MILRev
Metro Islamic Law Review
Scientific Islamic Law Journal Of Sharia Faculty

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

# Critical Review of *Murābaḥah* Financing in Contemporary Islamic Banking: A *Maqāṣid al-Sharī'ah* Perspective

**Author:**
[1*]Djumadi, [2]Arzal Syah, [3]Hamida, [4]Mujahidin, [5]Kamiruddin

**Affiliation:**
[1]Institut Agama Islam Negeri Ambon, Indonesia
[2,3,4,]Institut Agama Islam Negeri Palopo, Indonesia
[5]Institut Agama Islam Negeri Bone, Indonesia

**Corresponding author:**
*djumadi@iainambon.ac.id

**Doi:** 10.32332/milrev.v4i2.11087

**Dates:**
Received 26 June, 2025
Revised 28 July, 2025
Accepted 05 September, 2025
Published 07 September, 2025



**Abstract:** This study critically analyses the implementation of *murābaḥah* contracts in contemporary Islamic banking through the lens of *maqāṣid al-sharī'ah* theory. *Murābaḥah* has long been recognised as one of the dominant financing schemes in Sharia banks, particularly in Indonesia, where it plays a central role in meeting customer needs ranging from consumption to investment. However, in today's context of rapid financial innovation and global competition, questions remain regarding its alignment with the broader objectives of Islamic law beyond mere technical compliance. The research employs a descriptive qualitative approach, utilising in-depth interviews, direct observations, and documentation studies. The primary object of inquiry is Sharia banks in Indonesia, with informants drawn from banking practitioners and customers. This dual perspective provides a more comprehensive understanding of how *murābaḥah* is designed, implemented, and perceived in practice within the dynamics of modern Islamic banking. The findings indicate that although *murābaḥah* contracts are generally implemented in line with formal sharia procedures, the embodiment of *maqāṣid al-sharī'ah* values remains partial. Elements such as justice, fair profit, social welfare, and mutual assistance are evident but fragmented and lack institutional standardisation. As a result, the spirit of *maqāṣid al-sharī'ah* is not yet fully realised in contemporary practice. This study concludes that there is an urgent need to reformulate the strategy and design of *murābaḥah* products to reflect the holistic objectives of *maqāṣid al-sharī'ah* better better. This involves preserving wealth and prohibiting usury and safeguarding life, intellect, and lineage. The research contributes by exposing the gap between formal compliance and substantive realisation, offering novelty in reframing *murābaḥah* as a contemporary instrument for promoting justice, welfare, and sustainable Islamic finance.

**Keywords:** Contemporary Islamic Banking, *Maqāṣid al-sharī'ah*, *Murābaḥah* Financing, Sustainable Islamic Finance

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

## INTRODUCTION

Islamic banking has experienced significant growth globally in the last two decades.[1] One of the main driving factors is the increasing demand for a financial system aligned with Islamic principles, particularly in the aftermath of the global financial crisis that exposed weaknesses in conventional finance.[2] Among the various instruments, *murābaḥah* financing has emerged as the dominant product due to its ease of implementation and compliance with the prohibition of ribā.[3] The Islamic Financial Services Board reports indicate that more than 70% of trade-based financing in Islamic banks worldwide is conducted through *murābaḥah* schemes.[4] In Indonesia, the country with the largest Muslim population, the development of Islamic banking is highly prominent.[5] The Financial Services Authority (OJK) recorded the growth of Islamic financial assets reaching IDR 2,400 trillion, with *murābaḥah* financing contributing more than 60% of total Islamic bank financing.[6] Bank Syariah Indonesia (BSI), established from the merger of three national Islamic banks, has become the locomotive of this growth. However, the central question remains: does the dominance of *murābaḥah* financing truly reflect the objectives of sharia (*maqāṣid al-sharīʿah*)?

*Murābaḥah*, in classical Islamic jurisprudence, is a sale contract in which the seller discloses the cost of the goods and an agreed profit margin. The contract requires actual ownership and risk-taking by the seller before resale, thus reflecting principles of

[1] Ahmad Farabi et al., 'Islamic Banking Finance and Environmental Sustainability: Sector-Level Analysis from Indonesia', *International Journal of Energy Economics and Policy* 15, no. 5 (2025): 695–704, https://doi.org/10.32479/ijeep.20331.

[2] Hasan et al., 'Reassessing Islamic Banking Supervision in Indonesia: A Contemporary Islamic and Socio-Legal Perspective on OJK's Integrated Model', *MILRev: Metro Islamic Law Review* 4, no. 1 (2025): 619–644, https://doi.org/10.32332/milrev.v4i1.10851.

[3] Agus Fakhrina and Abdul Hamid, 'Sacralizing the Market? The Role of DSN–MUI in the Legal-Economic Legitimacy of Islamic Banking in Indonesia', *Ahkam: Jurnal Ilmu Syariah* 25, no. 1 (2025): 125–141, https://doi.org/10.15408/ajis.v25i1.40879.

[4] *Islamic Financial Services Industry Stability* (Kuala Lumpur: IFSB, 2021).

[5] Eva Sumanti et al., 'Integrating Hybrid Sharia Contracts in Letter of Credit (L/C) Transactions for Export and Import in Islamic Banking in Indonesia', *Al-'Adalah* 21, no. 2 (2024): 449–478, https://doi.org/10.24042/adalah.v21i2.23301.

[6] OJK, *Laporan Tahunan Industri Keuangan Syariah*, 2023.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

transparency (*shafāfiyyah*), trust (*amānah*), and justice (*ʿadl*). Al-Shāṭibī, in al-Muwāfaqāt, emphasised that such contracts should not only comply with legal structures but also realise higher objectives of sharia, including the preservation of religion, life, intellect, progeny, and property (*al-darūriyyāt al-khams*).[7]

However, *murābaḥah* in contemporary Islamic banking has shifted toward functioning as a debt-like financing instrument. Banks often rely on promissory note (*waʿd*) or agency (*wakālah*) arrangements, reducing their involvement in ownership and risk.[8] Furthermore, profit margins are frequently benchmarked against conventional interest rates, such as LIBOR or the BI Rate, raising concerns that *murābaḥah* is imitating conventional credit products.[9] Scholars have criticised this tendency as prioritising legal-formal compliance over Islamic finance's moral and social values.[10]

Previous studies on *murābaḥah* financing have largely focused on legal-formal aspects, such as the validity of contracts, compliance with fiqh, and operational efficiency.[11] Research on *murābaḥah* financing has been extensively conducted with varying points of emphasis. Sri Rejeki and Muhammad Subhan (2025) highlight that although the *murābaḥah* contract possesses a strong legal foundation, its implementation still encounters challenges such as determining the actual cost of goods and ensuring transparency of information, thereby underscoring the need for product innovation and improved public literacy.[12] Bagya Agung Prabowo (2009) expands the discussion by comparing *murābaḥah*

---

[7] Abū Isḥāq al-Shāṭibī, *Al-Muwāfaqāt Fī Uṣūl al-Sharīʿah*, vol. 2 (Beirut: Dār al-Kutub al-ʿIlmiyyah, 2005).

[8] M Nur Ikhwan et al., 'Problematics of Murabaha Agreement in Indonesian Islamic Banking: A Systematic Literature Review', *Velocity: Journal of Sharia Finance and Banking* 5, no. 1 (June 2025): 88–103, https://doi.org/10.28918/velocity.v5i1.9100.

[9] Isna Arifatul Fatwa, 'The Gap between Practice and Theory in the Implementation of Murabahah in Indonesia', *Journal of Islamic Law* 9, no. 1 (2024): 34–50.

[10] Zulfikar Ramli, 'Integrating Maqashid Sharia with Banking Practices: The Case of Indonesian Murabahah Financing', *International Journal of Islamic Thought and Civilization* 9, no. 2 (2023): 119–134.

[11] A., Mahmud, A., & Rahman, R., Zain, 'Implementation of the Murabahah Contract in Sharia Banking: Between Theory and Practice', *Journal of Islamic Studies and Economics* 6, no. 2 (2020): 101–115.

[12] Sri Rejeki and Muhammad Subhan, 'Analisis Hukum Islam Tentang Pembiayaan Murabahah Dalam Perspektif Ekonomi Syariah', *Jurnal Ekonomi Bisnis Dan Kewirausahaan* 14, no. 1 (April 2025): 1–9, https://doi.org/10.47942/iab.v14i1.1852.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

practices in Indonesia and Malaysia, identifying significant differences, particularly the application of bayʿ al-ʿĪnah in Malaysia, which is often deemed legally problematic, unlike in Indonesia.[13] From a quantitative perspective, Anida Rahmawati (2024) demonstrates that *murābaḥah* financing dominates Islamic banks in Indonesia, accounting for more than 60% of total financing during 2021–2023, influenced by factors such as price transparency, contractual flexibility, legal certainty, and adherence to the prohibition of ribā.

Meanwhile, Anas Malik and colleagues (2025) examine consumer financing and find that while principles of ownership and transparency are generally applied, issues remain, including delays in goods procurement and practices that closely resemble conventional credit. They recommend strengthening the role of Sharia Supervisory Boards and adopting digitalised contract processes.[14] While these studies are valuable, they often neglect dimensions central to *maqāṣid al-sharīʿah*, including social justice, equitable wealth distribution, and consumer risk protection. This neglect creates a significant research gap: the need to evaluate *murābaḥah* not merely as a formally valid contract, but as an instrument for achieving substantive *maqāṣid* objectives in practice.

Against this background, the present study seeks to bridge this gap by critically assessing *murābaḥah* practices in Indonesian Islamic banks through the lens of *maqāṣid al-sharīʿah*. The main research questions are: (1) To what extent does the current practice of *murābaḥah* financing reflect the values of *maqāṣid al-sharīʿah*? Furthermore, (2) How can *murābaḥah* products be reformed to align with formal legality, justice, welfare, and sustainability? This study offers several contributions. Theoretically, it develops a maqashid-based framework for evaluating *murābaḥah* financing, moving beyond legalistic compliance toward ethical and social dimensions. Empirically, it provides context-specific evidence from Indonesian Islamic banks, which operate in a unique socio-cultural and regulatory

[13] Bagya Agung Prabowo, 'The Practice of Murabahah Scheme in Syariah Banking (Critical Analysis Towards The Application of Murabahah Scheme in Indonesia and Malaysia', *Jurnal Hukum IUS QUIA IUSTUM* 16, no. 1 (2009), https://journal.uii.ac.id/IUSTUM/article/view/498.

[14] Anas Malik et al., 'Analisis Penerapan Akad Murabahah Dalam Pembiayaan Konsumtif Pada Bank Syariah', *Al-A'mal : Jurnal Manajemen Bisnis Syariah* 2, no. 1 (May 2025): 89–96.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

environment. Practically, it proposes strategies for product design that are more just, inclusive, and sustainable, thus strengthening the role of Islamic banking as an agent of socio-economic transformation. By addressing these aspects, the study contributes to returning Islamic banking to its ethical foundations, ensuring that *murābaḥah* is not merely a formalistic substitute for conventional lending, but a genuine reflection of the objectives of sharia.

