



Developing Sukuk Parameters from Maqasid Al-Shari'ah of Wealth: Contextualising from The Perspective of Selected Contemporary Islamic Scholars

Melzattia Shinta^a, R. B. Radin Firdaus^{b*}, Sorna Umme Saima^b, Andrew Ebekozien^c

^a *Fakultas Ekonomi dan Bisnis, Universitas Mercu Buana, Jakarta, Indonesia*

^b *School of Social Sciences, Universiti Sains Malaysia, Pulau Pinang, Malaysia*

^c *Department of Quantity Surveying, Auchi Polytechnic, Auchi, Nigeria*

*Corresponding author: radin@usm.my

Abstract


Sukuk is an emerging instrument that matches savers and investors in the capital market. Over the years, Sukuk operations in the capital market worldwide have been subject to criticism because of their impotence to fully adopt Shari'ah principles. Establishing a Sukuk parameter could be the key to aligning Sukuk with Shari'ah principles, where the Maqasid al-Shari'ah of wealth could serve as a basis for developing the parameter. As such, this study identifies the wealth perspectives of Maqasid al-Shari'ah and contextualises the dimension of wealth according to Maqasid al-Shari'ah based on the perspective of renowned contemporary Islamic scholars. Using Maqasid al-Shari'ah of wealth as an underpinning framework, this study proposes a baseline for the Sukuk parameter. The finding suggests that the Sukuk parameters must be formulated based on the Maqasid al-Shari'ah of wealth (adequate level as an ideal level in wealth ownership). Apart from Maqasid al-Shari'ah of wealth ownership, the parameter encompasses Maqasid al-Shari'ah of wealth acquisition and Maqasid al-Shari'ah of wealth circulation/development. As part of the implications, the proposed parameters would provide a baseline for establishing the Sukuk parameter. This study implies that contextualising Sukuk and its issuance using the Maqasid al-Shari'ah approach would enable Sukuk to achieve its ultimate objective of promoting Maslahah (well-being).

Keywords: Maqasid al-Shari'ah, Sukuk, Parameters, Wealth, Well-being

© IIUM Press

1. Introduction

The financial industry supports the growth and development of the real industry. The functions of the financial industry include providing payment services, matching savers and investors, generating and distributing information, efficiently allocating credit, pricing, pooling, trading risks, and increasing asset liquidity (Todaro and Smith, 2020). These functions are essential at the micro and macro levels and can be performed using various financial instruments, such as mutual funds, leasing, factoring, and Sukuk. Sukuk is one of the emerging instruments in the financial industry and matches investors and savers in the capital market. However, Sukuk operations on the capital market worldwide are subject to criticism due to their failure to fully adopt Shari'ah principles (Abdelrahman, 2019; Mohamed Naim et al., 2013). Several studies recommended that Maqasid al-Shari'ah (the objectives of Shari'ah) can be used as a basis for the adoption and application of the Shari'ah principles comprehensively (Ahmad and Hanapi, 2018; Rosly, 2010; Siddiqi et al., 2019). Sukuk is one of the innovations in Islamic financial products. Islamic scholars suggest that combining Shari'ah principles with Maqasid al-Shari'ah could be part of the innovation process. This is because Shari'ah principles have always been embedded with a dual role, i.e., social control and social engineering (Mufid, 2014).

© IIUM Press 

Article history

Received: 21/9/2023

Accepted: 19/12/2023

From 2001 to 2022, Malaysia was the largest Sukuk issuing country, with a total disbursement of USD 877.4 billion and contributing 54.46% of the world Sukuk issuance, followed by Saudi Arabia (13.45%) and Indonesia (9.2%) (IIFM, 2022). Despite the increase in the number of Sukuk issued, several countries, particularly Indonesia, are currently facing several issues that would limit the role of Sukuk in achieving its full potential.

Sukuk in Indonesia, for instance, offer a fixed price equivalent to the nominal value for the Sukuk repurchase. This practice contradicts Shari'ah principles, which permit asset repurchase based on net asset value, market value, fair value, or the price agreed upon at the time of the actual purchase (CIMB Niaga, 2018). Sukuk represents proof of ownership of an asset or part of asset, along with the associated benefits. Shari'ah principles forbid the sale and lease back of an asset at a future date at a predetermined price, as it is deemed unjust and involves an element of unjustly consuming someone else's property (one party may suffer harm because the price does not align with the asset's condition at the time of the future sale).

Sukuk coupons in Indonesia are based on a conventional banking rate or a financial instrument rate for its benchmarking and have a financial default risk such as bonds (Endri, 2009; Mahomed et al., 2018). As a result, the Sukuk structure has been subject to heavy criticism from many scholars. This practice is against Islamic principles, where the underlying assets of Sukuk should be equivalent to legal ownership and shareholders, by which assets can be redeemed by investors should Sukuk issuers file for bankruptcy (Mohamed Naim et al., 2013). However, Sukuk issuances are still governed by dual law, common law, and Shari'ah principles (Hidayat, 2013).

This study opines that obedience to Shari'ah alone is not enough; still, it is necessary to harmonise the Shari'ah principles with Maqasid al-Shari'ah. The issuance of Sukuk is currently undertaken to meet the funding needs of companies, with an expectation of attracting investors interested in Shari'ah-based investment instruments. Nevertheless, there is still a misuse of Sukuk funds by issuing companies, where they are not optimised for the benefit of the wider community but, for instance, solely for refinancing maturing debts. These problems are the most critical current and future challenges facing Sukuk issuers and holders, especially in promoting Maqasid al-Shari'ah (Dusuki, 2010). Therefore, revisiting Islamic financial practices to uphold Islam and Maqasid al-Shari'ah is crucial in the case of Sukuk, where its development is vital for economic and social development (Yazid et al., 2015).

