



Halal Financing in the COVID-19 Pandemic: Analysis of Rukhshoh on Halal Transactions

Saheed Abdullahi Busari^a and Habeebullah Zakariyah^b

^aDepartment of Fiqh & Usul Fiqh, IRKHS, International Islamic University Malaysia
^bIIUM Institute of Islamic Banking and Finance, International Islamic University Malaysia.

Abstract

Halal (permissible) covers wājib, mandūb, mubah, and makrūh categories in the rulings of Islamic jurisprudence based on the personal situation of the subject matter. The outbreak of COVID-19 across the globe has triggered the quest for the scope of halal financing and management. Does the pandemic situation is enough justification for allowing financing of some non-permissible activities? This study aims to explore the principles of Rukhshoh in Islamic jurisprudence and its implication on the scope of funding halal transactions amidst the COVID-19 pandemic. This study is mainly qualitative-based research. The study employs a doctrinal approach in exploring the principles of Rukhshoh and Azīmah and their contemporary application to the scope of halal financing in the context of COVID-19. The study identifies the general scope of halal (permissible) within the contexts of wājib, mandūb, mubah, and makrūh. The result further suggests that even though Haram (forbidden) might be granted the Rukhshoh based on specific circumstances, the Islamic jurists differ in giving it the equal status within the halal scope except that there is a waiver of punishment on the Mukhalaf (accountable person). The study out that many people might have violated contractual obligations because of the COVID-19 pandemic. Thus, Islamic financial institutions should apply the Quranic injunction of "If the debtor is in difficulty, grant him time till it is easy for him to repay. But suppose ye remit it by way of charity. In that case, that is best for you if ye only knew" [Al-baqarah: 280] as respite and benevolence on loans to promote financial recovery of Muslim economy in the pandemic. Although there are studies on halal financing, this study is a novel contribution to the contemporary application of the concept of Rukhshoh and Azīmah to halal financing amidst the COVID-19 challenges.

Keywords: Halal financing, Rukhshoh, 'Azīmah, COVID-19

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1.0 Introduction

Halal financing is gaining momentum in the Islamic finance space because of its vastness. Apart from the food, pharmaceutical, and tourism sectors, the covid-19 pandemic has triggered the need to expand halal financing worldwide. The study of Muhamed, Ramli, Aziz, & Yaakub (2014) suggests the need for collaboration between Islamic finance and the Halal industry. Although the Islamic finance and halal industry have similar Islamic objectives and convergent philosophies of holistic and ethical business transactions, there is a need to create an official and administrative link between the industry's sustainable Islamic economic operation. The halal industry and Islamic finance synergy depict an integration between the manufacturing and financial sectors (Mohamed et al., 2014).

Moreover, one of the manufacturing industry's significant challenges is access to adequate financing to acquire machinery, equipment, and materials. Hence, the sister collaboration between these industries will alleviate this challenge while creating a ready-made shariah-compliant market for the Islamic finance industry. There is a need to bridge the gap between the Islamic compliance space by developing a comprehensive and convergent standard of operation between Islamic finance and the halal industry (Muhamed et al., 2014). Despite the significance of creating synergy between the halal and Islamic finance space, the definition of terms influences the halal industry's Islamic financial instrument. It seems the collaboration between halal industry and shariah compliance thresholds of Islamic finance required further clarification. The concept of Halal in (Aḥkām Shari'iyah) Islamic legal provisions covers wājib, mandūb, *mubāḥah*, and *makrūh* in general terms.

In contrast, the shariah-compliant threshold of Islamic finance focuses on halal transactions that are void of non-permissible acts. However, the present halal industry is usually used to represent permissible consumption, especially in the food, pharmaceutical, tourism, and entertainment industries. The clarification in the definition and application between halal and threshold of shariah compliance of Islamic finance will create sustainable and robust Islamic economic recovery in the covid-19

Date of Submission : 30 September 2020
Date of Revision : 12 November 2020
Date of Acceptance : 19 March 2021
Date of Publication: 30 April 2021

pandemic situation across the globe. This study proposed to explore the significance of applying Rukhṣoh scope of financing halal businesses. The study highlights grey discussions on the moratorium and reprieves for business owners and workers in financial challenges during covid 19 lockdowns. The researchers use descriptive to explain the Islamic jurisprudential concepts and the economic difficulties. We also analyze the potential application of Rukhṣoh on halal financing, especially in the moratorium on benevolent loans, Islamic mortgage, and banking financing. The remaining part of the study is discussed in five main sections: the scope of halal transactions, followed by an explanation on 'Azīmah and Rukhṣoh. The next section discusses the application 'Azīmah and Rukhṣoh in halal financing, followed by the study's discussion on the application of Rukhṣoh justification in the moratorium. The study finally highlights the halal industry's findings and recommendations and Islamic finance stakeholders' policymakers.