## METHOD

This study uses a qualitative approach to analyse the implementation of *murābaḥah* contracts in Islamic banking from the perspective of *maqāṣid al-sharīʿah*. The qualitative method was chosen because it provides an in-depth understanding of the phenomenon under study, particularly related to Islamic banking practices that aim to achieve Shariah objectives.[15] This approach allows for a holistic understanding of the social, economic, and legal dimensions that underlie *murābaḥah* practices and how *maqāṣid al-sharīʿah* principles are applied in financing products. The data sources in this study consist of both primary and secondary data. Primary data were collected through in-depth interviews and participatory observation with 15 informants, including Islamic bank managers, account officers, customers, and experts in Islamic jurisprudence. Informants were selected using purposive sampling, based on criteria such as direct involvement in *murābaḥah* financing, professional experience in Islamic banking, and familiarity with *maqāṣid al-sharīʿah* principles.[16] Snowball sampling was also used to identify additional participants through referrals to enrich perspectives.[17] Secondary data were obtained from bank annual reports, regulatory documents, and previous academic studies, which provided a strong theoretical foundation for analysis.

[15] R., & Surya, I. Khoerunnisa, 'The Effectiveness of Qualitative Approaches in Analyzing Sharia Aspects in Banking', *Journal of Islamic Studies and Sharia Banking* 8, no. 2 (2021): 123–138.

[16] M., & Khasanah, A Hidayatullah, 'Analysis of the Application of Murabahah Contracts in Sharia Banking: A Review of Maqashid Sharia', *Journal of Sharia Economics and Finance* 10, no. 1 (2022): 45–60.

[17] Yenik Candra Kiranawati et al., 'Islamic Banking Governance in Maqashid Sharia Perspectives: A Systematic Literature Review', *Share: Jurnal Ekonomi Dan Keuangan Islam* 12, no. 1 (April 2023): 59–74, https://doi.org/10.22373/share.v12i1.15446.

***MILRev : Metro Islamic Law Review***
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

The fieldwork was conducted in Jakarta and Makassar between January and May 2025. During this period, the researcher engaged in participatory observation by attending consultation sessions and customer meetings at selected Islamic banks. The researcher's role was non-intrusive, observing interactions between banks and customers while maintaining neutrality and minimising influence on the process.[18] Data analysis primarily employed thematic analysis to identify recurring themes related to fairness, welfare, and compliance with *maqāṣid al-sharīʿah* in *murābaḥah* practices.[19] This was complemented by content analysis of contractual documents and regulatory guidelines to validate how *murābaḥah* is formally articulated in institutional policies.[20] Grounded theory was not fully applied as an independent analytical framework, but its coding techniques were adopted to refine emergent categories.[21] Integrating thematic and content analysis was considered most relevant for capturing participants' lived experiences while assessing the consistency of practice with documented procedures.

Member checking was conducted to ensure credibility by sharing preliminary findings with participants for verification.[22] Peer debriefing with academic colleagues provided additional scrutiny of the interpretations.[23] An audit trail documenting the research process, coding decisions, and analytical steps was maintained for transparency. Reflexivity was also applied by acknowledging the researcher's academic background in Islamic economics, which may shape perspectives, and by maintaining critical distance to

---

[18] D. Huda, M., Nasution, M. A., & Wulandari, 'Challenges in the Implementation of Murabahah Contracts in Sharia Banking: A Case Study in Indonesia', *Journal of Sharia Economics and Finance* 10, no. 2 (2022): 123–140.

[19] N Amalia, 'Qualitative Analysis of the Implementation of the Murabahah Agreement in Islamic Banking', *Journal of Sharia Economics and Finance* 12, no. 1 (2023): 45–60.

[20] Mohammad Ghozali et al., 'The Law Concept of Sharia Banking Compliance on Murabaha Financing in Indonesia', *Samarah: Jurnal Hukum Keluarga Dan Hukum Islam* 8, no. 3 (August 2024): 1391, https://doi.org/10.22373/sjhk.v8i3.11313.

[21] Rizal Yaya et al., 'Governance of Profit and Loss Sharing Financing in Achieving Socio-Economic Justice', *Journal of Islamic Accounting and Business Research* 12, no. 6 (August 2021): 814–830, https://doi.org/10.1108/JIABR-11-2017-0161.

[22] Masrizal, Raditya Sukmana, and Budi Trianto, 'The Effect of Islamic Financial Literacy on Business Performance with Emphasis on the Role of Islamic Financial Inclusion: Case Study in Indonesia', *Journal of Islamic Marketing* 16, no. 1 (January 2025): 166–92, https://doi.org/10.1108/JIMA-07-2022-0197.

[23] Chamim Tohari, Hudzaifah Fawwaz, and Isma Swadjaja, 'The Ijtihad Construction Of Islamic Law Based On The Maqâshid Al-Syarî'Ah Approach In The Indonesian Context', *Prophetic Law Review* 4, no. 2 (December 2022): 195–221, https://doi.org/10.20885/PLR.vol4.iss2.art4.

minimise potential bias.[24] The methodological design was directly aligned with the main research question: to what extent do *murābaḥah* practices in Indonesian Islamic banking reflect *maqāṣid al-sharīʿah*? Interviews captured perceptions and lived experiences, observations revealed the dynamics of transactions, and document analysis validated formal compliance.[25] Together, these methods ensured a comprehensive and credible evaluation of *murābaḥah* practices in their legal form and substantive alignment with shariah objectives.

## RESULTS AND DISCUSSION

### Implementation of *Murābaḥah* Contracts in Indonesian Sharia Banks

Implementing *murābaḥah* contracts at Sharia Banks in Indonesia shows that this contract is one of the main financing schemes used to fund various customer needs, including financing vehicles, property, and other productive needs. The contract implementation process is carried out through a standard mechanism, namely, the bank buys goods at the customer's request and resells them at an agreed price, including a transparent profit margin[26]. In realising *murābaḥah* contracts, banks have tried to meet sharia principles by documenting transactions and valid contracts. However, it was found that in some cases, banks did not physically possess the goods before selling them to customers. This raises a potential violation of the basic principle of *murābaḥah*, which requires the seller (bank) ownership of goods before the contract is made[27].

From the fairness aspect, the study results show that most customers feel they have been treated fairly in the *murābaḥah* financing process. Banks provide clear information

[24] Ulin Nuha, 'Human Resource Development Based on Spirituality in Islamic Financial Institutions', *FALASIFA : Jurnal Studi Keislaman* 14, no. 1 (March 2023): 70–75, https://doi.org/10.62097/falasifa.v14i1.1664.

[25] Abdul Hakam Naja et al., 'Is Islamic Banking Performance In Malaysia Truly Better Than Indonesia?', *Journal of Islamic Monetary Economics and Finance* 9, no. 4 (December 2023): 611–636, https://doi.org/10.21098/jimf.v9i4.1784.

[26] Supriyandi Supriyandi and Saiful Anwar, 'The Implementation Of Murabahah Financing Contracts In Bank Syariah Indonesia', *Jurnal Ilmiah Ekonomi Islam* 9, no. 3 (November 2023): 4295, https://doi.org/10.29040/jiei.v9i3.10811.

[27] Ghozali et al., 'The Law Concept of Sharia Banking Compliance on Murabaha Financing in Indonesia'.

MILRev
Metro Islamic Law Review
Scientific Islamic Law Journal Of Sharia Faculty
*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

about the cost of goods, the margin amount, and repayment time. However, some customers complain about the limited negotiation space for profit margins, which are considered too rigid and do not consider the overall economic condition of the customer[28]. The justice aspect can also be seen from the settlement mechanism in the event of default. Banks generally provide grace periods and a familial approach to settlement of arrears, but this is not done equally. Sometimes, the billing approach tends to be normative and lacks flexibility, creating psychological pressure for customers[29].

In terms of profits, banks earn stable income from *murābaḥah* financing. This is due to the definite nature of *murābaḥah* financing and is free from the risk of fluctuations. In *murābaḥah* financing, the profit margin is set from the beginning and does not change during the contract period. This provides certainty for both parties, especially for banks in planning their financing portfolios. With this certainty, banks can more easily manage risk and plan more effective investment strategies. For example, if a bank has set a profit margin of 5% for a *murābaḥah* financing product, they can estimate the revenue they will receive during the contract period, without worrying about any changes in interest rates that could affect their profitability[30].

For customers, the advantage of *murābaḥah* financing lies in the clarity of the price and the amount of instalments that do not change during the instalment period. This is especially important for customers who want certainty in their financial planning. For example, a customer who takes out *murābaḥah* financing to buy a house can easily calculate how many instalments they have to pay each month without worrying about interest rate hikes that could burden their finances in the future. This clarity provides a sense of security

[28] Tiya Iswari et al., 'Murabahah Financing in Practice: An Analytical Study at Sharia Bank, Sungai Penuh Branch', *Journal of Islamic Economics Perspectives* 6, no. 2 (September 2024): 78–88, https://doi.org/10.35719/35jfbizt22.

[29] Muhammad Resty Fauzi, 'Analisis Persepsi Nasabah Dalam Penggunaan Pembiayaan Produk Menggunakan Akad Murabahah Studi Kasus BSI KCP Cemara Asri Medan', *Jurnal Penelitian Ekonomi Manajemen Dan Bisnis* 3, no. 2 (March 2024): 326–332, https://doi.org/10.55606/jekombis.v3i2.3566.

[30] Alvionita Ardilla Alazhari, M Taufan B, and Yuni Amelia, 'The Implementation Of Murabahah Contract On The Retirement Financing At Sharia Bank Of Indonesia', *Tadayun: Jurnal Hukum Ekonomi Syariah* 4, no. 2 (December 2023): 163–176, https://doi.org/10.24239/tadayun.v4i2.106.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

and comfort for the customer, as they know exactly how much to pay and when the payment should be made[31].

Another advantage of *murābaḥah* financing is sharia certainty. Many customers feel at peace because they are spared the practice of usury, which is considered haram in Islamic teachings. By using *murābaḥah* financing, customers feel they are undergoing transactions that follow sharia principles, providing peace of mind. For example, a customer who buys a car through *murābaḥah* financing not only gets the desired vehicle, but also feels that they have contributed to an economy that aligns with their religious values[32]. However, despite the many advantages of *murābaḥah* financing, some customers consider that the bank's profit margin is sometimes higher than the conventional loans' interest rate. This raises the perception that *murābaḥah* is not yet fully cost-efficient. For example, if a bank sets a profit margin of 8% for *murābaḥah* financing, while a conventional bank offers a loan interest rate of 6%, customers may feel that they are paying more for sharia financing even though they get certainty and clarity. This perception can influence customer decisions in financing products, especially for those prioritising cost efficiency over Sharia principles[33].

