

Reformulation of Criminal Policy on Sharia Economic Crimes: Integrating Maqāsid Principle into Contemporary Islamic Criminal Law

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Abstract

This article examined the reformulation of criminal policy for sharia economic crimes through the perspective of *maqāṣ id al-sharī'ah*, with particular attention to the protection of wealth (*ḥ ifẓ al-māl*) as a foundational objective of Islamic law. The study aimed to address the persistent gap between the ethical–normative commitments of Islamic finance and the predominantly positivist criminal justice frameworks applied to economic misconduct in sharia-compliant sectors. A qualitative normative legal method was employed with a critical examination of contemporary statutory regulations. The analysis focused on how criminal liability, sanctions, and procedural mechanisms are currently constructed and the extent to which they align with *maqāṣ id*-based objectives. The findings demonstrated that existing criminal policies tend to treat sharia economic violations as generic financial offenses, thereby failing to account for their distinctive moral, social, and distributive harms. This misalignment weakens deterrence, obscures institutional responsibility, and undermines public trust in sharia economic institutions. The study proposed a *maqāṣ id*-oriented criminal policy framework that redefines economic offenses under the *Ta'zīr* paradigm, incorporates corporate criminal liability, and integrates preventive, corrective, and restorative dimensions into enforcement mechanisms. Such a framework strengthens normative coherence between Islamic legal principles and modern criminal justice systems while enhancing the integrity and sustainability of the sharia economy.

Keywords: Criminal Policy, Islamic Criminal Law, *Maqāṣid al-sharī'ah*, Sharia Economic Crimes.

1. Introduction

In recent decades, the institutionalization of Islamic finance has expanded significantly across Muslim-majority and non-Muslim countries, offering alternatives to conventional financial systems grounded in Islamic legal and ethical principles. However, this expansion has also brought about increasingly complex legal challenges, particularly concerning the regulation of economic crimes within sharia-compliant frameworks. While various jurisdictions have developed regulatory systems for Islamic banking, zakat management, waqf administration, and fintech services, most criminal justice responses to violations in sectors remain embedded in general penal codes. These codes often lack normative alignment with the principles and objectives of Islamic law, raising concerns about the legal adequacy and ethical coherence of criminal policy in sharia economic contexts (Primambudi & Maarif, 2024).



Sharia economic crimes may involve fraudulent contracts, abuse of trust in waqf institutions, misuse of zakat funds, money laundering under the guise of Islamic investments, and exploitative fintech practices disguised as permissible transactions (Darodjat & Suwandono, 2024). Despite their growing frequency and impact, these violations are seldom addressed through a framework that reflects the moral and legal foundations of the sharia economy. Consequently, the criminal justice system tends to overlook the distinct nature of harm produced by such acts, which affect not only financial stability but also the social trust and moral economy that underpin Islamic finance. The treatment of these crimes within conventional legal systems often leads to normative dissonance, where enforcement mechanisms are disconnected from the ethical logic of the institution they are meant to protect (Mashudi, 2024).

Islamic criminal law, or *fiqh jināyāt*, traditionally addressed economic misconduct through classifications such as *Ta'zīr* (discretionary punishment) and *ḥisbah* (market supervision). These mechanisms were intended not merely to punish but to uphold economic justice and community welfare (Oktaviandi & Yogi, 2024). However, in contemporary legal systems, these classical principles are rarely operationalized in policy design. Many Islamic jurisdictions rely on imported legal codes or hybrid systems, where the foundational objectives of sharia *maqāṣid al-sharī'ah* are either marginalized or selectively applied. This fragmentation leads to inconsistencies in how economic crimes are defined, prosecuted, and prevented, especially when they involve institutions that operate under the guise of sharia compliance.

The principle of *maqāṣid al-sharī'ah*, particularly *ḥifẓ al-māl* (protection of wealth), provides a robust framework for addressing these challenges. As an ethical-legal compass, *maqāṣid* guides the formulation of laws toward preserving essential values in society. In the context of criminal policy, this principle demands a preventive and corrective approach that not only deters violations but also sustains the moral fabric of economic interactions. Despite its relevance, *maqāṣid* is often treated as a theoretical construct rather than a foundational element in policymaking. There remains a significant gap between the recognition of *maqāṣid* in academic discourse and its practical application in criminal legislation related to Islamic finance.

