ABSTRACT

The purpose of this paper is to emphasize on the structure of SRI Linked Sukuk. By analysing the issuance of Socially Responsible Investment (SRI) Sukuk to be used as a tool to help with sustainable development. Among them is climate change mitigation through the projects of solar energy. This paper is a systematic reviews and meta-analysis called PRISMA. This paper follows the PRISMA protocols where existing literatures are subject to being reviewed. Moreover, the steps include a transparent guide on how the research took place. The protocol includes choosing a topic of interest, followed by research questions, search strategy, eligibility criteria, literature screening, data extraction, followed by presenting the data in a form of SWOT analysis and implement it in TOWS matrix. From literature review, this paper discovered wide range of data that represents a character of SRI Sukuk. Such characteristics includes a growing participation and interest towards the SRI Sukuk, funds and proceeds are increasing at an increasing rate annually as well as having a positive impact derived from SRI Sukuk. This paper is solely focused on 3 databases that includes Google Scholar, Emerald and Scopus. Despite SRI Sukuk being noticed internationally by many countries. It still a slow traffic regards the researchers and users related to Islamic Finance. Furthermore, the opportunity is taken to provide more awareness and comprehending the SRI Sukuk as an important tool in the Islamic capital market

Keywords: Socially Responsible Investment Sukuk, Green Sukuk, SDG

ISLAMIC BANKING: A CATALYST FOR SUSTAINABILITY AND SOCIAL WELFARE IN MODERN ECONOMIES USING BIBLIOMETRIC ANALYSIS

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ABSTRACT

This study employs a bibliometric analysis to explore the role of Islamic banking as a catalyst for sustainability and social welfare in modern economies. By analyzing a comprehensive dataset of scholarly publications from the SCOPUS database, where the keyword "Islamic banking and sustainability and social welfare" returned 1,103 results, this research identifies key trends, influential authors, and thematic clusters within the literature on Islamic banking, sustainability, and social welfare. The findings highlight the unique principles of Islamic finance, such as risk-sharing, prohibition of interest (riba), and ethical investment criteria, and how these contribute to promoting environmental sustainability and social equity. Furthermore, the study examines case studies and empirical evidence demonstrating the impact of Islamic banking on community development, poverty alleviation, and green financing. The bibliometric approach provides a systematic overview of the intellectual structure and evolution of research in this field, offering insights into future research directions and policy implications. For practitioners, the study highlights best practices and innovative strategies in Islamic banking that can be adopted to enhance sustainability and social welfare outcomes. For academia, it identifies research gaps and emerging themes, suggesting avenues for future scholarly inquiry. For policymakers, the analysis underscores the potential of Islamic banking to support the United Nations Sustainable Development Goals (SDGs) and offers recommendations for integrating Islamic financial practices into broader policy frameworks aimed at sustainable development and social welfare enhancement. This study underscores the potential of Islamic banking to support the United Nations Sustainable Development Goals (SDGs) and suggests pathways for integrating Islamic financial practices into broader global efforts toward sustainable development and social welfare enhancement.

Keywords: Sustainable Development, SDG, Islamic Banking, Social Welfare, Modern Economics

TRANSITIONING TOWARDS SUSTAINABLE FINANCE: A COMPARATIVE STUDY ON SELECTED ISLAMIC BANKS IN MALAYSIA

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ABSTRACT

Since its inception over 40 years ago in Malaysia, the Islamic banking industry has been scrutinized for its perceived underperformance in value creation and contribution to the real economy, community (social), and environmental aspects—the three core domains of sustainable finance. As global financial institutions transition towards sustainability to address existential threat and challenges like climate change and social inequality, Islamic banks are pressured to align with these goals while upholding Shariah principles and ultimately, manifesting the Maqasid al Shariah in its true sense. The United Nations Brundtland Commission's (1987) definition of sustainability as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" underscores the urgency for financial institutions, primarily banks, to transition effectively. This study explores the readiness of selected Islamic banks in Malaysia to meet these expectations and compares their progress with conventional banking peers and the broader industry. This research focuses on assessing the current state of selected Islamic banks' preparedness to fully integrate into sustainable practices. Through a comprehensive review of literature and reports, this research examines the current state of selected Islamic banks' preparedness to fully integrate into sustainable practices. Ultimately, the study aims to contribute insights and recommendations that could facilitate the transition of Islamic banks towards sustainable finance practices. Findings are expected to provide valuable independent perspectives to regulators, industry stakeholders and market participants, aiding in the effective implementation of sustainability strategies within the Islamic banking sector.

Keywords: Sustainability, Sustainable Finance, Islamic Banks

ROLE OF SHARIAH COMPLIANCE CULTURE IN PROMOTING THE ADOPTION OF VALUE-BASED INTERMEDIATION PRACTICES: EVIDENCE FROM THE MALAYSIAN ISLAMIC BANKING INDUSTRY

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ABSTRACT

Islamic finance in Malaysia has become an increasingly integral part of the global financial system. This vibrant and efficient system is the result of concerted efforts by diverse players like the government, regulators, and industry players. Following the development and adoption of Sustainable Development Goals (SDGs), Bank Negara Malaysia introduced Value-Based Intermediation (VBI) with the intention of VBI being the next strategic direction for the Islamic Banking Industry. Evren and Abdurahman (2022) highlighted that banks that adopted VBI practices differ from other banks when they have modified their business models and focused on value-based activities (Tok & Yesuf, 2022). Also, according to Abdul Kadir et al (2024), there are two preferences in accepting VBI among Malaysian Islamic Banks firstly Malaysian Islamic banks that agree to adopt VBI, and secondly refuse to adopt this initiative by Bank Negara Malaysia (Haidah et al., 2024). In addition, some of the banks are not interested in adopting VBI as it was not compulsory to do so and they claimed that VBI was somehow unnecessary when they were already incorporated under Maqasid al-Shariah (Faigah et al., 2021). This foresees some possible predicaments that may hinder the Shariah compliance culture in Malaysian Islamic Banks, especially in their roles in realizing and fulfilling the Maqasid al-Shariah which underpins the conduct of Islamic banking transactions. Thus, the study aims to explore the current practices of Shariah compliance culture in Malaysian Islamic banks by analyzing the elements of Shariah compliance culture including appropriate 'tone from the top', communication, business strategies, internal policies, and the code of conduct on the adoption of VBI in the Malaysian Islamic Banking Industry. Furthermore, the study also attempts to assess the importance of the adoption of VBI in Malaysian Islamic Banks by examining the sustainability strategy differences from others who are not adopting through VBI underpinning thrusts.

Keywords: Value-based Intermediation (VBI), Compliance, Malaysia, Islamic Banks, Sustainability Strategy

SOCIAL MEDIA ADVERTISEMENT AND CONSUMER BUYING BEHAVIOUR: THE JUMIA ONLINE MARKETING SITE EXPERIENCE

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ABSTRACT

Consumers are interested in finding product recommendations, reviews and word of mouth using social networking platforms before making their buying decisions. These reviews are useful to the firm for enhancing service quality, information gathering, engagement and predicting buying behaviour of customers. The purpose of this paper is to examine the effects of social media advertising in enhancing the buying behaviour of consumers. Social media advertisement is proxied by electronic word of mouth, hours spend on social network sites, sales promotion content and online advertisement content; while consumer buying behaviour is proxied by psychological rewards. The study adopted a survey research design in order to meet the objectives of this study. Responses, through a structured and reliably validated questionnaire from 275 consumers who are users of the Jumia website, were analysed using the linear regression approach. From the result, social media advertisement was found to be positively related to online consumer buying behaviour with (R^2) of 0.525, and consumers' objective and subjective knowledge moderates the relationship between social media advertisement and consumer buying behaviour (F-value 70.823 with a p-value of 0.000). The study recommended that marketers should find ways of maintaining a high level of exposure to social media advertising by ensuring that the information about products is not doubted by the social communities on social media, and that the messages on the platforms should be made persuasive enough, bearing in mind that the messages would undergo scrutiny through the social communities.

Keywords: *Electronic Word of Mouth, Hours Spend on Social Media, Sales Promotion Content and Products Knowledge*

SUSTAINABLE DEVELOPMENT THROUGH ISLAMIC FINANCE: THE NUTRIBITE INITIATIVE'S IMPACT ON HUNGER AND MALNUTRITION

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ABSTRACT

Persistent hunger and malnutrition, particularly in war zones and regions with limited access to nutritious food, call for innovative and sustainable solutions. The Women Lifeline Initiative (WOLi), active in Nigeria and Malaysia, has developed a groundbreaking Ready-to-Consume Therapeutic Food (ReCoTF) using Moringa Oleifera (MO) and wheat bread. This initiative, implemented in Nasarawa, Kaduna State, Nigeria, integrates Islamic financial principles to fund and sustain the project. The project minimises costs and environmental impact by utilizing a local mud oven powered by briquet charcoal from farm waste. The NutriBite initiative, backed by sadaqah and waqf, demonstrates a commitment to addressing nutritional deficiencies sustainably and ethically. This paper discusses the intersection of Islamic finance and sustainable development, showcasing the NutriBite project as a model for alleviating hunger and promoting long-term community and environmental well-being.

Keywords: *Moringa oleifera, Hunger Relief, Sadaqah, Therapeutic Food, SDG2*

ISLAMIC BANKING AND CLIMATE CHANGE ADAPTATION

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ABSTRACT

This paper investigates the relationship between the presence of Islamic banks and countries' levels of adaptation to climate change. With growing recognition of the financial sector's role in addressing climate change, Islamic finance, grounded in ethical and sustainable principles, presents a unique opportunity to influence climate resilience. The study employs a cross-country analysis, examining data on Islamic bank penetration, climate vulnerability, and readiness indices across a diverse set of countries. By analyzing these relationships, the paper explores whether a higher presence of Islamic banks correlates with enhanced climate readiness and reduced climate vulnerability. It also assesses the mechanisms through which Islamic finance may contribute to climate adaptation and mitigation efforts. The findings are expected to provide insights into the potential of Islamic banks to drive sustainable development and offer policy recommendations for integrating Islamic finance into global climate strategies. This research contributes to the growing body of literature on the intersection of finance and climate resilience, particularly within the context of Islamic finance.

Keywords: *Islamic Banking, Climate Change, Climate Risk, Climate Vulnerability, Climate Readiness*

ISLAMIC FINANCE AND SUSTAINABLE AGRICULTURE TO ACHIEVE RURAL FOOD SECURITY IN INDONESIA

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ABSTRACT

The agricultural sector, a vital component of Indonesia's economic and social development, is currently facing a range of challenges. These include farmer poverty, limited access to finance, environmental degradation, and the impacts of climate change. In this context, the ethical and justice-based principles of Islamic finance emerge as a potent tool to support sustainable agriculture and achieve food security. This article explores the strategic role of Islamic finance in addressing these challenges in rural Indonesia through sustainable agriculture. It will review relevant literature and analyze case studies on applying various Islamic finance models, such as mudarabah, musharakah, salam, and qard hassan, in supporting sustainable agriculture practices. Furthermore, this research will discuss the challenges and opportunities in utilizing Islamic finance for sustainable agricultural development and provide policy recommendations to improve its effectiveness.

Keywords: *Food Security, Islamic Finance, Rural Development, SDGs, Sustainable Agriculture*

TOWARDS A HOLISTIC FRAMEWORK: ESG AND MAQASID SHARIAH IN TAKAFUL OPERATIONS

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ABSTRACT

The Takaful industry in Malaysia has witnessed substantial growth driven by the increasing demand for Shariah-compliant insurance products. Despite this growth, the industry faces significant challenges in establishing a transparent and standardised sustainability reporting framework that aligns with Islamic principles and regulatory requirements. The absence of such a framework hinders stakeholders' ability to assess Takaful operators' sustainability performance effectively. This research proposes the development of a holistic sustainability reporting framework that integrates Environmental, Social, and Governance (ESG) factors with Maqasid Shari'ah principles. The study aims to identify key ESG and Maqasid Shari'ah disclosure requirements, assess the feasibility and effectiveness of the proposed framework, and validate and refine it through empirical research involving Takaful operators in Malaysia. The research utilises secondary data from financial databases and content analysis of annual reports, complemented by surveys and interviews with stakeholders by employing a quantitative approach. The anticipated outcomes include a comprehensive and standardised ESG and Maqasid Shari'ah disclosure framework that enhances transparency, improves financial performance, and supports risk mitigation. Additionally, the framework aspires to deliver positive social and environmental impacts, aligning Takaful operations with broader sustainable development goals. The significance of this research lies in its potential to provide Takaful operators with a robust tool for transparent communication of their sustainability practices, thereby enhancing their reputation and credibility. Moreover, the framework supports the Malaysian government's efforts to promote sustainable development as outlined in policies such as the 12th Malaysia Plan and the Sustainable Development Goals Roadmap. By integrating ESG and Maqasid Shari'ah principles, the proposed framework addresses stakeholders' information needs and aligns with Islamic finance's ethical and social dimensions, offering a comprehensive solution to current reporting challenges in the Takaful industry.

Keywords: Takaful, Sustainability Reporting, ESG (Environmental, Social and Governance), Maqasid Shari'ah, Islamic Finance

SUSTAINABILITY IN MOTION: EVALUATING UNISZA STUDENTS' VIEWS ON SUSTAINABLE TRANSPORT

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ABSTRACT

This study explores the perspectives of students at Universiti Sultan Zainal Abidin (UNISZA) regarding sustainable transport, aiming to understand their awareness, attitudes, and behaviors towards eco-friendly mobility solutions. Utilizing a mixed-method approach, including surveys and focus group discussions, data were collected from a representative sample of the student body. Key factors influencing their attitudes include environmental concerns, convenience, and cost-effectiveness. The study also expected to identify barriers to sustainable transport adoption, such as inadequate infrastructure and limited access to reliable public transit. Recommendations are provided to enhance sustainable transport initiatives on campus, promoting a shift towards more environmentally responsible travel behaviors among students. The results underscore the need for targeted educational campaigns and improved transport facilities to foster a sustainable campus culture.

Keywords: Sustainability, Transportation Management, Perception, Green Campus, Awareness

THEME: ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

THE IMPACT OF MICRO AND SMALL ENTERPRISE FINANCING PROGRAMS ON ECONOMIC AND SOCIAL DEVELOPMENT IN SAUDI ARABIA

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ABSTRACT

Micro and small enterprises (MSEs) are vital to the Saudi Arabian economy, significantly contributing to GDP and job creation. Islamic microfinance, guided by Sharia principles, offers a unique opportunity for financial inclusion and sustainable development, empowering individuals and communities. The research aims to examine the impact of Islamic microfinance on supporting enterprises, families, and living conditions in Saudi Arabia. And analyze the role of Islamic microfinance in achieving economic and social development in the Kingdom, including job creation and poverty reduction. In addition, explore the contribution of Islamic microfinance to sustainable development in Saudi Arabia. The research employs a descriptive-analytical approach, using qualitative data collection and analysis techniques through interviews with stakeholders in the Islamic microfinance sector. This includes beneficiaries, microfinance service providers, supervisory and regulatory authorities, supporters, and other relevant parties. The research found that Islamic microfinance programs effectively support MSEs, contributing to business growth, job creation, and economic stability. They also improve family livelihoods, enhance financial independence, and raise living standards. Moreover, Islamic microfinance plays a significant role in achieving sustainable development goals in Saudi Arabia, including poverty reduction, environmental sustainability, and social equity. By analyzing the potential of Islamic microfinance to contribute to the achievement of Sustainable Development Goals (SDGs) in Saudi Arabia, the research underscores its alignment with SDG goals and its role in promoting social equity, environmental sustainability, and economic prosperity. Furthermore, the study explores the broader impact of Islamic microfinance on social and economic development, supporting enterprises, improving family livelihoods, and fostering overall economic growth.

Keywords: *Impact, MSEs, Financing, Economic, SDGs, Saudi Arabia*

THEME: ISLAMIC BANKING AND PRODUCTS DEVELOPMENT

BIBLIOMETRIC ANALYSIS OF FINANCIAL INCLUSION RESEARCH IN ISLAMIC FINANCE: TRENDS, CHALLENGES, AND FUTURE DIRECTIONS

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ABSTRACT

Over the past decade, research on financial inclusion has experienced significant growth, focusing on areas such as assessing its impact and identifying obstacles to accessing and using financial services. As this area of research continues to evolve, it becomes increasingly important to review the existing literature, highlight prominent key themes and trends, and outline directions for future studies. This study aims to examine the current research landscape in financial inclusion and pave the groundwork for future research by identifying unexplored dimensions and perspectives. A systematic analysis was conducted on 126 papers published between 2010 and 2024, retrieved from the Google Scholar database using Publish and Perish software. VOSviewer was utilised to map bibliographic data, focusing on the leading authors in this field at the journal and institution levels, citation patterns, keyword distribution, highly cited works, co-authorship networks, and the most influential journals and authors. The findings revealed that several articles concentrate on analysing the evolution of scientific output. These studies examine the distribution of publications by subject area and journal, assess the productivity of authors, institutions, and countries, and explore keyword trends. This study holds importance for researchers, policymakers, and industry stakeholders committed to advancing financial inclusion. By reviewing past research and suggesting future research directions it provides a roadmap for exploring new dimensions of financial inclusion. These insights can contribute to the development of more inclusive financial systems while addressing potential challenges and setbacks along the way.

Keywords: *Financial inclusion, Islamic Financial Institutions, Financial Inclusion Framework, Bibliometric, Systematic Analysis.*

PRICING ISSUES IN RECOVERY PROCEDURE OF NPI OF ISLAMIC BANKING FI'S: A STUDY ON BANGLADESH

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ABSTRACT

PLS is the basic principle of Islamic Banking and the acceptance of interest is strictly prohibited. Unlike conventional banks, the Islamic banks cannot charge a fixed rate of profit, they approve the financing depending on the predetermined profit-loss sharing method. Yet, several research studies have revealed the fact that there is no fundamental difference in the method of loan pricing between commercial banks and Islami banks. On the stated background, the objective of this research is to determine the investment pricing issues in Bangladesh and offer potential solutions in this regard. We have used cases of filing Artha Rin Suit data of Islamic banks and conventional banks towards recovery of NPI. The study reveals a clear omission in the recovery procedure of stuck-up investments and are not accurate precision to the Shari'ah norms, but are intimately related to conventional loan recovery procedure.

Keywords: *PLS, Islamic banking, Artha Rin Suit, NPI, Conventional banks, Bangladesh.*

EFFECTIVENESS OF SHARIAH GOVERNANCE IN SHARIAH COMPLIANCE CULTURE OF ISLAMIC BANKS: A LITERATURE REVIEW

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ABSTRACT

Shariah governance and Shariah compliance culture are fundamental to the operational integrity and ethical conduct of Islamic banks. While Shariah governance provides oversight mechanisms, Shariah compliance culture integrates Shariah principles and values into the organization's ethos. This study aims to examine past literature on Shariah governance and its effectiveness on fostering the Shariah compliance culture within Islamic banks. The qualitative methodology employed in this paper utilizes content analysis, with data being analysed descriptively. The finding of the literature review suggests that Shariah governance plays a significant role in promoting the Shariah compliance culture in Islamic banks by establishing key Shariah organs, facilitating regular communication, improving financial performance, implementing policies, and ensuring proper reporting. Additionally, the study identifies various factors that can influence the Shariah compliance culture in Islamic banking institutions. The research highlights the importance of implementing Shariah governance to promote the Shariah compliance culture in Islamic banks. Therefore, further research need to be conducted on the effectiveness of the current Shariah governance structures in driving Shariah compliance culture as well as to identify optimal Shariah governance setup that could enhance Shariah compliance culture practices.

Keyword: Shariah Governance, Shariah Compliance Culture, Islamic Banks

A SYSTEMATIC LITERATURE REVIEW AND META ANALYSIS OF RISK MANAGEMENT PRACTICES IN THE ISLAMIC BANKING SYSTEM

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ABSTRACT

In the contemporary landscape of global finance, the adoption of effective risk management practices within the Islamic banking system has garnered significant attention. This study provides a systematic literature review of risk management practices in Islamic banking, encompassing various methodologies and approaches. Utilizing the Scopus database, the researcher meticulously selected 32 relevant articles for final analysis. The review was conducted following the PRISMA framework (Preferred Reporting Items for Systematic Review and Meta-Analysis), ensuring a rigorous and transparent selection process. Descriptive analysis was performed using Microsoft Excel to categorize the publications based on publication year, journal source, citation frequency, country, research stream, publisher, and subject areas. The analysis reveals a predominant use of quantitative methods (28 articles), with qualitative (2 articles) and mixed methods (2 articles) being less frequently employed. The findings indicate a gap in the literature concerning emerging risk management strategies tailored to the unique principles of Islamic banking. This review aims to bridge this gap, providing a comprehensive overview of existing risk management practices and highlighting areas for future research.

