

ISLAMIC BANKING & FINANCE

PRINCIPLES, INSTRUMENTS & OPERATIONS

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Hanifah Haydar Ali Tajuddin*



Islamic banking & finance : principles, instruments & operations /
general editors: Adnan Trakic & Hanifah Haydar Ali Tajuddin
Includes index
ISBN 978-967-0379-01-2
1. Banks and banking--Religious aspects--Islam.
2. Finance--Religious aspects--Islam. I. Adnan Trakic.
II. Hanifah Haydar Ali Tajuddin.
332.1088297

Published by

The Malaysian Current Law Journal Sdn Bhd

E1-2, Jalan Selaman 1/2,
Dataran Palma, 68000 Ampang,
Selangor Darul Ehsan, Malaysia
[Co No 51143 M]

Tel: 603-42705400 Fax: 603-42705401

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Edited by Baizura Abd Razak

ISBN 978-967-0379-01-2

Printed by

Printmate Sdn Bhd
No. 14 & 16, Jalan Industri P.B.P. 7,
Taman Industri Pusat Bandar Puchong,
47100 Puchong, Selangor Darul Ehsan.

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CHAPTER THE MAQASID FILTER IN TAKAFUL

28 AUDIT

by Sheila Ainon Yussof* & Younes Soualhi**

28.1 Introduction

Islamic financial institutions in conducting regular audits must look for evidences in their contracts, processes and activities that genuinely support the goals and objectives of the *Shari'ah* (*maqasid al-Shari'ah*). The *maqasid* of the *Shari'ah* concerning all kinds of economic wealth can be summarised under five parameters/criteria: *'adl* (justice) in handling it; *wuduh* (transparency); *hifz* (preservation); *thabat* (durability); and *rawaj* (marketability) or a fair circulation of wealth in the hands of as many people as possible.¹ Specific issues identified in family *takaful* operations are used to determine whether the application of the *maqasid* filter based on the above criteria can help assure *halal* and wholesome profits that are enhanced by the *maslahah* or public benefit of growth and preservation and just distribution of wealth and the attainment of sustainability goals to support future generations.

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1 *Maqasid al-Shariah: Financial transactions* (II) at 279. Ibn Ashur Treatise on Maqasid al-Shariah. Translated from the Arabic and Annotated by Mohamed El-Tahir El-Mesawi. The International Institute of Islamic Thought. London. Washington.