Therefore, the study aims to develop the Maqasid al-Shari'ah parameters for the Sukuk structure. The new parameters are required to allow Sukuk to fulfil its potential as an Islamic financial instrument, an investment and funding tool under Shari'ah, and, most importantly, to improve social well-being. There are a limited number of studies that focus on the Sukuk structure and contextualise it using the Maqasid al-Shari'ah approach. There is still no Maqasid al-Shari'ah-based parameter available for Sukuk that could be used as an underlying guidance for a practical application. Therefore, this study also attempts to develop a new parameter that would allow Sukuk to be used as an Islamic financial instrument to promote and improve social well-being and development.

2. Overview of the Development of Maqasid al-Shari'ah

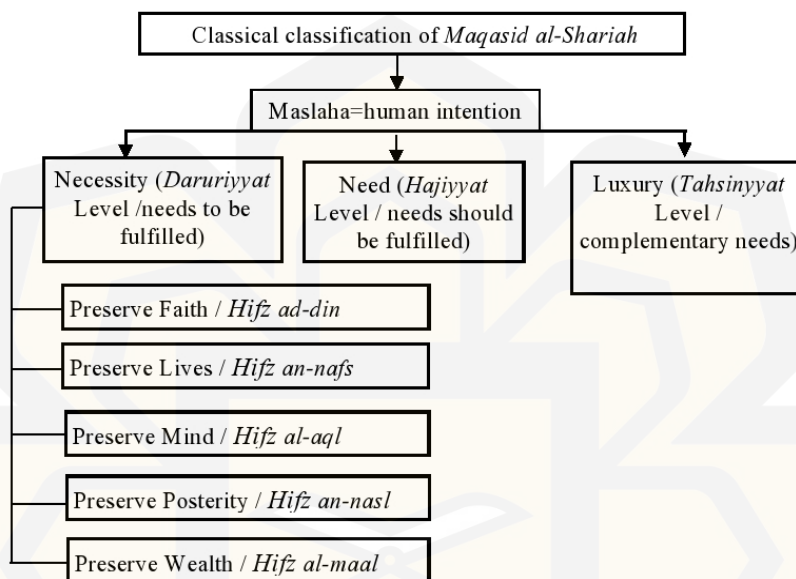
Sahroni and Karim (2017) organised the development phases of Maqasid al-Shari'ah's thoughts into two periods, the first period was when the Islamic scholars (Ulama) employed Maqasid in all types of law, and the second period was when scholars detailed the theory of Maqasid. Nizar divides Maqasid al-Shari'ah into three periods: the implicit, explicit, and contemporary periods (Nizar, 2016). Auda classified the theory of Maqasid al-Shari'ah based on the classical Maqasid al-Shari'ah and the contemporary Maqasid al-Shari'ah (Auda, 2008). In general, the discussion of Maqasid al-Shari'ah in the literature is mainly related to Ijtihad (methods) in Ushul Fiqh (the foundation of Islamic law or Shari'ah law).

Figure 1 shows the classical classification of Maqasid al-Shari'ah, in which higher levels of human well-being could be achieved when certain social and economic conditions are reached. The goal of the Islamic economic system not only focuses on materials but also emphasises human happiness (Falah) and good life (Hayatan Thayyibah), in which the aspects of brotherhood (Ukhuwah), socioeconomic justice, and the fulfilment of the spiritual needs of humankind play a central role.

Islam's commitment to brotherhood and justice has been the main thrust that formulates the concept of welfare for all human beings. As such, Islam does not allow resources to be used for activities that are morally prohibited and harmful to other creatures; therefore, welfare is another important goal of Islamic development

approaches that matters for any social and economic activities; other important objectives in Islamic economics and development (Beik and Arsyianti, 2015) are divinity, ethics, the humanities, and middle attitudes; the preservation of wealth is one of the principal objectives of Shari'ah. Sahroni and Karim (2017) have detailed the application of general Maqasid (Maqasid 'Ammah) for business transactions, which also appears to be indispensable in the context of wealth preservation; according to them, the general purpose of a Shari'ah principle in any business activity is to perform Muamalah transactions following Shari'ah principles.

Figure 1: Classical classification of Maqasid al-Shari'ah



Sources: (Auda, 2015; Sahroni and Karim, 2017)

3. Research Methodology

We adopted a qualitative document analysis method to systematically review written documents to extract meaningful findings (Creswell and Creswell, 2022). This methodology works well for analysing written materials, such as texts, books, and other sources that offer significant theoretical knowledge. Therefore, in this method, we analysed documents to obtain themes/parameters within the scope of Maqasid al-Shari'ah of wealth from the perspectives of Islamic scholars, namely, Ashur (2006)¹, Qaradawi (2010)², and Auda (2008)³. The methodology of this study was structured according to the following steps.

Selection of Reading Material: Three important books were selected and analysed in this study. The books that mainly focus on Maqasid al-Shari'ah of wealth are Treatise on Maqasid al-Shari'ah by Ashur (2006); Maqasid Asy-Syariah Al-Muta'alliqah Bi Al-Maal by Qaradawi (2010); and Maqasid al-Shari'ah as Philosophy of Islamic Law A Systems Approach by Auda (2008). The selection of these books was based on their established reputation, academic rigour, and focus on the Maqasid al-Shari'ah of wealth. These materials were analysed using the content analysis technique to identify critical elements in the development of Maqasid al-Shari'ah parameters for the structure of Sukuk.

Data Collection: We conducted a meticulous examination of each book to establish a comprehensive understanding of the views of scholars on the Maqasid al-Shari'ah of wealth. We identified and extracted book

¹ Muhammad Al Tahir Ibn Ashur wrote a book titled 'Treatise on Maqasid Al-Shari'ah', recognising the independence of Maqasid al-Shari'ah as a separate discipline from Ushul Fiqh framework.

² Yusuf Qaradawi provides a comprehensive and contemporary perspective on the Maqasid al-Shari'ah of wealth, and his theory takes into account the modern environment.

³ In his book 'Maqasid Al-Shari'ah as Philosophy of Islamic Law', Auda formulates a modern Fiqh concept based on Maqasid al-Shari'ah. In this concept, Maqasid al-Shari'ah serves as a principle that offers answers to questions about Islamic law, encompassing the wisdom behind various rulings.

sections that were relevant to the Maqasid al-Shari'ah principles related to wealth. We analysed the contents of each book with a specific focus on the authors' viewpoints, arguments, and theories relating to Maqasid al-Shari'ah parameters for the structure of Sukuk.