Keywords: Risk management, Islamic banking, systematic literature review; PRISMA

REPAYMENT BEHAVIOR IN ISLAMIC MICROFINANCE: IDENTIFYING IMPACTIVE FACTORS IN THE RURAL ECONOMY FUNDING SCHEME

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ABSTRACT

This study investigates the factors contributing to the prevalence of non-performing financing (NPFs) in microfinance institutions, posing challenges to the primary objective of poverty alleviation. While microfinance aims to reduce poverty, existing research presents divergent outcomes regarding its efficacy in this context. Focusing on rural micro-entrepreneurs, this research explores accountability as a mediator and customer service quality as a moderator in shaping repayment behavior. The study offers nuanced insights into the factors influencing the success of Islamic Microfinance programs. Results reveal that borrower characteristics and accountability significantly influence repayment behavior. Surprisingly, religiosity and business performance show no direct impact on repayment. Accountability emerges as a key mediator between borrower characteristics and repayment behavior. Notably, customer service quality does not moderate the relationship between borrower characteristics and accountability. These findings underline the pivotal role of accountability in shaping repayment behavior and consequently, the success of microfinance programs. This research contributes valuable insights, emphasizing the significance of repayment performance in sustaining microfinance institutions' ability to support entrepreneurs, enhance the socio-economic landscape, and alleviate poverty.

Keywords: *Islamic microfinance, repayment behavior, accountability, service.*

ISSUES AND CHALLENGES OF ISLAMIC BANK: THE CASE OF GAMBIA

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ABSTRACT

Islamic banking adheres strictly to sharia principles in nature and operations, has gained significant momentum in predominantly Muslim countries. Islamic banking in the Gambia is relatively new posing both challenges at one end, at the other end, opportunities for growth. This research attempts to explore the issues and challenges of Islamic banking in the Gambia. The research identifies the current state of Islamic banking practice. The research uses a qualitative approach through structured interview with various key stakeholders, including Islamic bank officers, regulatory bodies, and customers. The study examines several critical areas: the regulatory environment, sharia governance practice, market participation etc. Major findings indicate while Islamic banking poses unique opportunities in the Gambia, there are several challenges affecting its growth. The regulatory environment is not specifically tailored made to cater for the Islamic bank and other Islamic financial institutions. Although, the central bank has issued guidelines which came into effect January 2023 for the regulations and supervision of the Islamic financial institutions which include the Islamic bank. Other major challenges include lack of sharia experts, sharia non-complaint issues, operational challenges, inadequate liquidity management tools, lack of knowledge among bank employees etc. Although customers are highly aware of the existence of Agib as an Islamic bank, however, the level of knowledge and awareness of Islamic banking still remains low. The research also indicates religious as the fundamental factor that motivate customers to bank with Islamic bank. The research also provides recommendations for improving the regulation, enhancing sharia governance and improving services. The insights gained from this study contribute to a deeper understanding of Islamic banking landscape in the Gambia and offer valuable guidance to stakeholders aiming to strengthen and expand the sector.

Keywords: *Islamic banking, Sharia law, Gambia, Sharia governance, regulatory body, central bank of the Gambia*

NON-PERFORMING FINANCING (NPF) ON ISLAMIC RURAL BANKS IN INDONESIA: BIBLIOMETRIC ANALYSIS AND LITERATURE REVIEW

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ABSTRACT

Although Islamic Rural Banks (IRBs), have experienced substantial expansion, there is a problem with Non-Performing Financing (NPF). The NPF data of Indonesian IRBs continually surpasses the maximum barrier established by Bank Indonesia. This study aims to conduct an extensive bibliometric analysis and literature review of Non-Performing Financing in IRBs in Indonesia. The study utilized Publish and Perish (POP) Software to identify articles related to the topic from the Google Scholar Database. Out of 1000 articles found between 2020 and 2024, 35 articles were relevant and selected for analysis. The data analysis techniques include: (1) Mapping the distribution of journal publications around NPF in IRBs in Indonesia; (2) Mapping the results of the VOSviewer bibliometric visualization; (3) Mapping research topics around the NPF in IRBs in Indonesia using literature review study. The study outcomes provide a comprehensive view of the timeframe of publications, academic journals, citation rates, authorship, research subject, and methodologies applied in investigating NPF in IRBs in Indonesia. Based on the literature review, there are 6 topics about the influence of the NPF in IRBs in Indonesia and 22 topics about the determinants of the NPF in IRBs in Indonesia. This study serves as a valuable reference for future research on the NPF in IRBs in Indonesia by providing an overview of potential topics, research methodology, variables involved, and suggested future research for NPF of IRBs in Indonesia.

Keywords: *Non-performing financing, Islamic rural banks; bibliometric analysis; literature review*

DETERMINANTS OF FINANCIAL DISTRESS IN ISLAMIC RURAL BANK (BPRS) IN CENTRAL JAVA, INDONESIA

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ABSTRACT

The phenomenon of financial distress often occurs in various sectors in Indonesia, for instance the banking sector. Central Java Province is the region which has the largest number of Islamic Rural Banks (BPRS). Although the development of BPRS in Central Java is positive, the level of profitability shows a downward trend, which may indicate financial distress. This study aims to analyze financial distress in BPRS in Central Java using the Zmijewski model through financial performance and macroeconomic indicators. This study used secondary data from 20 BPRS in Central Java analyzed through descriptive methods and panel data regression using EViews 12. The result showed that the capital adequacy ratio, profitability, liquidity, financing risk, and inflation significantly affected financial distress. Meanwhile, the efficiency ratio and GDP growth do not significantly affect financial distress. The implication of this study is to maintain financial performance in BPRS for preventing financial distress. Besides, the inflation factor also must be taken into account because it has a significant impact on financial distress.

Keywords: *Financial distress; financial performance; Islamic rural bank; panel data regression; Zmijewski method*

THE EXPLORATORY STUDY ON THE IMPLEMENTATION OF ISLAMIC FINANCE IN RUSSIA

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ABSTRACT

This article delves into the theoretical foundations of Islamic finance and explores its global spread influenced by geopolitical factors. It examines various models of Islamic finance implementation across economies, highlighting the varying degrees of impact by Islamic financial institutions. Specifically focusing on Russia, despite its predominantly non-Muslim population, the study investigates the current status and challenges of integrating Islamic finance principles into its financial sector, considering regulatory frameworks and market dynamics. The analysis evaluates the potential benefits and risks associated with adopting Islamic finance in Russia, offering insights drawn from comparative studies and empirical data. Ultimately, this study aims to inform policymakers, financial institutions, and stakeholders on the feasibility and implications of Islamic finance in Russia, contributing to discussions on economic development, financial inclusion, and international financial relations.

Keywords: *Islamic finance, riba, maysir, financial justice, Monistic economic model*

THEME: ZAKAT, WAQAF AND SADAQAH

THE FUNCTION OF ISLAMIC CHARITY IN MITIGATING ECONOMIC SUFFERING AMONG VULNERABLE AFTER FUEL SUBSIDY REMOVAL IN NIGERIA

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ABSTRACT

This paper examines the role of Zakat and Waqf in lessening the economic hardships among vulnerable populations in Nigeria during the era of fuel subsidy removal. The subsidy removal policies have been used in many countries, including Nigeria, to reduce government spending on essential commodities such as fuel, electricity, and food. Unfortunately, these policies often cause a disproportionate increase in the cost of living for the poor and vulnerable as well as creating an increased burden on disadvantaged populations. To address this issue, Zakat and Waqf as an Islamic form of charity, and endowment, have been proposed as a way of assisting vulnerable people in times of economic difficulty. This paper provides an overview of the available research on Zakat and Waqf and how these forms of Islamic charitable institutions can be used to address the needs of vulnerable people in Nigeria during the era of fuel subsidy removal. Qualitative and quantitative evidence from a range of sources, including national newspaper reports, scholarly journals, and official sources and records are used to illustrate current trends in Zakat and Waqf in Nigeria and the potential impact of these forms of Islamic charitable institutions on the lives of vulnerable people during the hard times. The findings indicate that Zakat and Waqf can provide a valuable source of aid for vulnerable populations and can be used to supplement the funds available to traditional social safety net programs. Further research is required to better understand the potential of these forms of charity to modernize the impacts of fuel subsidy removal on vulnerable populations in Nigeria.

Keywords: *Economic Suffering, Fuel Subsidy, Islamic Charity, Mitigating, Nigeria, Vulnerable*

ZAKAT AND ECONOMIC DEVELOPMENT: A PROPOSED PLAN ON ALLEVIATING UNEMPLOYMENT AND POVERTY BY EMPOWERING SMALL ENTREPRENEURS IN BANGLADESH

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ABSTRACT

With an emphasis on helping small business owners, this study explores the possibility of using Business Zakat as a tool to alleviate Bangladesh's twin problems of poverty and unemployment. Bangladesh has a number of challenges, including high unemployment and pervasive poverty. Even with current efforts to reduce poverty, a sizable segment of the populace continues to live in economic marginalization. By investigating the use of Business Zakat, an Islamic social finance instrument, as a spur for socio-economic empowerment, this study offers a fresh strategy. Utilising both qualitative and quantitative information gathered from surveys, interviews, and case studies, this study investigates the viability and efficiency of putting Business Zakat procedures into place to give small business owners access to funding, mentoring, and training.

Keywords: *Business Zakat, Poverty, Social Finance, Unemployment*

ROLE OF ISLAMIC SOCIAL FINANCE IN BRIDGING THE FUNDING GAP OF MUSLIM ENTREPRENEURS: ZAKAT AND SADAQAT FOUNDATION, NIGERIA AS A CASE STUDY.

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ABSTRACT

Unlike conventional entrepreneurs who have unrestricted sources of financing their entrepreneurial businesses, Muslim entrepreneurs are restricted to limited and only permissible financing sources. Although Islamic banks are presumed to be the first go-to source for seeking funding since they uphold Shari'ah principles, study revealed that due to high default risks, Muslim entrepreneurs may not be able to meet the financing requirements put up by Islamic banks. To keep their entrepreneurial dreams and aspirations alive, Muslim entrepreneurs have since turned to Islamic Social Finance (ISF) organizations for funding support to drive home their entrepreneurial dreams and aspirations since it is believed that the ISF can provide them with funding, grants, as well as free training in upscaling their businesses. Over the past 2 decades, Zakat and Sadaqat Foundation Nigeria (ZSFN), as part of its programs in redistributing wealth amongst the poor and needy, has added a special program aimed at creating funding opportunities for Muslim entrepreneurs who have lofty business ideas but lack funding to implement or scale such idea. After almost 10 years of funding Muslim entrepreneurs with grants through its Business Plan Competition (BPC) scheme, there is a need to explore its impact. The impact of such funding provided to Muslim entrepreneurs has been the subject of discussion and arguments suggesting that the funding in most cases may not be sufficient to positively impact the growth of the Muslim entrepreneurs' business. This research aims to explore the funding models used by ZSFN in financing Muslim entrepreneurs in Lagos state Nigeria to propose equity funding as an alternate funding model intended to bring about accountability, governance, and equity participation to facilitate more impact funding for the Muslim entrepreneurs in Lagos state Nigeria. An inductive cross-sectional qualitative study will be adopted by conducting telephone interviews with 10 Muslim entrepreneurs who have benefitted from the ZSFN-BPC in the last 5 years and will be selected from Lagos State Nigeria. Also, a close interview will be conducted with 5 ZSFN-BPC panelists. This paper provides insights to researchers, decision-makers, and practitioners on how equity funding can be used by ISF and Zakat and Sadaqat Foundation Nigeria specifically as an impactful funding tool for bridging funding gaps of Muslim entrepreneurs in Lagos Nigeria.

Keywords: *Islamic Social Finance, Muslim Entrepreneurs, Zakat And Sadaqat Foundation Nigeria, Impact Funding*

SHARIAH PERSPECTIVES ON DEVELOPMENT OF DIGITAL ASSETS AS MAL AL-ZAKAWI: PROS AND CONS

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ABSTRACT

This research delves into the Shariah perspectives on digital assets, particularly cryptocurrencies like Bitcoin (BTC), Ripple (XRP), and EOS, as Mal al-Zakawi, aiming to address the ambiguity surrounding their zakatability under Islamic law and contribute to the adaptation of Islamic jurisprudence to contemporary financial innovations. Through a methodology involving a review of Islamic jurisprudence, analysis of digital assets, and examination of global scholarly opinions, the study compares digital assets with traditional zakatable wealth, evaluates their compliance with Shariah principles, and assesses arguments for and against considering them as Mal al-Zakawi. The findings reveal diverse views on the inclusion of digital assets in zakat calculations, emphasizing the practical implications for Muslim asset holders and zakat authorities, and highlighting the need for further scholarly consensus to clarify the zakatability of digital assets. This research offers guidance for Muslim investors and zakat authorities, addressing the socioeconomic responsibilities of the Muslim community and providing insights to navigate the evolving landscape of Islamic finance.

Keywords: *Shariah; Digital Assets; Zakat; Mal al-Zakawi; Cryptocurrency*

**PROPOSED TEMPORARY WAQF MODEL FOR ISLAMIC ENDOWMENT (FAMILY WAQF)
IMPLEMENTATION IN INDIA**

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ABSTRACT

This study proposes a temporary waqf model for the implementation of Islamic endowment, specifically focusing on Family Waqf, in India, and encourage new donors to establish Waqf. The concept of Family Waqf is defined as a charitable endowment created for the benefit of one's immediate family members, such as spouse, children, and grandchildren. Therefore, this study presented a conceptual framework for a temporary cash Waqf model for Family Waqf along with the parameters that can be used to implement it. The temporary Waqf is a strategy to develop waqf property and the interests of creators, beneficiaries and trustees. Temporary waqf merged into the Family Waqf yields benefits to the Family Waqf. This paper is based on a descriptive analytical method, and it adopts the qualitative research for the analysis of the available literature. This study has adopted a descriptive and analytical approach, as this research paper has used qualitative methodology and analyses the proposes a temporary Waqf model for the implementation of Islamic endowment, specifically focusing on Family Waqf in India. In collecting the data, these resources were applied, i.e. library research, content analysis, research articles and institution's report. The proposed temporary Waqf model aims to promote the implementation of Family Waqf in India by addressing the challenges faced by Family Waqf and providing a comprehensive framework for its implementation. By promoting Family Waqf, the model aims to support the economic, social, and cultural development of India and contribute to the well-being of its citizens.

Keywords: *Family Waqf, Temporary Waqf, Model, Implementation, India*

EXPLORING THE KEY CHALLENGES OF ZAKAT MANAGEMENT IN THE REPUBLIC OF GUINEA

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ABSTRACT

Zakat has always been seen as a great tool in addressing poverty and income inequality within societies. This study focuses on examining the key challenges impeding the effective management of zakat in the Republic of Guinea drawing insights from best practices of Malaysia and the state of Kuwait. The study adopted a qualitative approach, conducting semi-structured interviews with prominent experts in the field of zakat in Guinea. The data obtained was analyzed using a thematic analysis. The findings from the discussions underscore a highly ineffective zakat management system in Guinea, hindered by several challenges. These include the absence of a governing zakat law, limited government support, low awareness about zakat among the public, poor zakat collection and distributions mechanisms and a lack of transparency. To address these issues, the study proposes a number of recommendations, namely, the enactment of a comprehensive zakat law to establish clear regulations on zakat operations, the establishment of physical zakat collection centers, the integration of mobile banking to facilitate zakat payments. Moreover, efforts to raise awareness about zakat through educational workshops and media campaigns is essential. Implementing these recommendations, amongst others, would significantly improve the effectiveness of zakat management in Guinea as has been seen in other countries.

Keywords: *Zakat Management, Income Inequality, Poverty Alleviation, Republic Of Guinea, Directorate Of Zakat In Guinea*

THE ROLE OF ZAKAT AND WAQF IN ERADICATING POVERTY: THE CASE OF ZAKAT AND WAQF BOARD OF KATSINA STATE, NIGERIA

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ABSTRACT

The purpose of this paper is to highlight the Role of Zakat and Waqf Board in eradicating poverty, particularly under the Board of Zakat and Waqf of Katsina State, Nigeria. Due to the diversity of the roles and benefits of Zakat and Waqf in society, Islam requires every Muslim to pay Zakat and encourages beneficial actions, such as Waqf. The growth of Zakat and Waqf in Nigeria has been observed, particularly in a few states. Due to the negligence of many indigenes on Zakat and Waqf, the Katsina State Government finally decided to establish a board specifically for Zakat and Waqf, while previously, there was no attention given by the Katsina State Government in terms of Zakat and Waqf. In 2023, the Katsina State Government established Zakat and Waqf Board in order to provide community-based and social-economic services to the Muslim and non-Muslim community. Zakat and Waqf Board serves the community in many ways, raises the status of Islamic economy and provides various benefits to Muslims and non-Muslims in Katsina State. The current annual expansion of Zakat and Waqf demonstrates its stability and popularity, partly due to the principles governing Islamic economy, such as charitable giving, endowment, ethical investing, social inclusion and impact investing. The study used a qualitative method to examine the function of Zakat and Waqf Board of Katsina State, Nigeria in eradicating the poverty. The findings of the study showed that Zakat and waqf Board has the capacity to raise the value of Islamic economy and solve the problem of poverty and other social vices among the people of Katsina State.

Keywords: *Zakat and Waqf, Katsina State, Poverty, Islamic Economic*

A THEMATIC REVIEW ON WAQF REPORTS AND ACCOUNTABILITY IN MALAYSIA

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ABSTRACT

This thematic review addresses the significant issue of the disclosure processes and accountability frameworks of Malaysian waqf (Islamic endowment) institutions, focusing on their current development and management status. Waqf is a vital tool for Islamic philanthropy with the potential to foster socioeconomic development. However, effective administration, governance, and transparency remain problematic. This study aims to fill a critical gap in understanding these challenges by synthesizing findings from various research and reports. It highlights key themes such as legal frameworks, financial reporting standards, stakeholder engagement, and technological advancements. Through a critical assessment, it evaluates the impact of these factors on the efficiency and accountability of waqf institutions. The research methodology involves a comprehensive review of existing literature, including academic studies, policy reports, and case studies. This approach ensures a broad yet detailed analysis of the issues at hand. The study finds that, despite improvements in regulatory frameworks, significant challenges persist due to inconsistent financial reporting and the absence of standardized practices. Enhanced stakeholder engagement and the adoption of modern technologies like blockchain are identified as promising solutions for improving transparency and trust. Additionally, the review explores the roles of government and non-governmental organizations in shaping waqf practices, underscoring the necessity for a cohesive strategy that blends traditional Islamic principles with modern management practices. The findings stress the importance of collaboration among stakeholders and ongoing reforms to ensure waqf institutions effectively achieve their social and economic objectives. By providing an in-depth analysis of current trends, challenges, and potential solutions for waqf reporting and accountability in Malaysia, this review contributes valuable insights to the literature and offers guidance for practitioners, policymakers, and scholars interested in the sustainable development of waqf institutions and their long-term viability.

Keywords: *Waqf, Accountability, Malaysia*

DISTINGUISHING WAQF AND CHARITY IN MALAYSIA: LEGAL FRAMEWORKS AND IMPLICATIONS FOR DONOR AWARENESS

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ABSTRACT

In Malaysia, the terms 'charity' (sadaqah) and 'waqf' are often used interchangeably during the solicitation of benevolent funds, potentially leading to confusion and possible mismanagement. While both represent admirable benevolent acts, they have distinct legal implications and regulatory requirements. Waqf, under the purview of the state, is governed by specific state enactments that provide a structured framework for its administration and control. In contrast, charity, although a federal matter, lacks a unified legal framework, resulting in a fragmented regulatory landscape. This discrepancy can mislead donors about the actual use and management of their contributions. This research, therefore, aims to distinguish between waqf and charity within the context of Malaysian charitable practices and to examine the regulatory frameworks governing the two. To achieve this, the research proposes to employ a doctrinal study, analysing relevant laws and secondary sources to highlight the significant gaps in the current regulatory framework, particularly regarding the lack of unified control for charitable activities in Malaysia. After addressing these regulatory challenges, the paper aims to propose a more integrated legal approach to enhance the transparency, accountability, and effectiveness of charitable activities in Malaysia. The recommendations include improving the regulatory framework for benevolent activities, increasing public awareness of the differences between waqf and charity and its implications, and developing clear administrative guidelines for managing both types of donations. It is hoped that the outcome of this research will advocate for a more transparent and efficient charitable sector in Malaysia, resulting in an increase in public confidence.