2.0 Scope of Halal financing

2.1 The Concept of Halal

The halal concept in Islamic jurisprudence is not limited to mubah (neutral permission). Still, it encapsulates some other (Aḥkām Shari'iyah) Islamic legal provisions like wājib (obligation), mandūb (recommendation), and makrūh (reprehension) depending on the circumstances of the subject. Hence, the concept of halal is based on the *Ibāḥah* (Permissibility) of all activities and transactions except those prohibited explicitly with specific shariah evidence. Halal is a flexible concept that permeates around the principles of (Aḥkām Shari'iyah) Islamic legal provisions such as wājib (Obligation), *mandūb* (recommendation), *mubah* (neutral permission), and *makrūh* (reprehension) (Ishak & Ibrahim, 2020; Zuhair, 2011).

Firstly, Wājib, according to jurists, is the compulsory act imposed by the lawgiver upon the responsible person, and its obedience attracts reward while disobedient attracts punishment. Secondly, *mandūb* is a praiseworthy act in which compliance attracts rewards, but inaction does not attract a penalty. Thirdly, Mubah is a permissible act that indicates the action and inaction of the subject without punishment and rewards. Fourthly, *Makrūh* is a dislike that attracts compensation for inaction without penalty. Finally, *Haram* (forbidden) is the opposite of *halal* (permissible). *Haram* is a forbidden act in which obedience to inaction attracts reward, and disobedience attracts punishment (Elgasim et al., 2013; Zuhair, 2011).

Therefore, scholars have identified halal as every other thing except Haram. It seems necessary to highlight the haram financing by deducing the halal. There are classes of non-permissible business in Islamic jurisprudence. (1) *ribā* (interest/usury) based transaction; (2) gambling/gaming; (3) Pornographic entertainment and activities; (6) manufacture or sale of alcohol and tobacco-based products; (7) shares investment and trading in Shariah non-compliant securities; (8) hotels and resorts. However, there is a chain of debates among Islamic jurist whether haram (non-permissible) elements in the situation of *Ḍarūrah* (necessity) can be classified as halal based on the principle of 'Azīmah and *Rukhṣoh* (Arif & Ahmad, 2011).

Aḥkām Shari'iyah (Islamic legal provisions)

There are five primary degrees of approval in Aḥkām Shari'iyah (Islamic legal provisions) based on the circumstances of the responsible person "*Mukallaḥ*" as the subject matter. According to the book of "Usul Al-Fiqh by Zuhair (2011), the five Islamic legal rulings on every issue can either be; *Wājib* (Obligatory), *Mandūb* (recommended), *Mubah* (neutral), *Makrūh* (Dislike), *Haram* (forbidden), *Wājib* (Compulsory act), *Mandūb* (Praiseworthy act), *Mubah* (Permissible), *Makrūh* (Dislike), *Haram* (forbidden).

Firstly, *Wājib* (obligation) is derived from *Ījāb*, which is the assertive and obligatory command of the lawgiver on a responsible person. The observant of this rule attracts rewards while failure attracts punishment. Secondly, *Mandūb* (recommendation) is derived from *nadab*, which is the non-assertive commands of the lawgiver on the responsible person and observant attracts rewards. Still, its failure does not attract punishment, especially if it is not out of pre-determined disobedience or hatred to disapprove Islamic law. Thirdly, *Mubah* (neutral permission): This is a relative command from the lawgiver upon the responsible person to choose between the act to a person or not. Fourthly, *Makrūh* (reprehension): this is an unassertive command that dislikes offensive actions in Islamic jurisprudence. Avoidance of *makrūh* act with the intent of compliance with Shariah attracts rewards.

In contrast, non-observant does not attract punishment simply because it is a non-assertive command. Lastly, *Haram* (Prohibition) is a strong command from the lawgiver, which forbids an action on a responsible person. Obedience to avoid prohibition attracts reward while committing the act is subjected to punishment (Zuhair, 2011).