In a more in-depth analysis, it is important to consider other factors that can influence the customer's choice between *murābaḥah* financing and conventional loans. For example, a customer's level of financial literacy can play a big role in their decisions. Customers who understand sharia financing products better may be more likely to choose *murābaḥah*, even though the profit margins are higher. On the other hand, customers who lack an understanding of sharia may prefer conventional loans that seem cheaper and

---

[31] Salah Alhammadi, 'Expanding Financial Inclusion in Indonesia through Takaful: Opportunities, Challenges and Sustainability', *Journal of Financial Reporting and Accounting*, ahead of print, 11 September 2023, https://doi.org/10.1108/JFRA-05-2023-0256.

[32] Rika Umbaiyani Ritonga, Sugianto, and Tuti Anggraini, 'The Effect of Multipurpose Murabahah Financing on The Development of Micro, Small and Medium Enterprises', *Jurnal Manajemen Bisnis* 11, no. 2 (July 2024): 842–858, https://doi.org/10.33096/jmb.v11i2.858.

[33] Danang Budi Santoso et al., 'The Impact of Microfinance on Indonesian Rural Households' Welfare', *Agricultural Finance Review* 80, no. 4 (March 2020): 491–506, https://doi.org/10.1108/AFR-11-2018-0098.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

simpler[34]. In addition, there are also psychological factors to consider. Many customers who connect emotionally to Sharia principles may feel more comfortable using financing products that align with their beliefs, even if they must pay more. This shows that numbers, statistics, personal values, and beliefs influence financial decisions[35].

*Murābaḥah* financing offers various benefits for banks and customers. For banks, this financing provides stable income and certainty in portfolio planning. For customers, price clarity and Sharia certainty are significant added value. However, the perception of cost efficiency remains a challenge that needs to be addressed. By understanding more deeply about the factors affecting customer decisions, banks and customers can find mutually beneficial solutions in running this sharia financing product[36]. In the context of welfare, *murābaḥah* financing has helped customers to develop micro businesses, meet housing needs, and improve their standard of living. Many customers use financing to buy production equipment, operational vehicles, or build a place of business. This contributes directly to improving the economic welfare of the family[37].

However, from in-depth interviews with customers, it is known that the improvement in welfare only occurs if customers can manage financing well and use it productively. Conversely, economic benefits tend to be short-term and unsustainable if financing is used for non-productive consumption. Therefore, assistance and education

[34] Muhammad Aris Fadillah, Tuti Anggraini, and Nurul Inayah, 'Resolving Financing Problems With Restructuring Of Murabahah Financing During The Covid-19 Pandemic At Pt. Sumut Bank (Shariah Business Unit)', *International Journal of Economics, Business and Accounting Research (IJEBAR)* 8, no. 1 (February 2024), https://doi.org/10.29040/ijebar.v8i1.12664.

[35] Roikhan Mochamad Aziz, Fauziyah Latiefa Salsabila, and Ahmad Rodoni, 'Determinant of Professionalism and Religiosity to Increase the Performance of Bank Institution: Case Study on Permata Bank Indonesia', *Falah: Jurnal Ekonomi Syariah* 8, no. 1 (February 2023): 28–39, https://doi.org/10.22219/jes.v8i1.24144.

[36] Nurul Faizin and Royyan Ramdhani Djayusman, 'The Concept of Sharia Compliance on Islamic Bank Murabaha Financing in the Maqashid Sharia Approach: A Theoretical Study', *Al-Iktisab: Journal of Islamic Economic Law* 7, no. 1 (August 2023): 49–74, https://doi.org/10.21111/aliktisab.v7i1.9980.

[37] Issam Tlemsani, Farhi Marir, and Munir Majdalawieh, 'Screening of Murabaha Business Process through Quran and Hadith: A Text Mining Analysis', *Journal of Islamic Accounting and Business Research* 11, no. 10 (December 2020): 1889–905, https://doi.org/10.1108/JIABR-05-2020-0159.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

from the bank are important[38]. The helping aspect between banks and customers is reflected in several relaxation policies during crises, such as during the COVID-19 pandemic. The bank provides financing restructuring, instalment deferral, and more flexible repayment schemes for affected customers. This practice is in accordance with the principle of ta'awun (help) in Islam and is highly appreciated by customers[39].

From the perspective of *maqāṣid* sharia, the implementation of *murābaḥah* has reflected the aspects of preservation of property (hifẓ al-māl) and religion (hifẓ al-dīn) because it avoids the community from the prohibited system of usury. However, the indicators of these achievements require further specification. For instance, hifẓ al-māl can be assessed through protection from gharar and excessive debt burden, while hifẓ al-dīn is observable not only in ribā avoidance but also in fostering ethical awareness in transactions. However, other *maqāṣid* dimensions—such as hifẓ al-nafs, hifẓ al-'aql, and hifẓ al-nasl—remain marginal, as *murābaḥah* is not explicitly designed to address education, health, or family well-being.[40]

Benchmarking across jurisdictions confirms these findings. In Malaysia, *murābaḥah* and tawarruq account for more than 70% of Islamic banks' financing, with similar concerns of over-reliance on debt-like instruments.[41] Likewise, in GCC countries, the determination of *murābaḥah* profit margins based on LIBOR or SBIBOR benchmarks has been criticised for undermining the distinctiveness of Islamic finance.[42] Compared to Indonesia, these

[38] Rifaldi Majid and Rizky Aditya Nugraha, 'Crowdfunding And Islamic Securities: The Role Of Financial Literacy', *Journal of Islamic Monetary Economics and Finance* 8, no. 1 (February 2022): 89–112, https://doi.org/10.21098/jimf.v8i1.1420.

[39] Asiah Wati et al., 'Financial Options Trends: Digging The Reasons Behind The Growth Of Customer Interest In Sharia Bank Indonesia', *FINANSIA : Jurnal Akuntansi Dan Perbankan Syariah* 7, no. 1 (May 2024): 87–102, https://doi.org/10.32332/finansia.v7i1.8530.

[40] Abbas Arfan et al., 'The Implementation of Maqashid Sharia: Heterogeneity of Scholars' Fatwas towards Islamic Banking Contracts', *Legality : Jurnal Ilmiah Hukum* 32, no. 1 (March 2024): 105–128, https://doi.org/10.22219/ljih.v32i1.32170.

[41] Salah Alhammadi, Khaled O. Alotaibi, and Dzikri F. Hakam, 'Analysing Islamic Banking Ethical Performance from Maqāṣid Al-Sharī'ah Perspective: Evidence from Indonesia', *Journal of Sustainable Finance & Investment* 12, no. 4 (October 2022): 1171–1193, https://doi.org/10.1080/20430795.2020.1848179.

[42] Simon Archer and Rifaat Ahmed Abdel Karim, 'When Benchmark Rates Change: The Case of Islamic Banks', *Journal of Financial Regulation and Compliance* 27, no. 2 (May 2019): 197–214, https://doi.org/10.1108/JFRC-11-2017-0104.

cases highlight that the challenge of aligning *murābaḥah* with *maqāṣid* is structural rather than local, requiring systemic reforms. Another substantive shortcoming lies in the resemblance of *murābaḥah* to conventional lending. Fixed profit margins tied to interest rate benchmarks reduce the ethical distinctiveness of the contract.[43] In addition, limited product innovation restricts *murābaḥah*'s potential contribution to inclusive economic development and real-sector empowerment. These weaknesses are precisely where the *maqāṣid* critique becomes relevant, pointing to the need for *murābaḥah* to evolve beyond legal form into substantive justice and welfare.

The bank has submitted most of the contract documents and financing terms regarding transparency. However, there is a gap in understanding among customers who do not comprehend the terms of Sharia law and the consequences of each clause in the contract. This shows the need for more systematic and structured Islamic financial literacy. Moreover, literacy appears to influence perceptions: customers with stronger knowledge of fiqh mu'āmalah tend to accept higher *murābaḥah* margins as legitimate trade profits. In contrast, less-informed customers frequently compare margins with conventional loan interest rates, concluding that Islamic finance is more costly. This divergence underscores the role of literacy as a variable shaping satisfaction and trust in *murābaḥah* contracts.[44]

These results confirm the importance of integrating the technical aspects of banking with the holistic values of *maqāṣid* sharia. The effective implementation of *murābaḥah* is not only seen from the number of financing distributed, but also from the extent to which the product can create justice, welfare, balanced profits, and a spirit of mutual aid between financial institutions and the community. The practice of *murābaḥah* in Islamic banking is not only an important pillar in financing distribution, but also an important indicator of the consistency of Islamic financial institutions in implementing the values of Islamic maqashid. In this context, *murābaḥah*, one of the financing instruments in Islamic banking,

[43] Eko Rial Nugroho, 'Implementation Of Sharia-Compliance In Islamic Bank Product Innovations', *Prophetic Law Review* 3, no. 2 (December 2021), https://doi.org/10.20885/PLR.vol3.iss2.art4.

[44] Fadly Yashari Soumena, 'A Critical Review of the Indonesian Council of Ulama (MUI) Fatwa Towards Increasing Sharia Financial Literacy (Systematic Literature Review)', *Journal of Economics Research and Social Sciences* 8, no. 1 (February 2024): 133–151, https://doi.org/10.18196/jerss.v8i1.21498.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

has unique and different characteristics from conventional financing systems. *Murābaḥah*, meaning "sale with price disclosure," requires banks to disclose the cost of goods and the desired profit margin to customers. This is supposed to create transparency and fairness in transactions, which are one of the core values of the *maqāṣid* sharia.

However, in practice, many Islamic financial institutions adopt the *murābaḥah* mechanism similarly to the conventional system. For example, in some cases, the established payment structure and profit margins follow the same pattern as interest in conventional banking. This raises serious questions about the extent to which these institutions are actually implementing sharia principles in their operations. A study by Zain et al. (2020) shows a tendency to prioritise profitability over the values of justice and blessing[45], which should be the main focus in any Islamic financial transaction.

Furthermore, Mahmud et al. (2021) also underlined the challenges faced in implementing *murābaḥah*[46], especially regarding contract preparation and risk management. In many cases, Islamic banks not only function as financing providers, but also as risk managers who must ensure that the transactions carried out are not only financially profitable, but also in accordance with Sharia principles. This includes an in-depth analysis of the goods being financed, ensuring it is halal and do not contradict Islamic values. A real example of this challenge can be seen in the vehicle financing sector. When a customer applies for financing to buy a car, the Islamic bank will buy the vehicle first and then sell it to the customer at an agreed price. However, if the bank does not conduct adequate due diligence on the market price and condition of the vehicle, there is a risk that customers will be burdened with unfair prices. This creates dissatisfaction among customers and damages the reputation of Islamic financial institutions.

