

[Results for THE PRINCIPLE ...](#) >

The principle of maalat in dealing with the issue of tawarruq overuse in Isla...



MENU

 [Full text at publisher](#)[Export ▾](#)[Add To Marked List ▾](#)

< 1 of 1 >

The principle of maalat in dealing with the issue of tawarruq overuse in Islamic banking in Malaysia

By [Ishak, MSI](#) (Ishak, Muhammad Shahrul Ifwat) ^[1] ; [Robbi, AAM](#) (Robbi, Ahmad Akram Mahmad) ^[2] ; [Asni, F](#) (Asni, Fathullah) ^[3] ; [Dasar, MHM](#) (Dasar, Mohd Hafiz Mohd) ^[4]

[Are you this author?](#)

[View Web of Science ResearcherID and ORCID](#) (provided by Clarivate)

Source [JOURNAL OF ISLAMIC ACCOUNTING AND BUSINESS RESEARCH](#)

← [View Journal Impact](#)

Volume: 17 Issue: 8 Page: 3350-3370

DOI: 10.1108/JIABR-08-2024-0304

Published OCT 14 2026

Early Access APR 2025

Indexed 2025-04-13

Document Type Article**Jump to** [↓ Enriched Cited References](#)**Abstract**

Purpose This study aims to apply the principle of maalat in analysing the issue of overusing tawarruq contracts in the Islamic banking industry in Malaysia. Even though tawarruq has been widely considered by Islamic finance players as a practical solution to controversial practices such as bay' al-Inah, wadiah and rahn, using this contract too much may lead to negative impacts. Thus, it is vital to analyse this issue by applying the principle of maalat, as it serves as a guideline for considering consequences from the perspective of Shariah.

Design/methodology/approach This study is designed based on the qualitative research approach, in which its data are obtained from semi-structured interviews conducted with Shariah committee members from selected Islamic banking institutions in Malaysia. The findings are presented thematically before analysing this issue based on the principle of maalat. Findings Tawarruq has contributed to the development of Islamic banking operations in terms of efficiency and providing liquidity.

However, overusing this contract could lead to potential mafasadah, including reputation risk, Shariah non-compliant risk and anti-innovative culture within the industry. Through the principle of maalat, tawarruq should not be prohibited except with strong justification and proven mafsadah, which is not the case now. Nevertheless, this principle also emphasises the potential mafsadah that is likely to occur if no actions are taken. Thus, efforts to diversify Islamic banking products should be carried out, but with a gradual approach. Research

limitations/implications The finding of this study may not be generalised in all aspects, as its data is limited to the Shariah committee's experience and their view regarding the issue, not all involved parties within Islamic banks. Practical implications This study provides insight for Islamic banking players to weigh between maslahah and mafsadah in their banking activities. As tawarruq overuse may lead to negative impacts, they should seriously explore potential alternatives. As for the regulator, the principle of maalat can be part of their approaches to exercising their authority. Social implications This study exposes Islamic banking institutions' challenges in ensuring Shariah compliance and sustainability in their business operations. Originality/value Applying the principle of maalat on the issue of overusing tawarruq creates a robust and comprehensive analysis from

Shariah perspective instead of literally relying on particular texts of the Quran, Hadith or fatwas. In addition, as the data of the fieldwork is based on the perspective of Shariah committees, it creates a fresh discussion and a practical recommendation because of their significant position within Islamic banking institutions in Malaysia.

Keywords

Author Keywords: [Islamic banking](#); [Tawarruq](#); [Maslahah](#); [Islamic banking in Malaysia](#); [Maalat](#)
Keywords Plus: [AL](#); [MANAGEMENT](#)

Author Information

Corresponding Address: Ishak, Muhammad (corresponding author)
 Shahrul Ifwat

▼ Univ Sultan Zainal Abidin, Islamic Social Finance Res Ctr, Kuala Nerus, Malaysia

E-mail Addresses :

shahrulifwat@unisza.edu.my

Addresses :

▼ ¹ Univ Sultan Zainal Abidin, Islamic Social Finance Res Ctr, Kuala Nerus, Malaysia

▼ ² Int Islamic Univ Malaysia, Abdul Hamid Abu Sulayman Kulliyah Islamic Reveale, Kuala Lumpur, Malaysia

▼ ³ Univ Sains Malaysia, Sch Humanity, George Town, Malaysia

▼ ⁴ Univ Teknol Malaysia, Fac Social Sci & Humanities, Skudai, Malaysia

E-mail Addresses :

shahrulifwat@unisza.edu.my; akramrobby@iiu.edu.my; fathullah@usm.my; mohdhafiz.md@utm.my

Categories/ Classification

Research Areas: Business & Economics

Citation 6 Social > 6.146 > 6.146.794 Islamic
 Topics: Sciences > Anthropology > Thought and Reform

Web of Science Categories

[Business, Finance](#)

+ See more data fields

Journal information

JOURNAL OF ISLAMIC ACCOUNTING AND BUSINESS RESEARCH

0.68

← [View Journal Impact](#)

Journal
Citation
Indicator™
(2025)



ISSN 1759-0817

eISSN 1759-0825

Current Publisher EMERALD GROUP PUBLISHING LTD, Floor 5,
Northspring 21-23 Wellington Street, Leeds, W
YORKSHIRE LS1 4DL, ENGLAND

Research Areas Business & Economics

Web of Science Categories Business, Finance

Citation Network

In Web of Science Core Collection

0 Citations



[Create citation alert](#)

69

Cited References

→ [View Related Records](#)

Use in Web of Science

1

Last 180 Days

4

Since 2013

[Learn more →](#)

This record is from:

Web of Science Core Collection

- Emerging Sources Citation Index (ESCI)