



---

# MAQASID AL-SHARI'AH TOWARDS INVESTMENT: QURANIC APPROACH

**Mohamad Zaki Razaly**

Academy of Contemporary Islamic Studies, Universiti Teknologi MARA,  
Johor Branch, Segamat Campus, 85000 Johor, Malaysia

**Amal Hayati Ishak**

Academy of Contemporary Islamic Studies, Universiti Teknologi MARA Shah Alam,  
40450 Selangor, Malaysia

**Rafeah Saidon**

Academy of Contemporary Islamic Studies, Universiti Teknologi MARA Shah Alam,  
40450 Selangor, Malaysia

**Mohd Asyadi Redzuan**

Academy of Contemporary Islamic Studies, Universiti Teknologi MARA,  
Johor Branch, Segamat Campus, 85000 Johor, Malaysia

**Mohd Zainodin Mustafa**

Academy of Contemporary Islamic Studies, Universiti Teknologi MARA,  
Johor Branch, Segamat Campus, 85000 Johor, Malaysia

## ABSTRACT

*The legalization of Shari'ah ruling towards mukallaf by the Lawgiver contains unique purpose of its own. Maqasid al-Shari'ah is crucial to understand the secrets behind the legalization of a particular ruling and its implementation should fulfill the intention of the Lawgiver. Literal enforcement of a Shari'ah ruling, without understanding its true purpose, might lead to unfair judgment. This paper aims to study the objectives of Shari'ah pertaining to investment with reference to the Quranic evidences. The study had identified at least three objectives; fulfillment the basic need of human being, equal distribution of wealth and the freedom to acquire wealth and property. These objectives are in line with the general maqasid al-Shari'ah; to preserve the maslahah towards people. This study utilizes qualitative research method using library research approach. The literature on maqasid al-Shari'ah and investment are obtained from secondary sources, then reviewed and analyzed. Next, the study examines the relevance and relation between investment and maqasid al-Shari'ah from Quranic evidences. In conclusion, Allah SWT has entrusted men with the responsibility of managing this world. The involvement of Muslims in creating and*

*expanding wealth will fulfill the objective of man's creation as a vicegerent in this world.*

**Key words:** Maqasid; investment; Shariah; wealth

**Cite this Article:** Mohamad Zaki Razaly, Amal Hayati Ishak, Rafeah Saidon, Mohd Asyadi Redzuan and Mohd Zainodin Mustafa, Maqasid Al-Shari'ah Towards Investment: Quranic Approach. *International Journal of Civil Engineering and Technology*, 9(9), 2018, pp. 1739-1746.

<http://www.iaeme.com/IJCIET/issues.asp?JType=IJCIET&VType=9&IType=9>

---

## 1. INTRODUCTION

Islam is a complete system of life that encompasses various aspects of human life such as law, politics, economics, management and social. Claims that Islam is merely a religion of ritual are unacceptable as that contradict the basic principles and teaching of Islam as highlighted by the Quran and Sunnah. There are numerous verses in the Quran that urge people to be actively involved in any activities that are able to generate earnings as well as appropriately managing the accumulated wealth. The author of 'Ikhtiyar' for instance has criticized those who misunderstood the Quranic text from surah al-Dzariyat verse 22. They literally interpreted the text as Allah SWT had promised their sustenance in the heaven. Therefore, they solely adhered to the concept of 'tawakkul' (reliance of God) without them realizing their ignorance to the true meaning. Their interpretation of that particular verse opposes the practice of the Prophet Muhammad SAW and His companions who were themselves involved in business activities and employment (Khayyath, 2002). The Quran command us to strive and work in order to obtain earnings.

*"He it is, Who has made the earth subservient to you (i.e. easy for you to walk, to live and to do agriculture on it), so walk in the path thereof and eat of His provision, and to Him will be the Resurrection"* (al-Mulk: 15).