Several studies have examined the integration of *maqāṣid* in civil and commercial law, and others have explored the ethical regulation of Islamic finance (Güney, 2024; Laldin & Furqani, 2013; Mergaliyev et al., 2021; Yusoff & Hassan, 2022). However, few have addressed the specific intersection between *maqāṣid*-based reasoning and criminal policy in the sharia economic domain (Ibrahim et al., 2025). There have been limited efforts to construct a penal framework that responds to economic violations through the lens of Islamic legal objectives. As a result, current approaches often fail to capture the full scope of harm and responsibility involved in such crimes, leading to inadequate deterrence and weak public trust in the justice system.

This study intends to fill this gap by proposing a reformulation of criminal policy that integrates *maqāṣid* principles into the regulation of sharia economic crimes. The objective of this research is to conceptualize how Islamic criminal law can evolve to accommodate the specific needs of contemporary Islamic finance, while maintaining its doctrinal coherence and ethical integrity. By focusing on the convergence of criminal justice, legal reform, and economic ethics, the study offers a framework for policymakers, legal scholars, and Islamic finance practitioners to design penal strategies that are both legally sound and normatively aligned with Islamic teachings.

2. Literature Review

2.1. Maqāsid al-Sharīah Theory

Maqāsid al-sharī'ah Theory functions as a goal-oriented framework for interpreting and developing Islamic law by directing legal reasoning toward the protection of fundamental interests that sustain individual and social life. In this study, the protection of wealth (*ḥ ifẓ al-māl*) serves as the central analytical point to evaluate how criminal law should function to prevent harm in the sharia economy. Several researchers have explored *maqāṣ id* in civil and commercial legal reform, but few have directly applied it to the formulation of criminal sanctions for economic violations. *Maqāṣ id al-sharī'ah* Theory functions as a goal-oriented framework for interpreting and developing Islamic law by directing legal reasoning toward the protection of fundamental interests that sustain individual and social life.

2.2. Islamic Criminal Law Theory

Islamic Criminal Law Theory provides a substantive framework for understanding how Islamic law classifies crimes. The traditional division into *ḥudūd*, *qisās*, and *Ta'zīr* offers conceptual tools for defining and responding to acts that undermine public welfare. *Ta'zīr*, in particular, allows discretionary punishment for offenses not explicitly defined in the Qur'an or Sunnah, making it adaptable to modern challenges such as financial fraud or institutional corruption. However, most current studies focus narrowly on *ḥudūd* or moral crimes, leaving economic violations underexplored within this theoretical model.

2.3. Criminal Policy Theory

Criminal Policy Theory, rooted in contemporary legal scholarship, focuses on the systematic development of strategies to prevent and respond to crime. It includes substantive, procedural, and non-penal measures aimed at reducing crime rates and achieving justice. Applying this theory to Islamic legal contexts enables a critical examination of how criminal justice systems in Muslim-majority countries respond to economic crimes in sharia-compliant institutions. While secular criminal policy literature is extensive, its application in Islamic legal environments remains limited, especially when intersecting with *maqāṣid*-based reasoning.

2.4. Previous Research

Previous research has concentrated on embedding *maqāṣid al-sharī'ah* into governance and compliance architectures of Islamic finance, especially through sharia governance design and sharia non-compliance risk management as tools to preserve ethical integrity in banking operations (Sheikh et al., 2023). Studies in Islamic criminal law have simultaneously expanded the discussion of *maqāṣid* in criminal justice reform, yet the dominant focus has been general penal reform and human dignity rather than the penal treatment of economic misconduct inside sharia financial institutions (Ibrahim et al., 2025). This separation leaves the sharia economic domain without a well-developed bridge between value-based *maqāṣid* reasoning and concrete criminal policy choices such as offense definition, institutional liability, and sanction calibration for fraud, misappropriation of charitable assets, or deceptive sharia branding, which sustains enforcement patterns that remain largely administrative and post-hoc.

3. Methods

This study employs a qualitative normative legal research design grounded in doctrinal analysis and *maqāṣid*-based normative evaluation, because the research problem concerns the formulation and assessment of legal norms. The research focuses on the construction of sharia economic crimes and the normative disparity between contemporary criminal policy and the objectives of Islamic law. The unit of analysis consists of legal norms, enforcement mechanisms, and institutional governance instruments regulating misconduct in sharia-based economic activities, including fraud, embezzlement, zakat and waqf misappropriation, deceptive sharia labeling, and governance failures in Islamic financial institutions.

