

## Documents

Soualhi, Y.<sup>a b c d e f g</sup>, Hasan Saleh, A.O.<sup>b</sup>

**SMART CONTRACTS AND THEIR APPLICATION PROSPECTS IN SOCIAL BANKING: A MAQASID JURISPRUDENTIAL PERSPECTIVE**

(2024) *Malaysian Journal of Syariah and Law*, 12 (2), pp. 490-510.

DOI: 10.33102/mjssl.vol12no2.599

<sup>a</sup> International Shari'ah Research Academy for Islamic Finance (ISRA), Research Management Centre (RMC), International Centre for Education for Islamic Finance (INCEIF), Jalan Tun Ismail, Kuala Lumpur, 50480, Malaysia

<sup>b</sup> IUM Institute of Islamic Banking & Finance (IiIBF), International Islamic University Malaysia, Selangor53100, Malaysia

<sup>c</sup> Aljazair Mutahidah Takaful company, 5 Boulevard Ernesto Che Guevara, Casbah, 16000, Algeria

<sup>d</sup> Advisory Board (SAB) Member of Tropical Bank Ltd, P.O Box 9485, Kampala, Uganda

<sup>e</sup> The Shariah Committee for AAOIFI (Accounting And Auditing Organization For Islamic Financial Institutions), Al Nakheel Tower, 10th Floor, Office 1001, Building 1074, Road 3622 Seef Area 436, Bahrain

<sup>f</sup> Shariah Council of Experts, Salam Takaful, 65 Ibrahim Taiwo Road Kano State, Nigeria

<sup>g</sup> The Shariah Supervisory Board, Osol for Shariah Advisory and Audit, Kuwait City, Capital Governorate, Kuwait

**Abstract**

This research paper aims to explore aspects of smart contract technology in Islamic finance, focusing on its legitimacy, objectives, and potential applications in Islamic social finance. This study relies on comparative qualitative analysis methodology and revolves around discussing the nature of smart contracts, the challenges related to their formulation and implementation, regulatory frameworks, and the cryptocurrencies used within them. The study presents proposed models for utilizing smart contracts in Islamic social finance and uses comparisons between different experiences to provide in-depth insights. This article also presents proposed models for leveraging smart contracts in Islamic social finance, using a comparative qualitative analysis approach. This study underscores the significance of integrating new innovations to maintain leadership in finance, as Islamic finance seeks to integrate its principles with Sharia-compliant systems and develop products that combine technological excellence with Sharia compliance. This study provides important findings and valuable recommendations for integrating smart contracts into Islamic social finance, contributing to enhancing innovations and developing advanced financial tools that effectively meet market needs while complying with Sharia principles. © The authors (2024).

**Author Keywords**

blockchain; Islamic finance; Smart contract

**References**

- Abdulmajid, O. H. S., Halawani, A. S., Qatawneh, M. A. S.  
**The Shariah framework for smart contracts: An original analytical study**  
(2022) *ICBT 2021: Sustainable Finance, Digitalization and the Role of Technology*, pp. 1033-1046.
- Abojeib, M., Habib, F.  
**Blockchain for Islamic social responsibility institutions**  
(2021) *Research Anthology on Blockchain Technology in Business, Healthcare, Education, and Government*, pp. 1047-1065.  
IGI Global
- Al-Haytami, A.  
(1983) *Tuhfat al-muhtaj*,  
Dar al-Fikr
- Al-Jawziyyah, I. Q.  
(1996) *I'lam al-muwaqqi'in*,  
Dar Ibn al-Jawzi
- Al-Kasani, B. A.  
(1986) *Bada'i' al-sana'i'*,

Dar al-Kutub al-Ilmiyah

- Al-Kuh, M. B.  
**The concept of smart contracts**  
(2024) *Journal of the Faculty of Shariah and Law*, 39 (1), pp. 1306-1361.
- Al-Mardawi, A.  
(1998) *Al-insaf*,  
Dar Ihya al-Turath al-Arabi
- Al-Mawardi, A. A.  
(1994) *Al-hawi al-kabir*,  
Dar Al-Fikr
- Al-Nawawi, Y.  
(1991) *Rawdat al-talibin*,  
Al-Maktab Al-Islami
- Al-Qarafi, A.  
(1994) *Al-dhakhirah*,  
Dar al-Gharb al-Islami
- Al-Shirazi, A. I.  
(1992) *Al-muhadhdhab fi fiqh al-Imam al-Shafi'i*,  
Dar Al-Kutub Al-Ilmiyah
- Al-Shirazi, A. I.  
(1995) *Al-muhadhdhab*,  
Dar al-Kutub al-Ilmiyah
- Aziz, A.  
**ZakatTech blockchain to track zakat collection**  
(2019) *The Malaysian Reserve*,  
(August 21)
- **10 advantages of using smart contracts**  
(2017),  
(December 27). Medium
- Frankenfield, J.  
**What are smart contracts on the blockchain and how they work**  
(2023) *Investopedia*,  
(June 12)
- Ishak, M. S. I., Nasir, N. S. M.  
**The applicability of Islamic crowdfunding as an alternative funding for micro-entrepreneurs in Malaysia**  
(2023) *Qualitative Research in Financial Markets*, 16 (3), pp. 548-564.
- Jose Calderon, J.  
**Smart contracts in financial services: Getting from hype to reality**  
(2017) *Slideshare*,  
(June 12)
- Mat Rahim, S. R., Mohamad, Z. Z., Abu Bakar, J., Mohsin, F. H., Md Isa, N.  
**Artificial intelligence, smart contract and Islamic finance**  
(2018) *Asian Social Science*, 14 (2), pp. 145-154.
- Omar, N., Khairi, K. F.  
**Zakat and blockchain: A review**  
(2023) *International Journal of Islamic Economics and Finance*, 4 (2), pp. 60-66.

- Quénétain, S. D.  
**Are smart contracts ready for mass adoption?**  
(2014) *Blockchain Expert*,
- Saleh, A. O. H., Qatawneh, M. A. S., Ali, G. S. A.  
**Maqasid al-Shari'ah of Zakat towards sustainable economy**  
(2024) *Islamic sustainable finance: Policy, risk and regulation*, p. 11.  
Dalam M. M. Billah, R. Hassan, R. Haron, & N. R. Mohd Zain (Eds), Routledge
- *Smart contract*,  
(n.d). Wikipedia

**Correspondence Address**

Soualhi Y.; International Shari'ah Research Academy for Islamic Finance (ISRA), Jalan Tun Ismail, Malaysia; email: younes@isra.my

**Publisher:** Faculty of Syariah and Law, Islamic Science University of Malaysia (USIM)

**ISSN:** 19857454

**Language of Original Document:** Arabic

**Abbreviated Source Title:** Malays. J. Syariah. Law.

2-s2.0-85209079032

**Document Type:** Article

**Publication Stage:** Final

**Source:** Scopus

---

**ELSEVIER**

Copyright © 2025 Elsevier B.V. All rights reserved. Scopus® is a registered trademark of Elsevier B.V.

RELX Group™