Allah SWT has provided abundance of natural resources for humans to benefit from. Thus, we have to manage this wealth in a way permitted by Allah SWT to fulfill the objective of the creation of man as a vicegerent on earth. As-Syeikh Wahbah Zuhaili (1998) in his renowned '*Tafseer al-Muneer*' stated that by engaging themselves in business activities they do not reject the concept of 'tawakkul' as the concept itself is not meant to be taken as reliance on Allah SWT without effort. Another significant text which explains this matter is when Allah SWT says:

*"Shake the trunk of the palm-tree towards yourself and, it will drop upon you ripe fresh dates"* (Maryam: 25).

This verse is a clarification from Allah SWT that humans must strive to earn their income and wealth. When Allah SWT commanded Maryam to shake the trunk of the date tree, it clearly shows that people need to strive in any situation in order to fulfill their needs, even though logically in that situation, Maryam's action was ineffective. However, her obedience towards Allah SWT's order symbolized her effort towards that direction.

## 2. TEXTUAL AUTHORITY ON INVESTMENT

Generally, investment refers to any actions that add to tomorrow's probable income (Gafoordeen, Nayeem, & Aslam, 2016). From an economic point of view, investment signifies activities involving capital expenditure that relinquishes current consumption for possible returns in the future. The yield may be in tangible goods, such as production outputs

and income, and intangibles, such as education, development and health (Ahmad & Marhaini, 2012).

Meanwhile, investment in Arabic is known as *al-Istismar*, which refers to activities that increase wealth or revenues (al-Mausu'ah al-Fiqhiyyah, 2003). Numerous Muslim contemporary scholars have defined investment from the perspective of Shari'ah. According to Ashraf Muhammad Dawabah (2009), investment from the Islamic perspective refers to efforts in expanding wealth according to principles, methods and *Maqasid al-Shari'ah* in realization of the objective of human as the vicegerent on Earth in contributing to the society economically and socially. Similarly, Sano Qutub (2000) emphasizes that investment is the action of an individual or organizational body in managing wealth, that complies with the Shari'ah principles to gain profit in fulfilling his responsibility as *khalifah* of Allah SWT. These views signify that being Shari'ah compliant in an investment is the main factor that should be seriously considered by every investor before engaging in any investment activities.

Investment in Islam is not only to be seen from the financial aspect. The Quran highlighted the importance of non-financial investment in surah al-Hasyr verse 18;

*“O you who believe, fear Allah, and everybody must consider what he (or she) has sent ahead for tomorrow. And fear Allah. Surely Allah is fully aware of what you do”*

Al-Imam Ibn Katheer (n.d.) in his interpretation pertaining to the evidence had mentioned that Allah SWT reminds the people to prepare themselves to face Allah SWT in the Hereafter. People need to reflect on their deeds, whether it is sufficient to save them from Allah SWT's wrath. This clearly indicates that in order to be safe in the Hereafter, one has to ensure that his 'investments' (righteous deeds) in this world are adequately prepared. Similarly, the Quran states that:

*“Those people should be fearful (in their behavior towards orphans) who, if they leave behind some helpless children, would remain anxious for them. So, they should fear Allah and say what is right”(an-Nisa': 9).*

This verse suggests a long-term investment by preparing the younger generation with intellectual force and a strong faith that formed a comprehensive personality in order to secure the parents' prosperity and better future. In terms of investment for the purpose of expanding wealth and increasing financial power, there are many textual evidences that points us into that direction. Allah SWT says:

*“..... and others traveling in the land, seeking the grace of Allah and yet others fighting in Allah's way”(al-Muzammil: 20).*

Based on this verse, it is understood that Allah SWT puts equal status for those engaging in economic activities, including investment, to those who fight (*jihad*) for Allah SWT (Azman Abdul Rahman & Irwan Mohd, 2010). Although both activities are different, but the outcome is similar which is to free mankind from slavery. The purpose of *jihad* is to free people from slavery of worshipping a God other than Allah SWT. While from the economic aspect, investment shall free people from poverty and suffering. Islam commands its followers to not only surrender to fate without any effort, but always urge them to make a living. In another verse, Allah SWT says:

*“..... He has created you from earth and made you settle therein.....”(Hud: 61).*

Allah SWT urges people to make the earth prosper in ways permitted by Him. This can be carried out by developing buildings and housings to fulfill the basic need for humans. Trees and vegetables are planted as a source of income and source of food. In order to achieve these basic needs, an investment must be done in advance. The property or money invested is regarded as the initial capital, so that any developmental activities can be carried out. This

verse in general associates the command of Allah SWT to prosper this earth in the best way possible and investment is one way to realize it.

Islam is a comprehensive religion because it governs and secures every aspect of human life. It includes from personal matter and society as it relates with worldly life and hereafter. Muslims should manage their wealth wise and systematically to secure their future. Every single deed from Muslim must be assisted with the guidance from the Quran and Sunnah (Rodney Wilson, 2008). Man must know their responsibility in managing their wealth or property wisely because everything will be questioned in the hereafter. Likewise, the financial planning, because it is a basically a discipline of wealth, even though they not have many wealth, they also should do and practice the financial planning such as make an investment (Arafah & Fathiy, 2013).

'Istismar' refers to an act to acquire income and profit or to develop and increase wealth. The word istismar is not the only term used by Muslim scholars but other terms with similar meaning are also being used in their discussions such as al-qiradh, al-mudaraba, al-shirka, al-murabahah and al-salam (Gafoordeen et al., 2016). Generally, most Muslim scholars agreed that the investment of legal property is permissible. However, the investment activities must be performed according to Shari'ah principles (Salman Lambak, 2013). Thus, investment activities in Islam should give benefit or maslahah to the individual particularly and to the Muslim society generally. A property should not be frozen without any effort to multiply its potential revenue. The main reason of investment is to avoid harm and hardship; indeed that God doesn't like any harm (Azman Abdul Rahman & Irwan Mohd, 2010).

From the Islamic perspective, investment activities must be free from any unlawful elements such as riba, maysir, gharar and operations based on selling prohibited products (Dali, 2004). In order for the investment products or activities to be considered as Shari'ah compliant, it must be certified by experts, generally through a panel or board comprises of respected Shari'ah scholars who are highly qualified to issue "Fatwas" (religious rulings) on financial transactions. Islamic investment companies have appointed Shari'ah board which not only provides approvals on individual investments on a regular basis but also conduct Shari'ah audit annually to ensure it is Shari'ah compliant (HSBC Amanah, 2011).

### **3. METHODOLOGY**

This study emphasizes investment from the perspective of Maqasid al-Shariah. In delineating these objectives, this study only focuses on Quranic verses to prove that investment activity is not only allowed by Islam but something that is required for us to do.

### **4. RESULTS AND DISCUSSION**

The term 'maqasid' is the plural form of 'maqad' which means objective, goal and purpose while 'Shari'ah' refers to Islamic law. Maqasid al-Shari'ah highlights the purpose of Islamic ruling or the wisdom behind the Lawgiver's command (Mohammad Abu Hurayra, 2015). A comprehensive examination of the Shari'ah rulings leads to the understanding that every single command of Allah SWT aims to protect and preserve public maslahah (interests) in all segments of life (al-Shatibi, 2001).

The majority of traditional scholars including al-Izz Abdul Salam (1999), al-Amidi (1985), Ibn Taymiyyah (al-Badawi, 2000) and al-Shatibi (2001) are in agreement in delineating the general concept of maqasid al-Shari'ah which is preserving the maslahah of Ummah and refusing harm in this world and the Hereafter (Zaharuddin, 2014). In addition, according to them any single command prescribed by Allah SWT contains wisdom and purposes that can be understood by humans or not (al-Qaradhawi, 1996). Contemporary

scholars on the other hand, generally outlined similar understanding as the traditionalist, but a few of them had incorporated additional interpretation on top of the basic concept of maqasid al-Shari'ah. For instance, Dr Muhammad Fathi ad-Duraini (1997) mentions that maslahah is undeniably the main objective of Shari'ah, and its presence indicates the justice of Islamic ruling that is realistic, true and should be taken into account in every decision, whether at the individual or community level. Muhammad Ibn Asyur (1978) further explains maqasid al-Shari'ah leads to the fulfillment of the Shari'ah ruling with full understanding of the wisdom behind its legality in the implementation of the Lawgiver command.