[45] Uswatun Khasanah, 'Tinajuan Hukum Islam Terhadap Pelaksanaan Asuransi Pembiayaan Murabahah Di Bprs X Provinsi Riau', *Jurnal Ilmiah Ekonomi Islam* 7, no. 2 (July 2021), https://doi.org/10.29040/jiei.v7i2.2438.

[46] Dyah Ayu Perwitasari, 'Internalisasi Nilai-Nilai Keadilan Dalam Praktik Pembiayaan Mudharabah Dan Deposito Mudharabah', *Jurnal Ilmiah Akuntansi* 2, no. 1 (October 2017), https://doi.org/10.23887/jia.v2i1.10468.

***MILRev : Metro Islamic Law Review***
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

In a broader context, it is important to consider how this *murābaḥah* practice affects public trust in Islamic banking. If Islamic financial institutions continue to operate similarly to conventional banks, it will be difficult for them to establish a strong image as institutions committed to Islamic principles. Public trust is a valuable asset, and if an Islamic financial institution cannot maintain its integrity, there will be a risk of losing customers who prefer to switch to another financial institution considered more transparent and fair. An in-depth analysis of this aspect shows that in order to achieve the goals of *maqāṣid* sharia, Islamic financial institutions need to carry out reforms in their *murābaḥah* practices. This includes the development of stricter internal policies regarding pricing and profit margins and training employees to understand and apply Sharia principles in every transaction. In addition, institutions need to adopt technologies that can increase transparency and efficiency in the financing process, such as using blockchain to record transactions and ensure that all parties involved can track every step in the process.

The practice of *murābaḥah* in Islamic banking is not only a financing mechanism, but also a reflection of the commitment of Islamic financial institutions to the values of *maqāṣid* sharia. Despite the challenges in its implementation, by carrying out appropriate reforms and ensuring that every transaction reflects the principles of justice and blessing, Islamic financial institutions can increase public trust and strengthen their position as a better alternative than the conventional banking system. Success in implementing sharia-compliant *murābaḥah* practices will be an important step in achieving the long-term goals of sustainable sharia economic development[47]. The main criticism that arises in the practice of *murābaḥah* in the context of Islamic finance shows that there is too much tendency in the commercial aspect. This often ignores the broader purpose of the *maqāṣid* sharia, which should be the foundation of any financial transaction undertaken. M*aqāṣid* sharia, which aims to achieve goodness and prevent damage, should be systemically internalised in every

[47] Asyraf Wajdi Dusuki. Abdulazeem Abozaid, 'A Critical Appraisal On The Challenges Of Realizing Maqasid Al-Shariaah In Islamic Banking And Finance', *International Journal of Economics, Management and Accounting* 15, no. 2 (2007): 143–65.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

operational aspect of Islamic finance, including *murābaḥah*. However, many financial institutions are more focused on short-term profitability without considering the broader social and economic impact[48].

One of the significant challenges in the implementation of *murābaḥah* is the low literacy of Islamic finance among the community. Many customers do not fully understand the basic principles of Islamic finance, including *murābaḥah* itself. For example, customers often do not realise that *murābaḥah* is not just an ordinary buying and selling, but involves the principles of fairness and transparency. Banks often take advantage of this misunderstanding, where the information provided to customers is unbalanced. Banks often have greater access to information and resources, while less financially educated customers become vulnerable to offers that are not fully compliant with Sharia principles[49].

A concrete example of this problem can be seen in cases where customers are trapped in an endless cycle of debt. For example, a person who takes out *murābaḥah* financing to buy a vehicle may not fully understand the cost burden he will bear in the future, including the interest hidden in the bank's profit margin. This ambiguity can lead to dissatisfaction and conflict between customers and banks, ultimately to the detriment of both parties. Therefore, financial institutions need to improve Islamic financial literacy through comprehensive education programs, so that customers can make better decisions and be more aware of their rights and obligations[50]. Another obstacle to implementing the ideal *murābaḥah* is the weak internal sharia supervision in financial institutions. Effective sharia supervision ensures all transactions are carried out per sharia principles. However, this supervision is often considered a mere formality, without any real action to follow up

[48] Adinda Dian Pramita, Khusnul Fikriyah, and Sri Abidah Suryaningsih, 'Islamic Economic Law On Musyarakah And Murabahah: Impacts On Islamic Banking Growth', *Istinbath* 23, no. 2 (December 2024): 455–69, https://doi.org/10.20414/ijhi.v23i2.906.

[49] Sri Wahyuni, P Pujiharto, and Annisa Ilma Hartikasari, 'Sharia Maqashid Index and Its Effect on The Value of The Firm of Islamic Commercial Bank in Indonesia', *Riset Akuntansi Dan Keuangan Indonesia*, 1 April 2020, 36–45, https://doi.org/10.23917/reaksi.v5i1.9493.

[50] Muhammad Taufik, Rifqi Muhammad, and Peni Nugraheni, 'Determinants and Consequences of Maqashid Sharia Performance: Evidence from Islamic Banks in Indonesia and Malaysia', *Journal of Islamic Accounting and Business Research* 14, no. 8 (November 2023): 1426–1450, https://doi.org/10.1108/JIABR-07-2021-0205.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

on the occurring violations. For example, if there are indications that a *murābaḥah* transaction does not meet sharia requirements, steps to remedy the situation are often not taken seriously. This can raise doubts among customers about the integrity of Islamic financial institutions, which can lower public trust in the Islamic financial system[51].

Furthermore, the complexity of existing regulations in the Islamic financial sector is also challenging. Many financial institutions find it difficult to understand and apply applicable regulations, especially if they change frequently or are unclear. This uncertainty can hinder innovation and development of Islamic financial products that align with the community's needs. For example, if a bank wants to develop a *murābaḥah* product that is more transparent and accountable, but is hindered by complicated regulations, then the product's potential to provide maximum customer benefits will be lost. Therefore, synergy is needed between regulators and industry players to create simpler and easier-to-understand regulations, encouraging the growth of a healthier Islamic financial sector. In addition, the lack of adequate information technology support is also a factor that magnifies the potential for implementation inconsistencies in *murābaḥah* practice. Information technology is crucial in increasing transparency and accountability in today's digital era. However, many Islamic financial institutions still use manual systems or outdated technology, hindering operational efficiency and the ability to provide better service to customers. For example, sophisticated mobile banking applications can make it easier for customers to monitor their *murābaḥah* transactions in real-time, reducing the risk of misunderstanding and increasing customer trust in financial institutions.

Considering all the challenges discussed, the practice of *murābaḥah* in Islamic finance requires a more holistic approach. Relevant parties, financial institutions, regulators, and the public must collaborate to create an ecosystem that effectively supports applying *maqāṣid* sharia principles. Continuous education, strengthening of sharia supervision, simplifying regulations, and utilising modern information technology are steps

---

[51] Zohaib Sain and Hendri Hermawan Adinugraha, 'Artificial Intelligence and Islamic Finance: Enhancing Sharia Compliance and Social Impact in Banking 4.0', *Journal of Business Management and Islamic Banking*, 10 July 2025, 025–046, https://doi.org/10.14421/jbmib.2025.0401-03.

that need to be taken to ensure that *murābaḥah* not only becomes a commercial tool, but also a means to achieve greater social and economic goals. In this way, we can build a more sustainable Islamic financial system that benefits all levels of society.

In terms of relevance and policy implications, the findings show the need for reformulation of internal and national policies to strengthen the implementation of *murābaḥah* contracts that are in line with *maqāṣid* sharia. In this context, *murābaḥah* contracts, a form of financing in Islamic banking, are not only buying and selling transactions, but must also be understood as instruments that have a wider impact on society and the economy. The *murābaḥah* contract, in essence, involves the sale of goods at an agreed price, where the Islamic bank acts as the seller and the customer as the buyer. However, to ensure that this contract is not only financially profitable but also fulfils the principles of *maqāṣid* sharia, which focus on protecting and improving the welfare of the *ummah*, a more comprehensive policy is needed. Policies that encourage regular training of Islamic bank employees, for example, are essential to ensure they have a deep understanding of Islamic principles and the ability to apply them in daily practice. This training covers not only the technical aspect, but also the ethical and moral aspects of doing business, which is the core of the *maqāṣid* sharia itself.

In addition, improving public education is very crucial. The public needs to be given a clear understanding of Islamic banking products, including *murābaḥah* contracts, to make wise decisions in using financial services. For example, through seminars, workshops, or information campaigns involving various levels of society, it can increase awareness of the benefits and advantages of Islamic banking. Thus, the community not only becomes consumers but can also actively advance the sharia economy. Information transparency in each stage of the *murābaḥah* contract is also the key to the successful implementation of this contract sustainably. In practice, there is often uncertainty about the costs and risks associated with sharia financing products. Therefore, Islamic banks must ensure that all information about the *murābaḥah* contract is conveyed clearly and openly to customers. For example, the bank can provide documents detailing all the costs that may

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

arise during the financing process, so that customers do not feel surprised or disadvantaged later on. This transparency will build trust between banks and customers and encourage more people to choose Islamic banking as a better alternative to conventional banking[52].

Furthermore, policies that encourage collaboration between regulators, academics, and practitioners are needed to optimise the contribution of Islamic banking to the goals of maqashid. This collaboration can create strong synergies in developing Islamic banking products and services that are more innovative and in accordance with the community's needs. Regulators can provide a clear and supportive framework, while academics can conduct in-depth research to identify trends and challenges in the field. Practitioners, on the other hand, can provide direct input on customer needs and expectations. With this collaborative approach, Islamic banking can function as a financial institution and an agent of change that contributes to forming a just and prosperous civil society.

For example, in some countries, there are initiatives involving various stakeholders to develop financial products that are economically beneficial and socially impactful. For example, financing products designed specifically for small and medium enterprises (SMEs) managed by women or marginalised groups. Such products provide access to finance and empower marginalised groups, directly contributing to reducing social and economic inequality. With this holistic approach, the *murābaḥah* contract will function as a financing instrument and a means of sustainable social transformation. In this context, it is important to understand that any transaction made within the framework of the *murābaḥah* contract must pay attention to its impact on society as a whole. Therefore, Islamic banks must be committed to not only pursuing financial gains but also contributing to the social and economic well-being of the community.

To strengthen the implementation of the *murābaḥah* contract in line with the *maqāṣid* sharia, a policy reformulation is needed that includes training of bank employees, improving public education, and transparency of information. Collaboration between

[52] Ameen Ahmed Abdullah Qasem Al-Nahari et al., 'Common Conceptual Flaws in Realizing Maqāṣid Al-Sharīʻah Vis-à-Vis Islamic Finance', *ISRA International Journal of Islamic Finance* 14, no. 2 (September 2022): 190–205, https://doi.org/10.1108/IJIF-12-2020-0259.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

regulators, academics, and practitioners is also an important factor in optimising the contribution of Islamic banking. With a comprehensive and holistic approach, *murābaḥah* contracts can function as a financing instrument and a tool to achieve broader social goals, creating a more just and prosperous society.