Categorisation: We conducted a comprehensive document analysis of the three important books to categorise wealth and the development of the Maqasid al-Shari'ah parameters. The key concepts and arguments from the books have been carefully collected and categorised based on their relevance to developing a new parameter. This process has been useful for effectively organising data and identifying key themes and findings. We analysed the three chosen literature to develop a framework for the Maqasid al-Shari'ah of wealth, dividing it into three themes: preserving wealth (Hifz al-Maal), socioeconomic status in wealth ownership, and wealth dimensions.

Data Analysis, Synthesis and Interpretation: The analysis was geared towards the importance of contextualising and analysing Sukuk, through the perspective of Maqasid al-Shari'ah in order to promote social well-being and sustainable development. The analysis of wealth perspectives and the development of Maqasid al-Shari'ah wealth parameters were deduced from three important sources of Maqasid al-Shari'ah. The thoughts, concepts, and framework of these books were used to guide the analysis and narrative discussion, as well as to identify the perspectives of wealth from Maqasid al-Shari'ah; contextualise the dimension of wealth according to Maqasid al-Shari'ah and; propose a baseline for the Sukuk parameter using Maqasid al-Shari'ah of wealth as an underpinning framework. We analysed their perspectives, identifying both similarities and differences and subsequently established appropriate parameters based on their findings. The synthesised texts underscored the importance of Maqasid al-Shari'ah in directing the perspectives, dimensions, and parameters of wealth. In addition, our findings contribute to a better understanding of Maqasid al-Shari'ah as a framework for shaping Islamic financial systems, particularly wealth and its use.

4. Results and Discussion

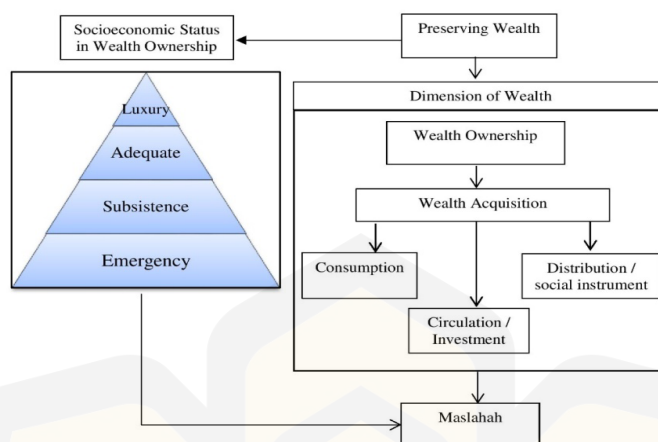
As mentioned in the preceding chapter, the discussion in this section is based on three Maqasid al-Shari'ah books written by Ashur (2006), Treatise on Maqasid Al-Shari'ah; Qaradawi (2010), Maqasid Asy-Syariah Al-Muta'alliqah Bi Al-Maal; and Auda (2008), Maqasid al-Shari'ah as Philosophy of Islamic Law. The three scholars do not differentiate between the five elements of Maqasid al-Shari'ah by assigning specific rankings; instead, they explore how the concept of Maqasid al-Shari'ah can yield benefits during the implementation stage.

4.1. Maqasid al-Shari'ah of wealth: Setting up the perspectives

A feasible way to identify Maqasid al-Shari'ah of wealth and its perspectives is to understand and describe it from a multidimensional perspective. These perspectives include the level of necessity, the scope of rules, the scope of people, and the degree of universality. Auda recommends these perspectives for the general Maqasid al-Shari'ah, and this study used these perspectives to understand the Maqasid al-Shari'ah of wealth and determine its parameters. Auda's perspective has allowed this study to deconstruct and revisit classical views and thus understand the position and purpose of wealth (wealth ownership).

Auda provides ways to understand Maqasid al-Shari'ah in general, and Ashur and Qaradawi, on the other hand, provide underlying principles for wealth. Based on the wealth principles described by Ashur and Qaradawi, this study categorises perspectives of Maqasid al-Shari'ah utilises Auda's framework, into three: i) Preservation of wealth (Hifz al-Maal); ii) Socioeconomic status in wealth ownership, and; iii) Wealth dimensions. The classification of Maqasid al-Shari'ah of wealth is summarised in Figure 2.

Figure 2: The relationship between socioeconomic status and Maqasid al Shari'ah of wealth in achieving Maslahah



Adopted from (Ashur, 2006; Auda, 2008; Qaradawi, 2010)

4.1.1. Preservation of wealth

As depicted in Figure 2, this study found that the preservation of wealth (Hifz al-Maal) is an underlying principle of Maqasid al-Shari'ah of wealth and the closest and most relevant principle of Maqasid al-Shari'ah for Sukuk. This is because wealth and economy cannot be separated from faith and divinity.⁴ Allah ((SWT) reminds humanity of His flawless strength and authority to motivate them to obey and follow His Shari'ah law, as well as the assurance that whatever Allah wills, Allah will. Thus, the emergence of welfare because of the existence of wealth cannot be separated from the provision of Allah (SWT). Referring to these verses, the existence and preservation of wealth are intended not only for worldly matters, but also hereafter. As such, activities related to wealth creation, such as production, consumption, circulation, and distribution, involve faith and morals.

Therefore, the parameters of Maqasid al-Shari'ah Sukuk must be established based on the scope of wealth preservation. Furthermore, the al-Quran defines wealth as a breadth of sustenance and sufficiency over deficiency, which Allah (SWT) gives for his servants to be grateful Allah is the All-Powerful God, the Greatest, who possesses power, created the heavens and the earth, and sustains and favours His creatures. According to Ashur (2006) and Qaradawi (2010), a human must consider that wealth and fortune belong to Allah, which Allah entrusts to humans to manage. The purpose of wealth is to prosper humans and the environment in which they live. In the Islamic view, wealth also reflects an important status or characteristic, namely psychological virtue, and moral excellence. Referring to this argument, this study confirms that preserving wealth is an important means of achieving Maqasid al-Shari'ah either individually, among society or with the state.

