ICIB

7th INTERNATIONAL CONFERENCE ON ISLAMIC BUSINESS (ICIB–2025)

Harnessing Technology with Ethical Governance: An Islamic Perspective on Fairness, Justice, and Equity in the Digital Age

(Hybrid Conference)

22-23 APRIL 2025

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From The Chancellor,
Riphah International University
Mr. Hassan Muhammad Khan

Policy Address by the Honorable Chancellor

بِسْمِ اللهِ الرَّحْمٰنِ الرَّحِيْمِ

Respected guests, honorable scholars, distinguished speakers, and valued participants,

اَلسَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللهِ وَبَرَكَاتُهٗ

It is with great pride and purpose that I address this august gathering at the 7th International Conference on Islamic Business (ICIB-2025). I welcome you all on behalf of Riphah International University, an institution committed to academic excellence grounded in Islamic ethical values.

Our university's vision is to set the standards for educating professionals, scientists, and researchers to become leaders of change, working toward a society built on mutual respect, sacrifice for others, and peaceful coexistence. Our mission is centered around building state-of-the-art educational institutions that are deeply rooted in Islamic ethical teachings.

The theme of this year's conference, **"Harnessing Technology with Ethical Governance: An Islamic Perspective on Fairness, Justice, and Equity in the Digital Age"**, is not only timely but deeply aligned with our institutional ethos.

Today, as we stand on the frontiers of artificial intelligence, blockchain, digital currencies, and algorithmic governance, we are also confronting pressing ethical challenges: surveillance capitalism, data monopolies, digital exclusion, and rising inequalities. These are not technical issues alone—they are moral questions that demand principled resolutions.

From an Islamic standpoint, technology must be governed in a way that promotes justice and fair treatment to all, preserves dignity and mutual respect, and avoids exploitation of any kind. This is not only vital for the Muslim Ummah, but for the global community. The rise of unethical practices in digital finance, social media manipulation, and algorithmic bias has led even secular scholars and institutions to acknowledge the ethical void in today's technological governance. **A 2023 report by the World Economic Forum found that over 70% of people globally lack trust** in how technology companies use their data. Similarly, concerns over AI ethics and digital inequality are growing worldwide.

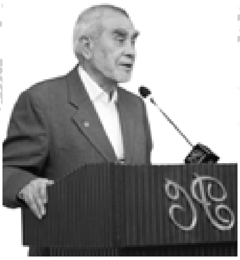
We believe that Islamic ethical governance, rooted in divine guidance and a commitment to community welfare, provides a holistic framework that harmonizes innovation with accountability, equity with efficiency, and individual privacy with the public good. When embraced as a guiding principle beyond Muslim societies, it holds the potential to meaningfully reshape the global order toward greater fairness, sustainability, and lasting peace globally.

This conference marks an important milestone in that journey. By convening thought leaders and practitioners, our goal extends beyond discussion—we seek to shape policy, influence perspectives, and present faith-inspired solutions to today's pressing challenges.

May Allah (SWT) guide us in our efforts, accept our endeavors, and make this conference a source of benefit to all.

Jazakum Allahu Khairan.

Wassalamu Alaikum wa Rahmatullah.



Policy Address

From The Vice Chancellor,
Riphah International University
Prof. Dr. Anis Ahmed

Welcome Address by the Honorable Vice Chancellor

بسم الله الرحمن الرحيم Honorable Deputy Governor State Bank of Pakistan Mr. Saleem Ullah, Commissioner SECP Mr. Zeeshan Rehman Khattack, Secretary General of **AAOIFI,** brother Mr. Omar Mustafa Ansari, Chancellor, Deputy Vice Chancellor, Dean & Directors, respected scholars, and esteemed participants,

السلام عليكم ورحمة الله وبركاته

It is my honor and privilege to welcome you all to the **7th International Conference on Islamic Business (ICIB-2025)**, organized by the **Riphah Centre for Islamic Business (RCIB)**, a dedicated Islamic business research unit of Riphah International University.

The RCIB was established to address the growing need for developing **ethically grounded, socially responsible, and morally inspired managers and leaders** who can transform the business world in line with Islamic principles. With a vision aligned to the university's core values, RCIB seeks to integrate Islamic ethical values into business, finance, governance, and management.

Since **2011**, RCIB has been organizing the **International Conference on Islamic Business (ICIB)** biennially as a platform for business and finance scholars, researchers, practitioners, and policymakers to engage in meaningful dialogue on the role of Islamic norms in modern business practice. Over the years, ICIB has grown into a respected international academic forum, and we are pleased to celebrate its **seventh edition** today.
The theme of this year's conference, ***"Harnessing Technology with Ethical Governance: An Islamic Perspective on Fairness, Justice, and Equity in the Digital Age,"*** is both timely and significant. As Pakistan prepares to transition its economy to align with Islamic financial principles by 2028 (*inshaaAllah*), and as the digital revolution continues to reshape the global business and financial landscape, it is essential to explore how technological progress can be guided by ethical governance rooted in Islamic values. Just as in a Riba-based economy, where the system often favors the wealthy at the expense of the marginalized, we must ensure that technology does not become a tool for deepening inequality; it must rather serve the cause of fairness and justice for all.

The rise of **Financial Technology (FinTech)** brings unprecedented opportunities for inclusion and innovation, but it also poses significant ethical risks. According to the World Bank, **over 1.4 billion adults globally remain unbanked**, many of whom face barriers related to digital access, literacy, and trust. Without appropriate ethical oversight, technology can deepen socioeconomic divides. From an Islamic perspective, governance in the digital age must uphold the principles of **fairness (ʿadl), transparency, justice (ʿadl wa iḥsān), and the avoidance of harm (darar)**. Islamic finance provides a rich framework to ensure that innovation serves **not just efficiency, but equity and social welfare**.

I believe the speakers and panelists at the Conference will present practical strategies to support the transition driven by emerging technologies, complemented by regulatory frameworks designed to manage change and promote fintech-based solutions to financial challenges.

I would not take much time would like to express my **sincere gratitude** to our **Chief Guest**, **Mr. Jameel Ahmed**, Governor of the State Bank of Pakistan, for gracing this event with his presence. I am also deeply thankful to our **Guest of Honour**, Mr. Zeeshan Khattak, Commissioner Securities and Exchange Commission of Pakistan, and brother **Mr. Omar Mustafa Ansari**, Secretary General of **AAOIFI**, for their invaluable contributions to the global Islamic finance landscape. My heartfelt appreciation goes out to all the **distinguished scholars, speakers, participants, and collaborators** who continue to support ICIB's vision of ethical business in the modern age.

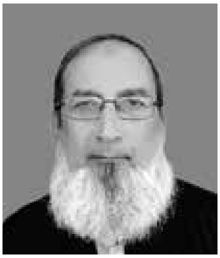
Jazakum Allahu Khairan.