Al-Shatibi in 'Muwafaqat' had classified general objectives of Shari'ah based on the hierarchy of needs or level of necessity into three categories namely daruriyyah (the essentials), hajiyyah (the needs) and tahsiniyyah (the luxuries) (al-Shatibi, 2001). Daruriyyah can be defined as the preservation of five fundamentals in one's life that includes protection of religion (hifz al-Deen), protection of life (hifz al-Nafs), protection of intellect (hifz al-'Aql), protection of wealth (hifz al-Mal) and protection of lineage (hifz al-Nasl). These five fundamentals secure the well-being and survivability of all mankind in this world and the Hereafter. None of these can be ignored, for it will lead to chaos and destruction in this world. As a result, the responsibility of man as vicegerent on this earth can't be fulfilled (Ibn Asyur, 2006). The second category hajiyyah refers to benefits that seek to remove severity and hardship in cases where such severity and hardship does not pose a threat to the very survival of normal order. It aims to prevent people from hardship, but they are not essential, people could indeed live without them if they were obliged to. While tahsiniyyah is in the nature of desirability. The purpose of tahsiniyyah is to attain refinement and perfection in all areas of human conduct (Kamali, 2009).

Nowadays capitalist economic system is still dominating our daily financial management. Muslims have to rise up and realize that only the comprehensiveness of Islam is capable of securing the benefit, saving mankind from moral corruption and building a greater civilization for the future generation. Thus, to understand the relation between maqasid al-Shari'ah and wealth management, particularly through investment, is something that needs to be understood by Muslims. The wealth expansion process that occurs on the basis of transparency and justice will produce responsible individuals and a harmonious society. Hifz al-Mal (protection of wealth) is one of the important objectives of Shari'ah. Muslim scholars conclude that the concept of Hifz al-Mal is not solely mean to preserve wealth per se, but also covers religious encouragement to generate, accumulate, preserve as well as distribute the wealth in a just and fair manner.

The first objective of Shari'ah underlying the permissibility of investment activities is for the purpose of fulfilling the basic needs of the people. Islam never forbade its followers to accumulate and expand their wealth. In addition, Islam strongly encourages its followers to engage in any activities that are able to generate income and earnings. Allah SWT says:

*"And when the prayer has been concluded, disperse within the land and seek from the bounty of Allah, and remember Allah often that you may succeed"* (al-Juma'ah: 10).

There are many reasons that motivate people to invest. Some people invest as a preparation in dealing with financial uncertainty in the future. There are also people who invest to gain profit and financial advantage while others invest to secure a better living for their family. Islam has never commanded its followers to solely pursue happiness for the Hereafter and ignore the worldly aspect. In fact, men are told to seek the pleasure of living in this world. Quran mentions:

*"But seek, with that (wealth) which Allah has bestowed on you, the home of the Hereafter, and forget not your portion of lawful enjoyment in this world and do good as Allah has been good to you and seek not mischief in the land. Verily, Allah likes not the Mufsidun (those who*

*commit great crimes and sins, oppressors, tyrants, mischief-makers, corrupters)*”(al-Qasas: 77).

Secondly Islam prohibits the accumulation of wealth within a small group of people and proposes the equal distribution of wealth among all. Natural resources bestowed by Allah SWT are rights that should be enjoyed by everyone. The Quran has clearly mentioned an important principle in managing the wealth of a country; the government must ensure that the distribution of wealth among its people is carried out with fairness and transparency. In order to prevent those in need from losing their rights, Islam strictly prohibits the act of hoarding and monopolizing the wealth of a nation.