4.1.2 Socioeconomic status in wealth ownership

Using wealth according to the purpose could facilitate the achievement of Maqasid al-Shari'ah. When Maqasid al-Shari'ah has been achieved, the Maslahah will be realised in the form of, the welfare of individuals, society, and the state. Furthermore, Maslahah can be achieved with individual hard work and effort. Ashur (2006) and Qaradawi (2010) emphasise that the wealth needed by humans has been provided by Allah (SWT) clearly in nature. In Sunatullah⁵, humans are expected to work for prosperity. Humans must work either because they are forced or because they want to fulfil their needs. Even the ruler (Wali al-Amr) should force those who are not working (unemployed) to work to support their family⁶. Therefore, humans can obtain wealth by working,

⁴ Surah At-Talaq 65:12; Surah Az-Zariyat 51: 56-58.

⁵ Allah's way or decree.

⁶ The fulfilment of basic needs and the endeavour to enhance the well-being of human life is an individual's responsibility, as outlined in Surah Al Mulk verse 15 and Al Jumuaah verse 10, where Allah SWT emphasises the obligation to work. If an individual, who is obligated to work, actively seeks employment but is unable to secure a job despite being capable, it becomes the responsibility of the state to facilitate employment or provide various resources to enable the individual to earn a living. This underscores the role of the state in ensuring the well-being of its citizens.

either for themselves or for others. For instance, farmers cultivate the land to produce food. Food requires arable land with fertile soil and water resources which are wealth provided by Allah (SWT) in nature. A Quranic saying, in this regard, in Surah Yasin:

“A token unto them is the dead earth. We revive it, and We bring forth from it grain so that they eat thereof. And We have placed therein gardens of the date palm and grapes, and We have caused springs of water to gush forth therein, that they may eat of the fruit thereof, and their hands made it not. Will they not, then, give thanks?”⁷

4.1.3 Wealth dimensions

A relationship was formed between socioeconomic status and Maqasid al-Shari’ah that preserves wealth (Hifz al-Maal) to promote Maslahah based on the views of [Ashur \(2006\)](#) and [Qaradawi \(2010\)](#), as depicted in Figure 2. Wealth can be classified into five dimensions: the dimension of wealth ownership (value, status, and faith in wealth), the dimension of wealth acquisition, the dimension of wealth consumption/expenditure, the dimension of wealth circulation/development, and the dimension of wealth distribution. Ownership of wealth through acquisition, circulation/development, and distribution, as well as how wealth is consumed, would allow humans of all socioeconomic statuses to achieve Maslahah (welfare). However, to achieve Maslahah, wealth utilisation must follow the Maqasid al-Shari’ah principles.

Wealth can be owned and used by humans of all socioeconomic status. However, based on economic capacity and capability, usually wealthy people (either at the luxury or adequate level), can distribute wealth or develop wealth through investment/circulation. Wealth distribution is a social scheme in which assets are distributed through Zakat and alms (Sadaqah) or grants (Hibah). Meanwhile, wealth development is an investment scheme in which wealth is invested in productive businesses for wealth accumulation. Wealth circulation allows wealth to be distributed from those at the luxury and adequate levels to those at the emergency and subsistence levels. The adequate level is the ideal level recommended by Islam for humans, which also explains the ideal concepts and approach of the Maqasid al-Shari’ah of wealth. [Ashur \(2006\)](#) asserts that the adequate level is the most important principle in wealth ownership, namely exclusive ownership. This is because civilised human beings will tend to fulfil basic needs to survive and thrive. Adapted from [Qaradawi's \(2010\)](#) thinking, the following are the criteria for the adequate level as presented in Table 1. Sukuk has a role to play, covering individuals, communities, and the state level. According to Auda, such a broader coverage would be made possible by adopting Maqasid al-Shari’ah.

Table 1: The role of sukuk in fulfilling criteria of the adequate level

Criteria	Role of Sukuk
1. Nutritious food	Humans require sufficient nutritious food so that the body remains strong in fulfilling obligations to Allah (SWT), carrying out the Sunnah of Prophet Muhammad (PBUH), and obligations to himself, his family and society. Developing food industries can be funded by Sukuk, for example, by promoting the expansion and revitalisation of rice fields (Ministry of Finance, 2021)
2. Clean water	Humans must have clean water to drink and cook, keep their bodies clean according to Islamic customs, and purify to eliminate large and small Hadats ⁸ . Sukuk can also finance the provision of clean water at an affordable price and improve the service of raw water for domestic consumption, and social and economic productivity (Mat Rahim and Mohamad, 2018).
3. Moderate clothing that covers the Aurah	Humans must be provided with modest clothing to protect themselves from heat and cold, as well as to represent a good representation of Islamic teachings. Through Sukuk, the fund is expected to be used to support clothing industries such as the yarn industry, the spinning industry, the garment industry and other related industries. To date, this study has only found bonds that finance the textile and garment industry,

⁷ Surah Yasin 36: 33-35.

⁸ Conditions that are deemed unholy and impede a person's ability to engage in legitimate worship.

	and Sot sukuk.
4. A decent place to stay	Humans need a decent place to stay for several reasons, among others, to prevent natural hazards such as rain, sun, storms, and others; to be independent and have a right to privacy so that Aurah ⁹ can be protected; 3) to have a sufficient area; 4) to enjoy a calm/serene, comfortable, and pleasant environment. The Sukuk funds will help housing developers build adequate places to live according to Maqasid al-Shari'ah, which can be accessed by all levels of society (Ministry of Finance, 2021).
5. Access to education	The provision of education is an obligation in Islam. Studying Islam, for instance, can improve and align one's faith and behaviour according to Shari'ah. According to Prophet Muhammad (PBUH) "When a person dies, his deeds end except for three: recurring charity, beneficial knowledge, or a righteous child who prays for him" (Sahih Muslim 1631). Through Sukuk, funds can be made available to develop educational facilities and infrastructure for society at large; for example, Sukuk in Nigeria was used for school facilities (Oladunjoye, 2014).
6. Access to health services	The search for a cure for a disease is mandatory in Islam. According to Ashur (2006), health care is the obligation of the authorities and those responsible for the interests of their people to pay special attention to public health. Sukuk can provide funds that can be used to develop health facilities and infrastructure, as well as industries related to healthcare (Badeeu et al., 2019).