3.2 Nexus between Halal and Islamic Finance

Firstly, there is a potential philosophical nexus between Islamic finance and the halal industry. In contemporary times, Islamic banking's philosophy can be traced to establishing first-generation Islamic banks in Egypt, Malaysia, and Turkey. The underpinning objectives of establishing Islamic banks. Islamic banks' establishment is generally radiant to the Muslims' socio-economic welfare and the doctrinal responsibility to forbid Haram and promote shariah-compliant financial transactions (Dusuki, 2005). In the same vein, the halal industry aims towards promoting the Muslim economy by presenting Islamic alternative consumable products and services.

Secondly, there is an ethical relationship between Islamic finance and the halal industry. The Islamic banks serve as a significant promoter of interest-free banking in contemporary times. Although the concept of ethical banking has existed in the conventional banking space, Islamic finance has boosted its significance across the globe, especially during the covid-19 pandemic. The concept of *halal* (pure) and *ṭayyiban* (wholesomeness) promotes ethical consumption, green farming, and products and services (Wilson, n.d.).

Similarly, there is a nexus of a Holistic standard of operation between the Islamic finance and halal industry. Today, the shariah scholars remain the Islamic banking and finance activities' gatekeepers to promote holistic financial transactions between the stakeholders. Similarly, the nascent halal industry has begun to identify Shariah-compliant's role to the industry's future (Esendorfer et al., 2016).

3.0 'Azīmah (Regularity) and Rukhṣoh (dispensation)

3.1 The concept of 'Azīmah (regularity) is the determination to intent to perform an act. However, there are debates among scholars about the scope of 'Azīmah whether it is mainly *wājib* or encapsulates *other degrees of approval like mandūb* (recommended) and *mubah* (neutral permission). According to the work of Al-Āmīdī (2003), the principle of 'Azīmah (regularity) is the fundamental Islamic legal rulings. The determining act is Islamic legal rulings that are obligatory on responsible persons (Al-Ghazali, 505H). 'Azīmah is the fundamental basis in the degree of Islamic legislation. An average responsible person is expected to observe the determination to obey the commands to do and to forbid as prescribed in the degrees of Islamic rulings. The robustness of Islamic jurisprudence has identified the intent of the lawgiver on every responsible has the basis of ease and not hardship in religious and general worldly affairs. The lawgiver intends ease and not hardship for the creatures as evident in the Quran's verses (Al-Baqarah: 185).

It is important to note that the lawgiver's higher objective, which intent ease for humanity, especially the responsible persons, permits Rukhṣoh in many circumstances. However, Rukhṣoh is the opposite of 'Azīmah in the principles of Islamic jurisprudence. Even though the responsible person is required in Shariah to observe the fundamental degree of Islamic ruling, an individual's situation based on Rukhṣoh might permit what is forbidden for necessity (Saiti & Abdullah, 2016). The jurist of Islamic jurisprudence has debated the issue of conversion of 'Azīmah (regularity) to Rukhṣoh (dispensation) as a permanent or temporary concept. Scholars have viewed even though in some circumstances, there are shariah licenses that permit forbidden action and vice versa simply because of necessity, the fundamental Islamic principles of 'Azīmah remain the permanent degree of requirement despite the possibility of conversion in the necessary situation (Elgasim et al., 2013).

3.2 The Concept of Rukhṣoh

(Rukhṣoh) Dispensation literarily means; to ease and make comfortable. Rukhṣoh is an exceptional ruling based on excuses. Rukhṣoh *shar'iyah* (Shariah dispensations) are exceptional rules from Allah to alleviate humanity's challenges (Elgasim et al., 2013). Al-baydāwī (685H) defines *Rukhṣoh* (dispensation) as an established ruling with evidence which disagrees with former evidence based on valid excuses. *Rukhṣoh* requires an established ruling, accompanied by substantial evidence that conflicts with the former ruling for ease and benefit to human endeavors. In the general sense, the intent of the lawgiver on Rukhṣoh is to protect the human interest in the affairs of their religion, life, intellect, progeny, and wealth (Al-Baydāwī, 1984).