“..... in order that it may not become a fortune used by the rich among you...”(al-Hasyr: 7).

The Quran and Sunnah have also explained the significance of wealth creation with an emphasis on the responsibility of the rich to help the needy. This matter can be seen through the legalization of the obligatory zakah, giving alms and hibbah. Income disparity between the rich and the poor should not be a reason to separate them socially. The realization in creating wealth can be achieved not only through business activities; one can also invest through Shari’ah compliant instruments such as stocks, unit trusts, sukuk and investment accounts. Besides creating wealth, investment also provides employment opportunities and indirectly catalyzes the development of economy of the Muslims.

The third maqasid pertaining to investment is to ensure any efforts in obtaining income and wealth are done fairly and justly. Investment that is done in a way permitted by Shari’ah is a manifestation of justice in acquisition and sustenance. He who is earnest and fair in his dealings, God will bestow blessings on his property, while those indolent and dishonest in their business will lose themselves and deny their potential. Allah SWT describes this situation in the Holy Quran:

“Every person is a pledge for what he has earned”(al-Mudatthir: 38).

“Surely, Allah does not change the condition of a people unless they change themselves”(al-Ra’d: 11).

Human freedom to determine the direction of their life is subject to the rules outlined by Allah SWT. Although Islam recognizes the rights of humans to acquire wealth, it must be in line with the principles of Shari’ah. The ownership of property and wealth should be managed in a productive possible way. Islam teaches us not to be wasteful in spending and always be moderate in wealth management. Human well-being, the survivability of the human generation and sustainable development will be achieved when people manage their assets wisely; expand their wealth through investment and thus fulfill the main objective of Shari’ah and realizing the maslahah towards mankind.

## 5. CONCLUSIONS

Understanding maqasid al-Shari’ah and the wisdom behind its legalization is an important issue to be discussed. The author of ‘Qawaid al-Ahkam’ had concluded that the entire Shari’ah is maslahah; either protection from harm or preserving the benefit. Allah SWT had clarified in the Quran that if a particular action brings harm to any party, it must be kept away. On the other hand, if it leads to goodness, it must be carried out to fulfill its noble goal (al-Izz Abdul Salam, 1999). Generally, investment is a mechanism for people to manage their wealth effectively. Its implementation by fulfilling the goals set by the Lawgiver will improve the standards of living and secure the welfare of the mankind.