4.2. Dimensions of wealth according to Maqasid al-Shari'ah

According to Shari'ah, every person has the right to maintain and grow wealth. As wealth accumulates and expands, it should be protected by rules that are formed to protect the wealth of individuals, societies, and states. Wealth owned by individuals must not only benefit its owner but also be shared with others, particularly the needy. This is because the benefits of wealth are not only limited to direct beneficiaries, as asserted by Maqasid al-Shari'ah of wealth. Ashur (2006) and Qaradawi (2010) opine that the five dimensions of wealth have their own Maqasid al-Shari'ah. This includes the following:

4.2.1. Wealth ownership

Qaradawi (2010) concludes that the purpose of wealth ownership as recommended in Islam is to achieve welfare. According to Maqasid al-Shari'ah, the purpose of wealth ownership can be classified into five (see Table 2). First, strengthen the faith of a Muslim. Beginning with the belief in the existence of Allah (SWT), who created and governs the universe and all its contents, humans should also believe that Allah (SWT) ensures the availability of things necessary for human survival in the world, including wealth. According to Islam, Allah (SWT) owns all wealth. Then Allah (SWT) establishes mankind as rulers over this wealth, empowering them to profit from them, administer, and grow them. Humans as economic agents are confined to 'Mustakhlif' (trustees), holders of God's trust because the treasure was previously not their own and suddenly became so. Because Allah (SWT) bestows authority and power, it becomes important for humans to manage and exercise them in line with Allah's precepts, as an act of submission to Allah (SWT).¹⁰

Second, it strengthens human life. Wealth is a trust as Allah (SWT) said in the al-Quran. Allah (SWT) establishes wealth for humans as the primary source of livelihood to ensure human needs and for the benefit of religions. The importance of wealth in human life is such that Allah (SWT) forbids Muslims from allowing those who are not mentally perfect to control and use assets. In Islam, people whose minds are not perfect (weak) are subject to Hajr (restrictions on the use of wealth). These restrictions are also imposed on small children who are unable to manage assets prudently, on people who have lost their minds, and on people who are Muflis (bankrupt).

Assets may also not be immediately transferred to those impacted by these limits, to prevent them from wasting assets, but rather their guardians arrange for their distribution according to their needs. If the guardian believes that they are eligible to preserve wealth, then the property may be transferred to them. Failure to manage and utilise assets effectively can result in running out of assets, depriving the owner of life and making

⁹ The private parts of the body, for both men and women, must be covered with clothing according to Shari'ah provision.

¹⁰ Surah Al-Hadid 57:7; Surah Al-Anfal 8:28; Surah At-Talaq 65:12; Surah At-Taubah 9:103; Surah Al Imran 3:186.

him a burden on the surrounding community. There are many prophets to whom Allah (SWT) gave wealth and power. Prophet Yusuf AS was given by Allah the land of Egypt and the power to occupy it according to his wishes. The al-Quran states that wealth is neither destruction nor something bad for humans, since religious and philosophical scholars guard their honour against bad things. Allah (SWT) glorifies wealth as He said: “*And spend in the cause of God, and do not throw yourself with your own hands into ruin and be charitable. God loves the charitable*”.¹¹

Using wealth, society, and even a nation or state, can develop a sophisticated civilisation. With the assistance of enormous wealth, citizen education can be ensured, research can be conducted, and numerous physical facilities and infrastructure, including weaponry and national defence, can be developed. However, because wealth is negligent in nature, humans can become preoccupied with wealth and family matters alone, content with accumulating wealth and luxury, stingy, fearful of poverty, and afraid to spend their wealth in the way of Allah, leading them to abandon fighting in the way of Allah (SWT) and becoming weak. Storing and hoarding wealth results in the loss of wealth's benefits, denying the owner of the wealth both profit in this world and recompense in the afterlife. Table 2 summarises the parameters of each Maqasid al-Shari'ah of wealth of all dimensions except wealth distribution, with 20 parameters of Maqasid al-Shari'ah of wealth identified.

4.2.2. Wealth acquisition

Wealth can be obtained through several ways, either from working and earning wages, from one's wealth that is developed/circulated through business or investment, as well as from other people's wealth which is distributed to someone in the form of Zakat/alms, grants, or inheritances. Shari'ah's provisions regarding wealth acquisition are that humans acquire wealth in a decent way and the realisation of Maslahah (welfare). Referring to the views of [Qaradawi \(2010\)](#) and [Ashur \(2006\)](#), it can be outlined that Maqasid al-Shari'ah from the acquisition of wealth consists of four purposes (see Table 2 for the summary).

Humans work and walk on the back of the Earth to acquire wealth, not to laze around and to eat from good sustenance. As a favour for His creatures (especially humans), Allah (SWT) created the planet so that humanity could live on and explore its plains, mountains, and seas. Allah (SWT) designed it so that it would stand firm. Allah (SWT) commands His servants to walk or travel all over the world, even in remote areas, to do various jobs and various trades. Humans are encouraged to rule the earth, unveil its secrets, and consume the sustenance provided by Allah (SWT) in the form of plants, animals, water, and various other earthly treasures, specifically from what Allah (SWT) has declared permissible for humans.