In the principles of Islamic jurisprudence, Rukhṣoh will be valid with the premises and presence of the former ruling and its evidence. The Shariah licensed/exceptional ruling is based on disagreeing evidence and valid excuse permitted in Shariah. The justification (udhr) in *Rukhṣoh* (dispensation) is the contingent factors that beset a *mukhalaf* (accountable person) to comply with the demands of the Shariah without undergoing excessive harm by making it easy appropriately to perform responsibilities (Al-Āmīdī, 2003). A higher objective of the lawgiver Shariah dispensation is to alleviate the sick person's difficulties, traveler, compelled person, and forgetfulness (Ishak & Ibrahim, 2020). *Imam Qarāfī* (684H) also added that *Rukhṣoh* aims to ease the humanitarian situation in difficulty, necessity, and needs. There are several kinds of *Rukhṣoh* (dispensation) as it relates to (a) al-tjāb (Obligation), (b) An-nadab (recommendation) (c) Al-*mubāḥah* (neutral permission) (Shihāb din Abu Abas Ahmad bin Idris, 2004).

(a) Shariah dispensation as an exceptional ruling about al-tjāb (obligation) which mandate the consumption of dead animal in (al-muḍtarr) compelled or difficult situation based on the evidence from the Quran thus: [And do not throw (yourselves) with your (own) hands into destruction] {al-baqarah: 195}. Couple with another [If one is obliged by necessity to eat it without intending to transgress, or reverting to it, he is not guilty of sin] {al-baqarah: 173}. These two established pieces of evidence disagree with the former verse {Prohibited to you are dead animals.} [Al-Māidah: 3]. This Shariah exemption stems from the shariah intent, which permits protection of life, an excuse to consume dead animals in a compelled situation (Zuhair, 2011). (b) Shariah dispensation is an exceptional ruling concerning *An-nadab* (recommendation) such as the permission for travelers to shorten some of the prayers based on an established evidence from the hadith thus "this is a charity which Allah gave to you (believers), it's encouraging to accept His charity" this hadith disagree with the former evidence thus {And established prayer} [Baqarah: 43]. The Shariah intends to alleviate difficulties for travellers that fulfill the condition to shorten solat appropriately (Zuhair, 2011). (c) Shariah dispensation also depict exceptional ruling in to Al-*mubāḥah* (neutral permission) of *salam* (forward sale) contract which is permitted based on the hadith thus: "Whoever pays in advance the price of a thing to be

delivered later should pay it for a specified measure at specified weight for a specified period" (Al-Bukhari, 1994, no. 2240). On the contrary, this evidence is divergent to another hadith justification thus: *La yajūzu bai ma la tamlīk* [Do not sell what you do not possess] (Abi Dāwūd, 1999, no. 1318). The Shariah license permits *salam* (forward sale) is based on shariah intent and valid excuse of necessity or need of the people. The Salam contract is used today in structuring Islamic financial products such as Salam sales or Salam Sukuk. Salam contract is permitted in Shariah-based on *Maṣlahah* (public interest) in needs and necessities (Sai, 2011).

4.0 Application of Rukhṣoh and 'Azīmah in Halal financing

4.1 Rukhṣoh (Dispensation) in Halal financing

Salam (forward sale) is a Shariah dispensation contract that accepts payment in advance with the differed supply of goods. Moreover, Salam is a delivery contract used to sell the unavailable product based on exceptions because Shariah prohibits sales of things you do not own. Shariah's intent aims to protect the interest of the contractual parties and maintain a fair market relationship (Usmani, 1998). The principle of Rukhsoh permits salam (forward sale) to attract the contractual parties' benefit and prevent difficulties such that the salam contract must be void of any ambiguity, deception from either of the parties and product description-based on the equal interest of the contractual parties. Similarly, the Shariah intent also permits *Istiṣnā'* (manufacturing contract) based on public interest. For instance, the manufacturing company might face difficulties in providing a complete hospital building or entire airport upon immediate payment by the potential buyer. The principle of Rukhsoh that permits consume dead animals in a compelled or difficult situation must observe the conditions and limitation of *Shariah* like the Islamic legal maxim, "necessity must only be answered proportionately" (Ad-Ḍarūrah tuqaddir bi Qadarihā) (Usmani, 1998). The prophet permits financial transaction by barter (*bay' arāyā*) based on the evidence that: "The sale of some ripe dates that are still on the palm tree based on an estimation of the dates on the ground and based on ground measurement" (Aṭīyah Muhammad bin Sālim, 1420H).

The contract of barter in dates is a type of sale that Islam has permitted and in which the owner of an orchard grants someone the fruits of his palm tree as a gift, but then he gets harmed due to his constant entering the orchard, so he purchases the fruit from him. This purchase is not made in cash. Instead, they estimate the cost of dates on the date palm, and he pays him that amount in dates." The prophet PBUH permitted this transaction because of the need of the party to the transaction. Moreover, special permission is based on shared interests between the parties to alleviate the contractual challenges in the sale of barter in dates and palm trees.

