

Shariah Guideline on Value-Based Intermediation Implementation in the Light of Maqasid Shariah Analysis

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Abstract : Value-based intermediation (VBI) has been introduced by Bank Negara Malaysia (BNM) as the next strategic direction and growth driver for Islamic banking institutions. The aim of VBI is to deliver the intended outcome of Shariah through practices, conducts, and offerings that generate positive and sustainable impact to the economy, community and environment which is aligned to Maqasid Shariah in preserving the common interest of society by preventing harm and maximizing benefit. Hence, upon its implementation, VBI will experiment the current Shariah compliance treatment and revolutionise new policies and systems that can meritoriously entrench and convey the objectives of Shariah. However, discussion revolving VBI in the light of Maqasid analysis is still scarce hence further research needs to be undertaken. The idea of implementation of VBI vision into quantifiable Maqasid Shariah measurement is yet to be explored due to the nature of Maqasid that is variable. The contemporary scholars also have different views on the implementation of VBI. This paper aims to discuss on the importance of Maqasid Shariah in the current Islamic finance transactions by providing Shariah index measurement in the application of VBI. This study also intends to explore basic Shariah guidelines and parameters based on the objectives of Shariah; preservation of the five pillars (religion, life, progeny, intellect and wealth) with further elaboration on preservation of wealth under five headings: rawaj (circulation and marketability); wuduh (transparency); hifz (preservation); thabat (durability and tranquillity); and 'adl (equity and justice). In alignment with these headings, Islamic finance can be innovated for VBI implementation, particularly in Maybank Islamic being a significant leader in the IFI market.

Keywords : Islamic Financial Institutions, Maqasid Index, Maqasid Shariah, sustainability, value-based intermediation

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