Organizing Team Members

For 7th International Conferences on Islamic Business (ICIB)

Patron in Chief
Mr. Hassan Muhammad Khan
Chancellor
Riphah International University Islamabad, Pakistan

Conference Chair
Prof. Dr. Anis Ahmed
Vice Chancellor
Riphah International University Islamabad, Pakistan



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Riphah Centre of Islamic Business
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List of Honourable Speakers

CHIEF GUEST

Mr. Saleem Ullah
Deputy Governor
State Bank of Pakistan

GUEST OF HONOR

Mr. Zeeshan Rehman Khattak
Commissioner
Securities and Exchange Commission of Pakistan

KEYNOTE SPEAKERS

Mr. Omar Mustafa Ansari
Secretary-General
Accounting and Auditing Organization
for Islamic Financial Institutions (AAOIFI), Bahrain

Prof. Dr. M. Kabir Hassan
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Department of Economics and Finance,
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Chairman Shariah Board,
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Mr. Tariq Naseem
Head Islamic Finance Department
Securities and Exchange Commission of Pakistan

Mr. Zahid Latif Khan
Chairman ZLK Group
Zahid Latif Khan Securities &
ZLK Islamic Financial Services

Mr. Noshad Minhas
CEO & Co-founder,
Walee Financial Services

GUEST SPEAKERS

Prof. Dr. Aishath Muneeza
Professor,
INCEIF University, Malaysia

Mufti Muhammad Najeeb
Chairman
Shariah Board,
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Umicrofinance Bank Limited, Pakistan

Mr. Shayan Baig
Executive Vise President & Deputy
Head Shariah Compliance Department

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Head of Shariah
Walee Financial Services

Mufti Usama Ehsan
Member Shariah Board,
Bank Alfalah Islamic, Pakistan

Prof. Dr. Imam Uddin
Director, Center for Islamic
Business and Finance,Institute
of Business Management, Karachi

The Riphah Centre of Islamic Business (RCIB) of the Riphah International University, Islamabad is pleased to announce the 7th International Conferences on Islamic Business (ICIB) scheduled to be held in April 2025. The Theme of ICIB-7 is

Harnessing Technology with Ethical Governance: An Islamic Perspective on Fairness, Justice, and Equity in the Digital Age

Since its inception, Islamic business and finance has experienced rapid growth and embraced innovative products and services. In today's digital age, the potential and challenges for Islamic business, finance, and economics are amplified. The global data sphere continues to expand exponentially; projections estimated it would reach 175 zettabytes (175 trillion gigabytes) by 2025, a dramatic increase from 33 zettabytes in 2018. The number of digital-only banking customers has also grown significantly, reflecting a major shift in consumer behavior. This digital transformation is further fueled by robust private sector investment in Fintech, which has seen substantial growth beyond the $110 billion mark reached in 2020. This ongoing evolution is expected to drive a significant economic shift globally, as highlighted in the IMF World Economic Outlook, potentially altering the economic trajectory of low-income countries. Consequently, financial services must transform by adopting Fintech solutions. This rapid evolution presents ongoing challenges for regulators who must balance fostering innovation with maintaining market integrity and stability.

Sub-Themes

1. Islamic Ethical Frameworks in Modern Technology

   - Integrating SDGs with Islamic Ethics: A Comparative Analysis

2. Exploring Maqasid al-Shariah in Technological Advancements and Fintechs

   - Aligning Technological Innovations for Realization of the Objectives of Financial and Social inclusion

3. The Role of Ijtihad in Addressing Contemporary Ethical Dilemmas

   - Contemporary Ijtihad: Navigating Ethical Challenges in Emerging Technologies

4. Governance and Regulation of Emerging Technologies

   - Best Practices for Ethical Governance of Business and Finance Institutions: Lessons from Emerging Trends in Islamic Jurisprudence

5. Islamic Principles in Technology Governance

   - Frameworks for AI Governance in Accordance with Islamic Teachings

6. Case Studies on Ethical Technology Policies in Muslim-majority Countries

   - Success Stories: Ethical Technology Implementation in Line with SDGs

7. Fairness and Justice in Digital Transformation

   - Ensuring Inclusive Digital Transformation: Islamic Perspectives on Efficiency with Equity

8. Ensuring Equity in Access to Technology

   - Bridging the Digital Divide: An Islamic Approach to Equitable Access

9. Addressing Digital Divide through Islamic Social Justice

- Policy Recommendations for Achieving Digital Equity in Muslim Communities

10. Ethics of using Artificial Intelligence and Automation for Islamic finance institutions and professionals
    - Islamic Values in the Age of AI: Balancing Progress with Responsibility
11. Islamic Ethical Considerations in AI Development
    - Responsible AI: Implementing Islamic Principles in Technology Design
12. Balancing Innovation and Ethical Responsibility
    - Innovation with Integrity: A Framework for Ethical Technological Advancement
13. Sustainable Technology and Environmental Stewardship
    - Technological Solutions for Climate Action: An Islamic Perspective
14. Islamic Teachings on Environmental Ethics and Technology
    - Fostering a Sustainable Future through Islamic Environmental Ethics
15. Green Finance and Fintech, and Sustainable Development in Islamic Context
    - Innovations in Green Technology: Aligning with Maqasid al-Shariah
16. Data Privacy and Security from an Islamic Perspective
    - Safeguarding Privacy: Islamic Principles in Data Governance
17. Ethical Data Management and Privacy in the Digital Age
    - Aligning Data Ethics with Islamic Social Justice Principles
18. Islamic Views on Surveillance and Personal Data Protection
    - Balancing Security and Privacy: An Islamic Ethical Approach
19. Social Impact of Technology on Muslim Communities
    - Technology as a Tool for Empowerment: Enhancing Community Resilience
20. Technology's Role in Enhancing Social Welfare and Community Development
    - Leveraging Technology for Sustainable Development in Muslim Societies
21. Addressing Ethical Challenges in Social Media and Online Platforms
    - Islamic Ethics in Digital Communication: Navigating Social Media Challenges
22. The Structure and Role of Tech-based Trading Platforms in Islamic Capital Markets
23. Crowdfunding for Equity based and Social Finance: Prospects for Islamic Finance Institutions.
24. Promoting Entrepreneurship for Micro and SME in Agriculture and Industry by Navigating Technology
25. Towards Normative Economy and Finance in the Age of Technology: Ethics and Governance for Efficiency and Shared Growth
26. Central Banking Digital Currency (CBDC): Harnessing Money Supply for Stability and Sustainability

Extended Abstracts

Presentation Title

Navigate Islamic Blended Finance to ESG and Digitalization with Islamic Quintuple Helix: Case Study of CWLS in Indonesia

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Abstract

Purpose: Sustainability has become a critical issue worldwide, particularly concerning climate change, social justice, and economic stability. The increasing focus on Environmental, Social, and Governance (ESG) principles as a framework for measuring sustainability and ethical impact has extended beyond conventional finance and is now being integrated into Islamic finance instruments. The question arises: How can Islamic financial mechanisms align with ESG objectives while leveraging digital transformation? This study explores Cash *Waqf* Linked Sukuk (CWLS) in Indonesia, an Islamic blended finance instrument designed to bridge Islamic social finance *(waqf)* and Islamic commercial finance (sukuk) within an ESG-oriented framework. Specifically, this research aims to analyze how CWLS integrates ESG concepts and leverages digital technology through the Islamic Quintuple Helix framework to enhance transparency, efficiency, and impact in financing sustainable projects. Islamic Quintuple Helix itself is one of the Islamic Social Finance Partnership Models. The Islamic Quintuple Helix framework consists of two models of five institutional components, namely ---(Islamic) Government, (Islamic) Civil Society, (Islamic) Industry, Information and Communication Technology (ICT) Sector/Technologies---, with University or Environment. By addressing these objectives, the study contributes to the growing discourse on sustainable Islamic finance and its potential to drive ethical, inclusive, and technologically enhanced economic development.

Design/Methodology/Approach: This study employs a literature review and nethnographic approach to analyze how CWLS integrates ESG principles and digitalization within the Islamic Quintuple Helix framework. Through literature review, this study examines existing research, policy documents, and official publications from ministries and regulatory authorities overseeing CWLS implementation. Through nethnography, this study investigates the social media of *nadzir* ---*waqf* managers--- and CWLS stakeholders to explore the mechanisms of CWLS issuance and implementation of green and social projects. Nethnography is a qualitative method that adapts ethnographic techniques to digital platforms, providing insights into community interactions, project implementations, and stakeholder engagements. Then, through content analysis, this study applies the Islamic Quintuple Helix framework to analyze collaborative governance, innovation, and financial sustainability within CWLS projects. The findings are analyzed using this framework for assessing the interplay between ESG principles, digitalization, and Islamic blended finance. The study directly integrates literature review insights with empirical observations to ensure a comprehensive understanding of CWLS implementation.