4.2.3. Wealth expenditure/consumption

Consumption of wealth in Islam is an obligatory means for Muslims to help them worship Allah (SWT) and fulfil the purpose of their creation. As Allah (SWT) said in the Quran, “*I did not create the jinn and the humans except to worship Me*”.¹² From the discussion in the previous section (Dimension of Wealth Acquisition), it can be emphasised that the Maqasid al-Shari'ah of wealth consumption consists of two purposes. First, humans fulfil their main obligation by worshipping Allah (SWT). Allah (SWT) created humans from nothing, and fulfils their needs with good and abundant sustenance, so that this earth becomes a comfortable place for humans, and the sky for the earth is like a roof for a house. Humans are urged to accept the fact that Allah (SWT) has provided abundant resources on earth for this.

4.2.4. Wealth circulation/development

Wealth may be owned and kept but must adhere to Shari'ah provisions so that ownership of wealth does not fall into things that are prohibited. Ashur is of the view that what strengthens Maqasid al-Shari'ah of wealth circulation/development is upholding justice in the circulation of wealth into the hands of as many people as possible. Maqasid al-Shari'ah of wealth circulation/development is very important in financial activities, so it must be supported by a strong administration, recording, and reporting system for the transfer of wealth from one person to another. From the thoughts of Qaradawi, it can be emphasised that Maqasid al-Shari'ah from the circulation/development of wealth consists of four purposes (see Table 2).

¹¹ Surah Al-Baqarah 2:195.

¹² Surah Adh Dhariyat 51: 56

We must maintain a fair distribution of wealth in the hands of as many people as possible. The distribution of wealth is regulated in Islamic law by the word of Allah (SWT), which means: “*Whatever God restored to His Messenger from the inhabitants of the villages belongs to God and the Messenger, and the relatives, and the orphans, and to the poor and the wayfarer; so that it may not circulate solely between the wealthy among you. Whatever the Messenger gives you, accept it; and whatever he forbids you, abstain from it. And fear God. God is severe in punishment*”.¹³

Referring to the above verse, wealth must be circulated and distributed so that wealth is not circulated only to the rich. Wealth is not to be hoarded and then harvested, but wealth must move from one hand to another. Wealth must be managed so that economic equality is achieved in all groups of society. Wealth circulation can be done in several ways, such as trading, giving wages, or renting out idle assets to be productive. Hoarding wealth to acquire a high price when there is scarcity is not following Maqasid al-Shari'ah of wealth circulation because it results in unfair behaviour and harm others.

4.2.5. *Wealth distribution*

Wealth distribution is the flow of wealth from its owner to others through social activities (Haq, 2013). Islam regulates the distribution of assets which are obligatory in the form of Zakat and inheritance law, while what is encouraged (Sunnah) is almsgiving. Another form of wealth distribution is a gift that is given based on affection. If it is tied to the economic pyramid of humans, not all levels have sufficient assets to invest in Sukuk. However, the advantages of issuing Sukuk are available to all levels. The existence of these distinct economic capacities produces variations in the fulfilment of the demands of Maqasid al-Shari'ah Daruriyat (necessity), Hajiyat (need) and Tahsiniyat (luxury). Distribution can be categorised as a social instrument within the pyramid.

4.3. *Maqasid al-Shari'ah of wealth: a baseline for the sukuk parameter*

As discussed in the first discussion section, the purpose of wealth is to prosper humans and the environment in which they live. Wealth can be owned and utilised by humans of all socioeconomic statuses. Among the four socioeconomic statuses based on wealth ownership, namely emergency, subsistence, adequate, and luxury (see Figure 2), the adequate level, representing sufficient possessions to live properly but not excessively, is believed to be the ideal and recommended by Islam. Nevertheless, based on economic capacity and competence, wealthy people (either at the luxury or adequate level) are typically able to distribute or develop wealth through investment/circulation, where wealth is invested in productive businesses. This is necessary to ensure that wealth would benefit not only the owners and their families but also those at the subsistence and emergency levels through the circulation governed by the Maqasid al-Shari'ah approach.

In the context of Sukuk, the ideal environment for Maslahah will be adequate, since Sukuk facilitates the circulation of wealth among all socioeconomic statuses. The funds obtained from the Sukuk issuance can be used to support needs at an adequate level. These needs include food industries that produce healthy food, clean water supply, modest clothing industries, housing and construction industries, educational infrastructure and facilities, and medical infrastructure and facilities.

As discussed in the second discussion section, the Maqasid al-Shari'ah of wealth consists of five dimensions. However, in the case of Sukuk, only three dimensions of Maqasid al-Shari'ah are applicable, i.e., ownership; acquisition, and circulation/development. The distribution of wealth refers to the transfer of wealth from its possessor to others via social engagements (Haq, 2013). Wealth distribution is excluded in this study, because Sukuk is a commercial investment instrument, not an instrument for wealth distribution for social aspects. Wealth acquisition is excluded because it is part of wealth circulation/development.

4.3.1. *Maqasid al-Shari'ah of wealth ownership*

The main purpose of wealth ownership, as recommended in Islam, is to achieve human welfare (Maqasid al-Shari'ah of wealth ownership) by strengthening the faith of a Muslim; strengthening human life; creating a sense of security from threats and hazards; freeing humans from slavery; and, achieve economic independence/self-sufficiency to avoid dependency on other nations. When Maqasid al-Shari'ah of wealth ownership can be fulfilled, human welfare (Maslahah) can be achieved. In short, the fulfilment of Maqasid al-

¹³ Surah Al-Hasyr 59:7

Shari'ah' wealth ownership can be assessed based on the following parameters: (1) wealth owned (Tamalluk); (2) wealth earned (Takasub), and; (3) the existence of economic independence of a nation.

4.3.2. *Maqasid al-Shari'ah of wealth acquisition*

Wealth can be obtained in several ways, either through working and earning wages, from the wealth that is developed/circulated through business or investment, as well as the wealth of other people that is distributed to someone in the form of Zakat/alms, grants, or inheritances. Therefore, the purpose of wealth acquisition (Maqasid al-Shari'ah of wealth acquisition) is that humans decently acquire wealth, and that wealth can make them prosperous (Maslahah) by encouraging humans to work to acquire wealth, not lazing around, and eat from good sustenance; prosper on the earth and run the government; fulfil needs in a Shari'ah-compliant manner; and appreciate jobs. Also, when the Maqasid al-Shari'ah of wealth acquisition can be fulfilled, human welfare (Maslahah) can be achieved. The fulfilment of Maqasid al-Shari'ah of wealth acquisition can be assessed according to the following parameters/characteristics such as legally obtaining wealth according to the Shari'ah, which does not contain the elements of sin and doubt; do not commit bribery or corruption; the existence of a work process; and wealth is acquired from agriculture, industry, and trading activities.