*Murābaḥah* in classical Islamic jurisprudence is a form of buying and selling that is allowed and is known as trust buying and selling. In this contract, the seller must disclose the purchase price of the goods and the profit margin taken, and this transaction is only valid if it obtains the buyer consents.[53] *Murābaḥah* is not a loan or debt-based transaction, but an actual sale and purchase contract that requires the seller to take real ownership of the goods before reselling them to the buyer.[54] In this case, *murābaḥah* prioritises principles such as honesty (trust), price openness (*shafafiyah*), and justice (*'adl*), all of which reflect the main values of sharia in economic transactions.[55]

Legally, the scholars of the four major schools (Hanafi, Maliki, Shafi'i, and Hanbali) agree that *murābaḥah* is permissible if it meets the principles and conditions applicable in buying and selling. The pillars of *murābaḥah* include: (1) the parties to the contract (*aqidan*), (2) the object of the contract (*ma'qud 'alayh*), i.e. the goods that are halal and clear, (3) ijab and qabul (*sighah*), and (4) the cost of goods and profit margins that are known and agreed upon by both parties.[56] This pillar of law affirms that *murābaḥah* differs substantially from conventional loans based on a refund over time. In fiqh, every legitimate sale must be accompanied by an element of risk and ownership, not just a promise of return.[57]

[53] Azizah Yahia al-Hibri, 'Muslim Women's Rights in the Global Village: Challenges and Opportunities', *Journal of Law and Religion* 15, no. 1/2 (2000): 37, https://doi.org/10.2307/1051514.
[54] M. Kabir Hassan, Sirajo Aliyu, and Jennifer Brodmann, 'An Introduction to Islamic Banking and Finance', in *The Most Important Concepts in Finance* (Edward Elgar Publishing, 2017), https://doi.org/10.4337/9781786431134.00019.
[55] Salah Ud Din, Sharifah Hayaati Syed Ismail, and Raja Hisyamudin Raja Sulong, 'Combating Corruption Based on Al-Siyasah al-Syar'iyyah Perspective: A Literature Review', *International Journal of Ethics and Systems* 40, no. 4 (December 2024): 776–807, https://doi.org/10.1108/IJOES-12-2022-0312.
[56] Mezbah Uddin Ahmed, Ruslan Sabirzyanov, and Romzie Rosman, 'A Critique on Accounting for Murabaha Contract', *Journal of Islamic Accounting and Business Research* 7, no. 3 (June 2016): 190–201, https://doi.org/10.1108/JIABR-04-2016-0041.
[57] Mahmoud A. El-Gamal, *Islamic Finance: Law, Economics, and Practice*, 1st edn (America, 2006).

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

The original intent of *murābaḥah* is to provide an ethical and transparent means of trade in Islamic society. This concept aims to make it easier for people to obtain goods with a flexible payment system, without being entangled in the practice of usury.[58] However, this goal is only achieved if the basic principle of *murābaḥah*, namely real involvement in ownership and risk, is implemented. In practice, sellers (including banks) are supposed to buy the goods first, legally own them, and then resell them to the buyer at an agreed margin. If the seller never owns or bears the risk of the goods, the transaction loses its sharia substance.[59]

The distinction between *murābaḥah* as a trade-based contract and financing instruments becomes crucial in this context. In a trade contract, the seller bears ownership risk, and the goods traded must be real and halal. However, murābaḥah has transformed into a financing instrument that resembles a conventional credit system in modern Islamic banking practice. Banks often use promissory notes (*wa'd*) and *wakālah* mechanisms, meaning they never own the goods legally before selling them to customers.[60] This has led to criticism that many Islamic financial institutions only pursue formal legal compliance without regard to the substance of sharia, especially in terms of fairness, risk involvement, and the purpose of *maqāṣid al-sharīʻah.*[61] Some recent studies have even suggested that the current practice of *murābaḥah* is more akin to financing interest-based debt, because the bank earns fixed profits without involvement in real business activities.[62] Therefore, it is very important to review the position of the *murābaḥah* conceptually and functionally, so

[58] Muhammad Nooraiman Zailani, Nurul Huda Mohd Satar, and Roza Hazli Zakaria, 'Maqasid Al-Shariah Based Index of Socio-Economic Development: A Literature Review', *The Journal of Muamalat and Islamic Finance Research*, 1 June 2022, 47–62, https://doi.org/10.33102/jmifr.v19i1.409.

[59] Ayesha Khan, 'Comparative Analysis of Islamic Commercial Laws and Modern Banking Law Trends', *UCLA Journal of Islamic and Near Eastern Law* 22, no. 1 (June 2025), https://doi.org/10.5070/N422165334.

[60] Mehmet Ali Basak and Saqib Khateeb, 'A Critical Approach to Debt Financing in a Muslim Society: The Case of Qatar', *Dicle Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, no. 39 (July 2025): 1–28, https://doi.org/10.15182/diclesosbed.1388030.

[61] Jasser Auda, 'Maqasid Methodology for Re-Envisioning Islamic Higher Education', *Journal of Contemporary Maqasid Studies* 1, no. 1 (December 2021): 31–58, https://doi.org/10.52100/jcms.v1i1.58.

[62] Mohammad Selim and Mohammad Omar Farooq, 'Elimination of Poverty by Islamic Value Based Cooperative Model', *Journal of Islamic Accounting and Business Research* 11, no. 5 (April 2020): 1121–1143, https://doi.org/10.1108/JIABR-08-2018-0125.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

that it is in line with the principles of *maqāṣid* and not solely dependent on the legality of the contract structure.

## A Critical Exploration of Contemporary *Murābaḥah* Practices in Bank Islam

In contemporary Islamic banking practice, *murābaḥah* has significantly transformed from its classical concept of real buying and selling to a financing tool that resembles a conventional credit system. Islamic banks use *murābaḥah* as the dominant mechanism in retail and corporate financing, given its ease of risk management, cash flow certainty, and compatibility with modern accounting systems[63]. Operationally, implementing *murābaḥah* in Islamic banks generally involves a request for goods from customers, followed by an agreement that the bank will buy the goods from suppliers and then resell them to customers with a fixed profit margin. However, in practice, banks often do not actually own the goods physically or legally, but rather use *wakālah* (representative) contracts to appoint customers as agents acting on behalf of the bank in the purchase process. This substantially reduces risk involvement and bank ownership, contrary to the principle of buying and selling in fiqh[64].

The determination of profit margins in *murābaḥah* is also in the spotlight. Although in theory it should be based on a free agreement between the bank and the customer, the margin is usually determined by reference to conventional interest rates such as LIBOR, SBIBOR, or BI Rate. This practice has been criticised for blurring the distinction between *murābaḥah* and the ribā system, especially when fixed profit margins do not correlate with risk or market conditions[65]. A study by Khan & Jan (2021) shows that 80% of *murābaḥah* contracts in Pakistan and 75% in Malaysia set conventional interest rate-based margins[66].

[63] Elias Abu ALHaija et al., 'Ethical Banking Practices: A Comparative Analysis of Islamic and Conventional Banks in GCC Countries', *International Journal of Ethics and Systems*, ahead of print, 17 December 2024, https://doi.org/10.1108/IJOES-08-2024-0254.

[64] Hassan, Aliyu, and Brodmann, 'An Introduction to Islamic Banking and Finance'.

[65] Selim and Farooq, 'Elimination of Poverty by Islamic Value Based Cooperative Model'.

[66] Iksan Iksan et al., 'Transcendental Ethics between Islam and the West: An Analysis of the Fatwa of the National Sharia Council of the Indonesian Ulema Council on Usury in Murabahah', *Journal of Ecohumanism* 3, no. 8 (December 2024), https://doi.org/10.62754/joe.v3i8.5141.

MILRev
Metro Islamic Law Review
Scientific Islamic Law Journal Of Sharia Faculty
*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

In addition, many Islamic banks use agency contracts (*wakālah* or urbun) to speed up the transaction process. The bank appoints the customer as a representative to purchase goods on behalf of the bank, but in practice, this process is only an administrative formality. In many cases, the goods are never transferred to them, and the bank only formally documents transactions to meet sharia compliance, not in substance[67]. This raises serious questions about the validity of contracts, the honesty of transactions, and the moral integrity of the Islamic financial system.

Case studies from Malaysia and the United Arab Emirates show that most Islamic banks use *murābaḥah* for consumptive financing, such as purchasing vehicles, houses, and household appliances, while very little is used for productive purposes. An analysis of Bank Muamalat Malaysia found that *murābaḥah* accounts for more than 60% of the financing portfolio, but only 8% is related to the real business sector[68][69]. This indicates a tendency to over-rely on *murābaḥah* because it is easy to implement and provides definite benefits, not because it reflects the ideal Islamic trading principles.

Academic criticism of this practice is gaining strength. First, contemporary *murābaḥah* is considered too similar to the interest-bearing lending system, as the profit margin is fixed and paid over a certain period, without risk sharing or involvement in productive ventures. Second, there is insincerity in risk sharing, as banks tend to transfer all risk to customers, while they themselves only act as financiers. Third, there is an overemphasis on profitability and operational efficiency, which often comes at the expense

[67] Hissan Khandakar et al., 'Reforming Islamic Financial Standards for Inclusive and Sustainable Development: A Maturidi Creed Perspective on Behaviour, Equity and Justice', *International Journal of Ethics and Systems*, ahead of print, 5 June 2025, https://doi.org/10.1108/IJOES-04-2025-0186.

[68] Fulya Apaydin, 'Regulating Islamic Banks in Authoritarian Settings: Malaysia and the United Arab Emirates in Comparative Perspective', *Regulation & Governance* 12, no. 4 (December 2018): 466–485, https://doi.org/10.1111/rego.12201.

[69] Mohd Nurhisyam Talang, 'Why Muslims Should Stop Blindly Accusing Islamic Finance Of Not Being Shariah-Compliant: The Governance Of Ijtihad Methodology As The Shield Of Shariah Compliance', preprint, 2025, https://doi.org/10.2139/ssrn.5141354.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

of the principles of social justice, financial inclusion, and the economic empowerment of people with low incomes[70].

Ethically, this is contrary to *maqāṣid al-sharīʻah*, especially the principles of *hifz al-māl* (protection of wealth) and *'adl* (justice). When *murābaḥah* is used to pursue mere profit without considering the distribution of risk and social value of the transaction, it fails to achieve the substantial purpose of Islamic finance. Al-Siddiqi (2022) emphasised that Islamic banking should not be trapped in "symbolic compliance", but should encourage practices that benefit the ummah[71]. Thus, this critical exploration shows that the practice of *murābaḥah* in many Islamic financial institutions still needs to be reformed structurally and philosophically. A more comprehensive approach is needed in designing *murābaḥah* contracts and operations to be in line with *maqāṣid* values, as well as avoiding ethical distortions and superficial commercialisation of sharia.