Findings: This study identifies several key findings. **First,** the result of the study highlights CWLS as an effective Islamic blended finance model that aligns with ESG principles by funding social and environmental projects with good governance. CWLS ensures responsible investment practices guided by Islamic ethics and impact investing of sustainable development goals (SDGs). **Second,** with the fulfillment of both models of the Islamic Quintuple Helix framework, the implementation of CWLS has actually entered the Islamic sextuple helix phase, where the university and the environment are no longer options, but both are indeed present in the CWLS ecosystem. **Third,** the development of an electronic system for registering and purchasing CWLS through financial technology in Islamic banking does not seem to automatically increase investor participation, even though its presence provides convenience

in transacting quickly and safely. This is reflected in the results of a survey of existing and potential CWLS investors, which shows that most waqif prefer to distribute their *waqf* directly to beneficiaries, local mosques, and local *waqf* institutions, compared to distributing through online donation platforms. In addition, the number of *waqifs* who purchased CWLS online was not as high as the number of *waqifs* who purchased CWLS offline. However, the results of the latest CWLS series publication inidcated that 95% of retail *waqifs* purchased CWLS online.

Research Limitations/Implications: This study acknowledges several limitations that could be addressed in future research. This research primarily relies on secondary sources (official reports, policy documents, and online social media data). Future studies should incorporate primary data collection through interviews with *nadzi*r, investors, and regulators to obtain deeper insights. Then, the findings focus on Indonesia's CWLS model, which may not fully represent other Islamic finance markets. Comparative research on CWLS models in other countries (e.g., Malaysia, Turkey, and Saudi Arabia) would enhance cross-national insights. Next, the rapid evolution of Islamic fintech solutions requires continuous monitoring to assess how emerging technologies impact *waqf* management, sukuk issuance, and ESG alignment.

This study also offers policy recommendations for Islamic financial institutions and regulatory authorities to strengthen ESG integration, education, and digital adoption in Islamic blended finance, particularly in *waqf*-based sukuk models. The findings contribute to Islamic finance education, providing a framework for designing ESG-aligned Islamic finance curriculum, and become a compass for the development of future ESG projects/programs.

Originality/Value: This study contributes novel insights to the field of Islamic blended finance and sustainable development by: (1) Introducing a new analytical framework. Unlike prior studies focusing solely on *waqf,* sukuk, or sustainability sukuk, this research presents an integrated model combining Islamic social finance, ESG principles, and digitalization. The Islamic Quintuple Helix approach provides a comprehensive institutional framework for understanding cross-sector collaboration in Islamic finance; (2) Bridging theory and practice by examining real-world CWLS projects in Indonesia. This study offers practical insights for policymakers, fintech innovators, Islamic banks, and *nadzir*.; (3) Addressing a research gap. While Green Sukuk, Blue Sukuk, and Sustainability Sukuk have been widely studied, *waqf*-linked sukuk remains an underexplored area. This research fills that gap by demonstrating how Islamic blended finance mechanisms can drive ESG-oriented impact investments.

Keywords: islamic blended finance, cash *waqf* linked sukuk, ESG finance, digitalization, islamic quintuple helix, islamic social finance, islamic sustainable finance

Presentation Title

Examining the Contribution of Islamic Finance to the Growth of SMEs: A Review of the Literature (2020–2024)

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Assistant Professor (Finance)

Management Sciences Department, Government College of Management Peshawar

Dr Muhammad Ismail

Assistant Professor (Finance)
Business Administration Department, Iqra National University Peshawar

Abstract:

Introduction: The engine of economic development are small and medium enterprises (SMEs). Their work helps to lower poverty, create jobs, and ensures general economic stability. These businesses have hard time getting financing, therefore limiting their sustainability and expansion. Here to provide a Sharia-compliant alternative that avoids usual interest-based loans, Islamic finance is available.

Purpose: With research gathered between 2020 and 2024, this review investigates how Islamic finance might foster the growth of SMEs. It sets out to examine how Islamic financial instruments provide moral funding solutions that not only follow Sharia law but also support financial stability, less debt, and improved possibilities for business growth.

Methodology: The review centers on how policy changes and financial education courses can enable SME owners to grasp Islamic financial ideas. Islamic finance might help to provide financial inclusion, especially to companies conventional banks regularly overlook owing to high borrowing costs or need of collateral.

Findings: Results of the study reveal that including Islamic finance in small and medium enterprise development strategy boosts entrepreneurship, competitiveness, and sustainable economic expansion. Though more studies on the subject have been done, there are restrictions on knowing how Islamic finance influences small and medium-sized companies' long-term performance.

Research Limitations: Future explorations should look at the comparison between traditional and Islamic finance, regional differences in Islamic finance availability, and the impact of legislation on small to medium-sized enterprises development via Islamic finance. Resolution of these issues will help policymakers and financial institutions to make better use of Islamic finance to benefit small businesses and guarantee sustainable growth.

Originality/Value: Respectable observations on the capacity of Islamic finance to solve the financial difficulties of small and medium-sized enterprises (SMEs) can be found in the study. It highlights the need of financial literacy and government in maximizing its potential influence.

Keywords: Islamic finance, SMEs, Sharia-compliant financing, financial inclusion, alternative financing, financial literacy, economic growth.

Presentation Title

Empowering Micro and SMEs in Agriculture and Industry: Leveraging Technology and Islamic Social Finance for Sustainable Growth

Nimotallahi Durojaiye

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INCEIF University, Malaysia

Abstract:

Purpose: Micro, Small and Medium Enterprises (SMEs) play a pivotal role in driving economic development, particularly in developing economies, contributing significantly to job creation, poverty alleviation, and facilitating better rural livelihoods. However, these enterprises face numerous challenges, including limited access to financing, outdated technologies, market inefficiencies, and vulnerability to external shocks and downturns. Thus, this study addresses the dual problem of systemic financial exclusion and technological underutilization among micro and SMEs by investigating how the integration of Islamic social finance (ISF) instruments with technology advancement can be leveraged to create ethical, scalable financing models to address this issues, while advancing the Shari'ah objectives (protection of life, faith, property, intellect and lineage), SDGs 1 (No Poverty), 8 (Decent Work and Economic Growth), and 9 (Industry, Innovation, and Infrastructure). Hence this research will provide actionable insights for policymakers, practitioners, and other stakeholders on how to create an enabling environment that supports the growth and sustainability of these enterprises.

Design/Methodology/Approach: A Digital-ISF Empowerment Model for MSMEs framework is proposed, linking ISF mechanisms with digital tools to enhance SME access to capital, skills, and markets. This research employs a qualitative approach in secondary data analysis, aided by literature reviews, and case studies analysis. It explores the intersection of technology, ISF, and SME empowerment, utilizing reports from organizations such as the World Bank, UNDP, and IsDB. Case studies of initiatives like mobile-based agricultural platforms in Africa and Sharia-compliant microfinance programs in Southeast Asia illustrate practical applications of the framework.

Findings: It was evident that smart farming technologies, including Variable Rate Technology (VRT), have been shown to optimize resource use, significantly increase yields, and agricultural value chains. In addition, digital platforms have consistently improved decision-making by providing farmers with real-time data and analytics, enabling them to make timely decisions about planting and harvesting. Similarly, e-commerce platforms have enabled SMEs to expand their market reach globally, improving productivity, efficiency, and sustainability across. This paper also finds out that ISF instruments - based on their adherence to Shariah principles and avoidance of exploitative practices – which includes Waqf (Endowments), Qard Hasan (interest-free loans), Sadaqat (Voluntary Charity/ crowdfunding) and cooperative (peer-to-peer lending), provide ethical alternatives to conventional financing models that often systematically exclude and exploit micro and SMEs due to high interest rates or collateral requirements. These mechanisms not only supply much-needed capital but also align with the ethical and social values of communities, fostering trust and long-term partnerships. Furthermore, these findings underscore the transformative potential of integrating technology and ISF instruments as a game-changer for interventions aimed at empowering SMEs, enhancing scalability and inclusivity in the financial ecosystem. However, despite their potential, both technology and ISF face significant barriers to implementation, including inadequate supportive regulatory framework, lack of awareness, and insufficient infrastructure. Addressing these gaps, therefore requires collaborative efforts between governments, private sector players, NGOs, and religious institutions.