Keywords: *Waqf, Charity, Regulation, Malaysia*

THE DYNAMIC ROLES OF WAQAF AND ZAKAT TOWARDS THE REVIVAL OF ABANDONED ALMAJIRI/TSANGAYA MODEL SCHOOL SYSTEM FOR ECONOMIC AND EDUCATIONAL DEVELOPMENT IN NIGERIA

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ABSTRACT

Almajiri is a Hausa concept derived from Arabic word "Al-Muhajirun", which literally means an emigrant. The term Almajiri in Nigeria is used to describe those children or youth who left their hometowns in search for Qur'anic education. A research figures indicates that as of 2023 there are about 20.2 million out-of-school children in Nigeria. Over 10 million of these children are Almajiris (boys left to fend for themselves whilst learning Qur'anic scripts far away from their homes). These set of children has become nuisance in the society due to the lack of proper upbringing. With the intent of alleviating the sufferings of these children via taking good care of them and equipping them with sound Islamic and Western education, the administration of former Nigerian President, Goodluck Jonathan established the Almajiri/Tsangaya model school system in 2009. But unfortunately the subsequent administrations neglected the system to the extent that it is now at the brink of total collapse due to the lack of funding. This paper examine the problems affecting the Almajiri/Tsangaya model school system and look for the ways through which Zakat fund and Waqaf (endowment) could be used to salvage the situation, thereby ensuring speedy economic and educational development in the country. The Zakat fund could be used to alleviate abject poverty these students are suffering from, while the problems of lack of infrastructures and adequate teaching apparatus in those schools could be solved via Waqaf (endowment). In the course of conducting this research historical and observational research strategies were adopted.

Keywords: *Waqaf, Zakat, Revival, Almajiri/Tsangaya, Economic, Nigeria*

ASSESSMENT OF GOOD GOVERNANCE PRACTICE IN SELECTED CORPORATE WAQF INSTITUTIONS IN MALAYSIA

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ABSTRACT

Waqf plays a vital role in addressing various social and economic challenges in communities across the world. Nevertheless, the problem with poor governance of waqf institutions has impeded the development of waqf properties including in Malaysia. One of the main problems is the complexity of the waqf regulatory framework in every state of Malaysia. It is believed that the involvement of corporate entities in managing waqf institutions in Malaysia is seen as an alternative to address this issue by outsourcing waqf management under the corporate entities which were claimed to have an effective governance system. However, there has been a lack of empirical studies to discover its governance practice to prove the claim. Therefore, this empirical study aims to assess good governance practices in selected corporate waqf institutions in Malaysia. The study involves qualitative research whereby a case study research was conducted to allow for more rich and comprehensive data. For this purpose, Waqf An-Nur Corporation (WANCorp) was selected as a case study due to its remarkable impact and contribution towards socio-economic development through waqf innovations. Data were obtained through semi-structured interviews and document analysis. The study revealed several important findings related to the governance structure and process of the case. The findings revolve around board composition, monitoring and controlling, policies and procedures, transparency, reporting, and information disclosure. The study's contribution to knowledge and practical implication lies in its rigorous assessment of the good governance concept in the context of corporate waqf, and its practice.

Keywords: *Good Governance, Waqf Governance, Corporate Waqf in Malaysia*

EXPLORING GOVERNANCE PRACTICES OF A CORPORATE WAQF INSTITUTION IN SINGAPORE AND ITS ROLES IN WAQF DEVELOPMENT

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ABSTRACT

Waqf institutions in Singapore have historically played an important role in serving the minority Muslim community's socio-economic growth and development in various areas. The waqf development in Singapore has gained considerable growth over the past 20 years until now after the establishment of Warees Investment Pte Ltd as a subsidiary of the Singapore Islamic Religious Council (SIRC). Warees has been given a mandate by Singapore's Waqf authority to manage and develop waqf properties as per its expertise in real estate development. Therefore, this empirical study aimed to explore and assess the good governance practice of the selected corporate waqf and its roles in fostering waqf development in Singapore. This study applied a qualitative research method whereby a case study was systematically used to gain a real and deeper understanding of the good governance practices of this selected corporate waqf in Singapore. The data was gained through a semi-structured interview and document analysis. Throughout the study, it was found that good governance was the cornerstone for waqf development in Singapore. The findings also highlighted that a sound waqf governance system had proven effective in managing the complexity of waqf real estate and property management. This could offer valuable benchmarks for other corporate waqf entities which seek to improve their governance practice for the sake of waqf revitalization.

Keywords: *Governance Practices, Corporate Waqf in Singapore, Waqf Development*

THE PROSPECTS OF ZAKAT, WAQAF AND SADAQAH FUNDS FOR PEACEFUL COEXISTENCE IN NIGERIA

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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: Zakat, Waqaf and Sadaqah Funds, Prospects, Peaceful Coexistence, Nigeria

WAQF INSTRUMENT FOR SUSTAINABLE ISLAMIC EDUCATION FUNDING IN TEXAS

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ABSTRACT

The population of Muslims in the United States is booming rapidly, and the demand for Islamic schools (IS) is growing. However, the IS in the US are not affordable nor sustainable, primarily due to the lack of funds, which results in the lack of resources, qualified teachers, standard education, high tuition fees, etc. This paper aims to assess the demand for IS in the state of Texas, the financial challenges it faces, and lastly, investigate potential benefits or limitations of utilizing Islamic social finance (ISF) as an alternative funding system for IS in Texas. The qualitative approach is adopted for this study, and interview technique is utilized for collecting data. The population is the Muslim community of Texas, inclusive of parents, community leaders, school administrators, and stakeholders. Thematic analysis is applied to analyze the data. The findings indicate that there is a high demand for IS in Texas. The IS mainly depend on tuition fees and their major donors. Oftentimes, their operational costs are not covered, hence they require additional funds. The school administrators eagerly explore alternative funding models for sustainable IS, and suggest that ISF, especially waqf, would be an effective funding tool for IS, alongside other additional funding, like government grants. Thus, ISF instruments could be a viable alternative solution to strengthen Islamic education, and enhance the schools' sustainability, aiming to make it more accessible for Muslim community. This research aims to help the school administrators determine a viable alternative funding model for sustainable IS; address the demand of the Muslim community; and suggests the community leaders to create an alternative funding model utilizing waqf instruments. Based on the Muslim community's experiences and needs in the US for IS, this research would contribute greatly to the Muslim community.

Keywords: Islamic Social Finance, Education, Islamic Schools, United States, Qualitative Research

INTEGRATING SOCIAL BUSINESS FOR SUSTAINABLE IMPACT: A SYSTEMATIC LITERATURE REVIEW IN THE CONTEXT OF WAQF

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ABSTRACT

The integration of social business principles into Waqf, the Islamic endowment tradition, presents a promising avenue for enhancing its impact and sustainability. This systematic literature review examines existing research on integrating social business for sustainable impact in the context of Waqf. By systematically analyzing and synthesizing the literature, this review aims to identify key themes, theoretical frameworks, methodologies, and best practices related to the integration of social business in Waqf management. The review finds that while there is a growing interest in the potential of social business to transform Waqf management, there is a lack of comprehensive research that systematically explores this topic. Existing studies highlight the importance of adopting a holistic approach to integrating social business in Waqf, encompassing financial sustainability, social impact assessment, legal and governance frameworks, and partnerships with stakeholders.

Keywords: *Social-Business, Sustainable, Waqf, Literature Review*

ESTABLISHING GUIDELINES (DHAWABIT) AND PRIORITIES (AWLAWIYYAT) FOR RIGHTEOUS DEEDS FUNDED THROUGH THE 'FI SABILILLAH' (IN THE CAUSE OF ALLAH) CATEGORY OF ZAKAT RECIPIENTS

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ABSTRACT

This article explores the critical issue of establishing guidelines (dhawabit) and priorities (awlawiyyat) for righteous deeds funded through the 'Fi Sabilillah' (in the cause of Allah) category of Zakat recipients. As one of the eight categories of Zakat beneficiaries mentioned in Islamic law, 'Fi Sabilillah' has been subject to various interpretations throughout Islamic history. This study aims to provide a comprehensive framework for determining which acts of righteousness should be prioritized and how funds should be allocated within this category in contemporary contexts. The research examines classical and contemporary scholarly opinions on the scope of 'Fi Sabilillah', analyzing the expansion of its definition beyond military endeavors to include broader societal benefits. It then proposes a set of guidelines based on Islamic principles to ensure effective and impactful use of Zakat funds. These guidelines consider factors such as urgency of need, potential for long-term benefit, and alignment with overall Islamic objectives (Maqasid Al-Shari'ah). Furthermore, the article presents a prioritization model for different types of righteous deeds, taking into account current social, economic, and global challenges faced by Muslim communities. This model aims to balance immediate relief efforts with sustainable development projects, all within the purview of 'Fi Sabilillah'. By providing this structured approach, the article seeks to assist Zakat institutions, Islamic scholars, and individual donors in making informed decisions about the allocation of Zakat funds in the 'Fi Sabilillah' category, thereby maximizing the impact and effectiveness of this important pillar of Islam in addressing contemporary societal needs.

Keywords: *Guidelines (Dhawabit), Priorities (Awwaliyyat), Righteous Deeds, Fi Sabilillah' (in the cause of Allah), Zakat recipients, (Maqasid Al-Shari'ah)*

CONCEPTUAL INSIGHTS ON E-WAQF IN HIGHER EDUCATION THROUGH THE UTAUT MODEL

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ABSTRACT

Introducing e-Waqf in higher education is seen as a progressive strategy for securing financial sustainability (Arab & Zakariyah, 2023). Waqf, as a charitable endowment, has a long tradition in the Islamic world and can serve as a sustainable source of revenue for educational institutions. This study aims to identify the dimensions of perceived use of the Unified Theory of Acceptance and Use of Technology (UTAUT) model in relation to e-Waqf in higher education. The research is grounded in an extensive literature review and a conceptual framework analysis, drawing from an established Unified Theory of Acceptance and Use of Technology (UTAUT). This study contributes to understanding intention behavior in the e-Waqf in higher education, addressing a notable gap in current research. The identified dimensions offer a detailed comprehension that can guide waqf administrators, higher education institutions and policymakers in refining waqf for higher education. Higher education institutions, equipped with an understanding of contributor perspectives, can strategically advance waqf initiatives, broaden participation, and expand commercial activities. It is essential to acknowledge the study's limitations. The conceptual nature precludes the establishment of causal linkages, and the proposed elements are derived from theoretical frameworks. Practical implications include the potential improvement of administration and marketing efforts by tailoring strategies to contributor preferences. In conclusion, this research lays the groundwork for future empirical studies in the relatively unexplored field of e-Waqf in higher education. Subsequent inquiries should examine additional factors and provide empirical evidence to authenticate the proposed conceptual framework. This study introduces a novel approach by incorporating perceived ihsan and trust dimensions into the UTAUT model to enhance e-Waqf

Keywords: e-Waqf, Higher Education, UTAUT Model, Intention, Behavior

THE ROLE OF WAQF IN ENHANCING INFRASTRUCTURE AND ELEVATION OF POVERTY IN NIGERIA

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ABSTRACT

The Institution of Waqf has the potential to play a significant role in addressing infrastructure gaps and poverty alleviation in Nigeria. This paper explores the administrative challenges of the Waqf system and its prospects in contributing to economic and social development in Nigeria. The Waqf mechanism allows individuals to dedicate their assets, such as real estate, cash, or other properties, for charitable or religious purposes. Waqf can be utilized to support various infrastructure projects, including mosques, schools, hospitals, and other social welfare initiatives, thereby fulfilling the needs of the community. Furthermore, Waqf can be leveraged to provide financial inclusion and socio-economic justice, particularly for the less privileged members of the Nigerian society. This paper adopts qualitative research method, the existing literature on the administrative challenges and investment opportunities of Waqf, and provides recommendations for the integration and institutionalization of Waqf to enhance financial inclusion and foster inclusive growth in Nigeria.

Keywords: Waqf, Infrastructure, Poverty Elevation, Nigeria

THE ISSUES AND CHALLENGES IN THE ADMINISTRATION AND MANAGEMENT OF WAQF BOARD IN UTTAR PRADESH, INDIA

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ABSTRACT

Waqf properties in Uttar Pradesh in India account for thousands of square meters of land. However, the benefit of the Waqf has not lived up to the expectations of society due to various reasons. This study aims to examine the issues and challenges which are obstacles to the development of Waqf Board of Uttar Pradesh as reported by the Sachar Committee in 2006 along with identification of other issues which were not mentioned by this Committee. The study drives its importance from the fact that Waqf aids the objective of creating global socio-economic well-being among the Muslim community, by promoting a system which enables the needy, poor, and helpless to a proportion of the capital in the ownership of the wealthy. The study used qualitative and analytical research methods which involved gathering information through interviews. The study concludes that at present, the management of Waqf properties is considerably impaired due to lack of financial aid unqualified Mutawallī lack of cash Waqf and poor management. Importantly, the root cause of the deterioration of this Board is the encroachment of Waqf properties, especially by the private and government Bodies. Additionally, the negligence of Mutawallī and financial problems etc., are obstacles to the development of the Waqf institution in Uttar Pradesh. The study highlights that the government authorities and members of the Waqf Board are themselves involved in occupying Waqf properties. In addition, due to the mismanagement of Waqf properties, the Uttar Pradesh Waqf Board is not able to generate income to protect the Waqf properties from illegal occupation and to fulfil the objective of Waqf. Moreover, the study found the reasons behind the issues which have been negatively impacting the Waqf institution such as the lack of proper management by authorities of the Board, the ineffectiveness of the legal department and favouritism and discrimination from the Uttar Pradesh government. Finally, the study proposes some solutions and recommendations for the Uttar Pradesh Waqf Board to deal with these issues. The study also proposes that Waqf Protection Committees, consisting of conscientious members from the local Muslim community, should be formed to keep a watch over the affairs of the local Awqāf properties.

Keywords: *Waqf, Endowment, Socio-Economic, Uttar Pradesh Waqf Board, India*

WAQF GOVERNANCE IN NIGERIA: CHALLENGES AND SOLUTIONS

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ABSTRACT

The waqf system in Nigeria has a rich history, with evidence of its practice dating back to the pre-colonial era. However, the lack of a comprehensive legal framework and regulatory oversight has led to various issues, including the mismanagement of waqf assets, lack of transparency, and the marginalization of certain segments of the Muslim community. This paper aims to explore the key obstacles and provide insights into potential solutions to strengthen waqf governance in the country. This paper adopts a qualitative research method through a review of the existing literature. The paper identifies the key challenges of waqf governance in Nigeria, such as the absence of a unified regulatory body, the need for capacity building among waqf administrators, the lack of public awareness, and the need for the integration of waqf into the broader socio-economic development agenda. The paper also highlights the potential benefits of effective waqf governance, including its role in addressing social inequalities, promoting financial inclusion, and supporting sustainable development initiatives. The paper concludes by proposing a set of recommendations to address the challenges and strengthen the governance of waqf institutions in Nigeria.

Keywords: *Waqf, Governance, Nigeria, Social Welfare, Financial Inclusion.*

ANALYSIS OF DETERMINANTS OF ONLINE WAQF TRANSACTIONS USING THE DOMPET DHUAFA DIGITAL WEBSITE WITH THE UTAUT 2 METHOD

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ABSTRACT

Islamic Economics balances worldly welfare and eternal salvation through zakat, infaq, sadaqah, and waqf. This study focuses on waqf because its principal value remains preserved, ensuring sustainable benefits. Dompot Dhuafa, one of the nazhirs, provides online waqf services through the Digital Dompot Dhuafa website. Although Dompot Dhuafa's overall waqf receipts decreased in 2023, receipts through the website continued to increase. This research analyzes the characteristics and factors of donors using the website, employing Structural Equation Modeling Partial Least Squares (SEM-PLS) with the UTAUT 2 model. The results show that facilitating conditions have a significant negative effect on use behavior, while the habit variable has a significant positive effect on use behavior. Additionally, the variables of performance expectancy, social influence, and habit have significant positive effects on behavioral intention.

Keywords: Digital Dompot Dhuafa, Islamic Economics, SEM-PLS, UTAUT 2, WAQF

CHARITABLE WAQF SUSTAINABILITY THROUGH HALAL ENTREPRENEURSHIP BUSINESSES: OPPORTUNITIES AND STRATEGIES

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ABSTRACT

Charitable Waqf activities are one of the kinds of Waqf that focus on holding waqf assets for the benefit of the vulnerable people among the poor and the needy. However, charitable waqf institutions have gotten the incessant challenge of sustaining the core assets that generate usufructs for the benefit of the poor and the needy. Better financial management, hedging against inflation in a halal way, lowering endowment fees and growing assets, and finally making a profit for the continuous benefit of the beneficiaries. In all, the prime higher objective of Shariah can be achieved through an enhanced sustainable peaceful, and balanced society. Despite the enormous charitable assets and funds across the globe, the sustainability of the institutions' income and expenditure has triggered a high concern for the dire need to leverage the potential of Halalpreneurship opportunities for investment, income generation, and socio-economic empowerment of the institutions and the beneficiaries. Halal entrepreneurship business across the globe are businesses that produce and transacts halal products and services. Why allow the charitable funds' assets to lie fallow, used up, or depreciation without exploring the opportunities for wealth creation and generation in business that are conducted following a Shari'ah-compliant principle? To this effect, this study aims to develop a Halalpreneurship empowerment model for charitable waqf institutions to enhance the sustainability of its activities and continuous assistance to the beneficiaries. The study will employ a qualitative method of research based on a systematic review of literature and focus group discussion with waqf scholars and Halalpreneurship experts on the potential and necessary features to achieve a sustainable charitable waqf model through Halalpreneurship empowerment opportunities. The developed model will be useful to the government and private waqf institutions across the globe and will further enhance the scope and significance of the Halal industry towards the socioeconomic sustainability of Muslim wealth.

Keywords: Charitable Waqf, Sustainability, Halalpreneurship, Opportunities and Strategies

THEME: TAKAFUL AND RETAKAFUL

APPLICATION OF TAKAFUL IN ADDRESSING THE GREEN AGRICULTURE CONCEPT IN PAKISTAN

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ABSTRACT

Purpose: Agriculture sector is the backbone of any economy. Unlike other developed or Muslim countries, the conventional banks, Islamic banks, micro finance institutions, and government are not providing the suitable insurance facilities to the sector in Pakistan. This is the main reason farmer are poor and agriculture sector is feeble. This study aims to provide suitable Takaful framework which helps to improve the green (or organic) agriculture concept in Pakistan and ultimately useful to preserve the environment and support the poor farmer. **Design:** The current study uses the qualitative research approach and concludes the result based on previous empirical studies and semi-structured interviews. The interviews were conducted from 15 Pakpattan and Vehari farmers in Punjab province, Pakistan who are cultivating minimum 5 Acre crops. **Findings:** The study findings concluded that farmers are interested to avail the Takaful facility and agree to cultivate in organic method. They were happy if such kind of Islamic facility offer in the market. However, there are some difficulties like they need machinery to make organic fertilizer, cheap water, and availability of organic fertilizers and need educational programs. **Research Limitations/Implications:** The first limitation of the study was that interviews were conducted only in two districts of Punjab region. This study is fruitful for Takaful companies to enter in this kind of projects. This study will help academicians and scholars for further research and will be beneficial for the government and policymakers to develop more agriculture strategies.

Keywords: *Takaful, Green Agriculture, Farmers, Punjab, Pakistan*

EXPLORING CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF TAKĀFUL OPERATORS IN MALAYSIA USING VALUE-BASED INTERMEDIATION TAKAFUL FRAMEWORK

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ABSTRACT

Takāful is a system of insurance that operates on the principles and values of Maqāṣid al-Sharī'ah. In 2021, the Malaysian Takāful industry witnessed the launch of Value-based Intermediation Takaful (VBIT) framework, signifying a major development that embraces Maqāṣid al-Sharī'ah in practice. This paper aims to explore the corporate social responsibility (CSR) practices of Takāful operators in Malaysia, benchmarked against 2021 VBIT framework. Contents of press and media releases from the official websites of Takāful operators between 2020 and mid-2021 were collated, reviewed, and analysed to determine the progress and development of VBIT among Takāful operators in Malaysia. Findings of the study show that Financial Resilience and Community Empowerment dimensions emerge as the focus of CSR practices by Takāful operators in Malaysia. Furthermore, Protection of Life, Protection and Enrichment of Wealth, and Protection of Intellectual Needs and Well-Being of the Mind are found to be the main drivers of CSR practices undertaken by Takāful operators in Malaysia. Henceforth, the findings of the paper have significant managerial implications for Takāful operators on which dimensions of VBIT are prioritised, and those require further improvement.