Table 1. Key Critiques of Contemporary *Murābaḥah* Practices in Islamic Banking and *Maqāṣid* Implications

| Critique Area | Description of Issue | Evidence/Example | *Maqāṣid* Implication |
|---|---|---|---|
| Conventional Imitation | *Murābaḥah* practices increasingly resemble conventional loans with fixed returns. | In Malaysia and Pakistan, >70% of *murābaḥah* contracts are benchmarked to interest rates. | Undermines *'adl* (justice) and blurs the distinction with ribā. |
| Lack of Real Ownership | Banks avoid genuine ownership and transfer risk to customers via *wakālah* contracts. | Customers often act as agents to purchase goods on behalf of banks. | Weakens *amānah* and *hifẓ al-māl* (protection of wealth). |
| Consumption Bias | Financing largely supports consumptive rather than productive sectors. | Bank Muamalat Malaysia: 60% *murābaḥah*, only 8% linked to the real sector. | Limits *maslahah' āmmah* (public benefit) and inclusive growth. |

[70] Umair Riaz et al., 'Islamic Banking, Social Justice and Symbolic Capital – Insights from the UK', *Accounting, Auditing & Accountability Journal*, ahead of print, 5 June 2025, https://doi.org/10.1108/AAAJ-03-2024-6930.

[71] Miloud Lifa, 'Characteristics of The Modern Utilization of Maqasid Al-Sharia (Objectives of Sharia)', *Journal of Science and Knowledge Horizons* 4, no. 02 (December 2024): 48–69, https://doi.org/10.34118/jskp.v4i02.4008.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

| | | | |
|---|---|---|---|
| Benchmarking to Interest | Pricing determined by LIBOR/SBIBOR/BI Rate benchmarks. | 80% of contracts in Pakistan, 75% in Malaysia tied to conventional rates. | Creates perception of "hidden ribā," undermining *maqāṣid*. |
| Limited Product Innovation | Heavy reliance on *murābaḥah*; participatory modes (*mushārakah*, muḍārabah) are underused. | Global trend shows *murābaḥah* dominates despite innovation calls. | Restricts welfare and sustainability goals in the *maqāṣid* framework. |

Source: Author's Interpretation

**Analysis of *Murābaḥah* in the Perspective of *Maqāṣid al-Sharīʿah* and Reform Strategies**

*Maqāṣid al-sharīʿah* as a normative framework in Islamic law places the welfare of human beings as the main goal of sharia. In the context of Islamic finance, *maqāṣid* is used to assess whether a product is not only formally legal (shari'ah compliant), but also contributes to higher sharia goals such as wealth protection (*hifz al-māl*), justice ('*adl*), and the public good (*maslahah' āmmah*)[72]. Regarding *hifz al-māl*, *murābaḥah* provides a financing mechanism without usury and transaction certainty through a fixed margin structure. In practice, *murābaḥah* is considered safe because it is low risk for banks and customers. However, criticism arises when *murābaḥah* is overused as the main instrument, while banks are not involved in real economic activities and do not bear the risk of the transaction object, so the function of wealth protection is only partially applicable.

The aspect of justice (al-*'adl*) in *maqāṣid al-sharīʿah* requires a fair distribution of risks and benefits between the parties to the transaction. In contemporary *murābaḥah*, the risk is almost entirely shifted to the customer. The bank sets fixed margins without considering market fluctuations or economic failures of the customer, which makes the contract tend to be one-sided. As Al-Siddiqi highlights, contemporary *murābaḥah* often fails to reflect the principle of justice due to the absence of authentic risk-sharing. In terms of promoting economic benefits, *murābaḥah* only contributes partially. This product is not designed to encourage investment or entrepreneurship but to consume and procure assets on credit. In

[72] Jasser Auda, *Maqasid Al-Shariah as Philosophy of Islamic Law: A Systems Approach* (London: The International Institute of Islamic Thought, 2008).

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

fact, the main goal of Islamic finance is to encourage inclusive economic growth, reduce inequality, and support the real sector. Empirical studies in Indonesia and Malaysia show that more than 70% of *murābaḥah* financing is used for consumptive rather than productive purposes. This has the potential to keep the practice of *murābaḥah* away from the sharia *maqāṣid* in the long term.

Structural reforms are needed to bridge the gap between formal compliance and substantive maqashid. One of the main strategies is to encourage participatory contracts, such as *mushārakah* and *mudharabah*, which are based on profit and risk sharing. These contracts align with the principles of fairness and support productive economic activity. Although the operational challenges are high (such as business monitoring and risk management), the impact on the fulfilment of *maqāṣid* is much more significant. Another alternative is the use of a hybrid approach, such as *murābaḥah*-musharakah or *murābaḥah*-ijarah, which combines financing certainty with participation in real value. For example, widely applied to home financing, the murābaḥah model of diminishing mushararakah can be a real example of integrating participatory and structural principles[73]. This encourages banks to play the role of sellers of goods and as economic partners for customers.

In the policy context, Islamic banks and regulators must adopt a *maqāṣid* measurement framework to evaluate financial products. Several models, such as the *Maqāṣid* Index and the social return on Islamic finance framework, can be adopted to assess the social impact of Islamic finance products[74]. In addition, strengthening the role of the Sharia Supervisory Board (DPS) in assessing the substance of products and regulatory incentives for banks that use participatory contracts are important steps. Finally, the *maqāṣid* approach must go beyond just formal sharia compliance. The Islamic banking world must return to the original Sharia values oriented towards justice, sustainability, and

[73] Alam Asadov et al., 'Musharakah Mutanaqisah Home Financing: Issues in Practice', *Journal of Islamic Accounting and Business Research* 9, no. 1 (January 2018): 91–103, https://doi.org/10.1108/JIABR-08-2015-0036.

[74] Syed Marwan and Mohamed Aslam Haneef, 'Does Doing Good Pay Off?', *Islamic Economic Studies* 27, no. 1 (August 2019): 23–37, https://doi.org/10.1108/IES-05-2019-0001.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

social welfare. As stated by Kamla and Alsoufi, Islamic banking must abandon a "legalistic structure" that is sterile of value and transform into an ethical financial system that truly prospers the ummah.[75]

## CONCLUSION

Implementing *murābaḥah* contracts in Indonesian Sharia banks generally complies with basic sharia provisions, particularly in safeguarding property and religion through margin transparency and avoiding usury. However, it remains limited in fulfilling broader *maqāṣid al-Sharīʿah* objectives such as the protection of life, intellect, and posterity. Empirical evidence shows that banks often avoid real ownership and rely on fixed margins benchmarked to conventional interest rates, resulting in predominantly consumptive financing, weak contractual literacy, and minimal integration of social objectives such as education and health. These findings confirm earlier critiques of "ethical poverty" in *murābaḥah* practice while extending the discourse by highlighting socio-cultural and regulatory barriers specific to Indonesia. To address these shortcomings, the study recommends reformulating product designs to better align with all *maqāṣid* dimensions, strengthening human resource capacity through *maqāṣid*-based training, enhancing sharia financial literacy with measurable outcomes, and promoting innovative hybrid contracts for productive sectors. Such strategies would enable *murābaḥah* to evolve from a debt-like instrument into a genuine justice, welfare, and sustainable development vehicle. Future research should expand the study of *murābaḥah* to various financial institutions and compare practices across countries, employ quantitative methods with measurable indicators of justice and welfare, and explore hybrid contract innovations such as *murābaḥah–mushārakah* or *murābaḥah–ijārah*. Interdisciplinary approaches integrating Islamic legal theory, economics, and ethics are also recommended to strengthen the role of *murābaḥah* as a holistic instrument for justice, welfare, and sustainable development in Islamic banking.

[75] Rania Kamla, 'Critical Insights into Contemporary Islamic Accounting', *Critical Perspectives on Accounting* 20, no. 8 (November 2009): 921–932, https://doi.org/10.1016/j.cpa.2009.01.002.

***MILRev : Metro Islamic Law Review***
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188

## ACKNOWLEDGMENTS

The authors wish to express their profound gratitude to the Rector of Institut Agama Islam Negeri (IAIN) Ambon for the continuous support and encouragement throughout the completion of this study. Deep appreciation is also extended to the lecturers, the entire academic community, and all individuals who generously contributed their time, insights, and assistance during the research and writing process. Their support has been invaluable in making this work possible.

## AUTHOR CONTRIBUTIONS STATEMENT

Djumadi contributed to the study's conception, design, and development of the research framework. Arzal Syah was responsible for data collection, validation, and field observations. Hamida carried out the data analysis, interpretation of findings, and drafting sections of the manuscript. Mujahidin contributed to the literature review, theoretical framework, and final draft editing. Kamiruddin provided methodological guidance, critical revisions, and overall supervision of the research process. All authors discussed the results, reviewed the manuscript critically, and approved the final version for publication.

## CONFLICT OF INTEREST

The authors declare no conflict of interest concerning this article's research, authorship, or publication. All stages of the study—from data collection and analysis to the interpretation of findings—were carried out independently and objectively, without personal, financial, or institutional influence. The publication of this article is intended solely for academic and scientific purposes, with no underlying commercial or political interests.

## BIBLIOGRAPHY

Abu ALHaija, Elias, Amjed Lataifeh, Ahed Al-Haraizah, Mohammad Meqdade, and Nadia Yousef. 'Ethical Banking Practices: A Comparative Analysis of Islamic and Conventional Banks in GCC Countries'. *International Journal of Ethics and Systems*, ahead of print, 17 December 2024. https://doi.org/10.1108/IJOES-08-2024-0254.

***MILRev : Metro Islamic Law Review***
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188
Ahmed, Mezbah Uddin, Ruslan Sabirzyanov, and Romzie Rosman. 'A Critique on Accounting for Murabaha Contract'. *Journal of Islamic Accounting and Business Research* 7, no. 3 (June 2016): 190–201. https://doi.org/10.1108/JIABR-04-2016-0041.

Alazhari, Alvionita Ardilla, M Taufan B, and Yuni Amelia. 'the Implementation Of Murabahah Contract On The Retirement Financing At Sharia Bank Of Indonesia'. *Tadayun: Jurnal Hukum Ekonomi Syariah* 4, no. 2 (December 2023): 163–176. https://doi.org/10.24239/tadayun.v4i2.106.

Alhammadi, Salah. 'Expanding Financial Inclusion in Indonesia through Takaful: Opportunities, Challenges and Sustainability'. *Journal of Financial Reporting and Accounting*, ahead of print, 11 September 2023. https://doi.org/10.1108/JFRA-05-2023-0256.