Research Limitations/Implications: While this study provides valuable insights and findings on addressing the dual problem of systemic financial exclusion and technological underutilization among micro and SMEs, it is not without limitations. First, the reliance on secondary data and case studies limits the generalizability of findings

across different regions and industries. Second, the fast-paced dynamic nature of technological advancements means that some recommendations may become obsolete as innovations emerge. Third, the study primarily focuses on developing economies, which may not fully capture the nuances of developed markets. Nevertheless, these limitations underscore the need for further research to refine and expand upon the proposed strategies and framework. The implications of this research are far-reaching, as it highlights the importance of adopting holistic approaches that integrate technology, ethical finance, and fear policies to achieve the shariah objectives and sustainable development goals (SDGs).

Originality/Value: This study makes a unique contribution to the field by bridging two critical domains, technology and ISF, that are often studied in isolation. While previous research has explored the benefits of either technology adoption or ISF instruments individually, there is a paucity of literature examining their combined impact on SME empowerment. By integrating these two paradigms, the study offers a novel framework for addressing the multifaceted challenges faced by micro and SMEs. Furthermore, the emphasis on sustainability ensures that the proposed solutions are not only economically viable but also environmentally and socially responsible. The inclusion of real-world case studies adds practical relevance, making the research applicable to policymakers, practitioners, and academics alike. Ultimately, this study serves as a catalyst for reimagining the role of technology and ethical finance in fostering equitable growth and resilience in agriculture and industry, ultimately contributing to building resilient and inclusive economies.

Keywords: Micro and SMEs, Technology Adoption, Islamic Social Finance, Sustainable Growth, Agriculture, Industry 4.0.

Presentation Title

Legal and Ethical Foundations of Green Economy from an Islamic Perspective

Dr. Ozat Shamshiyev

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International Center for Islamic Economics and Finance,

University of Ankara, Türkiye.

Abstract:

Purpose: This study aims to explore the concept of a "Green Islamic Economy" by identifying its legal (*fiqh*) and ethical (*akhlāq*) foundations within the Islamic worldview. It seeks to provide a cohesive framework that integrates Islamic principles with contemporary environmental and economic sustainability goals.

Methodology: This study adopts a qualitative approach, employing content and literature analysis to explore the subject in depth.

Findings: The study finds that Islamic economics, by its foundational principles, is inherently aligned with environmental sustainability and thus transcends the limited scope of the modern "green economy" concept. Rather than being a recent adaptation, environmental consciousness is embedded in its legal, ethical, and spiritual framework. Concepts such as stewardship (*khilāfah*), prohibition of waste (*isrāf*), prioritization of needs (*maqāṣid al-sharīʿah*), and the sanctity of public and divine rights (*ḥaqq al-ʿām/ḥaqq Allāh*) demonstrate that Islamic economics integrates ecological responsibility within a broader, holistic worldview that balances material well-being with moral and spiritual obligations.

Research Limitations and Implications: This study is confined to a theoretical and philosophical framework. However, it is expected to resonate within Islamic economics and finance academic scholarship and, in turn, influence Islamic finance practices. By reaffirming the essential principles of Islamic economic thought, this study ensures that its foundational values are preserved without being diluted by transient trends.

Value: The value of this study lies in presenting a critical perspective that has not been systematically articulated before, emphasizing the need to maintain the essence of Islamic economic thought.

Keywords: Islamic law and economic thought, Green economy, Critique, Analysis.

Presentation Title

Legal cum Regulatory Ultra Vires and Nonfeasance Performance of the State Bank of Pakistan in terms of Islamization of Economy: Challenges and the Way Forward

Sami-ud-din

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International Islamic University, Islamabad

Dr. Muhammad Asghar Shahzad

Lecturer, International Islamic University, Islamabad

Dr. Muhammad Abu Bakar Siddique

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Abstract

Purpose: The State Bank of Pakistan (SBP) is the main stakeholder of the Federal Shariat Court's judgment for eradicating Riba from the banking industry. This paper examines that whether the SBP is performing in-line with its foundational laws or not? It has three working domains. The first one as a constitutional institution, second one as legal performance in-line with its foundational banking laws like the State Bank of Pakistan Act, 1956 (SBPA), the Banking Companies Ordinance, 1962 (BCO) and the Contract Act, 1872. The third one is as a regulatory performance under the statutory powers. As a constitutional institution, the SBP role in eradication of Riba is dual and nonfeasance. While legally, its performance is ultra vires in issuing Shariah Governance Framework of 2025 and other Shariah regulations because the foundational banking laws don not explicitly allow for it. These performances have created issues of legitimacy and misalignment among the Legal, Regulatory and Shariah Frameworks. Under the principles of the Institutional Theory, almost all subordinate Shariah legislations lack their legal cover in the enabling SBP Act of 1956. Although the recent Banking Companies (Amendment) Act, 2024 (BCAA) has provided a weak retrospective but the said retrospective rule of law lacks legal cover in the enabling SBP Act, 1956. SBP draws its delegated authority from its enabling Act not from the BCAA.

Design/Methodology/Approach: Qualitative content analysis methodology is adopted for examining the banking statutes and relevant courts' judgments. The State Bank of Pakistan Act, 1956, the Banking Companies Ordinance, 1962, the Contract Act, 1872, Riba prohibition judgments of the FSC and SAB, and the relevant articles of the constitution of Pakistan, 1973 are analyzed to evaluate the performance of the SBP. Interpreting the banking statutes, rules of legal interpretation have been followed. Under the Institutional Theory, the performance of the SBP has been judged. The researcher interviewed fifteen experts from different areas related to Islamic banking with in-depth semi-structured interviews. Three Sharīʿah scholars were interviewed on the issues related to theoretical aspects of Islamic banking. Three bankers and two Sharīʿah advisors were separately interviewed to know stances of these experts on the practical issues related to Shariah-compliance. Five judges from the higher, middle and lower judiciary were interviewed. These judges were from the FSC, the High Court, the Session Court, the Ombudsman Court, and the Civil Court (Alaqa Qazi). Purpose of the interviewing these judicial experts was to find out the hierarchic judicial

and procedural issues that they face during dispensing justice in banking disputes. Four legal practitioners from the Supreme Court, High Courts, and Session Courts were interviewed on the issues of filing lawsuits and following proceedings of the courts in adjudication processes at different levels of litigation. Two deputy advocate generals were inquired to know the legal issues and hindrances that provinces face in the process of transformation of the economy. Three tax practitioners were questioned to know whether paying taxes is a genuine issue of the Islamic banking industry about which the industry has sought a discount from the regulator in the form of deregulation of profit distribution on saving deposits. Three academicians were consulted for in-depth interviews to know their insights on issues related to theory and practice of the industry. Each in-depth interview consisted of one and a half to two hours of open-ended questions. The interviewees were asked for 21 to 30 different open-ended questions including the moderating questions.

Findings: To cover the issue of legal coverage of the subordinate legislation by the SBP for Islamic Banking Industry, the Standing Committee of the Finance Division should formally approve all the existing Shariah regulations. The Supreme Court of Pakistan should judicially review them. To solve the problem of SBP nonfeasance performance, it should sufficiently rebuild its capacity about a successful transformation of the Industry. Moreover, it should not challenge any judgment of appellate courts about the prohibition of Riba. The SBP should get rid of the existing dual banking system and has to provide facilitation to converting banks. It has to frame issues related to the transformation of economy and has to present them through Finance Division for legislation. As a recent example about the incorporation of Part II in the BCO, it should not facilitate interest-based banking in the country. The said part has provided a certificate of legitimacy to conventional banking industry. The SBPA, the BCO, and the Contract Act of 1872 have a strong Capitalistic nature. These statutes should be amended or replaced with a fresh Shariah-based Islamic banking legislation. Instead of clear instructions from the founder of the nation about the establishment of Islamic economic system, the SBP did not draft a bill for a dedicated Islamic banking Act through the Ministry of Finance.