Keywords: *Takāful; Maqāṣid al-Sharī'ah, corporate social responsibility, Value-based Intermediation Takaful, Malaysia*

THE IMPACT OF TAKAFUL INDUSTRY TOWARDS THE SOCIOECONOMIC OF THE TAKAFUL AGENTS IN MALAYSIA

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ABSTRACT

Malaysian's Takaful sector has grown substantially in the last ten years, playing a crucial role in the country's financial environment. In the midst of this expansion, it is vital to comprehend the socioeconomic consequences for the Takaful agents who have been the pillar of the takaful industry. This research aims to evaluate the impact of the Takaful industry on the socioeconomic standing of Takaful agents in Malaysia. More precisely, it investigates the levels of income, satisfaction in one's career, opportunities for professional growth, and overall well-being among Takaful agents. A systematic literature review (SLR) is used to examine the role of the Takaful industry in Malaysia in promoting socioeconomic advancement among its agents. It investigates how the industry provides rewarding income prospects, job satisfaction, and avenues for career growth. The SLR entails a systematic procedure for identifying, assessing, and integrating pertinent research. This comprehensive methodology guarantees an impartial comprehension of the subject matter and offers valuable perspectives for policymakers and researchers. Initial findings indicate a direct relationship between participation in the Takaful industry and the improvement of socioeconomic conditions among agents. Notable outcomes include higher income levels, improved career satisfaction, and increased access to professional development opportunities. The Takaful industry in Malaysia acts as an enabler for socioeconomic progress among its agents, providing profitable income opportunities, job contentment, and paths for professional development. This study highlights the importance of the Takaful sector in promoting economic empowerment at the individual level. It also enhances the understanding of the broader effects of Islamic finance on societal well-being by examining the socioeconomic impact of the Takaful industry on its agents. The findings can provide valuable insights to policymakers, industry stakeholders, and aspiring agents regarding the opportunities and challenges in the Takaful sector. Such factors can contribute to the industry's sustainable growth and fair distribution of benefits.

Keywords: *Takaful Industry, Socioeconomic Impact, Takaful Agents, Financial Stability, Professional Development*

EXPLORING THE POTENTIAL OF MICROTAKAFUL FOR GIG ECONOMY WORKERS IN MALAYSIA: E-HAILING AND P-HAILING SECTOR

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ABSTRACT

The gig economy in Malaysia has seen significant growth in recent years, especially in the e-hailing and p-hailing sectors. This growth is driven by increasing consumer demand for flexible and convenient transportation and delivery services. This study aims to explore the potential of microtakaful as a protection solution to address the financial vulnerabilities among the e-hailing and p-hailing workers in Malaysia. The study seeks further understanding on the role of microtakaful for these workers, examining the existing takaful or products available to them, identifying barriers to subscribing to takaful or insurance, and providing recommendations to enhance financial inclusion through microtakaful. The methodology adopted for this study involves desktop research from the available secondary sources to gather insights into the specific challenges faced by gig economy workers in e-hailing and p-hailing. The findings would contribute to the development of innovative financial solutions that cater to the evolving requirements of gig economy workers. By providing recommendations to improve financial inclusion through microtakaful, thus the policymakers, insurance providers, and platform operators can develop tailored products that enhance the financial security and resilience of e-hailing and p-hailing workers. Ultimately, this study seeks to promote the adoption of microtakaful among gig economy workers, empowering them with access to affordable and suitable insurance coverage. Emphasizing the role of microtakaful in addressing the financial challenges faced by e-hailing and p-hailing workers can pave the way for a more inclusive and sustainable gig economy ecosystem.

Keywords: *Microtakaful, Gig Economy Workers, Barriers, Financial Security, Financial Inclusion.*

TAKAFUL FOR PETS: IS IT A NECESSITY?

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ABSTRACT

Pets are domesticated animals which generally kept close by their owners for companionship, entertainment and joy. The practice of keeping pets has been traced from the early civilizations and it forms a culture in the modern society. Cats, dogs and horses are among popular domesticated animals which are frequently owned as pets. Based on the recent Consumer Report Malaysia 2023, it is reported that more than half Malaysians have one or more pets as part of their households. Nowadays, with significant increase of living costs, price of medicines, and food, welfare of pets becomes a concern among their owners. While, the insurance industry already provided such schemes for pets, it is timely to look closely for Shariah-compliance coverages from Takaful. Thus, this research looks at the importance of Takaful coverage for pets and its permissibility under Shariah discourse. By applying qualitative research methodologies and doctrinal legal analysis, a comparative approach is taken to trace the trend of insurance and Takaful for pets as available in Malaysian markets. It is found that there is a strong demand from pets' owners for Takaful coverage for their pets. This kind of Takaful coverage is relevant to overcome any potential risks towards pets, especially those highbreed animals which are imported from overseas. From the field survey, the researchers found out that sell and purchase of pets is common among Malaysians and it is often supported by speedy technological online communication via social media platforms, such as Facebook, TikTok and Instagram. Moreover, there are also other types of domesticated animals which can be considered to be included for such Shariah-compliant insurance.

Keywords: *Shariah, Takaful, Pets, Malaysia*

AUTOMOBILE ASSISTANCE SERVICES BY MALAYSIAN TAKAFUL OPERATORS: PRACTICES, RISKS AND CHALLENGES

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ABSTRACT

Based on a report issued by Malaysian Transport Ministry in October 2023, there are more than 36.3 million registered vehicles in this country, exceeding the number of overall population. Factored by human behaviours, environment or wheather and vehicle conditions, there is a significant increase of reported traffic accidents in 2023, as compared to 2022. This indicates the relevance of existing legal requirement which requires all vehicles must be registered with motor insurance policies by their owners, before receiving the road tax. Opposite to motor insurance policies, Takaful industry in Malaysia offers Motor Takaful Schemes (MTS) to the public at large for coverages of their vehicles. Currently, MTS contributes significantly for businesses of Takaful Operators (TOs) as a part of their General Takaful products. Complimentary to MTS, automobile assistance services are commonly provided by TOs to assist their customers who are facing difficulties relating to their vehicles or during their travels. Unfortunately, automobile assistance services tend to be misused by a number of customers which lead to unnecessary increase of costs to TOs, disturbance of services to those who are really in needs, and other emerging risks. This research is carried out to practices, risks and challenges by TOs in offering automobile assistance services to their customers. By applying qualitative and doctrinal legal analysis, it is traced that this research is a pioneering work of its kind in literature available from Malaysia. The researchers' findings include: (i) lack of financial literacy among customers on Takaful operation which contributes to the misuse of automobile assistance services, (ii) inconsistent number of automobile assistance practitioners, and (iii) lack of cooperation and understanding from customers at the accident area. It recommended to TOs to develop a tracking system to trace customers who are misused complimentary services of MTS and penalise them.

Keywords: *Takaful, Motor Takaful, Takaful Operators, Automobile Assistance Services, Malaysia*

CONSUMER BEHAVIOR AND FAMILY TAKAFUL IN MALAYSIA: INFLUENCING FACTORS AND TRENDS

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ABSTRACT

This paper aims to examine the factors that affect the penetration of family takaful in Malaysia using the extended unified theory of acceptance and use of the technology model (UTAUT2). At the same time, the history of the development of the takaful industry in the context of Malaysia has also been examined. One of the concerns for takaful operators is the untapped takaful market and lower market share compared to conventional insurance counterparts. In identifying factors influencing takaful participation, the UTAUT2 model incorporated certain factors that are likely to influence intentions toward takaful participation. The model proposes that individual factors such as performance expectancy, social influence, price value, trust, and habit have impacts on takaful participation. The methodology used quantitative methods to analyze the data. The results demonstrate that performance expectancy, social influence, price value, trust, and habit influence consumer behavior to engage in family takaful. The analysis in this paper will fill in the literature gap on the factors influencing the penetration of family takaful in Malaysia, as this study serves as a guide for the researchers and decision-makers.

Keywords: *Family Takaful, Price Value, Social Influence, UTAUT2 Model*

THE SUCCESSFUL MODELS OF BNM'S I-TEKAD: HOW ISLAMIC BLENDED FINANCE CONCEPTS COULD BE ADOPTED BY TAKAFUL OPERATORS TO CREATE SUSTAINABLE AND AFFORDABLE TAKAFUL

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ABSTRACT

Bank Negara Malaysia (BNM) aims to develop an inclusive Islamic financial system through 'finance for all', 'finance for transformation', and 'finance for sustainability'. This also aligns with BNM's Financial Sector Blueprint 2022 – 2026 which aims to elevate social finance as an integral part of the Islamic finance ecosystem in Malaysia. Besides, as the inclusivity promoted by the Islamic financial system was also based on maqasid al-Shariah (the objective of Shariah), BNM is also embarking on a holistic review of Shariah principles to spur innovation while ensuring the effective application of Shariah principles as an important enabler of value-based finance. One of the prime examples of the successful integration of Islamic and social finance is the i-Tekad microfinance program, which features a blended social finance programme by Islamic banks in collaboration with implementation partners, offering seed capital, micro-financing and structured training to micro-entrepreneurs. The Islamic blended finance approach is regarded as an optimal combination of Islamic social and philanthropic funds such as zakat, waqf, sadaqah, and conventional financial instruments to better promote inclusivity by promoting more affordable and sustainable financial products. Takaful as a social protection instrument is regarded as one of the most important financial instruments that offers protection in the case of uncertainty and loss. However, due to its market size and volume, the affordability issues always risen to the top. The Islamic blended finance initiative could be the prominent solution given the recent challenges to innovate more affordable and sustainable takaful products that suit the underserved and B40 segments. Thus, this research aims to explore how the application of the Islamic blended finance concept in i-Tekad microfinance products could be incorporated to innovate a more affordable takaful product that would cater for the needs of the underserved segments. This research focus on the viability of blended finance for takaful from Shariah, regulation and operational points of view. The research is expected to contribute to a sustainable model of takaful for the underserved and B40 segments.

Keywords: Takaful, Social Finance, Blended Finance, Underserved, B40

MICRO-TAKAFUL AWARENESS OF TARGETED LOW-INCOME COMMUNITIES IN MALAYSIA: EXPLORING THE CHALLENGES AND SUGGESTED SOLUTIONS

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ABSTRACT

This paper examines the awareness of the lower-income communities in Malaysia, which contributes to the pivotal challenges faced by the micro-takaful sector in Malaysia, highlighting its limited growth within the Islamic financial sector. Micro-takaful serves as a crucial tool for promoting financial inclusion among low-income populations, in line with the ethical principles of Maqasid al-Shari'ah. Despite its aim to protect lower-income communities, micro-takaful has yet to achieve this goal. By conducting a comprehensive literature review and analyzing empirical evidence from interviews with experts in the field, this study investigates the challenges encountered by the micro-takaful sector and offers recommendations to individuals, micro-takaful operators, and the government. The research emphasizes the role of micro-takaful in enhancing socio-economic stability and resilience among marginalized communities, thereby supporting the broader objectives of Maqasid al-Shari'ah.

Keywords: Micro-Takaful, Maqasid al-Shari'ah, Financial, Awareness, Communities

CRITICAL SUCCESS FACTORS IN THE MARKETABILITY OF TAKAFUL EDUCATION PROGRAMS (TEP) AMONG MALAYSIAN SOCIETY

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ABSTRACT

Abstract: The financial landscape of Malaysia has seen significant transformations with the integration of Islamic financial principles. One such innovation is the Takaful Education Program (TEP), a Shariah-compliant financial product designed to provide educational support for society. The objective of this paper is to identify the critical success factors in the marketability of the Takaful Education Program (TEP) among Malaysian society. A pilot study was carried out on a sample of 30 members of Malaysian society. A survey instrument consisting of 16 measurement items was designed to identify the level of TEP implementation in Malaysian society (industry partitional, potential students, parents and academicians). Descriptive statistical analysis and reliability analysis were conducted using SPSS software to analyze the data. Findings indicate that takaful education programs are one of the critical success factors that play a key role in ensuring the development of the takaful industry. Malaysian society needs to incorporate the critical success factors of takaful education programs in order to increase awareness and literacy of takaful among the public. These programs help demystify takaful, build trust, and address misconceptions, which in turn fosters a greater appreciation and adoption of takaful products. By incorporating takaful education into broader financial literacy initiatives, there can be increased market penetration, supportive policies, and sustainable industry growth. Therefore, as a practical contribution, the instruments developed in this study may serve as valuable tools for evaluating TEP in Malaysian society and will be beneficial for researchers, policymakers, professionals, and others interested in Takaful innovation studies.

Keywords: Critical Success Factors, Reliability Analysis, Takaful Education Programs, Malaysian, Society

WHY DOES INSTITUTIONAL TRUST MATTER FOR TAKAFUL OPERATORS? A MEDIATING EFFECT STUDY ON PARTICIPATION IN FAMILY TAKAFUL PRODUCT

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ABSTRACT

Institutional trust in the takaful operator is fundamental to its effectiveness, growth, and sustainability. It ensures adherence to ethical and religious standards, fosters customer loyalty, enhances financial stability, mitigates risks and drives financial inclusion. With the current low market penetration rate of the family takaful segment – at 20.1 percent in 2022, tackling the institutional trust issue will benefit the takaful operators. Thus, this study examines the influence of institutional trust's mediating effect on the Theory of Planned Behaviour's predictors toward the intention to participate in family takaful products. These predictors are attitude, subjective norms and perceived behavioural control. A one-time series of self-administrated surveys has been conducted on 272 academicians in private Islamic universities in Malaysia. The proposed hypotheses have been analyzed using the partial least square of the structural equation modeling approach. The findings revealed that all direct relationships significantly influence the intention to participate in family takaful products. Furthermore, the findings also indicated that institutional trust has significantly mediated the relationship between endogenous and exogenous constructs. The study offered several significant contributions to practical purposes and the body of knowledge. The study elucidated the significance of institutional trust among customers in takaful operators as a pivotal marketing component for disseminating products to a wider audience.

Keywords: Family Takaful Product, Institutional Trust, Mediating Effect, Behavioural Intention & Theory Of Planned Behaviour

DIGITAL INNOVATION IN TAKAFUL PRACTICE: A CASE STUDY

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ABSTRACT

The takaful industry's acceptance of digital innovation is increasingly positive and advancing, as evidenced by the involvement of takaful operators adopting cutting-edge technology to enhance operational efficiency, provide better customer experiences, and expand access to takaful protection. This study aims to examine the digital innovations being applied within the operations of takaful (Islamic insurance). The case study would typically delve into specific examples of how technologies such as artificial intelligence (AI), blockchain, the Internet of Things (IoT), chatbots, robotic process automation (RPA), and other digital solutions are being implemented by takaful operators to enhance efficiency, improve customer experiences, and expand accessibility to takaful products and services. It may also highlight challenges faced, successes achieved, and provide insights into the broader implications of these innovations for the takaful industry. Digital innovation in takaful not only improves operational efficiency and customer satisfaction but also fosters sustainable growth, innovation, and resilience in the face of evolving market dynamics and consumer expectations. Further empirical studies are recommended to provide progressive ideas for enhancing digital innovation in takaful and to lay a strong foundation for future strategies and planning in the takaful industry in Malaysia.

Keywords: *Takaful, Innovation, Digital, Blockchain, Internet of Things*

ESTABLISHING AN INDUSTRY-LEVEL TA`AWUN FUND FROM TAKAFUL SURPLUS IN MALAYSIA: PROSPECTS AND CHALLENGES

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ABSTRACT

Ta`awun, i.e., mutual assistance, has been determined as the underlying notion of takaful. Ta`awun is being practiced providing mutual protection and indemnity among the participants. It is also being practiced by providing a caring loan (qard al-hassan) from the operator to the takaful fund when a deficit occurs. Nevertheless, in 2022, the Bank Negara Malaysia-BNM (the Central Bank of Malaysia) published a discussion paper exploring some extended practices of ta`awun in takaful. Accordingly, in 2024, the BNM issued an exposure draft seeking feedback and opinions from all relevant stakeholders of takaful on surplus allocation for various sustainable and charitable scopes. To optimize the potential of distributable and orphan surplus of takaful, the exposure draft of BNM proposed establishing an industry-level ta`awun fund to expand the impact of the broader application of ta`awun. Thus, this paper aims to explore the possibility of establishing an industry-level ta`awun fund from distributable and orphan surplus of takaful in Malaysia and to figure out the essentials and challenges. This is a qualitative study, and it applies document analysis methods and semi-structured interviews with the selected Shari`ah scholars and industry practitioners to collect the primary data. It utilizes the thematic analysis method to explore the qualitative data. The study posits that establishing an industry-level ta`awun fund from distributable and orphan surplus of takaful in Malaysia is possible and feasible. Utilization of this fund for various sustainable and charitable modes helps to achieve effective resource distribution and socio-economic well-being. Besides, this fund contributes to the sustainability and stability of the takaful industry. Consequently, it plays a significant role in realizing the noble objectives of Shari`ah, known as Maqasid al-Shari`ah.

Keywords: *Takaful, Surplus, Ta`awun, Sustainability, Socio-Economic Well-Being, Maqasid Al-Shariah*

EDUCATIONAL APPROACHES TO ENHANCING MALAYSIANS' KNOWLEDGE AND UNDERSTANDING OF TAKAFUL CONCEPTS AND PRINCIPLES

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ABSTRACT

Takaful, an Islamic insurance concept, is crucial for financial planning, yet many Malaysians remain unaware of its benefits and functionalities. Hence, this study explores an educational approach to enhance the knowledge and understanding of Takaful, particularly among Malaysian citizens. The research targets a sample of 500 Malaysian respondents, selected through random sampling techniques to ensure a broad representation. The data will be collected using an online survey questionnaire, focusing on respondents' knowledge and understanding of Takaful concepts and principles. Structural Equation Modeling (SEM) will be employed to analyze the data of this study. The findings will provide insights into the current level of Takaful knowledge among Malaysians and identify key areas where educational interventions could be most effective. This study also aims to contribute to the broader adoption of Takaful by equipping the Malaysian population with the necessary knowledge to make informed financial decisions in line with Islamic principles. By prioritizing Takaful education, Malaysia can strengthen its position as a leader in Islamic finance and promote a deeper understanding of Shariah-compliant financial products.

Keywords: *Knowledge, Understanding, Takaful, Educational Approach*

THEME: MAQASID AL-SHARIAH AND ISLAMIC FINANCE

ANALYSING THE SIGNIFICANCE OF MAQASID-AL-SHARIAH IN ISLAMIC MICROFINANCE: A NARRATIVE REVIEW

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ABSTRACT

Islamic microfinance (IsMF) is a method of financing that offers small loans to the underprivileged and impoverished on an interest-free, frequently non-collateralized basis. The IsMF gives the poor access to financial resources, making it possible for them to advance their economic and social well-being. As a novel and effective financial tool, Islamic microfinance can also help the impoverished escape the cycle of poverty. While there may be several IsMF models, the procedure generally entails providing the underprivileged with small loans and technical support while also encouraging compassion and charity through abiding by Islamic Shariah's guidelines. This study aims to analyse the basic tenets of Maqasid-al-Shariah and how these tenets help shape the concepts of Islamic microfinance. In this study, a narrative literature review approach was used, and to that end, 18 peer-reviewed articles published in various peer-reviewed journals over the last ten years were gathered and examined to get the essential information. It is expected that the findings of this study will be useful for Shariah scholars and financial experts to evaluate how the concepts of Maqasid-al-Shariah are vital in explaining the framework of Islamic microfinance.

Keywords: *Maqasid-al-Shariah, Islamic Microfinance*

ASSESSING ISLAMIC CORPORATE CULTURE IN SHARIA FINTECH USING MAQASHID SHARIA FRAMEWORK

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ABSTRACT

The development of Islamic economics today covers more comprehensive aspects, not only related to the Islamic financial sector or sharia banking and capital markets. In Indonesia, the compatibility of products and services with Islamic values can be seen through two aspects: beside the legality of halal certification, which market players in the halal industry must have, evaluation of the application of Islamic values and principles in companies is also only carried out in the aspect of financial ratios. This research was aimed at seeing other perspective of assessing Islamic values compliance, such as the application of the maqashid sharia concept in practical studies at the sharia financial technology (Fintech) company, PT ALAMI Fintek Sharia, as a representative company in the halal industry, especially in the aspect of human resource management, as the main aspect in corporate culture development. The interviews are conducted with several employees in top-level management, middle-level management, and first-line management, which are sampled proportionally, to obtain information related to management policies and practices in human resource management (HRM) aspects. The maqashid sharia framework and maqashid sharia index are used to assess HRM policies and practices, and it was found that several of them comply with Islamic values.