Alhammadi, Salah, Khaled O. Alotaibi, and Dzikri F. Hakam. 'Analysing Islamic Banking Ethical Performance from *Maqāṣid al-sharī'ah* Perspective: Evidence from Indonesia'. *Journal of Sustainable Finance & Investment* 12, no. 4 (October 2022): 1171–1793. https://doi.org/10.1080/20430795.2020.1848179.

al-Hibri, Azizah Yahia. 'Muslim Women's Rights in the Global Village: Challenges and Opportunities'. *Journal of Law and Religion* 15, no. 1/2 (2000): 37. https://doi.org/10.2307/1051514.

Al-Nahari, Ameen Ahmed Abdullah Qasem, Abu Talib Mohammad Monawer, Luqman Bin Haji Abdullah, Abdul Karim Bin Ali, Noor Naemah Binti Abdul Rahman, and Meguellati Achour. 'Common Conceptual Flaws in Realising *Maqāṣid* Al-Sharī'ah Vis-à-Vis Islamic Finance'. *ISRA International Journal of Islamic Finance* 14, no. 2 (September 2022): 190–205. https://doi.org/10.1108/IJIF-12-2020-0259.

Amalia, N.' Qualitative Analysis of the Implementation of the Murabahah Agreement in Islamic Banking'. *Journal of Sharia Economics and Finance* 12, no. 1 (2023): 45–60.

Apaydin, Fulya. 'Regulating Islamic Banks in Authoritarian Settings: Malaysia and the United Arab Emirates in Comparative Perspective'. *Regulation & Governance* 12, no. 4 (December 2018): 466–485. https://doi.org/10.1111/rego.12201.

Archer, Simon, and Rifaat Ahmed Abdel Karim. 'When Benchmark Rates Change: The Case of Islamic Banks'. *Journal of Financial Regulation and Compliance* 27, no. 2 (May 2019): 197–214. https://doi.org/10.1108/JFRC-11-2017-0104.

Arfan, Abbas, Iklil Athroz Arfan, Abdulrahman Alkoli, and Ramadhita Ramadhita. 'The Implementation of Maqashid Sharia: Heterogeneity of Scholars' Fatwas towards Islamic Banking Contracts'. *Legality : Jurnal Ilmiah Hukum* 32, no. 1 (March 2024): 105–128. https://doi.org/10.22219/ljih.v32i1.32170.

Asadov, Alam, Zulkarnain Bin Muhamad Sori, Shamsher Mohamad Ramadilli, Zaheer Anwer, and Shinaj Valangattil Shamsudheen. '*Mushārakah* Mutanaqisah Home Financing: Issues in Practice'. *Journal of Islamic Accounting and Business Research* 9, no. 1 (January 2018): 91–103. https://doi.org/10.1108/JIABR-08-2015-0036.

Asyraf Wajdi Dusuki. Abdulazeem Abozaid. 'a Critical Appraisal On The Challenges Of Realising Maqasid Al-Shariaah In Islamic Banking And Finance'. *International Journal of Economics, Management and Accounting* 15, no. 2 (2007): 143–165.

Auda, Jasser. *Maqasid Al-Shariah as Philosophy of Islamic Law: A Systems Approach*. London: The International Institute of Islamic Thought, 2008.

——. 'Maqasid Methodology for Re-Envisioning Islamic Higher Education'. *Journal of Contemporary Maqasid Studies* 1, no. 1 (December 2021): 31–58. https://doi.org/10.52100/jcms.v1i1.58.

Basak, Mehmet Ali, and Saqib Khateeb. 'A Critical Approach to Debt Financing in a Muslim Society: The Case of Qatar'. *Dicle Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, no. 39 (July 2025): 1–28. https://doi.org/10.15182/diclesosbed.1388030.

Din, Salah Ud, Sharifah Hayaati Syed Ismail, and Raja Hisyamudin Raja Sulong. 'Combating Corruption Based on Al-Siyasah al-Syar'iyyah Perspective: A Literature Review'. *International Journal of Ethics and Systems* 40, no. 4 (December 2024): 776–807. https://doi.org/10.1108/IJOES-12-2022-0312.

Fadillah, Muhammad Aris, Tuti Anggraini, and Nurul Inayah. 'resolving financing problems with restructuring of murabahah financing during the covid-19 pandemic at pt. sumut bank (shariah business unit)'. *International Journal of Economics, Business and Accounting Research (IJEBAR)* 8, no. 1 (February 2024). https://doi.org/10.29040/ijebar.v8i1.12664.

Faizin, Nurul, and Royyan Ramdhani Djayusman. 'The Concept of Sharia Compliance on Islamic Bank Murabaha Financing in the Maqashid Sharia Approach: A Theoretical Study'. *Al-Iktisab: Journal of Islamic Economic Law* 7, no. 1 (August 2023): 49–74. https://doi.org/10.21111/aliktisab.v7i1.9980.

Fakhrina, Agus, and Abdul Hamid. 'Sacralising the Market? The Role of DSN–MUI in the Legal-Economic Legitimacy of Islamic Banking in Indonesia'. *Ahkam: Jurnal Ilmu Syariah* 25, no. 1 (2025): 125–141. https://doi.org/10.15408/ajis.v25i1.40879.

Farabi, Ahmad, Anggi Putri Kurniadi, Helena Dasilva, Mahmud Thoha, Kasman Karimi, Adi Suhendra, Imansyah Abinda Firdaus, Sigit Setiawan, Asrori Asrori, and Zamroni Salim. 'Islamic Banking Finance and Environmental Sustainability: Sector-Level Analysis from Indonesia'. *International Journal of Energy Economics and Policy* 15, no. 5 (2025): 695–704. https://doi.org/10.32479/ijeep.20331.

Ghozali, Mohammad, Devid Frastiawan Amir Sup, Ika Prastyaningsih, and Hasanuddin Yusuf Adan. 'The Law Concept of Sharia Banking Compliance on Murabaha Financing in Indonesia'. *Samarah: Jurnal Hukum Keluarga Dan Hukum Islam* 8, no. 3 (August 2024): 1391. https://doi.org/10.22373/sjhk.v8i3.11313.

Hasan, Teng Berlianty, Merry Tjoanda, Juanrico Alfaromona Sumarezs Titahelu, and Mualimin Mochammad Sahid. 'Reassessing Islamic Banking Supervision in Indonesia: A Contemporary Islamic and Socio-Legal Perspective on OJK's Integrated Model'. *MILRev: Metro Islamic Law Review* 4, no. 1 (2025): 619–644. https://doi.org/10.32332/milrev.v4i1.10851.

Hassan, M. Kabir, Sirajo Aliyu, and Jennifer Brodmann. 'An Introduction to Islamic Banking and Finance'. In *The Most Important Concepts in Finance*. Edward Elgar Publishing, 2017. https://doi.org/10.4337/9781786431134.00019.

Hidayatullah, M., & Khasanah, A.' Analysis of the Application of Murabahah Contracts in Sharia Banking: A Review of Maqashid Sharia'. *Journal of Sharia Economics and Finance* 10, no. 1 (2022): 45–60.

Huda, M., Nasution, M. A., & Wulandari, D.' Challenges in the Implementation of Murabahah Contracts in Sharia Banking: A Case Study in Indonesia'. *Journal of Sharia Economics and Finance* 10, no. 2 (2022): 123–140.

Iksan, Iksan, Kelik Wardiono, Wardah Yuspin, Absori Absori, Ridwan Ridwan, and Albertus Heru Nuswanto. 'Transcendental Ethics between Islam and the West: An Analysis of the Fatwa of the National Sharia Council of the Indonesian Ulema Council on Usury in Murabahah'. *Journal of Ecohumanism* 3, no. 8 (December 2024). https://doi.org/10.62754/joe.v3i8.5141.

Isna Arifatul Fatwa. 'The Gap between Practice and Theory in the Implementation of Murabahah in Indonesia'. *Journal of Islamic Law* 9, no. 1 (2024): 34–50.

Iswari, Tiya, Elex Sarmigi, Abdurrahman Al Biruni, and Muhammad Aunurrochim Mas'ad. 'Murabahah Financing in Practice: An Analytical Study at Sharia Bank, Sungai Penuh Branch'. *Journal of Islamic Economics Perspectives* 6, no. 2 (September 2024): 78–88. https://doi.org/10.35719/35jfbizt22.

Kamla, Rania. 'Critical Insights into Contemporary Islamic Accounting'. *Critical Perspectives on Accounting* 20, no. 8 (November 2009): 921–932. https://doi.org/10.1016/j.cpa.2009.01.002.

Khan, Ayesha. 'Comparative Analysis of Islamic Commercial Laws and Modern Banking Law Trends'. *UCLA Journal of Islamic and Near Eastern Law* 22, no. 1 (June 2025). https://doi.org/10.5070/N422165334.

Khandakar, Hissan, Md. Abu Hasnat, Md. Azizur Rahman, Rezwan Ul Haque Aubhi, Ayoub Babur, and Khandakar Kamrul Hasan. 'Reforming Islamic Financial Standards for Inclusive and Sustainable Development: A Maturidi Creed Perspective on Behaviour, Equity and Justice'. *International Journal of Ethics and Systems*, ahead of print, 5 June 2025. https://doi.org/10.1108/IJOES-04-2025-0186.

Khasanah, Uswatun. 'Tinajuan Hukum Islam Terhadap Pelaksanaan Asuransi Pembiayaan Murabahah Di Bprs X Provinsi Riau'. *Jurnal Ilmiah Ekonomi Islam* 7, no. 2 (July 2021). https://doi.org/10.29040/jiei.v7i2.2438.

Khoerunnisa, R., & Surya, I.' The Effectiveness of Qualitative Approaches in Analysing Sharia Aspects in Banking'. *Journal of Islamic Studies and Sharia Banking* 8, no. 2 (2021): 123–138.

Kiranawati, Yenik Candra, Shifa Miarti Aziza, Arim Nasim, and Caria Ningsih. 'Islamic Banking Governance in Maqashid Sharia Perspectives: A Systematic Literature Review'. *Share: Jurnal Ekonomi Dan Keuangan Islam* 12, no. 1 (April 2023): 59–74. https://doi.org/10.22373/share.v12i1.15446.

Lifa, Miloud. 'Characteristics of The Modern Utilization of Maqasid Al-Sharia (Objectives of Sharia)'. *Journal of Science and Knowledge Horizons* 4, no. 02 (December 2024): 48–69. https://doi.org/10.34118/jskp.v4i02.4008.

M Nur Ikhwan, Inna Khoridatul Bahiya, Awaludin Taufiq, Aditya Darmawan, and Fahri Safagutan. 'Problematics of Murabaha Agreement in Indonesian Islamic Banking: A Systematic Literature Review'. *Velocity: Journal of Sharia Finance and Banking* 5, no. 1 (June 2025): 88–103. https://doi.org/10.28918/velocity.v5i1.9100.