Considering the pandemic COVID-19, even though there are still differing opinions among the Islamic jurist on *shartu jazāi* (conditional penalty) in Islamic financial transactions, the AAOIFI popular disallowed it, and the BNM Shariah regulations permitted it with conditions. The position of BNM is basically that *shartu jazāi* is a deterrent measure to protect the Islamic financial industry from violation of *Mumāṭalah* (willful defaulter). However, Islamic finance institutions moratorium on loans and financing is essential because people are losing their jobs, businesses are shut down, and real estate investors are (Bank Negara Malaysia, 2010).

It is worth mentioning that conditional compensation is generally permissible in financial transactions except in repayment on loans. The conditional increment imposed on a contractual party in hired purchase contract due to delay in payment is classified as interest on loans. However, some scholars permitted *shartu jazāi* in *Al-Istiṣnā'* (manufacturing contract) serving as *ta'wīdān* (compensation) against the loss and a *Gharāmah* (penalty) to deterrent from violation of other party's right. Financial transactions recognized the effect of delay on contractual obligation as a potential loss to a contractual and appropriate *ta'wīdān* (compensation) should be acceptable in Islamic financial institutions (Bank Negara Malaysia, 2010).

"From Abi Hurairah that Rasūlullah SAW had said: *Delay by a rich person (in payment of debt) is a tyranny*" (al-Bukhari, 1994).

Islamic financial institutions may apply *Gharāmah* (penalty on late payment) as a deterrent and not with the intent of generating an income. The Proceeds from *Gharāmah* to Islamic financial institutions are channeled to charity (Bank Negara Malaysia, 2010). On the other hand, granting debt forgiveness, no penalty on late payment, rescheduling of debt, and real estate financing are forms of financial moratorium essential during the covid 19 lockdowns. Therefore, financing Halal businesses should be a collaborative effort between the government, corporate institutions, and non-governmental organizations. Policymakers had identified movement control order and lockdown as a global mechanism to mitigate the spread of the covid 19. Giving moratorium on Qard Hassan (benevolence loan), Rahn (Islamic mortgage) real estate financing is an essential global socio-economic sustainability (Hidayat, et al., 2020).

Moratorium on Halal financing Businesses

A moratorium is the period of grace granted for repayment of loans, financing, and other commercial obligations. A moratorium period is a form of financial relief that gives a waiting interval to a borrower or a debtor to repay financial commitment in the later period (World Bank Group, 2020). Nevertheless, conventional banks and government financing agencies now grant moratorium reliefs to loanees as an economic recovery strategy in the COVID 19 pandemic (Basel Committee on Banking Supervision, 2020). Islamic financial institutions should, in a similar vein, observe the concept of *udhr* (concession) as *Rukhṣoh* (dispensation) based on the verse of the Quran. For instance, Bank Negara Malaysia announced a financial moratorium policy

implemented by banks across the nation. The strategic moratorium covers the extension of repayment, relief for distressing business, rescheduling of loans and finances (Bank Negara Malaysia, 2020).

"If the debtor is in a difficulty, grant him time Till it is easy for him to repay. But if ye remit it by way of charity, that is best for you if ye only knew" [Al-Baqarah: 280].

There two Islamic moratorium concept that is highly applicable in the financial recovery from covid 19 pandemics. This verse suggests two moratorium applications in contemporary society, the concept of respite and benevolence on loan and financing. According to the exegeses of Ibn Kathīr, bin Umar, (1997), the financial reprieve in this context was revealed in the Quran to repeal the practice common among Arabs before the emergence of Islam whereby creditors used to impose interest on loans. The verse disapproves when the creditors charge the option to either repay immediately or extend the payment period with additional interest on loan because defaulting debtors due to difficulty during pandemic covid 19 should be granted respite to encourage and promote socio-economic recovery across the nation.