Keywords: *Maqashid Sharia, Fintech, HRM; Islamic Corporate Culture, Islamic Values*

DIVINE PRINCIPLES FOR GOVERNING GREEN FINANCE

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ABSTRACT

Green finance is a crucial component of low carbon green growth due to its ability to foster connections between the financial sector, environmental protection, and economic growth. Numerous industries and products are covered by green financing. Infrastructure financing, business or industry financial support, and financial markets are some examples of green finance categories. Climate change adaptation and mitigation investments are part of green funding. In order to give a moral and ethical foundation for financially sustainable behaviors that are also ecologically friendly, this article explains how Qur'anic divine principles regulate green finance and by placing a strong emphasis on conscientious resource management, environmental protection, and social responsibility, it demonstrates how Qur'anic values govern the green finance industry. In line with Islamic principles and Maqasid al-Shariah, they advocate for sincerity, justice, and an equal distribution of wealth. Thus, green Islamic finance stands by these principles and establishes a financially sound and socially responsible system that is advantageous to both the present and the future. To combat climate change and create a more resilient and sustainable global economy, green and sustainable financial practices are essential. Green and sustainable finance may contribute to long-term economic development and a better future for everybody by incorporating ESG factors into investment decision-making. Green investment strives to enhance human well-being and social fairness while lowering environmental hazards and enhancing ecological integrity. It also acknowledges the worth of the environment and its natural capital. The phrase "green finance" also refers to investments that address climate change and the environment. The environmental rules cover enhanced sector governance and monitoring, the abolition of implicit incentives for ecologically hazardous or unsustainable growth, pollution standards and restrictions, and information about environmental consequences being made publicly available. For this qualitative study that focused on how Divine principles play a significant role in governing and advancing the development of Islamic green finance for the protection of ecological system to achieve sustainable and socially responsible financial system that benefits entire humankind with especial focuses to Maqasid al-Shariah, the inductive and deductive method was applied to inspect data from secondary sources.

Keywords: *Green Finance, Economic Growth, Environmental Preservation, Maqasid al-Shariah, Divine Principles*

**SHARI'AH COMMITTEES' PERSPECTIVE ON AL-SIYĀSAH AL-SHAR'IYYAH'S VIS-À-VIS SHARI'AH
GOVERNANCE CONCEPTION WITHIN MALAYSIAN ISLAMIC FINANCIAL INSTITUTIONS**Ahmad Akram Mahmad Robbi^{1*}, Syed Marwan Mujahid Syed Azman²¹ *Kulliyah of Islamic Revealed Knowledge and Human Sciences, International Islamic University Malaysia*² *IUM Institute of Islamic Banking and Finance, IUM** *Corresponding Author: akramrobbi@ium.edu.my***ABSTRACT**

Purpose – The implementation of Shari'ah Governance Framework 2019 (SGF 2019) in Malaysian Islamic financial institutions is evident that they consistently promote Shari'ah-compliant business and transactions through. Consequently, Shari'ah scholars must carefully deliberate before issuing any fatwa or ordinance, which may have a great impact towards the industry and society. Nevertheless, there is a distinguish approaches in SGF 2019 from what it has been discussed by the classic scholars and this perspective has not been extensively highlighted, particularly from Shari'ah scholars. This research investigates the extent to which the concept of al-Siyasah al-Shar'iyyah (Shari'ah governance) is embraced by Shari'ah committees' and their perspectives for the its implementation in IFIs.

Design/methodology/approach – The research examines diverse sources through library research, encompassing books, journals, newspapers, websites, and reports. In addition, the research employs an analytical method to assess the practical role of al-Siyasah al-Shar'iyyah in Islamic financial institutions by collecting information through interviews with five participants actively engaged in Shari'ah committees within financial institutions, both directly and indirectly.

Findings – The research concludes that al-Siyasah al-Shar'iyyah holds significance for Shari'ah committees in Islamic financial institutions when providing legal opinions, albeit they have differing understanding on the concept of al-Siyasah al-Shar'iyyah.

Research limitation/implications – The implication from this study is to highlight how Shari'ah committees in Islamic financial institutions structuring a set of rules and regulations embedded by al-Siyasah al-Shar'iyyah elements to produce *maslahah* for the *ummah*. This perspective is barely discussed in depth this far. **Originality/value** – This study delves into the perspectives of Shari'ah scholar to apply the concept of al-Siyasah al-Shar'iyyah in the modern day and their practical experiences of Shari'ah scholars in carrying out the responsibilities of al-Siyasah al-Shar'iyyah within the decision-making process. The objective is to investigate the perspectives of Shari'ah committees

Keywords: *Islamic Financial System, al-Siyasah al-Shar'iyyah, Comparison, Decision, Shari'ah Committees*

THEME: ISLAMIC CAPITAL MARKET

ISLAMIC PREFERENCE SHARES FROM SHARIAH PERSPECTIVE: CASE STUDY OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (ICPS-i) ISSUED BY TH HEAVY ENGINEERING BERHAD (THHE)

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ABSTRACT

This research paper delves into the Shariah compliance of Islamic Preference Shares within the Islamic Capital Market (ICM), with a specific focus on the case study of Irredeemable Convertible Preference Shares (ICPS-i) issued by TH Heavy Engineering Berhad (THHE). The study adopts a qualitative methodology, encompassing document analysis and literature review, to critically examine the Shariah justifications concerning preference shares and to fill the existing gap in understanding and consensus on their Shariah compliance. The research aims to provide a comprehensive understanding of the subject, bridge the gap between theoretical constructs and practical application, and contribute to the academic literature on preference shares in Islamic finance. Based on the research, it is noted that preference shares do not condone capital and profit guarantee guarantees as it is not allowable by the Companies Act (2016). The issue of preferential treatment during dividend payment and dissolution of the company may be executed via waiver of right through Tanazul and Hibah as suggested by SAC. The mechanism is permissible based on the majority of scholars' views on the entitlement of the waiver upon materialization of the intended rights to be waived. Further examination of the case study of ICPS-i issued by THHE noted that the features are in line with SAC resolution and Shariah requirements. Analysis of the financial statements reveals that the dividend payment was not paid to the preference shareholders despite the profit solidifying the position that there is no element of capital and profit guarantee in preference shares.

Keywords: *Islamic Preference Shares, Irredeemable Convertible Preference Shares (ICPS-i), Musharakah, Tanazul, Hibah, Case study*

ISLAMIC REITS A WAY FORWARD TO IMPROVING HEALTHCARE INFRASTRUCTURE IN NIGERIA

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ABSTRACT

This paper has endeavored to explore the adoption of Islamic REITs (I-REITs) in enhancing the healthcare infrastructure in Nigeria's health sector. Additionally, it examines the implication of the Capital market framework in enabling Islamic REITs and the adequacy of the prevailing legal framework, regulatory guidelines, and governance around the Collective Investment Schemes with a particular focus on I-REITs. The available literature on Islamic REITs mainly focuses on the efficiency and performance of the REITs and the Shari'ah governance, however, less attention is directed to exploring a hybrid structure that can provide sustainable funding for the governments in providing public healthcare services. The paper examines approaches to developing a viable collective investment scheme (I-REIT) having a hybrid characteristic that will enable the construction of healthcare infrastructure including the provision and maintenance of medical equipment. The paper reviews and synthesizes the relevant works of literature on REITs in jurisdictions that offer I-REITs with a particular focus on the healthcare system. The paper then proposes a sustainable funding structure to improve the healthcare infrastructure deficit and the efficiency of healthcare delivery. It is imperative to increase the awareness of the Islamic Capital market products in improving the living standard of the populace as alternative funding for governments at all levels. Additionally, there is a need for an enhanced framework and guidelines that will incorporate the fundamental elements adopted in the most prominent markets of I-REITs around the globe. The empirical exploit should be sustained in coming up with creative funding arrangements for the government and corporate entities.

Keywords: *I-REITs, Healthcare, Islamic Capital Market*

UNLOCKING SUKUK: CHALLENGES IN UTILIZING INNOVATIVE FINANCIAL INSTRUMENT FOR HUMANITARIAN ENDEAVOURS

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ABSTRACT

The matter of inadequate funding in humanitarian endeavours is no longer a novel occurrence. Indeed, the expenses associated with securing necessary funds have been steadily rising over the years due to ongoing conflicts within the nation. In recent times, there has been a noticeable upsurge in the global sukuk market, particularly in the realm of social and green sukuk initiatives, although it is essential to acknowledge the presence of potential risks and the requirement for regulatory standardization to facilitate the continuous growth of the market. Consequently, the objective of this article is to identify the challenges encountered by humanitarian organizations in utilizing sukuk as an alternative means of financing their operations. These challenges have been recognized through the viewpoints of policymakers, scholars, and non-governmental entities, as gleaned from interviews conducted as part of a broader research endeavour.

Keywords: *Humanitarian, Humanitarian Financing, Sukuk*

OPTIMIZING WAQF ASSET ALLOCATION THROUGH ARTIFICIAL INTELLIGENCE: A PORTFOLIO MANAGEMENT APPROACH

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ABSTRACT

Waqf has long been a cornerstone of the Islamic economic system, functioning as a self-sufficient institution dedicated to social welfare and charitable endeavors. While extensive research has explored its structural frameworks and philanthropic purposes, a significant gap remains in the literature regarding the financial management and optimization of Waqf assets. This research addresses this gap by investigating how advanced technologies, specifically artificial intelligence (AI), can enhance portfolio management and optimize asset allocation within Waqf institutions. Through in-depth structured interviews with leading Waqf organizations in Malaysia and Turkey, the study aims to document current portfolio management practices and develop an AI-driven framework for asset allocation that maximizes returns while adhering to Shariah principles. The methodology involves a qualitative analysis of existing management processes and a quantitative assessment of asset performance and risk to inform investment strategies. The anticipated outcomes include a strategic roadmap for integrating AI into Waqf asset management, ultimately strengthening Waqf institutions' financial sustainability and social impact.

Keywords: *Islamic Finance, Waqf, Asset Allocation, Portfolio Management, Artificial Intelligence, Endowments, Asset Management, Islamic Capital Markets*

THEME: ISLAMIC WEALTH MANAGEMENT

ASSESSING THE METHODOLOGIES OF RISK MANAGEMENT IN ISLAMIC FINANCIAL INSTITUTIONS IN NIGERIA CONTEXT

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ABSTRACT

Risk management is a fundamental aspect of financial institutions globally, and it takes on unique dimensions within the framework of Islamic finance due to its adherence to Shari'ah principles, which prohibit interest (riba), excessive uncertainty (gharar), and speculative transactions (maysir). This study assesses the risk management strategies employed by Islamic financial institutions in Nigeria, examining their effectiveness and identifying areas for improvement. The study explores the various types of risks faced by IFIs, including credit risk, operational risk, market risk and Shariah compliance risk. It delves into the specific methodologies adopted by Nigerian IFIs to mitigate these risks, such as rigorous due diligence, robust internal controls, diversification, and the use of Shari'ah-compliant hedging instruments. The study also highlights the challenges encountered in risk management, such as regulatory inconsistencies, lack of standardization in Shari'ah interpretations, and limited market development. Through comprehensive analysis and stakeholder interviews, this paper recommends for enhanced risk management practices, including strengthening regulatory frameworks, fostering standardization efforts, promoting capacity building, encouraging product innovation, and facilitating collaboration and knowledge sharing. The findings of the study underscore the importance of effective risk management in ensuring the sustainability and growth of IFIs and contributing to the stability of the financial system and the broader economic development in Nigeria.

Keywords: *Risk, Management, Finance, Financial Institutions, Islamic Finance*

AWARENESS AND CHALLENGES OF EDUCATION PLANNING AMONG MUSLIM PARENTS IN MALAYSIA

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ABSTRACT

This study examines Muslim parents' financial awareness and challenges in paying for their children's education. Rising education costs, combined with limited awareness, pose significant challenges for Muslim parents. As expenses continue to increase, many parents lack crucial knowledge about financial planning for their children's education. This dual problem creates barriers to accessing quality education and emphasizes the need for targeted solutions within the Muslim community. This study employs a qualitative approach, utilizing Google Forms for the questionnaires which were randomly distributed among Muslim parents in Malaysia to gather their insights. This study is expected to provide researchers, industry and policymakers with insights into addressing the financial challenges Muslim parents face in funding their children's education. By understanding factors influencing parental awareness and engagement in financial planning, they can develop targeted strategies to promote education savings and investment. The findings of this study showed that while parents generally acknowledge the importance of education planning, their depth of understanding and practical implementation varies widely. Most parents prefer low-risk investment options for funding their children's education. Additionally, the majority of parents save less than RM200, and their contributions are typically inconsistent. This study also reveals barriers to effective planning, such as lack of knowledge, access to financial resources, or cultural attitudes towards financial matters.

Keywords: *Muslim Parents, Education Funds, Savings, Children, Awareness, Challenges.*

THE IMPACT OF THE COVID-19 PANDEMIC ON KEDAH ASNAF ENTREPRENEURS: NEW IDEAS TO REGENERATE THE ECONOMY

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ABSTRACT

This study explore the innovative ideas in assisting the recovery of asnaf entrepreneurs after Covid-19 pandemic. To achieve the objectives of the study, questionnaires were distributed to asnaf entrepreneurs listed on the Kedah State Zakat Board (LZNK) website. In addition, a focus group discussion with experts was conducted to obtain input on innovative ideas in assisting the recovery of asnaf entrepreneurs during and after the Covid-19 pandemic. The findings from the questionnaire showed that most of LZNK's asnaf entrepreneurs experienced a more than 50% decrease in sales revenue due to Covid-19 pandemic even though efforts such as online businesses were carried out. In addition, the lack of capital, the increase in the price of raw materials and the lack of equipment are the main constraints to continue the business. The findings through the focus group discussion identified five key ideas to help asnaf entrepreneurs redevelop their businesses. This includes Qard-based loans, equipment and cash assistance, training, marketing platforms, and monitoring. The results of this study can contribute to the sustainability and sustainability of LZNK asnaf entrepreneurs and transform zakat receiver into zakat payer.

Keywords: *Asnaf Entrepreneur, Economy, Kedah State Zakat Board (LZNK)*

COMBINED APPROACH RETIREMENT PLANNING USING MAQASID AL-SHARIAH AND SHARIAH-COMPLIANT INVESTMENTAlia Musa^{1*}, Hazimi Foziah²^{1,2} *Universiti Sultan Zainal Abidin (UniSZA), 21300 Kuala Terengganu, Terengganu.*** Corresponding author: nuraliamusa28@gmail.com***ABSTRACT**

Shariah-compliant financial products and Maqasid al-Shariah, while related, are distinct concepts in Islamic finance. Shariah compliance ensures financial products, services, and practices adhere strictly to Islamic law, avoiding prohibited activities such as riba (interest), gharar (uncertainty), and haram (unlawful) elements. In contrast, Maqasid al-Shariah represents the higher objectives of Islamic law, aiming to preserve and promote human well-being. Since 2017, Malaysia's Employees Provident Fund (EPF) has segregated its funds into conventional and Shariah savings schemes, the latter based on a wakalah contract. Focusing exclusively on Shariah-compliant investments without integrating Maqasid al-Shariah can lead to several issues. These include limited ethical and social impact, missed opportunities for holistic well-being, potential ethical conflicts, economic and social disparities, and inconsistent ethical standards. While Shariah compliance addresses Islamic legal prohibitions, it may not fully capture the broader ethical and holistic considerations embodied in Maqasid al-Shariah. This study employs content analysis to provide a detailed understanding of existing frameworks and identify gaps in current practices. By systematically analyzing relevant texts, documents, and literature, this research highlights the necessity of integrating both Shariah compliance and Maqasid al-Shariah principles in retirement planning. The findings suggest that while Shariah-compliant financial planning ensures adherence to Islamic legal principles, incorporating Maqasid al-Shariah offers a more comprehensive framework that promotes well-being and ethical considerations. In conclusion, for practical and holistic retirement planning, it is essential to integrate Shariah compliance with Maqasid al-Shariah. This integration ensures not only compliance with Islamic laws but also alignment with higher objectives, such as promoting human welfare and social justice, thereby achieving a balance between material needs and ethical aspirations.

Keywords: *Retirement Planning, Shariah-Compliant, Maqasid al-Shariah.*

THEME: ISLAMIC FINTECH AND DIGITAL BANKING

BIBLIOMETRIC ANALYSIS OF ISLAMIC FINANCIAL LITERACY IN ISLAMIC DIGITAL BANK

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ABSTRACT

The aim of this bibliometric analysis is to discover key trends, influential authors, and thematic clusters in the field of Islamic financial literacy by exploring the literature. Leveraging bibliometric techniques, this study analyzes a comprehensive dataset of scholarly publications retrieved from major academic databases such as Scopus and Web of Science (WoS). There are about 115 documents on Scopus and WoS were published related to the Islamic financial literacy in Islamic Digital Banking between 2020 and 2024. The number of publications sharply increased from 11 publications in 2020 to 46 publications in 2023, but in 2024 decrease to 22 publications. Citation counts, co-authorship networks, and keyword co-occurrence patterns are among the bibliometric indicators covered in this analysis. The article with the most citations is titled "Customer satisfaction in the digital era: evidence from Islamic banking" by Zouari and Abdelhedi in 2021. By conducting a systematic examination, the study tracks the evolution of Islamic financial literacy research and emphasizes key contributions, emerging topics, and connections across disciplines. Researchers, policymakers, and practitioners who seek to deepen understanding and advance knowledge in Islamic finance and financial literacy can benefit from the valuable insights from this analysis.

Keywords: *Bibliometric Analysis, Financial Literacy, Islamic, Digital, Banking, Finance, Scopus, Web of Science*

EXPLORING THE ROLE OF DIGITALIZATION IN ISLAMIC MICROFINANCE INSTITUTIONS IN ACHIEVING ISLAMIC FINANCIAL INCLUSION

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ABSTRACT

The limitations that hold back Islamic microfinance institutions (IMFIs) from reaching greater numbers through traditional methods include issues like geographical boundaries and rising operational costs plus technological backwardness. This study aims to understand how digitalization can empower IMFIs by making Shariah-compliant financial services more widely accessible to the unbanked especially the Muslim population. This qualitative research will involve a detailed literature review of documents related to the digitalization in IMFIs alongside case studies of MFIs that had gone digital. By comparing and identifying common grounds in these cases thus provide specific insights into challenges and prospects of for IMFI in going digital while upholding Islamic principles thus enhancing financial inclusion. This study benefits consumers by increasing access to financial services, supports the IMFI industry by highlighting effective digital strategies, and assists government agencies in formulating policies that facilitate the digital transformation of IMFIs.

Keywords: *Digitalization, Islamic, Microfinance, Opportunities, Challenges*

REGTECH'S ROLE IN MANAGING COMPLIANCE RISK OF ISLAMIC BANKING: CHALLENGES AND OPPORTUNITIES

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ABSTRACT

There is various study on RegTech that touch numerous aspects of it which include efficacy and impact of the RegTech, as well as issues arose surrounding the RegTech. The study evolves attributable to development of RegTech and thus, this study aims to analyse available literature, to explore new perspective on the challenges faced in implementing RegTech and to discover opportunities that may be benefited from the challenges. A qualitative analysis methodology is adopted which comprises document analysis and interview. Relevant documents such as acts gazetted by Government of Malaysia and policy documents issued by Bank Negara Malaysia are evaluated and interview with the relevant stakeholders are conducted. A finding revealed that RegTech's role in managing compliance risk of Islamic banking becomes a moving forward solution to mitigate risk associated with people and as a tool to achieve process efficiency. The study offers insight on new perspective that may provide betterment of the RegTech implementation in the Islamic banking. The study is significant to researcher, regulator as a policy maker and Islamic Financial Institutions as industry players in materialising RegTech as a way forward to manage compliance risk in the Islamic banking.

Keywords: *RegTech, Compliance Risk Management, Islamic Banking, Challenges, Opportunities*

CLASSIFYING ACADEMIC ATTITUDES TOWARDS DECENTRALIZED FINANCE: SENTIMENT ANALYSIS AND ISLAMIC PERSPECTIVE

A

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ABSTRACT

As decentralized finance (Defi), which is one of the promising financial technologies in the finance and banking sector, evolves, analysis is required to adapt to Islamic principles to maintain the relevance of maqasid syariah. This paper aims to review the perception of the existing literature regarding DeFi from the Islamic point of view. This study is qualitative in nature with sentiment analysis approach. The study employs SentiStrength software to explore the sentiment analysis build from indexes paper journal and websites as of May 31, 2024. The result of the study indicates that the dominant sentiment of modern scholars and academicians is positive, followed by neutral and negative sentiment. This sentiment analysis can identify critical perception gaps to be addressed as well as an overview that can serve as basic research for regulators, practitioners, and academics as valuable insights that can provide a better understanding of the scientific literature's perception of Defi so that it can be considered in decision making. This research is the first study to conduct sentiment analysis of the scientific literature on the Defi theme from the Islamic perspective.

