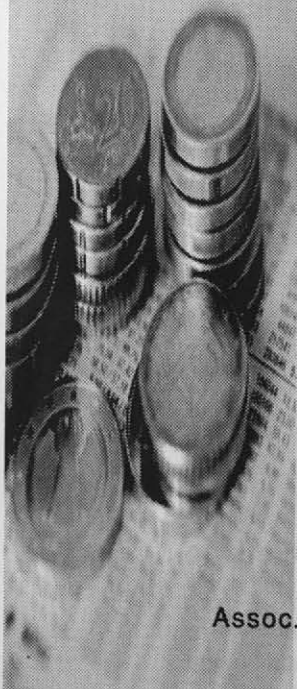




IIUM INSTITUTE OF ISLAMIC  
BANKING AND FINANCE (IIBF)

**IIBF Series in Islamic Banking and Finance: 1**



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First Edition, 2009

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**TYPESETTING, LAYOUT & PRINTING**



**KACI GRAPHICS**

Kaci Trading Sdn. Bhd. (520151-M)

**DESIGN • PRINT • WEB • TRANSLATION**

16-3-2 Diamond Square, Jalan 3/50

Off Jalan Gombak, 53000 Kuala Lumpur

Tel: (+603) 402 403 08 Fax: (+603) 402 403 09


<http://www.kacigraphics.com>

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## **THE OBJECTIVES OF ISLAMIC BANKING: A MAQASID APPROACH**

 Mustafa Omar Mohammed \*

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### **ABSTRACT**

*What should the objectives of Islamic banking (IB) be? Unfortunately, no serious effort has been made to address this question. It has never been discussed formally. What can be seen in many literatures are scanty and disjointed discussions about the objectives of IB. It has been taken for granted that IB is only about avoiding riba. The absence of a careful study on the objectives of IB has resulted in misinformation and misgivings about the primary reasons for the existence of Islamic banks. As a result, most Islamic banks shy away from specifying the objectives of their establishment. This paper therefore aims at identifying the ideal objectives of IB from the theory of Maqasid al-Shari'ah and, proposes a need to develop a model of IB performance measures based on these objectives.*

### **Introduction**

Why has IB come into existence? The obvious answer, apparently, would be that banking as a financial institution has become so vital to almost all modern economies that

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