4.3.3. *Maqasid al-Shari'ah of wealth circulation/development*

The purpose of wealth circulation/development, as desired in Islam, is to optimise human welfare (Maqasid al-Shari'ah of wealth circulation/development). This can be achieved by maintaining a fair distribution of wealth in the hands of as many people as possible; empowering unemployed human resources; upholding justice so that the strong do not oppress the weak, the rich do not oppress the poor; maintaining brotherhood (Ukhuwwah) and preventing fraud in a transaction; appreciating the blessings that Allah (SWT) gives. If the Maqasid al-Shari'ah of wealth circulation/development can be fulfilled, human welfare (Maslahah) can be achieved and the fulfilment of the Maqasid al-Shari'ah of wealth circulation/development can be assessed according to the following parameters (refer to Table 2).

Table 2. Parameters for Maqasid al-Shari'ah of wealth circulation/development

Parameter for Maqasid al-Shari'ah of wealth circulation/development	
1.	A clear measurement of wealth (Miqdar), where wealth is measurable to determine its quantity and quality.
2.	A reasonable retention period of wealth is not intended for hoarding (Iddikhar). Wealth can be stored (Iddikhar), but the storage period must be reasonable and not intended to hoard wealth so that the wealth increases by itself without circulation.
3.	Wealth is in circulation (Tadawul). Circulation can be in the form of wealth transfer by one person to another through trade, leasing, or cooperation in producing wealth by increasing money-based transactions as a way to encourage circulation (commodities and assets)
4.	Clear contracts (Aqad) in transactions.
5.	Systematic and detailed documentation of wealth.
6.	Transactions that are carried out carefully by the transacting parties.
7.	Transactions are transparent.
8.	Compensation for any damages in wealth and.
9.	The environment and its components are preserved.

Table 3 summarises the findings of the Maqasid al-Shari'ah parameters that can be used as a basis for developing the parameter for the Sukuk issuance. Overall, 18 parameters are developed based on three dimensions of wealth.

Table 3: Maqasid al-Shari'ah parameter of wealth for Sukuk

Dimension of Wealth	Maqasid al-Shari'ah of Wealth	Baseline for Sukuk Parameter based on Maqasid al-Shari'ah of Wealth
Wealth Ownership	<ol style="list-style-type: none"> 1. Strengthening the faith of a Muslim. 2. Strengthening human life. 3. Creating a sense of security from threats and dangers. 4. Freeing humans from slavery. 5. Achieving independence/self-sufficiency and true leadership of a nation to avoid dependency on other nations. 	<ol style="list-style-type: none"> 1. Owned (Tamalluk) 2. Earned (Takasub) 3. Independence of a nation
Wealth Acquisition	<ol style="list-style-type: none"> 1. Humans work and walk on the back of the earth to acquire wealth, not lazing around, and eating from good sustenance. 2. Humans are encouraged to prosper on earth and run the government. 3. Humans should fulfil their needs in a Shari'ah-compliant manner. 4. Humans must appreciate jobs. 	<ol style="list-style-type: none"> 4. Obtaining wealth in a way that is lawful and following the Shari'ah, which does not contain elements of sin and doubt. 5. Not committing bribery or corruption. 6. Acquisition of wealth from agriculture. 7. Acquisition of wealth from industry. 8. Acquisition of wealth from trade. 9. The existence of a work process: <ol style="list-style-type: none"> a) The existence of a written and non-verbal labour-based contract: b) Considering risk as a characteristic of a contract. Risk refers to what is difficult to assess such as the number of jobs duration, and various conditions that affect performance. c) Avoiding anything that overloads workers in contracts, to prevent investors from only seeking maximum profit by exploiting workers. d) Pay workers immediately upon completion of the work. e) Providing workers with the means necessary to get the job done. f) The effective duration of the work must be stated in the contract.
Wealth Circulation / Development	<ol style="list-style-type: none"> 1. Maintaining a fair distribution of wealth 2. Empowering the unemployed human resources. 3. Maintaining justice so that the strong do not oppress the weak and the rich do not oppress the poor. 4. Maintaining brotherhood (Ukhuwwah) and preventing hostility 	<ol style="list-style-type: none"> 10. There is a reasonable retention period of wealth and is not intended for hoarding (Iddikhar). 11. There is wealth in circulation (Tadawul). 12. There is a clear measure of wealth (Miqdar). 13. Clear contracts (Aqad) in transactions related to wealth. 14. Wealth transactions are carried out with care by the transacting parties. 15. Thorough systemised documentation of wealth with solid foundations.

from cheating when transacting.	16. Transparency on wealth transactions.
5. Humans can appreciate the blessings that Allah gives them.	17. There is compensation for wealth damage.
	18. Preserving the natural environment and its components

6. Conclusion

This study offered evidence on the perspective of Maqasid al-Shari'ah of wealth from the thoughts of Islamic scholars, which is used as a basis for developing the parameters for Maqasid al-Shari'ah of wealth. It summarises that the proposed Maqasid al-Shari'ah parameters for the Sukuk structure are to maximise the potential of Sukuk in promoting social well-being and development. In general, Sukuk must be contextualised and analysed using the Maqasid al-Shari'ah approach so that the objective of Sukuk in promoting Maslahah (well-being) can be attained. To achieve the objective, the study constructed and categorised Maqasid al-Shari'ah of wealth into three. This includes the preservation of wealth (Hifz al-Maal), the socioeconomic status in wealth ownership, and the dimensions of wealth. The purpose of wealth is to prosper humans and the environment in which they live. Wealth can be owned and used by humans of all socioeconomic statuses. Nevertheless, based on economic capacity and competence, wealthy people (either at the luxury or adequate level) are typically able to distribute or develop wealth through investment/circulation, where wealth is invested in productive businesses. This is necessary to ensure that wealth would benefit not only owners and their families but also those at the subsistence and emergency levels through the circulation governed by the Maqasid al-Shari'ah approach. Establishing and utilising parameters for the Maqasid al-Shari'ah of wealth in Sukuk issuance can serve as a guideline for ensuring Sukuk functions as an efficient component within the financial sector. This facilitates the transfer of wealth from individuals with excess resources to those at the subsistence level who might sometimes struggle to make ends meet.