Halal financing is one of the potential safety nets for COVID-19 recovery. The Islamic social finance institutions such as zakat, sadaqah, and waqf can provide rapid and sustainable responses to reduce social health's impact on the economy. For instance, there have been concerted efforts among the IDB member nations' financial institutions, such as payment reprieves for debtors, refinancing, liquidity support, capital requirement rebates, and customer reserve requirement reductions. (Islamic Development Bank Group, 2020). Through its social finance safety net, Islamic financial institutions can apply the concept of Rukhshoh in Shariah to offer financing & refinancing facility, provide salary assistance to avoid layoff staff, financing moratorium, and debt restructuring. Promote digital payments and e-customer services. Islamic financial institutions can also improve socio-economic conditions by providing lending supports to the private sector, a moratorium on financing, and relief packages for household businesses (Hidayat et al., 2020). Records have shown that several Islamic social finance institutions contributions towards financing relief packages for the vulnerable 40 communities, especially in Muslim countries. Islamic banks can collaborate with international and local NGOs to enhance campaign for financing covid-19 emergency responses such as accommodation provision for the homeless people, distribution of face masks, soap and hand sanitizer, and other necessary medical and social response reliefs (Rehman, 2020).

Shariah promotes cooperation and sustainable partnership among individuals and institutions in society both in a normal situation and in conditions like the covid19 pandemic. Islamic law has legislated the most sustainable and applicable mechanisms for alleviating individuals and corporations' financial difficulties, especially during a pandemic and other natural disasters. However, decision makers and financial institutions must encourage Islamic instruments of easing the people's economic challenges to discourage theft, looting, and other criminal acts. Several Islamic social financing relief mechanisms are applicable during the covid 19 pandemics. Qard Hassan (benevolent loan), Rahn (Islamic Mortgage), and Hibah (gift) are standard mechanisms in Islamic social finance for alleviating poverty and immediate needs (Noordali, 2016).

Who will lend to Allah a good loan which Allah will multiply many times over? It is Allah 'alone' who decreases and increases 'wealth'. And to Him you will 'all' be returned. [Al-Baqarah:245].

"If you were to sell fruits to your brother) and these is a stricken with Calamity, it is not permissible for you to get anything from him. Why do you get the wealth of your brother, without justification? (Sahih Muslim, no. 1556/4057). An-Nawawi 676 D.

Explicate two implications on the application of calamity on farm produce for sale. First, the specific interpretation shows that the buyer should be considered not to bear the loss of calamity on crop purchased. Secondly, the general application that once the buyer has taken possession of the produce, every responsibility is transferred to the buyer (An-Nawawi, 1930). *"The crop purchased by a man got infected by natural calamity and his debt increase, so the prophet PBUH said: everyone should donate as charity to him until the donation cannot repay the debt and Prophet said to the creditor: take whatever that is available and no other repayment"* (Sahih Muslim no. 2900).

On the other vein, there are challenges in benevolent loans when the borrower does not respect the right and agreement of repayment at the right. The prophet PBUH warned the believers from taking advantage of others, especially in benevolent loans. However, debtors genuinely require debt reorganization to grant them rehabilitation from the distressing situation during the covid 19 lockdowns. The moratorium also has challenges of compliances between the contractual parts. Willful defaulters with the financial capacity to pay debt obligations but choose not to are unfair to the financial system (World Bank Group, 2020). The sunnah also rules on the act of willful defaulter thus: *Layyu Al-Wājidi Yuḥillu 'Irdahu wa 'Uqūbatahu* (Dāwūd, 2009, no. 3628) The Prophet (ﷺ) said: Delay in payment on the part of one who possesses means makes it lawful to dishonor and punish him". Abādī, (2002) explains in his work "*'Ainu Al-Ma'būd 'alā sunani Abi Dawūd*" that Shariah discourages an act of willful default in a financial transaction. Financial authority can compel individuals, corporate, and organizations that evidence shows can pay for debt, repayment on benevolent loans, and real estate financing.

5.0 Conclusion

The study found that within the context of an actual permissible act such as *wājib*, *mandūb*, *mubah*, and *makrūh*, there is the possibility of elasticity to encapsulate the Haram (forbidden actions) due to necessity using the principle of Rukhshoh in Islamic jurisprudence. The study suggests that the concept of *Ḍarūrah* (essential) is a fundamental Islamic threshold useful in determining the application of Rukhshoh temporary permission in Islamic jurisprudence.

The study shows that the present covid 19 pandemics has exposed the importance of the principle of *Rukhshoh* to the survival of Islamic finance, economy, and halal industry.

This study also suggests that despite the global financial moratorium by the central banks and international financial institutions like world bank, Basel committee on financial supervision, Islamic financial institutions should be more engaging in applying financial moratorium for halal industries to promote muslims economy. An average SME business that is Shariah-compliant is within the halal industry's realms and qualifies for halal financing considerations. The majority of the B 40 categories in Malaysia are Muslims, and the moratorium for SME financing will alleviate the challenges of financial inclusion among Muslims.

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