Research Limitations: The research implications of the study enhance the performance of the SBP within legal, and regulatory and constitutional powers. It also provides suggestions for mitigating the existing inter and intra legal and regulatory conflicts. The main focus of this research work is on the implications of the SBPA, BCO, and Articles 38(f) 203D, and 30(2) of the constitution 1973.

Originality/Value: The research work supports the ongoing transformation of the economy from interest-based to completely Riba-free. It highlights the practical challenges and issues that the process of Islamization is facing. It retracts the process of Islamization of the banking sector and determines the actual performance that the SBP must play in compliance with the judgment of the Federal Shariat Court under para 155 of April 28, 2022 about eradication Riba. It provides insightful recommendations to policymakers, the State Bank of Pakistan, and all stakeholders of the Islamic banking industry.

Keywords: Ultra vires, Nonfeasance Performance, Legal Framework, Regulatory Framework, The State Bank of Pakistan, Islamization of economy.

Presentation Title

Factors Influencing the Buying Behavior of Non-PTA Smartphones among University Students: A Case Study of Larkana

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Abstract:

Pakistan remained a competitive market for smartphone and adoption for new technology, where customers willing to pay better price for advanced version of smartphones. It have been long when raising demand of smartphone have given opportunity for smugglers to illegally bring these unit in markets with almost half price. In Pakistan, the existence of non-PTA (Pakistan Telecommunication Authority) smartphones has introduced an appealing to youth aged between 18 years to 30 years due to its relief in term of cheaper price, tax avoidance, advance technological factors (either hardware or software), and social perceptions.

Purpose: The purpose of this study is to investigate the impact of technology usage, perceived usefulness, product price, and word-of-mouth communication on consumer buying behavior of non-PTA smart phones among University Student in Larkana Sindh, Pakistan.

Design/Methodology/Approach: A quantitative research methodology was adopted using a structured questionnaire to collect primary data from 234 university students in Larkana through purposive sampling. The data was analyzed using Smart PLS 4.

Findings: The results reveal that product price is the most significant factor influencing the purchasing behavior of non-PTA smartphones among university students. However, other variables such as technology usage, technology usefulness , and word of mouth communication were not found to be significant related to non-PTA smart phone buying behavior.

Research Limitations / Implications: This study is limited to university students in Larkana, which may affect the generalizability of the findings. Future research should consider broader geographical areas and conduct comparative and longitudinal studies to capture diverse consumer behaviors across different regions and economies. Additionally, this study provides insights for marketers, policymakers, and smartphone manufacturers to understand consumer preferences and develop marketing strategies for price-sensitive markets.

Originality/Value: This study contributes to literature gap on non-PTA smartphone purchasing behavior in Pakistan. It offers valuable insights into how economic and regulatory factors influence consumer decision-making, providing practical implications for market strategies and policy reforms in developing economies facing similar challenges.

Keywords: Smartphone purchasing behavior, non-PTA smartphones, technology adoption, pricing strategy, and regulatory challenges

Presentation Title

Exploring Ethical Governance in Technology: A Broad Islamic Discussion on Justice, Fairness, and Equity in the Digital Age

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Abstract

Purpose: In the rapidly evolving digital era, technology has significantly reshaped human life, influencing communication, governance, healthcare, education, and economic structures. While these advancements have brought numerous benefits, they have also raised critical ethical concerns regarding fairness, justice, and equity. Algorithmic biases, the digital divide, privacy infringements, and unethical data practices are becoming more prominent issues, necessitating an ethical governance framework that ensures technology serves humanity justly and responsibly.

This study explores ethical governance in technology from an Islamic perspective, emphasizing the principles of fairness, justice, and equity. Islamic ethical teachings provide a strong foundation for addressing technological challenges, as they advocate for the protection of human dignity, equitable resource distribution, and the prevention of exploitation. By integrating Islamic values with modern digital governance frameworks, this research aims to offer insights into how ethical principles can guide the responsible use of technology in contemporary society.

Design/Methodology/Approach: This research employs a qualitative methodology, incorporating an interdisciplinary approach that synthesizes Islamic jurisprudence (fiqh), ethics, and contemporary technological governance. It critically examines classical Islamic sources—such as the Qur'an, Hadith, and scholarly interpretations—alongside modern ethical discourses on technology.

A literature review of existing works on digital ethics, algorithmic bias, data privacy, and technological accessibility is conducted to identify gaps in governance models. This study also examines case studies of ethical dilemmas in digital technology, such as biased AI decision-making, digital surveillance, and the unequal access to technological resources in developing regions. By analyzing these issues through the lens of Islamic ethical principles, the research offers a comprehensive framework for ethical digital governance.

Findings: The study reveals that Islamic ethics provide a robust and holistic framework for addressing ethical concerns in technology. The three core principles—justice (ʿadl), excellence (iḥsān), and equity (qisṭ)—are particularly relevant in the digital age, offering insights into various challenges

Research Limitations/Implications: While this research provides a foundational Islamic ethical framework for digital governance, it acknowledges certain limitations. First, the study primarily focuses on theoretical and jurisprudential perspectives without empirical validation through large-scale case studies or policy implementations. Future research should incorporate empirical data on how Islamic ethical principles can be practically applied in AI governance, cybersecurity policies, and technology regulation.

Additionally, the interdisciplinary nature of the study requires collaboration between Islamic scholars, computer scientists, ethicists, and policymakers. Further exploration of comparative ethical frameworks—such as Western digital ethics, Buddhist perspectives, or indigenous knowledge systems—could provide a more comprehensive understanding of global digital governance challenges.

Originality/Value: This research contributes to the growing discourse on digital ethics by offering a distinct Islamic perspective on technology governance. While discussions on AI ethics and digital fairness often focus on secular

human rights frameworks, this study bridges Islamic moral philosophy with contemporary technological concerns. It provides a unique ethical foundation for policymakers, scholars, and technologists seeking to align digital progress with justice, equity, and moral responsibility.

Furthermore, the study underscores the relevance of classical Islamic teachings in addressing modern digital dilemmas, demonstrating that religious ethical traditions can play a significant role in shaping responsible technology policies. By integrating Islamic principles into global digital governance frameworks, this research proposes a holistic approach to ensuring that technology serves humanity justly and equitably.

Conclusion: The ethical governance of technology requires a framework that ensures justice, fairness, and equity in the digital world. Islamic ethical principles provide valuable insights into addressing algorithmic bias, the digital divide, privacy concerns, and ethical AI development. By aligning technological advancements with Islamic values, societies can work towards a future where technology is used responsibly, safeguarding human dignity and promoting social justice.

This study calls for further interdisciplinary collaboration between Islamic scholars, technology experts, policymakers, and ethicists to create a governance model that reflects both ethical integrity and technological progress. By incorporating Islamic values into digital policies and AI regulations, stakeholders can foster a more just and equitable digital future for all.

Keywords: Ethical Governance, Islamic Ethics, Digital Justice, Algorithmic Bias, Privacy, Digital Divide, Fairness, Equity, AI Ethics, Digital Rights.

Presentation Title

The Role of AI and Big Data in Accelerating Zakat Management Performance: Evidence in Indonesia

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Abstract

Purpose: Conceptually, the implementation of artificial intelligence (AI) and big data in zakat management will increase operational efficiency while helping to achieve Sustainable Development Goals (SDGs) more effectively. Through this technology, zakat institutions can ensure that the funds collected can significantly impact the welfare of Muslims and society as a whole. However, at the field level, the use of AI and big data technology has not been widely implemented. Indeed, the development of AI and big data is an opportunity and, at the same time, a challenge in managing zakat.

This study examines how big data and artificial intelligence (AI) are used in the management of zakat in Indonesia and how it impacts the achievement of Sustainable Development Goals (SDGs) and operational efficiency. Digital technology has great potential to enhance the transparency and accountability of zakat management, but it has not yet been widely used in the field. This study will identify the practical barriers and ethical considerations faced by Zakat institutions when using such technology. It will also examine how digital innovation can help achieve broader development goals.