Keyword: *Decentralized Finance (Defi)-Financial Technology (Fintech)-Sentiment Analysis-Blockchain Technology-Islamic Finance*

EXPLORING THE VIABILITY OF ISLAMIC CROWDFUNDING IN MOZAMBIQUE: THE LEGAL FRAMEWORKCarino Modan¹, Rusni Hassan^{2*}^{1,2} *Institute of Islamic Banking and Finance, International Islamic University Malaysia (IIUM)*** Corresponding Author: hrusni@iium.edu.my***ABSTRACT**

Purpose – This study aims to pioneer the study of the viability of exploring the viability of Islamic crowdfunding in Mozambique and contribute to the broader discourse on Islamic finance's role in promoting inclusive economic development.

Design/methodology/approach – The study will employ a qualitative methodology to examine and critically evaluate banking regulations in Mozambique using a descriptive and analytical approach. The objective is to identify legal gaps and opportunities within the existing framework that could support introducing and implementing an Islamic crowdfunding model.

Findings – This research demonstrates that incorporating Islamic crowdfunding into current financial systems can enrich and broaden financial services without undermining the integrity of the traditional system. The distinct characteristics of Islamic crowdfunding have been shown to encourage economic involvement among Muslims, thus promoting financial inclusion and assisting start-ups, entrepreneurial ventures, and small and medium-sized enterprises (SMEs). As a result, this contributes to reducing poverty, sustainable economic development, and the overall goal of financial inclusion.

Research limitations/implications – The study is limited by the lack of research on Islamic finance in Mozambique and the absence of a developed regulatory framework to support its implementation.

Originality/value – This research is unique in exploring the potential for Islamic crowdfunding within Mozambique's existing legal and regulatory framework, primarily designed for traditional banking practices. By presenting a feasible alternative that does not necessitate legal reforms, the study introduces a new approach to expanding investment opportunities for Mozambican Muslims, improving financial inclusion, and attracting a variety of investment options. The study's significance lies in its systematic evaluation of the legal considerations for Islamic finance, explicitly focusing on crowdfunding as a strategic and innovative alternative.

Keywords: *Mozambique, Islamic Banking and Finance, Islamic Crowdfunding, Financial Inclusion, Muslim Minority*

ROLE OF CROWDFUNDING AND DIGITAL PAYMENT IN TACKLING SOCIAL FINANCE INSTITUTIONS' CHALLENGES: A CASE STUDY OF DIRECT AID SOCIETY

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ABSTRACT

Purpose - this research aims to investigate the impact of using fintech tools of crowdfunding and digital payment to address the challenges of social finance institutions SFIs including reduction of fund and lack of transparency for providing a better adoption of institutional performance at SFIs. This is through investigating a leading social finance institution in GCC countries and the Middle East region, which is called Direct Aid Society based in the state of Kuwait.

Methodology - the research adopted qualitative research method using a singular case study research of Direct Aid Society, and it applies multiple methods of data collection including library research, official document analysis and conducting interviews with 6 respondents from fintech leaders, managers, external expert, and board of director of the selected case study of this research. The in-depth face-to-face interviews furnished valuable data that was generated, rearranged and refined using the NVIVO 14 software.

Findings - the research found that the use of fintech tools of crowdfunding and digital payment enhanced institutional performance, stakeholders' protection and increased financial stability at social finance institutions especially at the institution case study.

Originality/value - The research highlighted that the two selected fintech tools of crowdfunding and digital payment have considerably addressed lack of transparency, trust, disclosure and accountability as well as fund reduction in different actions and practices have been deducted from the official documents and emphasized from most of the respondents.

Keywords: Social finance, Fintech, Crowdfunding, Digital payment, Direct-Aid Society

EXPLORING GLOBAL ETHICAL BANKING: AN SLR ON PRACTICES, GOVERNANCE, AND FINTECH INTEGRATION

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ABSTRACT

This systematic literature review (SLR) examines how ethical banks around the world implement and uphold their ethical practices. By analyzing diverse models rooted in cultural, religious, and social values, this review identifies the challenges and opportunities that ethical banks face in various financial systems. The study places particular emphasis on corporate governance, Corporate Social Responsibility (CSR), and Environmental, Social, and Governance (ESG) factors, exploring how these elements are integrated into the operations of ethical banks globally. Additionally, the review assesses the role of fintech in advancing ethical banking practices, especially within the context of Islamic finance, and highlights the necessity of robust governance frameworks to ensure that technological innovations align with ethical standards. The findings underscore the critical role of ethical banking in driving social responsibility and positive societal change, while also addressing the ongoing challenges of achieving standardization and consistency in ethical practices across different regions.

Keywords: Ethics, Digitalization, Islamic Finance

REGULATORY CHALLENGES FOR SHARIAH-COMPLIANT ROBO-ADVISORS: A CASE STUDY OF WAHED INVEST

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ABSTRACT

The introduction of robo-advisors has transformed the financial services industry by providing automated, algorithmic investing advice. However, integrating this technology within the framework of Shariah compliance poses distinct regulatory hurdles. This paper examines these issues through a detailed case study of Wahed Invest, a leading Shariah-compliant robo-advisor. The study examines the current robo-advisor regulatory environment and assesses how Shariah-compliant services can navigate it. It analyzes the specific conditions for maintaining Shariah compliance, such as adherence to ethical investing principles, transparency, and the prohibition of interest (riba), and it exposes significant inefficiencies in the existing legislation. The inefficiencies are derived from the automated processes of Robo advisory that does not involve any human Shariah advisory influence. The study delves into Wahed Invest's approach to highlight the practical issues that Shariah-compliant robo-advisors face, including algorithmic transparency, risk management, and cybersecurity. It also evaluates how Wahed Invest overcomes these challenges and provides best practices for other fintech companies looking to develop Shariah-compliant solutions. The study emphasizes the importance of adaptable regulatory frameworks that can accommodate rapid technological advancements in fintech while remaining compliant with Islamic financial principles. By providing practical insights and policy recommendations, this study aims to contribute to the development of a robust regulatory framework that encourages the growth and integrity of Shariah-compliant robo-advisors.

Keywords: *Robo-Advisory, Islamic Finance, Regulation, Wahed Invest*

ANALYSING THE REGULATORY FRAMEWORK OF DIGITAL ASSETS IN MALAYSIA AND INDONESIA

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ABSTRACT

The rapid growth of digital assets demands strong regulatory frameworks for market integrity and consumer protection. Malaysia and Indonesia have implemented such measures, but their effectiveness varies and reflects each country's unique conditions. This study compares their regulatory frameworks to identify strengths, weaknesses, and potential areas for improvement. The study also identifies key issues associated with the current regulatory measures in both jurisdictions. This study utilizes qualitative approaches which involve in-depth analysis of literature reviews based on journal articles and past research papers together with the laws, regulations, and guidelines issued by the relevant authorities. It uses a comparative approach to analyze the regulatory framework and surrounding issues of digital assets in both countries. The study findings show that both countries have some similarities and distinctive features in their regulatory framework together with the same base underlying issues. The significance of this study lies in its exploration of the impact of digital asset regulation on financial markets. Despite the growing prominence of digital assets, there remains a lack of comprehensive understanding regarding the legal frameworks governing their use. By analyzing the evolving regulatory landscape and its implications for market participants, this research fills a crucial gap in the literature. By examining the legal and regulatory landscape surrounding digital assets, research can inform the development of more effective and appropriate regulatory frameworks, promoting market stability and investor protection.

Keywords: *Digital Assets, Regulatory Framework, Legal Issues, Malaysia, Indonesia*

TOKENIZED ASSET: SHARIAH PERSPECTIVE AND ISLAMIC BANKING OPPORTUNITIES

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ABSTRACT

Financial technology is driving innovation in financial markets globally and bringing with it the emergence of the digital assets market with the innovation of tokenized assets. Tokenized assets are the digital representation of real assets on distributed ledgers (blockchain network) or the issuance of traditional asset classes in tokenized form. Although tokenized assets have grown in popularity over the last several years as they have become more widely adopted and are used for a variety of purposes within the financial industry, the discussion from the Shariah perspective and its opportunities in Islamic banking remain scarce. Thus, this paper aims to explore Shariah perspective on tokenized assets and its opportunities within the Islamic banking industry. This study undertakes library research where the literature on Shariah scholars' opinion on māl (asset) requirements from a Shariah perspective is reviewed crucially to accentuate the concept of māl in light of tokenized assets. The findings indicated that tokenized assets, according to the majority of Shariah scholars, are considered māl and possess the potential to be implemented within the banking industry. Notwithstanding the above, the research found that Shariah-compliant status of tokenized assets is not solely based on its fulfilment of māl requirement per se. Another layer of assessment on its structure is crucial to finally conclude the Shariah-compliant status. This study is anticipated to contribute to the understanding of Shariah perspective on tokenized assets in Malaysia and add value to the Islamic banking sector to accelerate technological modernization.

Keywords: *Tokenized Asset, Islamic Banking, Shariah, Digital Asset*

BRIDGING DIMENSIONS: EXPLORING THE SYMBIOSIS OF ISLAMIC FINANCE WITHIN QUANTUM ECONOMICS

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ABSTRACT

The incorporation of Islamic banking into modern economic paradigms has received a lot of attention in recent years. This research paper investigates the junction of quantum economics and Islamic finance to determine their compatibility and potential synergies. Quantum economics, a blossoming discipline at the intersection of quantum theory and macroeconomics, incorporates radical concepts such as uncertainty principles, entanglement, and non-locality into economic research. Islamic finance, on the other hand, operates on Shariah principles and emphasises ethical and socially responsible financial practices, profit sharing, and asset-backed transactions. This paper employs an interdisciplinary approach, drawing on quantum mechanics, Islamic financed concepts, and economic theory. It investigates how Islamic finance's fundamental principles coincide with quantum economics' underlying ideas, such as holistic perspectives, risk sharing, and the interconnection of economic events. The study investigates the potential effects of incorporating Islamic financing into a quantum economic framework. It looks into how such integration might promote greater stability, inclusivity, and sustainability within financial institutions, particularly in light of the challenges of globalisation, technology improvements, and economic uncertainty. This study contributes to the increasing conversation on alternative economic models by synthesising principles from quantum economics and Islamic finance, as well as providing unique insights into building more robust and ethical financial systems in the modern world.

Keywords: *Quantum Computing, Islamic Finance, Shariah Compliance, Ethical Finance, Quantum Economy*

CONCEPTUAL FRAMEWORK: ISLAMIC FINTECH ADOPTION AMONGST ASNAF MICRO ENTREPRENEURS AND ITS RELATION TO WELL-BEING

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ABSTRACT

The utilisation of Islamic fintech, including automated online financing application and psychometric-based approach, have pertinent solutions to address lack of funding amongst Asnaf micro entrepreneurs. They can adopt fintech tools to access easier funding opportunities which may enhance their well-being. However, people always stereotype these Asnaf as technology illiterate and thus conclude them to be less receptive to fintech. In order to get a reality check, a rigorous study must be conducted to understand determinants of end users' fintech adoption and its relation to well-being from past literatures. The unified theory of acceptance and use of technology (UTAUT), Technology-organization-environment framework (TOE) and Resource-based view (RBV) are underpinning theories that can be applied. Subsequently, this study will develop a conceptual framework using the extended UTAUT model for the adoption of Islamic fintech financing to enhance access to finance and improves well-being amongst Asnaf micro entrepreneurs.

Keywords: *Islamic Fintech, Asnaf Micro Entrepreneurs, Extended UTAUT, RBV, Well-Being*

THE ISSUES AND CHALLENGES OF ZAKAT MANAGEMENT USING FINANCIAL TECHNOLOGY; THE CASE OF SELANGOR

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ABSTRACT

Financial Technology (FinTech) offers significant potential to enhance the efficiency, inclusivity, transparency, and accessibility of Zakat distribution. However, the adoption of technology in Zakat distribution is not without obstacles. The objective of this paper is to investigate the key issues and challenges of fintech in Zakat distribution, in the case of Selangor. The key issues and challenges identified in this paper hindering the adoption of technology in Zakat distribution in LZS include technical challenges such as internet accessibility, socio-cultural challenges like digital literacy gaps among Zakat payers and recipients, and operational challenges within LZS. A qualitative research methodology approach is adopted in this paper where primary data is collected via observation of websites, relevant documents, reports, and academic literature on fintech and social finance, particularly in Zakat. The study found that after 2019, LZS assistance was geared towards the development of the poor by prioritizing the allocation of zakat funds to the Miskin and Fakir groups. The findings also indicate that although LZS has successfully adopted various digital platforms for Zakat collection, distribution remains predominantly physical, hindering the full benefits of fintech. The study concludes with recommendations for improving digital literacy, enhancing technological infrastructure, and promoting fintech solutions to ensure a more inclusive and efficient Zakat distribution system in LZS.

Keywords: *Financial Technology (Fintech), User Adoption, Zakat Distribution, Lembaga Zakat Selangor (LZS)*

DIGITAL ADOPTION AMONG B-40 MUSLIM ENTREPRENEURS: A QUALITATIVE INQUIRY INTO THE STRATEGIC ROLE OF MAQASID SHARIAH

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ABSTRACT

Increasing digitalization among B-40 Muslim entrepreneurs in Malaysia necessitates a structured Maqasid Shariah-based framework to address barriers and optimize opportunities for sustainable digital adoption aligned with Islamic principles. This study explores the application of Maqasid Shariah principles in promoting digital adoption among B-40 Muslim entrepreneurs in Malaysia. Maqasid Shariah, the higher objectives of Islamic law, emphasizes the preservation of faith, life, intellect, progeny, and wealth. By aligning digital adoption strategies with these objectives, this phenomenological study seeks to understand how a Maqasid Shariah-driven approach can address the unique challenges faced by B-40 Muslim entrepreneurs in navigating the digital economy. Through qualitative methods, focus groups discussion was conducted with experts from entrepreneurship, digital tools, Islamic finance, and Maqasid Shariah. The FGD session investigates how Maqasid Shariah principles can guide the ethical and inclusive adoption of digital technologies. The findings provide insights into how such an approach can empower B-40 Muslim entrepreneurs, improve their economic resilience, and enhance their overall well-being. Additionally, the study examines potential barriers to digital adoption within this community and proposes policy recommendations to support digital inclusion while respecting religious and cultural values. By bridging the gap between religious principles and modern technology, this research proposes a strategic framework for sustainable and equitable digital development for B-40 Muslim entrepreneurs in Malaysia. This approach may serve as a model for other Muslim communities seeking to integrate Maqasid Shari'ah values with contemporary economic advancements.

Keywords: *Maqasid Shariah, Digital Adoption, Bottom-40, Muslim Entrepreneurs*

NAVIGATING BARRIERS: CHALLENGES IN ACHIEVING FINANCIAL INCLUSION THROUGH DIGITAL BANKING PLATFORMS

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ABSTRACT

The financial sector has seen the emergence of digital banks as crucial players in recent years, providing innovative solutions that are designed to improve financial inclusion. In spite of their potential, these institutions encounter substantial obstacles in their efforts to engage underserved populations. This paper delves into the multifaceted obstacles that digital banks face in their endeavors to implement financial inclusion. The persistence of financial exclusion among marginalized groups, technological infrastructure limitations, digital literacy gaps, and regulatory impediments are among the primary challenges. The paper emphasizes the importance of collaborative efforts and tailored strategies between policymakers, technology providers, and financial institutions in overcoming these challenges through a comprehensive analysis of these obstacles. The results indicate that digital banking presents a promising approach to financial inclusion; however, it is imperative to make a concerted effort to resolve the systemic issues that impede its efficacy. By offering recommendations for improving the impact of digital banking on financial inclusion and providing insights into its complexities, this study contributes to the ongoing discourse.

Keywords: Digital Islamic Bank, Fintech, Financial Inclusion

NAVIGATING THE METAVERSE: ENHANCING FINANCIAL SUSTAINABILITY WITH IJARAH SMART CONTRACTS IN THE POST-PANDEMIC DIGITAL ECONOMY

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ABSTRACT

In contemporary Nigeria, financial literacy is crucial for fostering economic stability and personal financial management, especially among the youth. This paper investigates the impact of Islamic financial literacy on the financial behavior of Nigerian youth, exploring how Islamic financial principles influence their financial decisions and practices. The paper indicates that youth with higher levels of Islamic financial literacy demonstrate more prudent financial behaviors, such as avoiding interest-bearing loans, engaging in ethical investment practices, and displaying greater financial discipline in saving and spending. It also reveals that Islamic financial literacy enhances their confidence in making financial decisions, reduces susceptibility to financial exploitation, and promotes economic inclusion by encouraging participation in Shariah-compliant financial services. Furthermore, the paper identifies several challenges in promoting Islamic financial literacy among Nigerian youth, including limited access to Islamic financial education, misconceptions about Islamic finance, and the dominance of conventional financial systems. To address these challenges, the paper recommends the integration of Islamic financial principles into national education curricula, the development of targeted financial literacy programs by Islamic financial institutions, and the active involvement of religious leaders and community organizations in financial education initiatives. The paper concludes that Islamic financial literacy significantly impacts the financial behavior of Nigerian youth, promoting ethical and responsible financial practices aligned with Islamic principles. This paper underscores the need for strategic efforts to enhance Islamic financial literacy to foster financial inclusion and economic stability among the youth in Nigeria.

Keywords: *Islamic Financial Literacy, Youth Financial Behavior, Nigeria, Financial Education, Financial Institution*

THEME: OTHERS TOPICS RELATED TO FINANCIAL LITERACY AND ISLAMIC FINANCE

ASSESSING THE FINANCIAL VULNERABILITY AMONG THE ELDERLY CITIZENS IN MALAYSIA

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ABSTRACT

The main objective of this research is to ascertain the factors that contribute to financial vulnerability among senior citizens group in Malaysian community. The research applies a quantitative technique to achieve its objectives. The data for this research will be compiled through a survey design using a five-point Likert scale. Following a convenience sampling technique, the data will be collected from 384 senior citizens in Malaysia. The data acquired from the specified unit of analysis will be examined using Partial Least Squares (PLS) Version 4, and SPSS Version 22 will also be employed in the data preparation stage. The study found that financial literacy and saving habits are crucial for financial security among senior citizens, while social support alone is not enough to mitigate vulnerability. Financial behavior, influenced by these factors, significantly impacts the risk of financial distress. This research fulfils the gap of insufficient current research addressing the financial vulnerability of elderly citizens and also provide a guidance for the government and various non-governmental organizations to continuously optimize and improve the financial wellbeing, financial security, and quality of life of the elderly citizen in Malaysian society. Besides, this research aims to identify strategies for governmental bodies, stakeholders, and non-governmental organizations to improve the financial viability and general welfare of senior citizens in Malaysia. The findings could have significant implications for improving the quality of life for elderly citizens. Insights from this research could help policymakers design better social safety nets, and financial support systems.

Keywords: *Financial Vulnerability, senior citizens, Financial Literacy, Financial Behaviour, Malaysia*

DISPUTE RESOLUTION IN ISLAMIC BANKING IN PAKISTAN: REVIEW OF LEGAL CASES, LEGAL CHALLENGES AND POSSIBLE SOLUTIONS

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ABSTRACT

The purpose of this paper is to examine the challenges, prospects and future directions of dispute resolution in the Islamic finance industry in Pakistan through court. whenever there is an Islamic banking dispute, the court refers to the existing laws and court procedures which most of their provisions are not compatible with Islamic banking principles, hence they may provide inadequate remedies. It proposes a practical dispute resolution framework for Pakistan through best practices from key jurisdiction—Malaysia—who has some unique mechanisms that have stood the test of time. The study concludes that for Pakistan to be able to attract foreign direct investment into its Islamic finance industry, it requires a sound and robust judicial system and dispute resolution mechanism that can stand the test of time. The exploratory method design, for qualitative findings majorly depending on legal doctrinal evaluation is used. The legal framework for adjudication of Islamic banking disputes in Pakistan is proposed through the content analysis of relevant sources. This research shall explore the inadequacies of existing legal framework for adjudication of Islamic banking and finance disputes in Pakistan; common law treatment of Islamic Finance contracts in Pakistan. This will further identify the incompatibilities of conventional laws to adjudicate Islamic Banking and Finance disputes. This will propose better laws more compatible with Islamic Banking and Finance and will propose solutions according to Sharia Law to resolve the Islamic Banking and Finance disputes in Pakistan. This study focuses on the points that no detailed study has been carried out regarding the common law treatment of Islamic Finance contracts pondering the viability of Islamic contracts in a common law jurisdiction of Pakistan. The trend of Islamic Finance legal suits in Pakistan; the inadequacy of legal framework of Islamic Banking and Finance in Pakistan. There is no comprehensive research to scrutinize the trend of legal suits involving Islamic Financial transactions in Pakistan as evident from the reported cases and inadequacy of legal framework to deal with Islamic banking and finance cases.