The data for this study were collected from normative legal materials relevant to the formulation of criminal policy in the sharia economic domain. Primary legal materials consisted of classical Islamic legal sources addressing *maqāṣ id al-sharī'ah* and discretionary punishment (*Ta'zīr*), as well as Indonesian criminal law provisions, statutes and regulation that regulate or influence the governance of Islamic economic activities. These materials were selected to capture normative constructions of economic misconduct and the objectives underlying their regulation. Secondary materials included peer-reviewed journal articles, academic books, and authoritative legal commentaries discussing *maqāṣ id* theory, Islamic criminal law, and modern criminal policy. These sources were used to contextualize doctrinal interpretations, identify normative gaps, and support analytical synthesis across classical and contemporary perspectives. The selection of materials followed a purposive approach based on their relevance to the research focus, without restricting the analysis to a single jurisdiction or institutional framework.

Analytical procedures were conducted in three structured stages aligned with the Results and Discussion. First, sharia economic crimes were conceptually constructed by mapping identified forms of misconduct to the *Ta'zīr* framework and evaluating their contradiction with *maqāṣ id* values, with emphasis on *ḥ ifẓ al-māl*, amānah, and distributive justice. Second, normative disparity was assessed by examining how contemporary criminal law defines, prioritizes, and enforces economic offenses, particularly where sharia-based ethical harm is addressed through administrative or civil measures rather than penal mechanisms

4. Results and Discussion

4.1. Construction of Sharia Economic Crimes from the Perspective of Islamic Law and Positive Law

Economic crimes in Islamic finance systems must be understood as violations that undermine not only transactional legality but also the foundational values of the sharia economy (Nasution & Harahap, 2025). These crimes are not merely infractions against state regulations or commercial norms, they represent deeper breaches of trust, ethical obligations, and distributive justice within a system that is premised on transparency, risk-sharing, and moral accountability. In practice, sharia economic crimes include various forms of fraud, embezzlement, misappropriation of waqf and zakat assets, manipulative financing schemes, and unauthorized use of sharia labels to legitimize prohibited activities. While these may be classified as white-collar or financial crimes in conventional legal systems, their Islamic classification demands further nuance rooted in the *Ta'zīr* framework of Islamic criminal law (Jabbar, 2020).

Islamic jurisprudence traditionally recognizes three major categories of crime: *ḥ udūd*, *qis āṣ* , and *Ta'zīr*. Economic crimes typically fall under *Ta'zīr*, which allows for judicial

discretion in both defining the act and determining the punishment, provided the action disrupts public interest (*maṣ laḥ ah*) or violates specific objectives of the sharia (Lestari, 2024). In this framework, economic transgressions are not evaluated solely by material loss but also by their impact on collective moral welfare. For example, the embezzlement of zakat funds not only results in financial loss but also disrupts the redistribution mechanism that Islam establishes for poverty alleviation (Subihat et al., 2025). Similarly, deceptive contracts that simulate sharia-compliant transactions undermine the credibility of the entire financial system, which is built on mutual consent and prohibition of exploitation.

The lack of codification and systematic criminalization of such actions within Islamic legal traditions has posed interpretive and institutional challenges. Many historical applications of Islamic law addressed economic wrongs through moral condemnation, civil liability, or market supervision (*ḥ isbah*), but not necessarily through formal criminal penalties. While these approaches were effective in pre-modern societies with strong communal oversight, they are insufficient in modern financial environments characterized by complex transactions, institutional actors, and digital platforms. This gap necessitates a re-examination of economic misconduct through the lens of formal penal policy without detaching from sharia principles.

On the other hand, modern state legal systems particularly in Muslim-majority countries tend to address economic crimes through secular criminal codes. These include laws against fraud, money laundering, financial misreporting, and corruption. While effective in technical terms, such provisions often lack explicit references to sharia values or do not differentiate between general financial crimes and those that exploit religious legitimacy. For instance, a misused Islamic banking scheme may be penalized under commercial fraud statutes, but the moral damage to Islamic financial credibility is not considered in sentencing or restitution. This results in a normative disconnect, where violations of sharia economic ethics are treated identically to secular financial misconduct, thereby diluting the moral force of Islamic financial principles (Lailiya & Kusumaningtias, 2024).