Design/Methodology/Approach: This study employs exploratory qualitative research, which serves as a foundational method for examining intricate social phenomena. It aims to reveal zakat fund managers' perspectives, experiences, and interpretations by using flexible data collection techniques, such as unstructured or semi-structured interviews. This approach is especially useful for investigating novel or unclear subjects, as it enables the collection of in-depth, descriptive insights that may not be captured through quantitative methods. This exploratory qualitative research combines three main methodologies: Literature review, Ethnography, and In-depth Interviews.

The digital focus of this study is ethnography, which is a methodological adaptation of ethnography to the online environment. It is used to observe and analyze the digital behavior of beneficiaries, stakeholders, and zakat institutions across various online platforms. Included in this category are digital payment platforms, official websites of Zakat institutions, and social media interactions. Including in this category are digital payment platforms, official websites of zakat institutions, and social media interactions. Interviews with key officials and zakat fund managers at officially recognized zakat institutions in Jember Regency, technology experts working on fintech and AI solutions for Islamic finance, and Muslim scholars discussing the ethics and religious appropriateness of new technologies. Interviews with important officials and zakat fund managers at the officially recognized zakat institution in Jember Regency, technology experts working on fintech and AI solutions for Islamic finance, and Muslim scholars discussing the ethics and religious appropriateness of new technologies.

Findings: The awareness of zakat managers about the potential of artificial intelligence (AI) and big data to enhance the efficiency, transparency, and accountability of organizations continues to grow. However, not much has been done in practice. Many zakat institutions still collect and distribute zakat manually or partially digitally. The limitations of information technology infrastructure, high implementation costs, lack of digital literacy among employees, and lack of funds for innovation are the main issues faced. Additionally, there are concerns about the replacement of human roles by technology and institutional resistance to the transformation of traditional workflows. However, zakat institutions can use AI and big data to enhance the profiles of mustahiq in real-time, analyze the behavior patterns of muzakki, optimize donation campaigns, and provide automated dashboards and audit trails to increase public trust in the management of zakat funds.

Limitations: The focus of this research is Indonesian zakat institutions, specifically in Jember Regency, which may have different contexts in terms of law, technology, and culture compared to majority Muslim countries. Therefore, the results cannot be generalized without altering the context. The main focus of this research is artificial intelligence and big data, although it may also look at the overall panorama of digital transformation. Zakat fund managers as sources of information only from zakat institutions in Jember Regency. The limited amount of time and resources can restrict various perspectives, especially from smaller or more distant Zakat institutions.

Originality/Value: This study offers a unique contribution by integrating Islamic economics, digital governance, and socio-technical systems theory to understand the challenges and opportunities of zakat institutions in the digital era. Different from previous studies that are generally conceptual in nature, this study focuses on the direct experience of zakat managers at the regional level, which is often overlooked in the literature. In addition, this study provides practical policy recommendations that can be implemented by various stakeholders, making it relevant both for academic development and real applications in zakat management.

Keywords: Digitalization, blockchain, digital transformation, poor, poverty, SDGs, Islamic social finance, Islamic philanthropy

Presentation Title

Rethinking the Concept of Māl (Property) in the Digital Age: A Fiqh Perspective

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Abstract

Purpose: This research critically examines classical definitions of māl (property) within Islamic jurisprudence and evaluates their relevance to contemporary digital assets, citing cryptocurrencies as illustrative examples. Given the rapid adoption of digital technologies and intangible assets, it is imperative to revisit classical jurisprudential frameworks to ensure they remain effectively applicable. The paper aims to develop a principle-based evaluative framework grounded in classical jurisprudential principles to classify and assess emerging digital assets in a Sharia-compliant manner.

Design/Methodology/Approach: The research employs a qualitative analytical approach involving rigorous textual analysis of classical juristic texts from the four primary Islamic legal schools (Ḥanafī, Mālikī, Shāfiʿī, and Ḥanbalī). A comparative jurisprudential method is adopted to trace the historical evolution of the concept of māl, emphasizing socio-economic influences. The research formulates a flexible evaluative framework by extracting foundational principles rather than focusing solely on literal definitions. This framework is then demonstrated through illustrative references to digital assets such as cryptocurrencies, examining their legitimacy, societal recognition, and utility from an Islamic jurisprudential perspective.

Findings: The analysis indicates that classical Islamic jurists consistently relied on two core criteria in defining māl: societal recognition (ʻurf) and Sharia compliance. Ancillary conditions—such as utility, storability, and exchangeability—are fundamentally outcomes of societal recognition. Sharia permissibility includes items explicitly permitted by Islamic law, even encompassing items initially impermissible if justified by necessity. Significant methodological differences are evident among the madhāhib: early Ḥanafī jurists emphasized tangible and storable items, contrasting with the broader approaches of Mālikī, Shāfiʿī, and Ḥanbalī scholars, who recognized intangible benefits as māl. Notably, the Ḥanbalī school allowed for necessity-driven exceptions. When applying these classical principles illustratively to digital assets like cryptocurrencies, the research finds them inherently permissible due to their neutral and beneficial nature. However, their current limited societal recognition restricts their classification as māl to specific digital communities rather than universally.

This finding can be further illustrated by comparing cryptocurrency with other intangible assets historically evaluated by Islamic jurisprudence. A compelling illustration of how societal recognition (ʿurf) plays a decisive role in the Islamic legal classification of māl is found in the case of intellectual property, including copyrights, patents, and software licenses. These intangible assets were not historically considered māl by scholars during their early development, largely due to their non-physical nature and the absence of widespread societal recognition at the time. However, as economic systems evolved and such rights became widely recognized, legally protected, and commercially traded, their status gradually shifted. In response to this transformation, contemporary Islamic scholars—as well as institutional bodies such as the International Islamic Fiqh Academy (IIFA)—have issued rulings affirming that intellectual property qualifies as māl, precisely because of its utility, legal enforceability, and broad societal acceptance.

Analysis and Discussion: The concept of māl has significantly evolved across various madhāhib, reflecting changing socio-economic conditions. Early Ḥanafī jurists, such as Imām Muḥammad ibn al-Ḥasan al-Shaybānī, limited the definition of māl to tangible and storable items, such as gold, silver, agricultural produce, and livestock. Subsequent Ḥanafī scholars, including Ibn al-Humām and Ibn Nujaym, incorporated broader considerations like societal

recognition (‘urf) and Sharia compliance, though they maintained a cautious stance toward intangible benefits, accepting them mainly when tied to tangible assets through contractual arrangements.

The Mālikī school took a more inclusive approach by emphasizing societal value and market compensability. Scholars like Qāḍī ʿAbd al-Wahhāb and Ibn al-ʿArabī defined māl broadly to include anything that is valued by society and permitted within Sharia, explicitly recognizing intangible forms as well. Similarly, the Shāfiʿī and Ḥanbalī schools further expanded this concept by acknowledging intangible benefits. Al-Zarkashī, a Shāfiʿī scholar, described māl as encompassing both tangible and intangible benefits. Meanwhile, al-Buhūtī from the Ḥanbalī school explicitly allowed exceptions for necessity-based reasons regarding items that are typically deemed impermissible.

However, such widespread recognition has yet to be achieved universally by emerging digital assets such as cryptocurrency, as recent empirical studies clearly illustrate. Cryptocurrency, despite its growing relevance, has not yet achieved the level of societal recognition necessary for a universal Sharia classification as māl. According to the 2024 TripleA Cryptocurrency Ownership Report, the United Arab Emirates (UAE) leads globally in terms of crypto adoption per capita, with approximately 30.4% of its population reported to own cryptocurrency. While this figure is notable on a national level, it still falls short of fulfilling the Sharia principle of al-ḥukm li’l-ghālib—that legal rulings follow what is predominantly recognized in society—which, in jurisprudential reasoning, is often expected to reach or exceed 75%. This limitation becomes even clearer on a global scale, where, according to the same report, only 6.8% of the world’s population owns or uses cryptocurrency. Therefore, although cryptocurrency may qualify as māl within specific digital ecosystems or localized contexts, it cannot yet be universally classified as such.