References

- Abdelrahman, A. Y. (2019). Sukuk : a critique of experience, and their possible role in Muslim countries development. *International Journal of Islamic Economics and Finance Studies*, 5(1), 1–19.
- Ahmad, N., & Hanapi, M. S. (2018). Maqasid al-syariah thought in mainstream islamic economics: A review. *International Journal of Academic Research in Business and Social Sciences*, 8(4), 626–636.
- Ashur, M. al-T. ibn. (2006). *Treatise on Maqasid al-Shari'ah*. Translated from the Arabic and annotated by Mohamed el-Tahir el-Mesawi (Vol. 1). The International Institute of Islamic Thought, London.
- Auda, J. (2008). *Maqasid al-Shari'ah as philosophy of islamic law a systems approach*. The International Institute of Islamic Thought, London.
- Auda, J. (2015). *Membumikan hukum Islam melalui maqasid syariah*. PT Mizan Pustaka.
- Badeeu, F. N., Nafiz, A. R., & Muneeza, A. (2019). Developing regional healthcare facilities in Maldives through mudharabah perpetual sukuk. *International Journal of Management and Applied Research*, 6(2), 81–96.
- Beik, I. S., & Arsyianti, L. D. (2015). Construction of CIBEST Model as measurement of poverty and welfare indices from Islamic Perspective. *Al-Iqtishad Journal of Islamic Economics*, 7(1), 87–104.
- CIMB Niaga. (2018). *Penawaran Umum Berkelanjutan Sukuk Mudharabah I Bank CIMB Niaga Tahap I Tahun 2018*. Prospektus Sukuk Mudharabah PT Bank CIMB Niaga.
- Creswell, J. W., & Creswell, J. D. (2022). *Research design: qualitative, quantitative, and mixed methods approaches*. Sage Publications Inc.
- Dusuki, A. W. (2010). Do equity-based sukuk structures in islamic capital markets manifest the objectives of Shari'ah? *Journal of Financial Services Marketing*, 15(3), 203–214.
- Endri. (2009). Permasalahan pengembangan sukuk korporasi di indonesia menggunakan metode analytical network process (ANP). *Jurnal Keuangan Dan Perbankan*, 13(3), 359–372.
- Haq, S. G. (2013). Distribution of income and wealth in Islam. *South East Asia Journal of Contemporary Business, Economics and Law*, 2(2), 34–40.
- Hidayat, S. E. (2013). A comparative analysis between asset based and asset backed sukuk: which one is more Shari'ah compliant? *International SAMANM Journal of Finance and Accounting*, 1(2), 24–31.
- IIFM. (2022). *IIFM Sukuk Report* (Issue August). International Islamic Financial Market.

- Mahomed, Z., Ramadilli, S., & Ariff, M. (2018). Sukuk announcement effects during financial crisis: the case for Indonesia. *Journal of Islamic Accounting and Business Research*, 9(4), 567–586.
- Mat Rahim, S. R., & Mohamad, Z. Z. (2018). Green sukuk for financing renewable energy projects. *Turkish Journal of Islamic Economics*, 5(2), 129–144.
- Ministry of Finance, R. of I. (2021). *Green Sukuk, Allocation and Impact Report* (Issue May). Ministry of Finance, Republic of Indonesia. [https://djppr.kemenkeu.go.id/uploads/files/dmodata/in/6Publikasi/Offering Circular/Green Sukuk Allocation and Impact Report_2021 FINAL.pdf](https://djppr.kemenkeu.go.id/uploads/files/dmodata/in/6Publikasi/Offering_Circular/Green_Sukuk_Allocation_and_Impact_Report_2021_FINAL.pdf)
- Mohamed Naim, A., Yazid Isa, M., & Liki Hamid, M. (2013). The effect of new AAOIFI Standards on Sukuk in choosing the most authentic Islamic principles. *Journal of Islamic Accounting and Business Research*, 4(1), 77–93.
- Mufid, M. (2014). Nalar fiqh realitas Al-Qaradhawi. *Syariah: Jurnal Hukum Dan Pemikiran*, 14(1), 1-11.
- Nizar, M. C. (2016). Literature kajian maqashid Syaria'ah. *Ulul Albab*, 35(Agustus), 53–68.
- Oladunjoye, M. O. (2014). Sukuk as a tool for infrastructural development in Nigeria. *Journal of Islamic Banking and Finance*, 2(1), 335–344.
- Qaradawi, Y. (2010). *Maqasid asySyariah al-muta'alliqah bi al-maal*. Dar El Shorouk.
- Rosly, S. A. (2010). Shari'ah parameters reconsidered. *International Journal of Islamic and Middle Eastern Finance and Management*, 3(2), 132–146.
- Sahroni, O., & Karim, A. A. (2017). *Maqashid bisnis & keuangan islam: sintesis fikih dan ekonomi*. Raja Grafindo Persada.
- Siddiqi, M. F., Jan, S., & Ullah, K. (2019). Maqasid al Shari'ah and stakeholders' wellbeing in Islamic banks: A proposed framework. *Business & Economic Review*, 11(1), 83–102.
- Todaro, M. P., & Smith, S. C. (2020). *Economic development*. Pearson Education, Inc.
- Yazid, M., M Naim, A., & Liki Hamid, M. (2015). The practices of islamic finance in upholding the Islamic values and the maqasid Shari'ah. *International Review of Management and Buss Research*, 4(1), 286–294.