The divergence between classical Islamic conceptualization and contemporary state regulation creates significant legal ambiguity. Actors in Islamic financial institutions operate within dual normative systems: one grounded in sharia ethics and contractual purity, and another driven by statutory compliance. This dualism creates grey areas in enforcement, where certain practices may be legally permissible but ethically unacceptable, or vice versa. For instance, regulatory bodies may tolerate interest-bearing instruments rebranded as profit-sharing arrangements, provided they meet formal standards. However, these may contradict the underlying objectives of sharia, particularly the prohibition of *ribā* and the protection against unjust enrichment.

A critical issue in the legal construction of sharia economic crimes is the failure to clearly articulate their identity as offenses that require a distinct penal logic. By grouping them within general economic crimes, the law fails to acknowledge the particular harm they cause to religious institutions, public trust in zakat and waqf, and the moral integrity of Islamic financial services. The absence of a specific penal framework aligned with Islamic economic values undermines deterrence and allows room for manipulation. For example, the unauthorized use of Islamic finance labels (e.g., halal investment, sharia-compliant) by unscrupulous actors often escapes penal sanction because existing law does not recognize the fraudulent use of religious legitimacy as an aggravating factor (Fuadi et al., 2025).

To address this gap, the construction of sharia economic crimes must evolve to reflect not only the legal requirements of the state but also the *maqāṣ id*-driven objectives of Islamic law. This entails defining criminal liability not just in terms of material loss or statutory

breach, but also in terms of harm to communal values such as transparency, trust (*amānah*), and justice (*‘adl*). Economic crimes in this context are those that disrupt the proper function of zakat, waqf, Islamic banking, and fintech systems in achieving wealth distribution, social welfare, and equitable growth (Aksa et al., 2025). The failure to regulate such misconduct as distinct criminal offenses weakens the legitimacy of the entire sharia economy.

In constructing a coherent framework for sharia economic crimes, it is also essential to consider the types of offenders and the institutional settings in which they operate. Unlike traditional criminal frameworks that focus on individual wrongdoing, many economic offenses in the sharia domain involve corporate actors, institutional misgovernance, and system-level manipulation. This calls for a broader conceptualization of criminal responsibility, extending beyond individuals to include institutions that fail to implement sharia governance standards. For example, a sharia board that negligently approves fraudulent financial products may not be legally culpable under existing penal codes but could be considered morally liable in the *maqāṣid* framework due to the social harm caused (Ermianti, 2025).

The construction of sharia economic crimes as a distinct legal category also requires harmonization between substantive and procedural dimensions of the law. Substantively, it calls for defining offenses based on their contradiction with *maqāṣid* especially *ḥifẓ al-māl* and identifying them as crimes against the moral economy of Islam. Procedurally, it requires mechanisms to investigate, prosecute, and adjudicate these crimes with sensitivity to their religious and ethical context. This may include establishing specialized judicial bodies, training for investigators in Islamic finance, and the inclusion of sharia experts in criminal adjudication panels. Without such reforms, the penal system will continue to treat violations of sharia economic ethics as peripheral issues rather than central concerns of justice.

4.2. Normative Disparity between Contemporary Criminal Policy and the Principles of *Maqāṣid*

The increasing institutionalization of Islamic financial systems has not been accompanied by equivalent development in criminal policy frameworks that reflect the foundational goals of Islamic law. In most contemporary Muslim-majority jurisdictions, the criminal regulation of economic activity follows legal positivist traditions, drawing from colonial or secular legal codes that prioritize administrative compliance over ethical substance (Kadir, 2025). These legal systems, while technically adequate for prosecuting general financial misconduct, often exhibit a profound normative disconnect when applied to Islamic financial institutions (Khotimah, 2024). As a result, enforcement mechanisms focus on regulatory breaches rather than violations of ethical and religious values, leaving a wide gap between the enforcement of state authority and the realization of *maqāṣid al-sharī‘ah* (Muryanto, 2023).

One of the clearest manifestations of this disparity lies in how financial crimes are defined and prioritized. Conventional criminal codes tend to define offenses such as fraud, embezzlement, and money laundering in terms of measurable harm loss of assets, breach of fiduciary duty, or disruption to market order. However, from a *maqāṣid* perspective, economic crimes also represent a moral threat to collective welfare and a distortion of distributive justice. For instance, the manipulation of Islamic financing contracts to disguise interest-bearing transactions does not only affect individual parties. It undermines the entire principle of *ribā* prohibition, which exists to prevent exploitation and protect economic equity. Yet, such acts are rarely prosecuted as criminal under conventional legal frameworks, and are often dealt with as contractual disputes or administrative violations.