A helpful classical precedent clarifies how changes in societal recognition and necessity-driven permissibility can impact the jurisprudential classification of previously excluded items. Classical jurists unanimously rejected the classification of human blood as māl, citing its impermissibility (ḥarām) and lack of recognized social or economic value. However, with the advancement of blood transfusion technology and the normalization of blood donation as a life-saving practice, blood fulfilled both essential conditions of māl: societal recognition and permissibility under necessity (ḍarūrah). This adaptation was explicitly recognized by jurists such as al-Buhūtī of the Ḥanbalī school, who affirmed that substances initially impermissible could gain legal value once they meet both widespread societal acceptance and necessary permissibility criteria.

Research Limitations/Implications: While illustrative empirical examples have been provided, a key limitation remains the absence of original empirical research directly assessing the current societal acceptance levels of digital assets. Future research employing direct empirical methods—such as surveys or statistical analysis—could robustly validate societal recognition thresholds. Furthermore, while the framework presented is applicable broadly, detailed empirical investigations into diverse digital asset categories beyond cryptocurrency could strengthen the generalizability and applicability of this evaluative model.

Originality/Value: This study advances Islamic jurisprudential scholarship by shifting from strict classical definitions to a dynamic, principle-based evaluative approach that is tailored to modern financial realities. Bridging classical methodologies with current digital innovations provides Islamic finance practitioners and jurists practical tools to effectively evaluate new forms of wealth, enriching scholarly discourse and promoting adaptable, Sharia-compliant financial practices.

Keywords: Māl, Islamic jurisprudence, Digital assets, Cryptocurrency, Sharia compliance, Islamic finance.

Presentation Title

Safeguarding Confidentiality in Islam: Ethical and Legal Perspectives

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Abstract

Purpose: This research examines the ethical and legal perspectives of confidentiality in Islam, focusing on privacy as a fundamental human right. The study addresses: Islamic teachings on privacy protection**,** Modern challenges in digital confidentiality, and Pakistan's legal framework regarding data protection

Design/Methodology/Approach: The study employs: 1) Textual analysis of Quranic verses (e.g., 49:12) and Hadith (e.g., Bukhari's "Whoever conceals a Muslim...") 2) Jurisprudential review of classical Fiqh principles regarding: Prohibition of spying (tajassus)**,** Sanctity of private communications**,** Physical privacy protections 3) Legal examination of Pakistan's: Prevention of Electronic Crimes Act 2016, and Draft Personal Data Protection Bill 2023.

Findings: The theological foundations reveal that Privacy is integral to human dignity (karamah) in Islam, and that there are three levels of protection identified: Spatial (homes)**,** Communicational (conversations), and Informational (secrets). Moreover, we find that Digital communications require extension of classical principles and Unauthorized data access constitutes modern "khiyanah" (betrayal). In addition, PECA 2016 provides partial coverage for cybercrimes and PDPB 2023 represents progress but lacks Islamic framing

Research Limitations/Implications: This study is limited in scope to Islamic jurisprudence and does not include a comparative analysis with international data protection regimes. Despite this limitation, the findings demonstrate a clear compatibility between Islamic ethical principles and contemporary privacy requirements. The research also underscores the critical need for developing data protection legislation in Muslim countries that is firmly grounded in Islamic values and legal traditions.

Originality: This research synthesizes classical Islamic jurisprudence with contemporary privacy challenges, offering a novel perspective on the intersection of faith and digital rights. It presents the first systematic analysis of Pakistan's data protection laws through an Islamic lens and proposes a foundational template for developing Sharia-compliant data protection frameworks, addressing a significant gap in existing literature and policy discourse.

Keywords: Islamic confidentiality, Digital ethics, Data protection bill, Islamic Human rights.

Presentation Title

An Introduction to Ijtihad: Its Significance and Role in the Modern Era

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Abstract

Purpose: This study aims to explore the concept of Ijtihad—its definition, types, conditions, historical development, and contemporary relevance. The primary objective is to highlight Ijtihad as an essential tool for maintaining the dynamism of Islamic jurisprudence in addressing emerging global issues. As Muslim societies face unprecedented challenges in fields like economics, medicine, and technology, the need for a balanced, principled mechanism to apply Islamic rulings becomes more pressing. The research addresses the problem of the decreasing use and occasional misuse of Ijtihad, which risks rendering Islamic law disconnected from current realities.

Design/Methodology/Approach: The research adopts a qualitative and analytical approach. It draws upon classical Islamic sources, including the Qur'an, Sunnah, and scholarly consensus (Ijma), as well as the works of traditional and contemporary scholars. The study examines the methodological framework of Ijtihad, including the strict criteria for those qualified to perform it, and analyzes its practical application in modern scenarios. Case-based discussions on issues like Islamic finance, organ transplantation, genetic engineering, and digital technology are used to demonstrate the ongoing relevance and necessity of Ijtihad in today's world.

Findings: The findings suggest that Ijtihad is not only a theological or academic exercise but a necessary intellectual effort that preserves the spirit of Shariah across time. Historically, it played a vital role in shaping the dynamism of Islamic civilization, but periods of intellectual stagnation due to rigid traditionalism hindered its proper use. In the modern era, Ijtihad remains essential for interpreting Islamic teachings in light of contemporary challenges. However, its misuse—especially by unqualified individuals seeking to alter divine laws for societal approval—poses a significant threat. Authentic Ijtihad respects the framework of Islamic jurisprudence and ensures that Islamic principles are preserved even in novel circumstances.

Research Limitations/Implications: While the study is rich in theoretical and historical analysis, it lacks empirical fieldwork or region-specific application. Nonetheless, the implications are significant for Islamic educational institutions, policymakers, and Shariah boards, especially in areas requiring urgent jurisprudential responses. Encouraging qualified scholarship in Ijtihad could help counter both intellectual stagnation and irresponsible reinterpretation.

Originality/Value: This chapter contributes to the field by bridging the gap between classical jurisprudence and modern practical needs. Unlike many studies that either dismiss traditional scholarship or blindly follow it without renewal, this research offers a balanced view. It affirms that Ijtihad, when conducted by qualified scholars within the bounds of Islamic principles, is the key to maintaining the relevance, flexibility, and strength of Islamic jurisprudence in any era.

Keywords: Ijtihad, Islamic jurisprudence, contemporary challenges, Shariah application, qualified scholars, Islamic legal thought**.**

Presentation Title

Islamic Philanthropy in the Digital Era: Analysis of Maqasid al-Shari'ah on Cryptocurrency Operations

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Abstract

The development of digital technology has brougth about very significant changes to the practice of islamic philanthropy, one of which is the acceptance of the use of cryptocurrency as a *zakat* payment and fundraising tool. Malaysia becomes the first county to allow *zakat* usinf crypto, where the government argues that crypto is the newest source of wealth owned by the younger generation. In Indonesia, the shariah-based crypto asset exchange platfrom, Fasset, has also introduced Crypto *zakat,* a feature that allows *zakat* payments using crypto assets. Previously, the Shackwell Lane mosque located in hackney, London, England, has also accepted *zakat* payments in the form of cryptocurrency. Then, IBF Net prosented Netverse as the world's first metaverse in the blockchain based cryptocurrency platform, Algorand, which serves the philanthropis, non profit, and for profit sectors that form a miniature Islamic economy. Indeed, the debate surrounding cryptocurrency presents both opportunities and challenges, leaving people uncertain about whether to embrace or reject it. On the one hand, it offers several advantages, but on the other, it also comes with unavoidable drawbacks, particularly due to its online operation, which makes it susceptible to various threats and risks, as well as being seen as being full of speculation. Therefore, with a literature study approach, this study intends to describe the use of cryptocurrency in *zakat* payments with the *maqasid al shari'ah* analysis ttol. The output of this study is expected to present a pisture of the practice of cryptocurrency in *zakat* payments as well as regulatory views or fatwas from a number of countries related to the practice.