## REFERENCES

- [1] Abd Rahman, A. & Mohd, I., *Pelaburan Wang Zakat Menurut Perspektif Islam*, Universiti Sains Islam Malaysia, Malaysia, (2010).
- [2] Abd Rahman, Z., *Fiqh Kewangan Islam*, PTS Islamika Sdn Bhd, Kuala Lumpur, (2009).
- [3] Abdul Salam, A. I., *Qawaid al-Ahkam fi Masalih al-Anam*, Dar al-Kutub al-Ilmiyah, Beirut, (1999).
- [4] Al-Amidi, A. B. A. A., *Al-Ihkam fi Usul al-Ahkam*, Dar al-Kutub al-Ilmiyah, Beirut, (1985).
- [5] Al-Badawi, Y. A. M., *Maqasid as-Syariah 'Inda Ibni Taymiyah*, Darul Nafais, Amman, (2000).
- [6] Al-Duraini, M. F., *Al-Manahij al-Usuliyah Fil Ijtihad Bi ar-Ra'y Fi al-Tasyri' al-Islami*, Muassasah al-Risalah, Beirut, (1997).
- [7] Al-Qaradhawi, Y., *Al-Madkhal Li Makrifat la-Islam*, Maktabah Wahbah, Cairo, (1996).
- [8] Al-Raisuni, A., *Nazariyat al-Maqasid 'Inda al-Imam al-Syatibi*, Herndon, USA, (1995).
- [9] Al-Shatibi, I. B. M., *Al-Muwafaqat*, Dar al-Kutub al-Ilmiyah, Beirut, (2001).
- [10] Arafah, R., & Fathiy, M. U., *Assets Distribution Potential with Islamic Financial Planning Method*, In *Sharia Economics Conference*, (2013).
- [11] Aziz, F., & Fatima, T., *Quranic Concept of al-Bay and al-Riba*, *International Journal of Independent Research and Studies*, 1(3) (2012): 118-123.
- [12] Dali, N. R. S. B. M., *Islamic Investments and Contemporary Issues in Islamic Banking Products*, Universiti Tenaga Nasional, Malaysia, (2004).
- [13] Dawabah, A. M., *Al-Istismar Fi al-Islam*, Dar al-Salam, Cairo, (2009).
- [14] Gafoordeen, N., Nayeem, M. M., & Aslam, A. M., *Zakat Investment in Shariah*, *International Business Management*, 10(12) (2016): 2398-2401.
- [15] HSBC Amanah, *Introduction to Islamic Investing*, (2011), [http://www.assetmanagement.hsbc.com/gam/attachments/mena/amanah/islamic\\_invest.pdf](http://www.assetmanagement.hsbc.com/gam/attachments/mena/amanah/islamic_invest.pdf)
- [16] Ibn Ashur, M.T.A., *Treatise on Maqasid Al Shari'ah* (Translation), The International Institute of Islamic Thought, Washington, (2006).
- [17] Ibn Asyur, M. T. A., 1978. *Maqasid al-Syariah al-Islamiyyah*. Tunisia: Al-Syarikah al-Tunisiyyah.
- [18] Ibn Katheer, A. A. F., *Tafsir al-Quran al-'Azim*, Maktabah al-Taufiqiyah, Cairo, (n.d.).
- [19] Kamali, M. H., *The Principles of Islamic Jurisprudence*, Ilmiah Publisher, Selangor, (2009).

- [20] Khayyath, A. A., *Saham dan Bon Menurut Perspektif Islam*, As-Syabab Media, Selangor, (2002).
- [21] Lambak, S., Shariah Juristical Effect of Gharar in Predetermining Takaful Contribution, *International Journal of Education and Research*, Vol. 1(2) (2013): 1-12.
- [22] Muhammad, F. et al., Persepsi Masyarakat Islam Terhadap Idea Penjanaan Dana Masjid, *Sains Humanika*, 2(1) (2014): 101-106.
- [23] Qurashi, A. A., Analyzing the Shariah Compliant Issues Currently Faced by Islamic Insurance, *Interdisciplinary Journal of Contemporary Research In Business*, 3(5) (2011): 279-295.
- [24] Razaly, M. Z., Managing Investment in The Light of Quran and Sunnah: Textual Analysis, *Procedia Economics and Finance*, 31(2015): 380-386.
- [25] Sadeghi, M., Financial Performance of Shariah-Compliant Investment: Evidence from Malaysia Stock Market, *International Research Journal of Finance and Economics*, No. 20(2008): 16-26.
- [26] Wan Ahmad, W. M., 2012. Zakat Investment in Malaysia: A Study of Contemporary Policy and Practice in Relation to Shari'a. PhD thesis, University of Edinburgh, (2012).
- [27] Wilson, R., Islamic Economics and Finance, *World Economics*, Vol. 9(1) (2008): 177-195.
- [28] Wizarat al-Awqaf wa al-Shu'un al-Islamiyah, Mawsu'at al-Fiqhiyyah. Wizarat al-Awqaf wa al-Shu'un al-Islamiyah, Kuwait, (1993).
- [29] Zuhaili, W., *Al-Tafseer al-Muneer Fi al-Aqidah wa al-Shariah wa al-Manhaj*, Dar al-Fikr, Damsyik, (1998).