This normative misalignment is particularly problematic in jurisdictions where Islamic financial institutions are expected to operate according to sharia principles, but the legal system does not provide mechanisms to enforce those principles through penal means (Khotimah, 2024). In countries like Indonesia, Islamic finance is formally recognized, yet criminal law remains largely detached from its theological underpinnings. While regulatory bodies such as Sharia Supervisory Boards and national financial authorities may issue compliance guidelines, these are enforced through fines, sanctions, or reputational damage, rather than criminal prosecution. The result is a bifurcated system where sharia violations may be morally condemned but legally tolerated, creating what may be termed a “sharia compliance vacuum” in the penal domain.

The normative disparity identified above can be more clearly illustrated through a structured comparison, as summarized in Table 1.

Table 1. Normative Disparity between Criminal Policy and *Maqāṣid* in Sharia Economic Crimes

Analytical Axis	Contemporary Criminal Policy	<i>Maqāṣid</i> id-Oriented Perspective	Normative Gap
Normative Basis	Legal positivism and formal compliance	Ethical purpose and <i>maqāṣid</i> realization	Ethical substance is excluded from penal reasoning
Definition of Crime	Regulatory breach and measurable loss	Breach of trust and distributive justice	Moral harm lacks legal recognition
Enforcement Logic	Reactive and punitive	Preventive and restorative	Structural risks remain unaddressed
Treatment of Sharia Violations	Administrative or civil sanctions	Penal concern affecting public trust	Sharia compliance vacuum
Penal Rationality	Deterrence and retribution	Social restoration and moral alignment	Punishment becomes normatively insufficient
Scope of Liability	Individual wrongdoing	Institutional and governance failure	Systemic abuse escapes accountability

Another critical point of disparity is the limited capacity of conventional legal systems to internalize preventive and restorative functions rooted in *maqāṣid al-sharī'ah*. The theory of *maqāṣid*, particularly the protection of wealth (*ḥifẓ al-māl*), does not only seek to penalize harm after it occurs but emphasizes institutional design that minimizes risk and encourages ethical conduct. Conventional criminal policy, however, is often reactive, focused on punishment post-violation, and rarely integrated with preventive strategies aligned with religious ethics. This is especially concerning in sectors like waqf and zakat, where the misappropriation of resources not only causes material damage but erodes trust in institutions responsible for redistributive justice. Yet, in most legal systems, criminal enforcement mechanisms are triggered only after harm is proven, not when fiduciary duty is breached or ethical lapses occur.

The theoretical foundations of Islamic criminal law particularly *Ta'zīr* do allow for flexible, context-sensitive penal responses, but modern legal systems have rarely operationalized this flexibility in line with *maqāṣid* (Ismail, 2024). Instead, *Ta'zīr* is either codified narrowly in penal codes or left vague, creating inconsistencies in application. When *Ta'zīr* is applied without reference to *maqāṣid*, it risks becoming arbitrary or overly

formalistic, losing its potential as a moral and policy-driven legal tool. For example, the criminalization of zakat misuse may exist on paper, but the rationale behind its punishment is often reduced to institutional integrity rather than a disruption of wealth distribution and social welfare mechanisms, which is the true harm from a *maqāṣid* lens.

The problem is further exacerbated by the limited role of sharia expertise in criminal adjudication. In many jurisdictions, judges in criminal courts are trained in procedural law and statutory interpretation but lack grounding in Islamic legal ethics. As a result, decisions involving Islamic financial crimes are rendered without full consideration of their religious significance. In some cases, sharia compliance is relegated to expert testimony or advisory opinions, which may not carry binding authority in criminal proceedings. This structural separation between religious normativity and legal enforcement undermines the integrative vision of *maqāṣid*, which views law as a holistic means to uphold divine values in society (Senoaji & Hapsari, 2025).

Furthermore, the punitive logic in conventional criminal law emphasizes retribution and deterrence, often neglecting the restorative elements inherent in Islamic jurisprudence. *Maqāṣid*-oriented criminal policy does not view punishment as an end in itself but as a means to restore harmony, prevent future harm, and realign behavior with ethical norms (Kadir, 2025). The neglect of these aspects results in criminal sanctions that may be legally valid but normatively inadequate. For example, a fraudulent Islamic microfinance scheme might be penalized with imprisonment or fines, but without mechanisms to compensate victims, educate the community, or reform institutional practices, the underlying social damage remains unaddressed.