Keywords: *Dispute Resolution, Islamic Banking, Legal Cases, Legal Challenge, Possible Solutions*

IMPACT OF FINANCIAL INSTITUTION TYPES ON SMALL MEDIUM ENTERPRISE (SME) FINANCING APPROVAL RATES IN MALAYSIA: A QUANTITATIVE ANALYSIS

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ABSTRACT

This study evaluates the determinants influencing the amount of financing disbursed to Small and Medium Enterprises (SMEs) by data from Bank Negara Malaysia (BNM) across different sectors. Utilizing Ordinary Least Squares (OLS) regression with Stata Software, the analysis focuses on the impact of payment amounts, sectoral classifications, financial institution types, and temporal variations on financing decisions. The results indicate that payment amounts have a highly significant positive effect on the amount of financing disbursed, with each additional million in payment correlating with an increase of approximately 1.0093 million in disbursed financing. Sector-specific analysis reveals that only the Wholesale and Retail Trade sector shows a significant positive impact on financing amounts, while other sectors do not reveal significant effects. The type of financial institution also plays a significant role, with Islamic banks contributing substantially to higher financing amounts. Temporal factors, represented by the year variable, do not show significant variations in financing amounts over the analyzed period. The study highlights the crucial role of payment amounts and sector-specific characteristics in determining financing levels and provides insights into the sectoral and institutional influences on SME financing decisions. The findings highlight the importance of payment performance and sector-specific factors in shaping financing outcomes for SMEs.

Keywords: Determinants, Financing, SMEs, Sectoral

INNOVATIVE ZAKAT DISTRIBUTION TO ASNAF ENTREPRENEURS BY MALAYSIAN ISLAMIC BANKS; PRACTICES AND CHALLENGES

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ABSTRACT

Islamic banks are extensively exploring social finance initiatives, including Zakat, Waqf, and Sadaqah. In line with this trend, many Malaysian Islamic banks have adopted an innovative approach to zakat distribution, focusing on productive rather than consumptive methods. This shift has gained significant traction with the introduction of the i-Tekad program by Bank Negara Malaysia. Despite its potential, the initiative faces challenges due to the lack of specific regulatory guidelines governing zakat distribution to Islamic banks. This study aims to examine the practice of Zakat distribution among Islamic banks in Malaysia. Using a qualitative approach through content analysis, we analyse data from annual reports spanning from 2019 to 2022, with a particular focus on the amounts allocated to Asnaf entrepreneurs. The findings reveal significant variations in zakat distribution among Islamic banks, with some banks have been identified as prominent supporters of Asnaf entrepreneurs. These results have important implications for policymakers and regulators, underscoring the need to establish clear guidelines for Islamic banks to allocate some portion of zakat towards productive rather than consumptive ends. In addition, this study emphasizes the need to align zakat fund sustainability with microfinancing initiatives to eligible zakat recipients, aiming to enhance their livelihood quality and maximize the overall social impact of zakat contributions.

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

AGENCY PROBLEM IN ISLAMIC MICROENTERPRISE FINANCING: A CONCEPTUAL FRAMEWORK

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ABSTRACT

The agency problem is a challenge for financial institutions operating in the micro sector, as lenders cannot monitor borrower characteristics, efforts, or profitability, leading to inefficiencies in the microcredit market. This paper explores the agency problem in micro-enterprise financing from an Islamic perspective, providing a conceptual framework for understanding the solution. In Islam, Allah SWT is the witness of all contracts, ensuring halal subject matter and transactions. Islamic finance (IFI) improves agency relationships by incorporating moral and ethical elements, using PLS-based contracts, reducing information asymmetry, and having a sharia-based supervisory board. Trust and good morals can overcome agency problems in Islamic business, while Islamic corporate governance includes accountability, transparency, responsibility, and justice. Incorporating accountability and transparency into corporate governance can improve corporate discipline and integrity, attract, and retain talent, and promote transparency and effective information management. This research is a conceptual framework requiring empirical proof in practical contexts. Further research can provide a more detailed study of each contract's conceptual implications for a comprehensive discourse.

Keywords: Agency Problem, Micro-Enterprise, Islamic Financing, Islamic Micro-Enterprise Financing, Conceptual Framework

REGULATORY FRAMEWORK OF ISLAMIC FINANCE IN BRUNEI DARUSSALAM: AN ANALYSIS

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ABSTRACT

The growth of Islamic finance in Brunei Darussalam began with the establishment of Tabung Amanah Islam Brunei (TAIB) in 1991. Under the auspices of Brunei Darussalam Central Bank (BDCB) and with continued support from the Ministry of Finance and Economy (MOFE), Brunei has accelerated as one of the players in this growing industry. Supported with good regulatory framework, the growth shall guarantee potential huge market convincing investors and other stakeholders to engage in the industry. Despite of the moderate growth, Brunei is still at its infancy stage in Islamic finance. The Islamic Banking Order (IBO) 2008 introduced where it requires a lot of amendments for improvements and requires further additional touch. This paper intends to analyse the current regulatory of Brunei Darussalam in Islamic Finance. This research employs library research utilizing documents mainly from the Acts, Orders, Guidelines, Notices, etc. as primary references. The study is further supported with references from journals and books as secondary resources. The findings suggest that Brunei should be equipped with further laws and regulations to strengthen the industry further. Despite of having only one full-fledge Islamic bank, Brunei still should have a complete comprehensive regulatory framework to ensure smooth implementation of Shariah in banking. The paper concludes with some suggestions and recommendations for the authority's consideration. This study is noble due to its importance in boosting the development of Islamic finance in Brunei Darussalam.

Keywords: Regulatory Framework, Islamic Finance, Brunei, Shariah

COMPARATIVE ANALYSIS OF DEFAULT COST CALCULATION BETWEEN ISLAMIC AND CONVENTIONAL FINANCING FROM MALAYSIAN PERSPECTIVE

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ABSTRACT

The sustainability of the Malaysian Islamic banking after a few decades of its inception can be seen via proactive initiatives taken by the players along with a close monitoring system by the Malaysian financial authority. However, one aspect of Islamic banking that has remained unchanged since its inception in Malaysia in 1983 is the calculation of the amount to be claimed in the event of default or default cost. This paper aims to conduct a comparative analysis of default cost calculations between Islamic and conventional financing. To achieve the objective, this study employs a qualitative research method by analyzing related court cases, policy documents issued by Bank Negara Malaysia, and resolutions from the Shariah Advisory Council of Bank Negara Malaysia. Based on document analysis, the findings indicate that the amount claimed by Islamic banks in the event of default is considerably higher than that of conventional banks. The result of this research is significant as it gives signage to the Islamic banks to revise the current method of default cost calculation which is more accurate to reflect the amount owed by customers and at the same time in line with the spirit of Maqasid Shariah.

Keywords: Malaysia, Islamic Banking, Conventional Bank, Default Cost, Home Financing

A SYSTEMATIC LITERATURE REVIEW OF CHALLENGES OF CUSTOMERS TOWARDS THE ADOPTION OF ISLAMIC BANKING IN NIGERIA

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ABSTRACT

The challenges of adopting Islamic banking among customers in Nigeria have remained in the limelight due to its significance in the strategic marketing of Islamic banking (IB) services. Although many previous studies have devoted a significant effort to investigating the drivers, little is known about the exclusive barriers hampering the adoption. Therefore, this paper aims to examine the underlying challenges to the adoption of Islamic banking in Nigeria and categorise them into specific research themes. This study employs a qualitative research method with secondary data, using a systematic literature review (SLR) analysis. The findings have categorised the challenges of customers' adoption of Islamic banks in Nigeria into three main themes, namely, (i) knowledge and awareness (awareness, education systems, perceived info quality, promo effort), (ii) Beliefs and social values (religiosity, compatibility, and subjective norm), and (iii) Preferences (relative advantage and consumer behaviour). The sample size of this study is 24 published articles, as the data were imported from Scopus and Google Scholar databases. The data were analysed after performing a screening process by following Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA). Future studies may use a larger sample size by retrieving data from other databases, such as Web of Science, to develop better research themes of SLR.

Keywords: Adoption, Challenges, Customer, Islamic banking, Systematic Literature Review (SLR)

STRATEGIC LITERATURE REVIEW APPROACH IN CONSUMER CREDIT REGULATION IN MALAYSIA

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ABSTRACT

This term paper employs the Systematic Literature Review (SLR) approach to comprehensively examine the landscape of consumer credit regulation in Malaysia. The SLR method offers a structured and systematic evaluation of existing literature, providing insights into the evolution, current state, and future directions of regulatory practices in consumer credit. Malaysia's regulatory framework plays a crucial role in ensuring consumer protection, financial stability, and fair market practices. This study systematically reviews academic articles, government reports, and industry publications to identify key themes, regulatory challenges, and the impact of recent reforms on consumer credit markets. The findings highlight the strengths and weaknesses of the current regulatory environment, propose areas for improvement, and suggest strategic initiatives to enhance consumer protection while promoting a healthy credit market. By applying the SLR approach, this paper aims to contribute to the academic discourse and provide policymakers with a robust analytical foundation to guide future regulatory developments in Malaysia.

Keywords: *Systematic Literature Review, Consumer Credit Regulation, Malaysia, Consumer Protection, Financial Stability, Regulatory Framework*

SHARIAH GOVERNANCE PRACTICE IN HEALTHCARE FROM SASMEC @IIUM EXPERIENCE

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ABSTRACT

Sultan Ahmad Shah Medical Centre @ IIUM (SASMEC @IIUM) was established in 2016 and recognised as the first Shariah-compliant teaching hospital. This study explores the practice of Shariah governance (SG) in healthcare, focusing on the experience of SASMEC @IIUM. The core issue addressed is the absence of a structured governance framework that integrates Shariah principles into its healthcare management, ensuring compliance with Islamic requirements and ethical standards while delivering high-quality medical care and holistic patient care. This research employs a qualitative approach, combining feedback from the selected management team (n=10) from a recorded discussion with a review of selected internal policies and documents by researchers. These data were analysed deductively according to four resolution categories to identify current practices, challenges, and areas needing improvement for better Shariah governance practice. Preliminary findings suggest that while SASMEC @IIUM has made strides in implementing Shariah-compliant practices, inconsistencies and gaps hinder uniform application in its practice. The study emphasises the need for comprehensive guidelines and continuous training and awareness programs to ensure consistent adherence and compliance to Shariah principles. Additionally, the role of the regulator and integrating the Shariah advisory board into the governance structure is highlighted as crucial for guiding decision-making and maintaining compliance with Shariah principles. This research contributes to the emerging field of Shariah governance in healthcare by providing a detailed examination of SASMEC @IIUM practices and offering practical recommendations for other institutions aiming to align their services with Islamic values. The findings are expected to provide valuable insights into the benefits and challenges of implementing Shariah governance in healthcare, paving the way for further research and collaboration with other hospitals in Malaysia.

Keywords: *Shariah Governance, Shariah-Compliant, Teaching Hospital, Islamic Principles, Healthcare*

BANK RESILIENCE OVER THE COVID-19 OUTBREAK: LESSONS FROM ISLAMIC BANKS IN MALAYSIA

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ABSTRACT

The COVID-19 outbreak and rising cyber risks demonstrate the significance of the financial sector in strengthening its operational resilience. Financial institutions presently operate in a more complicated environment, from the increased reliance on technology, third-party service providers, and pandemic-related disruptions, hence FIs must effectively manage operational risks. The pandemic has presented several challenges from the impacts faced by the Malaysian Islamic banks (IBs) such as capital and liquidity constraints, reduced loan growth and earnings, increased provision of bad debts, and challenges arising from the distribution channel and regulatory changes as well as in support of the vulnerable customers. This study aims to discuss how Malaysian IBs adapt to the changing environment post-pandemic in responding to the challenges arising from regulatory changes. This study is conducted by employing a document analysis. It advocates that the Malaysian Islamic banks have adapted well to the evolving landscape, proactively embracing innovation, emphasizing value-based finance, and addressing societal needs through various financial tools. This research suggests that such adoptions have positioned them well in supporting the Malaysian economy while regulatory support facilitates a resilient banking sector by promoting sound practices, risk mitigation, and alignment with global standards. The findings of this study contributes to enriching the literature on risk management practices adopted by Malaysian IBs to ensure resilience while concurrently complying with the regulatory requirements.

Keywords: *Bank Resilience, Pandemic, Operational Risk, Islamic Banks, Malaysia*

ASSESSING THE RELATION BETWEEN ISLAMIC FINANCIAL LITERACY AND FACTORS INFLUENCING THE ADOPTION OF ISLAMIC BANKING PRODUCTS IN UGANDA: CONTENT VALIDATION OF THE SURVEY INSTRUMENT

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ABSTRACT

Islamic banking in Uganda was introduced recently in 2016, and the official licensing of an Islamic full-fledged bank was realized in 2023. However, Islamic microfinance Institutions started operations right away as they are differently regulated by the Uganda Microfinance Regulatory Authority (UMRA) under the Tier 4 regulatory Act. Earlier studies on the adoption of Islamic banking in Uganda analyzed adoption factors in line with Ugandans' perception and intention, considering variables like religiosity, awareness, and attitude. So, this study aims to conduct content validation of a survey questionnaire to assess Islamic financial literacy and factors influencing the adoption of Islamic banking products in the Ugandan minority Muslim community. Besides, the factors to be considered are religiosity, awareness, attitude, consumer expectancy, legitimacy of Islamic financial institutions, and Islamic financial literacy – where the level of the latter factor will be measured and as well treated as a moderator between the Dependent variable and independent variables. Methodologically, this study was executed in five stages. Firstly, the content validation form was prepared detailing the items to be validated and their sources. Secondly, a review panel of experts was selected based on their expertise in Islamic banking adoption and Islamic financial literacy, and 6 experts were considered. Then an online content validation form with clear instructions was sent to experts to critically review the domains and items before scoring them according to their level of relevance. The results showed that an S-CVI score of 0.864 was attained by the tool and thus relevant to be used for the study. The CVI for Islamic financial literacy items was between 0.83-1 and thus all items were relevant to assess the Islamic financial literacy concept of the minority Muslims in Uganda. Thus, this tool can be a reference for researchers who intend to research Islamic financial literacy and other factors influencing Islamic banking product adoption in jurisdictions that have just embraced the Islamic financial system. Besides, collaboration efforts to standardize the adoption tool for Islamic banking are highly required.

Keywords: *Islamic Financial Literacy, Content Validation, Adoption of Islamic Banking Products, Uganda, Minority Muslims*

RISK-RETURN TRADE-OFF ON ISLAMIC AND CONVENTIONAL MOST LIQUID STOCK. 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 most liquid conventional (LQ45) and Islamic (JII) stocks in the Indonesia Stock Exchange (IDX) from 2016 up to 2023. The study provides strong evidence that the risk-return trade-off holds for the most liquid 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, LQ-45, JII, Indonesia*

NAVIGATING FINANCIAL LITERACY FOR HUMAN SECURITY IN NIGERIA

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ABSTRACT

Financial literacy plays a critical role in ensuring human security by empowering individuals with the knowledge and skills necessary to make informed financial decisions. This paper explores the current state of financial literacy in Nigeria, its implications for human security, and the steps necessary to improve financial literacy as a means of enhancing human security. By examining various dimensions of financial literacy and their relationship to human security, this paper provides a comprehensive analysis of how financial education can serve as a catalyst for economic stability and personal well-being in Nigeria. The paper largely utilized secondary data such as books, academic journals, periodicals, and other relevant documents from recognized authorities. The paper reveals that financial literacy informs rational financial decisions, leading to low indebtedness, high savings rates, and adequate investment; financially literate individuals are better able to manage health-related expenses, secure health insurance, and access quality healthcare services; and financial literacy acts as a defense mechanism, enhancing personal security especially in this era that financial scams are prevalent. This paper recommends, among other things, for concerted effort involving education and awareness, public-private partnerships, and exposure utilization of mobile technology and digital platforms to pave the way for a financially literate and secure Nigerian population.

Keywords: *Financial Literacy, Security, Human Security, Nigeria*

DOES FINANCIAL LITERACY AFFECT ENTREPRENEURIAL INTENTIONS? ANALYSIS AMONG UNIVERSITY STUDENTS

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ABSTRACT

Entrepreneurship is one of the sectors which contributes towards economic growth in a country. In entrepreneurship, knowledge on critical aspects of financial management or financial literacy is a critical life skill that is essential for achieving financial stability, individual well-being, and long-term sustainable development. In the era of e-commerce and knowledge economy, youngsters including university students are very much exposed to a variety of business opportunities. This study aims to explore the influences of financial literacy on entrepreneurial intentions among students from the experience of university students in Malaysia and Indonesia. In order to investigate the relationship between financial literacy and entrepreneurial intentions, this study utilizes both quantitative and qualitative approaches. The quantitative approach was applied in the study by gathering primary data collected through online survey questionnaires distributed to respondents from several universities in Malaysia and Indonesia. The survey instruments comprised of 20 survey and observation questions and analysed using three validity tests on convergent validity, discriminant validity and reliability, followed by the Structural Equation Modeling Partial Least Square analysis. In addition, the qualitative approach was also adopted involving in-depth analysis of literature reviews based on journal articles and past research papers with the concentration on financial literacy and entrepreneurial intentions. Findings of the study showed that financial knowledge considerably improves entrepreneurial intention, while financial skills and attitude have no significant impact on entrepreneurial intention. These findings highlight the importance of financial literacy in fostering entrepreneurial intentions and the need for strategies in promoting financial education that directly contribute towards financial literacy.

Keywords: *Financial Literacy, Entrepreneurial Intentions, University Students, Malaysia, Indonesia*

COMMODITY MURABAHAH FINANCING, BANK LIQUIDITY, AND FINANCIAL STABILITY: CASE OF MALAYSIAN ISLAMIC BANKS

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ABSTRACT

Effective liquidity management ensures the stability of a banking institution and its ability to meet short-term financial needs. This concept is equally important to Islamic banks given its similar practice of intermediation. In recent years, Shariah-compliant products offered by Islamic banks have increasingly been structured using Commodity Murabahah via Tawarruq arrangement. This has led to the concentration of Tawarruq-based products in the banks' financing portfolio. Using the case of Islamic banks in Malaysia, this paper aims to analyze the relationship between the concentration of Commodity Murabahah financing and the liquidity of the bank. The result of the study could provide insight into whether Commodity Murabahah financing could enhance or undermine the stability of Islamic banks through the impact on liquidity management. To achieve the research objective, this paper will be using a quantitative method, using a regression analysis approach. The data are gathered from the financial statements of the Islamic banks, publicly available data provided by Bank Negara Malaysia, as well as financial databases, such as Bloomberg and Thomson Reuters. This paper is anticipated to provide empirical evidence on the role of the concentration of Commodity Murabahah financing on banks' liquidity management. It also intends to offer practical insights for Islamic banks in optimizing their financing portfolios and for policymakers to design a future strategic decision to expand the growth of the Islamic banking industry without compromising the stability of individual Islamic banks

Keywords: *Commodity Murabahah; Liquidity Management; Islamic Banks; Financial Stability, Tawarruq*

BENEVOLENT FUNDS AS A MEDIUM FOR MONEY LAUNDERING AND TERRORISM FINANCING: A CHALLENGE FOR ISLAMIC CHARITIES

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ABSTRACT

Money laundering and terrorism financing (ML/TF) are serious crimes. The perpetrators use many channels to hide their illegal activities. Charities and non-profit organisations play a vital humanitarian role in our society; nevertheless, charitable fundraising has been used for these illicit financial crimes. The Financial Action Task Force (FATF), an international organisation for combating global ML/TF activities, reported that sadaqah, zakat, and waqf are among the activities of Islamic charities that have been used for ML/TF crimes. As such, this paper aims to examine the challenges for Islamic charities in combating ML/TF activities. This paper employs qualitative research by analysing the primary and secondary legal sources. The essential results of this study found that Islamic charities are vulnerable to ML/TF activities due to the misuse of benevolent funds. Affiliation with a terrorist entity is among the significant reasons why Islamic charities are at risk of the ML/TF. Therefore, this paper provides good practices that can be deployed by Islamic charities to mitigate the ML/TF risk in this sector. To conclude, there must be an understanding of the risk of ML/TF activities extending to Islamic charities. This is to ensure that Islamic welfare is not linked to the ML/TF activities and to protect the integrity of this charitable activity.