Mahmoud A. El-Gamal. *Islamic Finance: Law, Economics, and Practice*. 1st edn. America, 2006.

Majid, Rifaldi, and Rizky Aditya Nugraha. 'crowdfunding And Islamic Securities: The Role Of Financial Literacy'. *Journal of Islamic Monetary Economics and Finance* 8, no. 1 (February 2022): 89–112. https://doi.org/10.21098/jimf.v8i1.1420.

Malik, Anas, Ramayani, Sepriani, and Muhammad Tri Akbar Sugiarto. 'Analisis Penerapan Akad Murabahah Dalam Pembiayaan Konsumtif Pada Bank Syariah'. *Al-A'mal : Jurnal Manajemen Bisnis Syariah* 2, no. 1 (May 2025): 89–96.

Marwan, Syed, and Mohamed Aslam Haneef. 'Does Doing Good Pay Off?' *Islamic Economic Studies* 27, no. 1 (August 2019): 23–37. https://doi.org/10.1108/IES-05-2019-0001.

Masrizal, Raditya Sukmana, and Budi Trianto. 'The Effect of Islamic Financial Literacy on Business Performance with Emphasis on the Role of Islamic Financial Inclusion: Case Study in Indonesia'. *Journal of Islamic Marketing* 16, no. 1 (January 2025): 166–192. https://doi.org/10.1108/JIMA-07-2022-0197.

Mochamad Aziz, Roikhan, Fauziyah Latiefa Salsabila, and Ahmad Rodoni. 'Determinant of Professionalism and Religiosity to Increase the Performance of Bank Institution: Case Study on Permata Bank Indonesia'. *Falah: Jurnal Ekonomi Syariah* 8, no. 1 (February 2023): 28–39. https://doi.org/10.22219/jes.v8i1.24144.

Muhammad Nooraiman Zailani, Nurul Huda Mohd Satar, and Roza Hazli Zakaria. 'Maqasid Al-Shariah Based Index of Socio-Economic Development: A Literature

Review'. *The Journal of Muamalat and Islamic Finance Research*, 1 June 2022, 47–62. https://doi.org/10.33102/jmifr.v19i1.409.

Muhammad Resty Fauzi. 'Analisis Persepsi Nasabah Dalam Penggunaan Pembiayaan Produk Menggunakan Akad Murabahah Studi Kasus BSI KCP Cemara Asri Medan'. *Jurnal Penelitian Ekonomi Manajemen Dan Bisnis* 3, no. 2 (March 2024): 326–332. https://doi.org/10.55606/jekombis.v3i2.3566.

Naja, Abdul Hakam, Rina Indiastuti, Dian Masyita, and Cupian Cupian. 'is Islamic Banking Performance In Malaysia Truly Better Than Indonesia?' *Journal of Islamic Monetary Economics and Finance* 9, no. 4 (December 2023): 611–636. https://doi.org/10.21098/jimf.v9i4.1784.

Nugroho, Eko Rial. 'Implementation Of Sharia-Compliance In Islamic Bank Product Innovations'. *Prophetic Law Review* 3, no. 2 (December 2021). https://doi.org/10.20885/PLR.vol3.iss2.art4.

Nuha, Ulin. 'Human Resource Development Based on Spirituality in Islamic Financial Institutions'. *FALASIFA : Jurnal Studi Keislaman* 14, no. 1 (March 2023): 70–75. https://doi.org/10.62097/falasifa.v14i1.1664.

Perwitasari, Dyah Ayu. 'Internalisasi Nilai-Nilai Keadilan Dalam Praktik Pembiayaan Mudharabah Dan Deposito Mudharabah'. *Jurnal Ilmiah Akuntansi* 2, no. 1 (October 2017). https://doi.org/10.23887/jia.v2i1.10468.

Prabowo, Bagya Agung. 'The Practice of Murabahah Scheme in Syariah Banking (Critical Analysis Towards The Application of Murabahah Scheme in Indonesia and Malaysia'. *Jurnal Hukum IUS QUIA IUSTUM* 16, no. 1 (2009). https://journal.uii.ac.id/IUSTUM/article/view/498.

Pramita, Adinda Dian, Khusnul Fikriyah, and Sri Abidah Suryaningsih. 'Islamic Economic Law On Musyarakah And Murabahah: Impacts On Islamic Banking Growth'.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188
*Istinbath* 23, no. 2 (December 2024): 455–469. https://doi.org/10.20414/ijhi.v23i2.906.

Rahmawati, Anida. 'Dominasi Murabahah Dalam Pembiayaan Bank Syariah Indonesia'. *Syntax Literate ; Jurnal Ilmiah Indonesia* 9, no. 10 (October 2024): 5803–5809. https://doi.org/10.36418/syntax-literate.v9i10.51696.

Rejeki, Sri, and Muhammad Subhan. 'Analisis Hukum Islam Tentang Pembiayaan Murabahah Dalam Perspektif Ekonomi Syariah'. *JURNAL EKONOMI BISNIS DAN KEWIRAUSAHAAN* 14, no. 1 (April 2025): 1–9. https://doi.org/10.47942/iab.v14i1.1852.

Riaz, Umair, Anwar Halari, Muhammad Al Mahameed, and Cristiana Bernardi. 'Islamic Banking, Social Justice and Symbolic Capital – Insights from the UK'. *Accounting, Auditing & Accountability Journal*, ahead of print, 5 June 2025. https://doi.org/10.1108/AAAJ-03-2024-6930.

Rika Umbaiyani Ritonga, Sugianto, and Tuti Anggraini. 'The Effect of Multipurpose Murabahah Financing on The Development of Micro, Small and Medium Enterprises'. *Jurnal Manajemen Bisnis* 11, no. 2 (July 2024): 842–858. https://doi.org/10.33096/jmb.v11i2.858.

Sain, Zohaib, and Hendri Hermawan Adinugraha. 'Artificial Intelligence and Islamic Finance: Enhancing Sharia Compliance and Social Impact in Banking 4.0'. *Journal of Business Management and Islamic Banking*, 10 July 2025, 025–046. https://doi.org/10.14421/jbmib.2025.0401-03.

Santoso, Danang Budi, Christopher Gan, Mohamad Dian Revindo, and Natanael Waraney Gerald Massie. 'The Impact of Microfinance on Indonesian Rural Households' Welfare'. *Agricultural Finance Review* 80, no. 4 (March 2020): 491–506. https://doi.org/10.1108/AFR-11-2018-0098.

Selim, Mohammad, and Mohammad Omar Farooq. 'Elimination of Poverty by Islamic Value Based Cooperative Model'. *Journal of Islamic Accounting and Business Research* 11, no. 5 (April 2020): 1121–1143. https://doi.org/10.1108/JIABR-08-2018-0125.

Soumena, Fadly Yashari. 'A Critical Review of the Indonesian Council of Ulama (MUI) Fatwa Towards Increasing Sharia Financial Literacy (Systematic Literature Review)'. *Journal of Economics Research and Social Sciences* 8, no. 1 (February 2024): 133–151. https://doi.org/10.18196/jerss.v8i1.21498.

Sumanti, Eva, Camelia Sofwan Al-Rasyid, Pitriani, Muhamad Izazi Nurjaman, and Raid Alghani. 'Integrating Hybrid Sharia Contracts in Letter of Credit (L/C) Transactions for Export and Import in Islamic Banking in Indonesia'. *Al-'Adalah* 21, no. 2 (2024): 449–478. https://doi.org/10.24042/adalah.v21i2.23301.

Supriyandi, Supriyandi, and Saiful Anwar. 'The Implementation Of Murabahah Financing Contracts In Bank Syariah Indonesia'. *Jurnal Ilmiah Ekonomi Islam* 9, no. 3 (November 2023): 4295. https://doi.org/10.29040/jiei.v9i3.10811.

Talang, Mohd Nurhisyam. 'Why Muslims Should Stop Blindly Accusing Islamic Finance Of Not Being Shariah-Compliant: The Governance Of Ijtihad Methodology As The Shield Of Shariah Compliance'. Preprint, 2025. https://doi.org/10.2139/ssrn.5141354.

Taufik, Muhammad, Rifqi Muhammad, and Peni Nugraheni. 'Determinants and Consequences of Maqashid Sharia Performance: Evidence from Islamic Banks in Indonesia and Malaysia'. *Journal of Islamic Accounting and Business Research* 14, no. 8 (November 2023): 1426–1450. https://doi.org/10.1108/JIABR-07-2021-0205.

Tlemsani, Issam, Farhi Marir, and Munir Majdalawieh. 'Screening of Murabaha Business Process through Quran and Hadith: A Text Mining Analysis'. *Journal of Islamic Accounting and Business Research* 11, no. 10 (December 2020): 1889–1905. https://doi.org/10.1108/JIABR-05-2020-0159.

*MILRev : Metro Islamic Law Review*
*ISSN: 2986-528X*
Vol. 4 No. 2 July-December 2025, Pages 1152-1188
Tohari, Chamim, Hudzaifah Fawwaz, and Isma Swadjaja. 'The Ijtihad Construction Of Islamic Law Based On The Maqâshid Al-Syarî'Ah Approach In The Indonesian Context'. *Prophetic Law Review* 4, no. 2 (December 2022): 195–221. https://doi.org/10.20885/PLR.vol4.iss2.art4.

Wahyuni, Sri, P Pujiharto, and Annisa Ilma Hartikasari. 'Sharia Maqashid Index and Its Effect on The Value of The Firm of Islamic Commercial Bank in Indonesia'. *Riset Akuntansi Dan Keuangan Indonesia*, 1 April 2020, 36–45. https://doi.org/10.23917/reaksi.v5i1.9493.

Wati, Asiah, Rahmawati Rahmawati, Malahayatie Malahayatie, Arum Fitri Lestari, and Muhammad Rehan. 'financial Options Trends: Digging The Reasons Behind The Growth Of Customer Interest In Sharia Bank Indonesia'. *FINANSIA : Jurnal Akuntansi Dan Perbankan Syariah* 7, no. 1 (May 2024): 87–102. https://doi.org/10.32332/finansia.v7i1.8530.

Yaya, Rizal, Ilham Maulana Saud, M. Kabir Hassan, and Mamunur Rashid. 'Governance of Profit and Loss Sharing Financing in Achieving Socio-Economic Justice'. *Journal of Islamic Accounting and Business Research* 12, no. 6 (August 2021): 814–830. https://doi.org/10.1108/JIABR-11-2017-0161.

Zain, A., Mahmud, A., & Rahman, R.,. 'Implementation of the Murabahah Contract in Sharia Banking: Between Theory and Practice'. *Journal of Islamic Studies and Economics* 6, no. 2 (2020): 101–115.

Zulfikar Ramli. 'Integrating Maqashid Sharia with Banking Practices: The Case of Indonesian Murabahah Financing'. *International Journal of Islamic Thought and Civilization* 9, no. 2 (2023): 119–134.