In addition, the rapid evolution of sharia economic instruments such as sukuk, fintech platforms, and digital zakat systems has outpaced the capacity of criminal law to adapt. These innovations introduce complex transactional forms and institutional arrangements that are not easily addressed by existing penal codes. *Maqāṣid*, with its emphasis on substance over form and ethical purpose over technical compliance, offers a valuable framework for interpreting and responding to such innovations. However, without a policy effort to translate *maqāṣid* into enforceable legal standards, the gap between legal formality and ethical functionality will continue to widen (Muryanto, 2023).

To address these disparities, a fundamental shift is required in how criminal policy is conceptualized and applied in the context of sharia economic systems. Rather than treating Islamic finance as a technical sub-sector governed by specialized regulators, it should be understood as a legal and moral system that requires holistic integration into national criminal codes. This entails redefining financial crimes not only in terms of legality but also ethical deviation, religious fraud, and betrayal of trust. It also demands new legal reasoning that draws from both classical *fiqh* and contemporary legal theory, translating *maqāṣid* into concrete legal norms that can guide prosecutors, judges, and policymakers.

Moreover, reform in legal education and judicial training is essential. Integrating *maqāṣid*-based reasoning into the curriculum of law schools and judicial academies would enhance the capacity of legal practitioners to understand and apply Islamic ethical principles in criminal cases. This would facilitate the development of jurisprudence that aligns legal enforcement with religious obligations and social realities. Without such intellectual integration, legal reform efforts risk remaining superficial, with cosmetic references to sharia that do not affect the substance of criminal law.

4.3. *Maqāṣ id*-Based Criminal Policy Formulation for Sharia Economic Crimes

The preceding analysis demonstrates that the criminal justice systems in many Muslim-majority contexts fall short in addressing sharia economic crimes with the ethical and legal depth required by Islamic jurisprudence. A *maqāṣid*-based reformulation of criminal policy offers a viable alternative by aligning enforcement mechanisms with the higher objectives of Islamic law. The integration of *maqāṣid*, especially *ḥifẓ al-māl* (protection of wealth), demands a reconfiguration of both substantive and procedural criminal law to respond effectively to the evolving nature of financial misconduct in sharia-compliant institutions (Waris et al., 2025). The objective is not merely to criminalize economic harm, but to construct a legal architecture that reflects the spiritual, social, and distributive aims of the sharia economy.

Formulating such a policy begins with the recognition that criminal law in Islam is not confined to retributive logic. Unlike conventional systems that focus on harm quantification and punishment proportionality, Islamic criminal law guided by *maqāṣid* views criminalization as an instrument for preserving moral order and public interest. Thus, the reformulation must incorporate a preventive, corrective, and restorative approach (Najib & Ezbeyda, 2025). Preventive measures involve rigorous oversight and ethical vetting in sharia financial operations, while corrective policies entail reparation for victims and institutional reform. Restorative elements, meanwhile, prioritize reconciliation and reestablishment of trust, particularly vital in institutions like zakat and waqf that depend on public confidence.

A *maqāṣid*-based criminal policy should start by redefining the legal categories of offense in the Islamic economic context. This requires extending the concept of *Ta'zīr* to include explicit recognition of crimes such as fraudulent Islamic financing, mismanagement of charitable funds, deceptive sharia labeling, and ethical breaches in fintech platforms. Such acts must be recognized not only as legal violations but as disruptions to the socio-religious mandate of economic justice. Penal classifications should therefore be derived from an evaluative model that measures harm based on its contradiction to *maqāṣid* values namely equity, transparency, accountability, and social protection.

The reformulation must also account for the institutional dimensions of responsibility. Unlike traditional criminal law that focuses primarily on individuals, economic crimes in the sharia sphere often involve organizational negligence or collusion. This justifies the application of corporate criminal liability within a *maqāṣ id* framework (Hidayat & Ibrahim, 2023). For example, an Islamic microfinance institution that knowingly facilitates exploitative contracts violates *ḥ ifẓ al-māl* and should be held criminally accountable. Sharia supervisory boards that approve non-compliant products may also bear secondary liability. Assigning culpability to institutions, not just individuals, aligns with the communal responsibility ethos in Islamic law, which holds collective actors accountable for systemic harm.