Keywords: *Charities, Non-Profit Organisations, Terrorism Financing, Money Laundering*

LAWS AND REGULATION APPLICABLE: CASE OF MALAYSIA BUILDING SOCIETY BERHAD (MBSB)

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ABSTRACT

This report aims to analyze and outline the legal framework applicable to Malaysia Building Society Berhad (MBSB), tracing its development from inception to its attainment of an Islamic bank's license following the merger with Asian Finance Bank (AFB). The analysis is based on extracts of information and data from reliable sources regarding the subject matter. The research indicates that MBSB, originally a non-financial institution, was granted an exemption under the Borrowing Companies Act 1969 to offer financial services such as loans and financing. On 1st March 1972, MBSB was granted the status of an Exempt Finance Company by the Ministry of Finance (MOF). Over the years, MBSB has operated under various laws and regulations, including the Companies Act 1965, Borrowing Companies Act 1969, Finance Company Act 1969, Banking and Financial Institutions Act 1989, and the Financial Services Act 2013. Since 2018, following the merger with Asian Finance Bank, MBSB has been governed by the Islamic Financial Services Act 2013 after obtaining an Islamic Banking license. This report provides a concise overview of the laws and regulations applicable to MBSB, from its initial development to its current status. By tracing the historical and legal developments of MBSB, the report offers valuable insights into the regulatory evolution that has shaped the institution. Understanding these legal frameworks is crucial for comprehending MBSB's journey and its role in Malaysia's financial landscape, particularly its transition to a full-fledged Islamic bank.

Keywords: MBSB, MBSB Bank, Asian Finance Bank, Exempt Finance Company, BAFIA 1989, IFSA 2013, Scheduled Institution, Financial Holding Company, Full Fledge, Shariah Advisory Committee, MIDF

THEME: ARABIC

التمويل بصيغة المشاركة في المصارف الإسلامية الصومالية وتحدياتها - دراسة تحليلية تطبيقية

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الملخص

تناولت هذه الورقة البحثية دور أدوات التمويل في المصارف الإسلامية في الصومال والتحديات التي تواجهها من خلال استخدام التمويل بصيغة المشاركة. تعد هذه الأدوات جزءًا أساسيًا من النظام المصرفي في الصومال، ولكنها واجهت نقصًا في البحوث السابقة. الهدف الرئيسي للدراسة هو فهم أدوات التمويل المستخدمة في المصارف الإسلامية الصومالية والتحديات التي تواجهها. تمت الدراسة باستخدام منهجية نوعية واستندت إلى المقابلات الشخصية مع خبراء ومتخصصين في المصارف الإسلامية الصومالية. تبين من النتائج أن هذه المصارف قادرة على تقديم خدمات تمويل بصيغة المشاركة تسهم في دعم النمو الاقتصادي وتمويل مختلف القطاعات مثل التجارة والزراعة والبنية التحتية. ومع ذلك، تواجه هذه المصارف تحديات تنظيمية تتعلق بالضوابط والإشراف، وهذا يتطلب تطوير بنية تنظيمية قوية لضمان الامتثال للمعايير الشرعية والقوانين المحلية والدولية. شكل عام، تقدم هذه الدراسة إضاءة على دور أدوات التمويل في المصارف الإسلامية الصومالية والتحديات التي تواجهها، وتمثل مساهمة مهمة للمؤسسات المالية الإسلامية في الصومال وخارجها.

الكلمات المفتاحية: المشاركة، التمويل الإسلامي، المصرفية الإسلامية، الصومال

تقييم قدرة المصارف الاسلامية على تقديم خدمات مصرفية مستدامة وفعالة في الصومال من خلال الأدوات المالية الإسلامية - دراسة تحليلية

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الملخص

تعتبر الصومال دولة تعاني من تحديات اقتصادية كبيرة نتيجة للنزاعات المستمرة والاضطرابات السياسية. في هذا السياق، تأتي الخدمات المصرفية الإسلامية إلى الأمام كواحدة من الأدوات المالية البارزة التي تلعب دوراً مهماً في تعزيز الاستقرار الاقتصادي وتحفيز النمو المستدام في البلاد. تمتلك المصارف الإسلامية ميزة بارزة بتقديم خدمات مصرفية تتماشى مع مبادئ الشريعة الإسلامية، مما يساعد في تلبية احتياجات مجتمعات الصومال والترويج للمالية المستدامة. يمكن لهذه الخدمات أن تلعب دوراً مهماً في دعم التمويل الصغير والمتوسط، وزيادة الوعي المالي، وتعزيز الاستثمار في المشروعات ذات الصلة بالبنية التحتية والزراعة. تقدم هذه الدراسة تحليلاً شاملاً لقدرة المصارف الإسلامية في الصومال على تقديم خدمات مصرفية مستدامة وفعالة من خلال الأدوات المالية الإسلامية. بتقييم دور هذه المصارف في تعزيز النمو الاقتصادي والاستقرار. هذا التحليل سيساهم في فهم أعمق لدور المصارف الإسلامية في تعزيز الاستدامة الاقتصادية في الصومال وكيف يمكن تعزيز هذا الدور في المستقبل. تم جمع المواد العلمية من خلال استخدام المنهج النوعي واستخدام أسلوب الاستقراء والتحليل الوصفي لتصنيف المعلومات والوصول إلى نتائج واضحة. تشير نتائج البحث إلى أن هناك تحديات تواجه المصارف في تلبية الطلب المتزايد، ولكن باعتماد سياسات فعالة واستراتيجيات مبتكرة يمكن للمصارف أن تكون قادرة على تحقيق نمو مستدام وتقديم الخدمات المصرفية المبتكرة والتميز في الصومال باستخدام أدوات تمويلية إسلامية. ويمكن تعزيز دور المصارف الإسلامية في تعزيز الاستدامة الاقتصادية في الصومال من خلال تطوير التنظيم وزيادة الوعي وتطوير المنتجات.

الكلمات المفتاحية: التمويل الإسلامي، المصارف الإسلامية، الصومال

معالجة فجوة التمويل من خلال صيغة السّلم - دراسة تحليلية - قطاع التمور في فلسطين كنموذج

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الملخص

تهدف هذه الورقة البحثية إلى تقييم أدوات التمويل الزراعي الإسلامي - السّلم، وتبسيط الضوء على دورها الفعلي في تقليص فجوة التمويل - دراسة تحليلية لفلسطين كنموذج. تتمثل المشكلة الرئيسية للبحث في معرفة مدى مساهمة صيغة السّلم في تقليص فجوة التمويل من خلال البنوك الإسلامية ومؤسسات التمويل الأصغر التي تعمل على تعزيز صيغ التمويل الزراعي الإسلامي. اعتمد الباحث المنهج النوعي بالأسلوب الوصفي - دراسة حالة وتحليل البيانات المتعلقة بفجوة التمويل والمصادر الثانوية. أظهرت الدراسة أن التعامل مع منتج السّلم في المؤسسات المالية الفلسطينية لم يتجاوز 1%، في حين أن التعامل مع المراجعة في البنوك الإسلامية الفلسطينية يبلغ حوالي 73%. من أبرز حدود الدراسة الجغرافية هي أنها طبقت في الضفة الغربية ولم تشمل قطاع غزة بسبب تحديات الاحتلال. شملت عينة الدراسة البنوك الإسلامية ومؤسسات الإقراض، على عكس الدراسات السابقة التي اقتصر على البنوك الإسلامية فقط. وأوصت الدراسة بضرورة تفعيل صيغتي السّلم والسّلم الموازي ليتناسب مع تمويل القطاع الزراعي وتقليص فجوة التمويل. ومن القيم الأصلية للدراسة الحاجة لإجراء أبحاث أخرى في مجال السّلم والسّلم الموازي من خلال التطبيق العملي، حيث ستساهم هذه الدراسة في إثراء الإطار النظري من الجانبين النظري والعملي.

الكلمات المفتاحية: فجوة التمويل، المصارف الإسلامية، التمويل الأصغر، منتجي السّلم والم

في مؤسسات العمل الخيري الكويتي لإدارة الأصول الوقفية (B.O.T) استخدام عقود البناء والتشغيل والتحويل

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الملخص

تعتبر قضية إدارة الأصول الوقفية في مؤسسات العمل الخيري الكويتي من القضايا التي تلقى اهتماماً متزايداً من الباحثين، وعليه فقد اتجهت الكثير من مؤسسات العمل الخيري الكويتي إلى البحث عن أساليب جديدة للاستثمار، لا سيما الاستثمار بصيغة عقود B.O.T. هدف الدراسة: تهدف الدراسة الحالية إلى دراسة التحديات التي قد تواجه تطبيق عقود B.O.T لاستثمار الأصول الوقفية التي تديرها مؤسسات العمل الخيري الكويتي في كل مراحل المشروع (مرحلة اختيار المشروع، مرحلة اختيار شركة الامتياز، مرحلة تنفيذ العقد، ومرحلة استلام المشروع)، ومن ثم اقتراح الحلول المناسبة لتجاوز هذه التحديات. منهج الدراسة: اتبعت هذه الدراسة المنهج النوعي للإجابة على أسئلة البحث وتحقيق أهداف البحث، وتم جمع البيانات عبر المقابلات شبه المنظمة التي أجريت مع تسعة من العاملين في سبعة من مؤسسات العمل الخيري الكويتي التي تدير أصول وقفية، حيث تم اختيارهم بناء على خبرتهم الطويلة وتقلدهم المناصب في هذه المؤسسات، ويشغلون مناصب مثل مدراء عاميين ومدراء تنفيذيين وأعضاء في لجان الأشراف على الأوقاف والاستثمارات. نتائج الدراسة: تظهر نتائج الدراسة أن هناك تحديات تواجه مؤسسات العمل الخيري الكويتي في تطبيق عقود B.O.T ، ومن أبرز التحديات في مرحلة اختيار المشروع؛ تحديات توفير الخبرات لإدارة وتنفيذ عقود B.O.T ، وتحديات توفير الأنظمة والقوانين لإدارة وتنفيذ عقود B.O.T . وفي مرحلة اختيار شركة الامتياز كانت أبرز التحديات تحديات اختيار شركة الامتياز من الناحية الفنية والمالية، وتحديات توفر الخبرات والمؤهلات المناسبة لإدارة واستثمار أصول الوقف حسب عقود B.O.T. وفي مرحلة تنفيذ العقد كانت أهم التحديات، تحديات توفير القدرات على الرقابة والتشغيل، وتحديات توفير القدرات على إدارة وتنفيذ عقود B.O.T. وفي مرحلة استلام المشروع كانت أهم التحديات؛ تحديات إدارة المشروع بعد الاستلام، وتحديات النزاعات مع شركة الامتياز. توصيات الدراسة: وقد أوصت الدراسة بتبني الحلول المقترحة من قبل المشاركين والتي من شأنها تحسين أداء مؤسسات العمل الخيري الكويتي وتجاوز التحديات التي تواجهها في تنفيذ عقود B.O.T ومنها، في مرحلة اختيار المشروع الاستعانة بجهات متخصصة لاختيار المشروع المناسب، والاستعانة بأعضاء لجنة الاستثمار في مجلس الإدارة. في مرحلة اختيار شركة الامتياز الاستعانة بجهات متخصصة لاختيار شركة الامتياز.

الكلمات المفتاحية: الكويت، B.O.T، مؤسسات العمل الخيري الكويتي، الأصول الوقفية، الاستثمار

دور الزكاة في تحقيق التوازن الاجتماعي والاقتصادي بين أبناء مدينة نزوة في سلطنة عمان: دراسة تحليلية

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الملخص

الإسلام دين يجب للخلق كله الفوز بسعادة الدارين، حيث شرع للعباد طرقاً مختلفة للتعاون والترابط من أجل الفوز وشرع التأخي بين أفراد المجتمع الواحد للتماسك والتعاون ودفع الشرور. فرض الزكاة التي هي عنصر وركن أصيل من أركان الإسلام الحنيف الذي يهدف إلى تخفيف شدة الفقر وتحسين الوضع الاقتصادي للأفراد والمجتمع ومن ثم تعزيز الترابط بين أبناء المجتمع الواحد واستتباب الأمن الذي به ينتفع بالموارد الطبيعية والدينية. لقد شرع الله تعالى وأوجب إعطاء الزكاة على القادرين والموسرين لينتفع بها ذوو الحاجة من أفراد المجتمع الواحد. فمدينة لوكو من المدن الكائنة والمكونة لولاية نصرأوا بنيجيريا، وهي مدينة ذات كثافة سكانية والتي تحتضن أناساً مختلفين من حيث الغنى والفقر. وقد لعبت الزكاة ولا تزال تلعب دوراً هاماً بين أهالي مدينة لوكو لتخفيف وطأة الفقر وتحسين الوضع الاقتصادي بين أفرادها عبر برامج مختلفة ومتعلقة بمؤسسة الزكاة في المدينة. فالورقة سوف تعالج الأدوار المهمة التي تلعبها الزكاة بالمدينة في تخفيف حدة الفقر ووطأته على الأفراد وتحسين الوضع الاقتصادي، وكيف أدى ذلك إلى استقرار الأمن في المدينة وبين أفراد مجتمعها، ومن ثم بيان النتائج التي توصلت إليها الورقة. وسيسلك البحث المنهج الاستقرائي للقضايا والبرامج المقامة في المدينة لتخفيف حدة الفقر على السكان والسبل المتبعة لتفعيل البرامج المختلفة لاستتباب الأمن.

الكلمات المفتاحية: الزكاة، الترابط الاجتماعي، استتباب الأمن، مدينة لوكو

مدى إمكانية تطبيق تقنية البلوك تشين في المنتجات المالية الإسلامية

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الملخص

هذه الدراسة بحثت في مدى إمكانية تطبيق تقنية البلوك تشين على منتجات الهندسة المالية الإسلامية في المصارف الإسلامية السعودية، مع التركيز على دراسة حالة مصرف الراجحي. وهدفت إلى دراسة تقييم جدوى وإمكانات تطبيق تقنية البلوك تشين على منتجات الهندسة المالية الإسلامية في المصارف الإسلامية السعودية، كما سعت إلى تحديد التحديات والفوائد المحتملة من هذا التطبيق، حيث تم توضيح ماهية تقنية البلوك تشين وأهم مميزاتهما، والتي تشمل زيادة الشفافية والأمان والكفاءة في إجراء المعاملات المالية، كما تم استعراض الهندسة المالية الإسلامية وأهم منتجاتها المختلفة القائمة على تقنية البلوك تشين. واستخدمت هذه الدراسة المنهج الكيفي التحليلي من خلال جمع البيانات من الكتب والمجلات والدراسات ذات الصلة وتحليل محتوى الوثائق المتعلقة بتقنية البلوك تشين في مصرف الراجحي تحليلاً كفيًا. وتوصلت هذه الدراسة إلى عدة نتائج ان هناك إمكانية استخدام تقنية البلوك تشين في تطوير وتنفيذ منتجات الهندسة المالية الإسلامية في المصارف السعودية، مما يحقق شفافية وأمن المعاملات وتخفيض التكاليف التشغيلية، وحقق مصرف الراجحي نتائج ايجابية عند تطبيق الأساسيات الأولية لتقنية البلوك تشين في بعض منتجاته الإسلامية مثل التمويل العقاري والتحويلات المالية الدولية، وتقليل المخاطر التشغيلية والتحايل والأخطاء البشرية، وخفض التكاليف التشغيلية على المدى الطويل، كما أوصت الدراسة إلى إنشاء فريق عمل متخصص لتطوير وتنفيذ تطبيقات البلوك تشين في المنتجات المالية الإسلامية يضم خبراء في الهندسة المالية الإسلامية وتقنية البلوك تشين والأنظمة المصرفية، والتنسيق مع الجهات التنظيمية والرقابية لضمان التوافق التشريعي والشرعي وإجراء المزيد من الأبحاث حول الجوانب الشرعية والتنظيمية لتطبيق البلوك تشين في مختلف مجالات الأعمال المصرفية.

الكلمات المفتاحية: البلوك تشين، منتجات الهندسة المالية الإسلامية، المصارف الإسلامية، الراجحي

دور الرقابة الشرعية الداخلية في البنوك الإسلامية الفلسطينية: الواقع والتطلعات المستقبلية

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الملخص

هدفت هذه الدراسة الى استعراض الرقابة الشرعية الداخلية في المصارف الإسلامية في فلسطين، من حيث واقعها، ومعيقاتها، وآليات تفعيلها، ولتحقيق ذلك اتبع الباحث المنهج الوصفي التحليلي من خلال وصف الواقع الحالي، وتحليله ومن ثم وضع رؤية للتطوير كما ينبغي أن تكون عليه الرقابة الشرعية الداخلية، من خلال دورها في فحص وتقييم مدى التزام المؤسسة بأحكام الشريعة الإسلامية، والفتاوي، والارشادات والتعليمات الصادرة عن هيئة الرقابة الشرعية للمصرف، والتأكد من استقلالية المراقب الشرعي الداخلي في أدائه لعمله واتقانه المهني والاكاديمي، وتوصلت الدراسة الى عدة نتائج كانت ابرزها ان الرقابة الشرعية الداخلية تعاني من عدم الاستقلال المالي والإداري بشكل كامل، فبعض المصارف اعتبرتها دائرة مستقلة ضمن هيكلها التنظيمي وبعضها اعتبرها وحدة، والاصل في الرقابة الشرعية الداخلية ان تتبع للهيئة الشرعية فنيا واداريا، وتتبع الهيئة للجمعية العمومية مباشرة بشكل متواصل لتمكين الأولى من القيام بواجبها بكل شفافية وموضوعية وحيادية، كما توصلت الى ان الرقابة الشرعية الداخلية تعاني من نقص وندرة في الكوادر البشرية المؤهلة مهنيا وشرعيا قادرة على القيام بوظيفتها بشكل متقن من خلال الاطلاع المستمر والتحسينات المتواصلة والتطورات في مجال عملهم، وأخيرا توصلت الدراسة الى ضرورة تفعيل دور الهيئة العليا للرقابة الشرعية المنشأة بموجب قرار سلطة النقد الفلسطينية والتواصل معها ضمن اطار موحد يجمع كافة هيئات الرقابة الشرعية والمراقبين الشرعيين لتوحيد كثير من الفوارق في الفتاوي والقرارات وتقنين التضارب الصادر عن مختلف هيئات الرقابة الداخلية في المصارف الإسلامية في فلسطين، تمثل هذه الدراسة إضافة نوعية للأدبيات فيما يتعلق بدراسة واقع الرقابة الشرعية الداخلية في فلسطين كما ان نتائج الدراسة ستتيح لمتخذي القرار في فلسطين تقييم وتطوير أداء الرقابة الشرعية الداخلية، وبما أن الدراسة تشمل كافة المصارف الإسلامية في فلسطين لذا ستقدم خدمة حيوية لسلطة النقد الفلسطينية بما ستكشفه من نتائج تتعلق ببعض قراراتها وتعليماتها.

الكلمات المفتاحية: الرقابة الشرعية الداخلية، المصارف الإسلامية في فلسطين، هيئة الرقابة الشرعية، الهيئة العليا للرقابة الشرعية.

احتساب الضريبة من الزكاة

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الملخص





الزكاة هي مقدار من المال يخرج به المسلم في وقت محدد لصالح فئة معينة وفقاً للنية، وهي من أركان الإسلام الخمسة التي تهدف إلى تحقيق العدالة الاجتماعية وتوزيع الثروات بين أفراد المجتمع. أما الضريبة فهي مبلغ مالي تفرضه الدولة إلزامياً على الأفراد سواء كانوا أشخاصاً طبيعيين أو اعتباريين، بهدف تحقيق مصلحة عامة للدولة مثل تحسين الخدمات العامة والبنية التحتية، ويتم تحصيلها دون مقابل مباشر، مع مراعاة القدرة المالية للمكلفين.، وعلى الرغم من تشابه بعض الأهداف بين الزكاة والضريبة مثل تحقيق العدالة الاجتماعية والاقتصادية، إلا أن الاختلافات بينهما تظهر بوضوح في الطبيعة، النية، والتطبيق. فالزكاة هي عبادة دينية مرتبطة بالعقيدة الإسلامية، بينما الضريبة هي واجب قانوني لا علاقة له بالنية الدينية. من جهة أخرى، اقتصرَت الدراسات الفقهية - حسب علم الباحثين - على بحث مسألة جواز احتساب الضريبة من الزكاة في البلدان الإسلامية فقط، دون التطرق إلى حكم هذه المسألة في البلدان غير الإسلامية، حيث يعيش المسلمون كمواطنين أو مقيمين. لهذا كان من الضروري التوسع في البحث لاستكشاف حكم احتساب الضريبة من الزكاة في البلدان غير الإسلامية، باستخدام المنهج الاستقرائي التحليلي. يهدف هذا البحث إلى تسليط الضوء على الجوانب الشرعية والاقتصادية لهذه المسألة، واستعراض آراء الفقهاء واستنباط النتائج التي قد تفيد المسلمين في تلك البلدان في تنظيم أمورهم المالية والشرعية.

الكلمات المفتاحية: الزكاة، الضريبة، البلدان الإسلامية

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