In procedural terms, the criminal justice process must be ethically structured to embody *maqāṣ id* values. Investigations, prosecutions, and sentencing should reflect the integrative function of law as a tool for justice and reconciliation (Waris et al., 2025). This includes the establishment of specialized investigative units with training in both financial crime and Islamic jurisprudence, the involvement of sharia experts in judicial deliberations, and sentencing frameworks that balance deterrence with restitution. Penalties should not be limited to incarceration or fines but may include mandatory restitution, public apologies, exclusion from financial markets, or suspension of sharia certifications each tailored to restore moral order and public trust.

In terms of legal reform, *maqāṣ id* integration calls for the codification of sharia economic crimes within national penal systems. This can be approached through two models: (1) incorporating *maqāṣ id* principles into existing economic crime legislation; or (2) drafting a dedicated chapter or law on “Islamic Economic Offenses.” The first model ensures integration without legal fragmentation, while the second provides doctrinal clarity and educational value. Either approach must avoid formalism and prioritize normative coherence. Laws should define offenses, assign penalties, and articulate enforcement mechanisms in ways that are consistent with both Islamic principles and international legal standards for due process and fairness (Fitria, 2025).

One practical framework is the tiered *maqāṣid*-based classification of offenses, distinguishing between violations of core obligations (e.g., zakat embezzlement), secondary obligations (e.g., misleading halal certifications), and procedural infractions (e.g., reporting failures in sharia audits). This structure ensures proportionality in punishment and clarity in legal doctrine. Offenses that disrupt essential economic functions such as the equitable redistribution of wealth are treated as high-severity crimes with broader penal implications, while lesser violations may result in corrective sanctions. This model also accommodates discretionary judgment, enabling courts to consider context, intent, and impact in line with *Ta’zīr* principles.

From a policy perspective, implementation requires institutional alignment between religious and legal authorities (Melzatia et al., 2025). National legal reform bodies, financial regulators, sharia councils, and judicial institutions must collaborate in developing guidelines, monitoring mechanisms, and enforcement protocols. Inter-agency task forces may be established to handle complex cases that involve overlapping legal and ethical dimensions. These institutions should also maintain a database of precedents and fatwas to guide legal interpretation, ensuring consistency and doctrinal legitimacy. Institutional coordination is essential to prevent jurisdictional conflict and to build a unified approach to regulating sharia-compliant economic activity.

Another important dimension of the reformulated policy is digital adaptability. As Islamic financial systems increasingly rely on digital infrastructure, the criminal policy must anticipate risks related to cyber-fraud, digital misrepresentation, and misuse of financial technology under Islamic branding. A *maqāṣid*-based approach encourages proactive governance that integrates digital literacy, AI-assisted auditing, and blockchain-based transparency tools (Hidayat, 2025). At the same time, it cautions against excessive legalism that may stifle innovation. The balance lies in embedding ethical safeguards within technological growth, ensuring that digital transformation enhances *maqāṣid* values in economic life.

5. Conclusion

This study demonstrates that existing criminal policy frameworks remain inadequate for addressing economic crimes within sharia-based financial systems because they are largely constructed around formal legality and administrative compliance rather than the normative objectives of Islamic law. By applying a *maqāṣid al-sharī’ah* perspective particularly the protection of wealth (*hifẓ al-māl*) the analysis clarifies that sharia economic misconduct constitutes a distinct category of wrongdoing that generates moral, social, and distributive harm beyond measurable financial loss. Treating such violations as ordinary financial offenses obscures their impact on institutional trust, ethical governance, and the integrity of the sharia economy.

The study contributes to the field by proposing a *maqāsid*-oriented model of criminal regulation that expands beyond punitive logic to incorporate preventive, corrective, and restorative elements. This approach ensures that the penal response to economic violations aligns with the spiritual and social objectives of Islamic law, while also providing practical tools for institutional accountability, ethical governance, and legal clarity. Furthermore, the research situates Islamic criminal law within modern regulatory environments by addressing corporate and digital dimensions of financial misconduct, offering a doctrinally grounded yet policy-relevant framework.

Future development of Islamic criminal policy must include codification efforts, inter-agency coordination, and the training of legal actors in *maqāsid*-based reasoning. The findings of this study offer a foundation for such reforms, bridging normative Islamic principles with contemporary legal realities. By doing so, the research reinforces the role of Islamic criminal law as an evolving, integrative system capable of upholding justice, restoring public trust, and ensuring the ethical sustainability of sharia-compliant economies.

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