Purpose: The purpose of this study is ti identify how cryptocurrencies can be integrated into islamic philanthropic practices, in light of the challenges and opportunities that arise from the use of this technology. In addition, this study also aims to analyze the suitability of cryptocurrency operatuons with the principles of *maqasid al shari'ah*, which emphasizes the objectives of *shari'ah*, namely the benefits and moral values in every action. This study is also expected to provid deeper insight into how technological innovation can contribute ti social and religious aspects. The approach in this study is a literature study where this study intends to describe the use of cryptocurrencies in paying *zakat* with *maqasid al shari'ah*_analysis tools. This research is descriptive, which means explaining the phenomena observed and concluding from the explanation. The techniques used are data collestion techniques such as observation and documentation. The approach used in thid study is a normative approach. The purpose of using this approach is to find out the conclusions of the various factors studied related to Islamic rules. In this study, a normative approach is used by applying *maqasid al shari'ah* as a step to analyze the rules for using ctypto in paying *zakat.*

Findings: This study yields several important findings regarding the role of Islamic philanthropy in then digital era, particularly in the context of cryptocurrencies. The study shows that cryptocurrencies offer easy acces for donors, especially in areas that are difficult to reach by traditional bangking systems. This opens up more opportunities for individuals to participate in philanthropic activities, including among the younger generation who are more familiar with digital technology. However, the study also identifies several challenges, such as regulatory uncertainty and potential security risks associated with the use of cryptocurrencies. In addition, there are concerns about the suitability of cryptocurrencies to the maqasid principle and it is found that cryptocurrencies can increase transparency and accountability in the collection and distribution of philanthropic funds.the use of blockchain technology allows every transaction to be permanently recorded and publicly accessible, thereby reducing the potential for misuse of funds. Al-shariah, especially in terms of justice and social welfare.

Limitations: This study has several limitations that need to be considered. First, the number of respondents interviewed is limited so that the research findings may not fully represent the views of all stakeholders in Islamic philanthropy and cryptocurrency. In addition, this study focuses on a specific context that may limit the generalizition of the findings the to other regions or communities with different characteristics. Another limitation is the lack of in-depth empirical data on the application of cryptocurrency in Islamic philanthropy practices. This may affect the understanding of the effectiveness and impact of using this technology in the context of sharia. The findings of this study can be the basis for developing better policies and regulations related to the use of cryptocurrency in Islamic philanthropy. In addition, this study can encourage philanthropic organizations to explore and integrate innovative digital technologies, thereby increasing the efficiency and social impact of their activities. By understanding the challenges and opportunities that exist, this study is expected to provide a positive contribution to the development of more modern philanthropic practices that are in accordance with the principles of maqasid al-shariah.

Originality: This research provdes real contributions and quality in understanding the relationship between Islamic philanthropy and cryptocurrencies in the digital era. One of the characteristics of this research is an interdisciplinary approach that combines aspects og finance, technology and sharia principles. By analysing how cryptocurrencies can be integrated into Islamic philanthropic practices, this research provides a new perspective that has not been widely discussed in the existing literature. The origins of this research also lie in its focus on maqasid al-syariah, which serves as the ethical foundations for every philanthropic action. By exploring originality, but also the challenges tha must be faced to ensure that philanthropic practices remain in line with Islamic values.

Keywords: zakat, Islamic social fund, blockchain, digitalization, digital technology,

Presentation Title

From Scrolls to Smart Contracts: Reducing Default Rate in Islamic Banking and Financial System through Witnesses, Documentation and Technology

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Purpose: The objective of this paper is to investigate the recurring rate of default in the Islamic banking and financial system and explore the efficacy of classical Islamic safeguards, particularly witness testimony and written documentation, in addressing this challenge. Despite the religious and ethical foundations of Islamic finance, default rates continue to proliferate, thus, undermining both institutional stability and public trust. This paper seeks to assess whether these traditional mechanisms remain effective in contemporary financial realities. Additionally, this paper examines the extent to which emerging technologies such as blockchain-based smart contracts, biometric authentication, and artificial intelligence (AI)-driven credit risk assessment can complement traditional Shari'ah-prescribed safeguards. These technologies are evaluated not merely as functional tools but as instruments that may reinforce contractual integrity while maintaining compliance with the ethical objectives of the Sharīʻah. This inquiry aims to contribute to the discourse on financial justice and ethical governance in Islamic finance by interrogating how systemic issues, such as moral decadency, documentation fraud, and strategic default, undermine the effectiveness of Islamic finance.

Design/Methodology/Approach: This paper adopts a mixed-method research approach, combining doctrinal legal analysis with empirical methodology. The doctrinal component involves an analysis of both the primary and secondary sources of Sharīʻah, particularly, the Qur'an (Suratul Baqarah, ayah 282), relevant traditions of the Prophet (peace be upon him), and classical juristic opinions from Fiqh al-Muʻāmalāt on the use of witnesses and documentation in financial transactions.

The empirical component involves qualitative assessments of real-world cases of default in Islamic financial institutions. These include the 2024 Maldives Sovereign Sukuk default risk, which raised concerns over Shariʻah-compliant sovereign debt sustainability, and the underreporting of non-performing loans by several Islamic banks in Bangladesh as revealed in central bank inspections. These cases and more are analysed to expose systemic vulnerabilities and institutional behaviours that undermine Shariʻah objectives. Furthermore, this paper evaluates the application and suitability of blockchain-based smart contracts, biometric verification, and AI for automating contract enforcement, enhancing transparency, and deterring strategic default, through the lens of the Islamic legal maxim dar' al-mafāsid wa jalb al-masālih (the elimination of harm and the promotion of benefit).

Findings: This paper finds that while traditional Islamic safeguards, notably documentation and witness testimony, retain their moral and jurisprudential validity, their practical effectiveness has diminished in contemporary financial systems. The increasing digitalisation of transactions, the decline of communal oversight, and the global nature of Islamic finance have rendered the human-centric safeguards envisioned in classical jurisprudence increasingly difficult to enforce. Additionally, the assumption that borrowers in Islamic finance will honour contracts based on faith and ethics is unrealistic in modern finance, where profit motives override religious considerations. Moreover, this paper observes that strategic default, where borrowers wilfully evade repayment obligations while taking refuge in the ethical softness of Islamic finance, has become a recurring case, especially in jurisdictions with weak regulatory frameworks.

Technological tools, however, show complementary advantage. Blockchain technology, with its immutability and decentralised ledger features, addresses the problem of document tampering and retrospective alterations. Similarly, smart contracts can encode contractual terms that self-execute upon the fulfilment of agreed conditions, thus, ensuring compliance without reliance on subjective human enforcement. More so, AI-driven credit scoring models offer enhanced risk profiling based on behavioural and transactional data, therefore, potentially reducing exposure to high-risk clients. Lastly, biometric verification provides greater security in authenticating parties to a contract, thereby reducing impersonation and identity fraud. More importantly, this paper finds that these technologies, when designed with ethical constraints and oversight from Shari'ah boards, can enhance rather than replace the role of witnesses and documentation, thus, preserving the spirit of Islamic financial ethics while strengthening operational resilience.

Research Limitations/Implications: A notable limitation of this paper is the availability of granular and disaggregated data on Islamic banking defaults, as many jurisdictions lack centralised reporting on non-performing assets specific to Islamic financial institutions. Nonetheless, the implications of the findings are imperative. Regulators and Sharīʻah supervisory boards must begin to institutionalise technological tools as part of their risk governance frameworks, ensuring these tools are used to uphold, not erode, the ethical dimensions of Islamic finance.

Originality/Value: This paper offers an original contribution by bridging the gap between traditional Islamic safeguard and contemporary financial technology, ensuring a hybrid path for managing one of the most pressing risks in Islamic banking. Unlike studies that treat Islamic finance as either a moral economy or a legal structure, this work positions it as a living tradition capable of adapting to technological change without sacrificing its ethical core. It advances a framework that is both doctrinally grounded and forward-looking, proposing policy-level recommendations for regulators, Sharīʻah scholars, and financial institutions on how to design enforceable, ethical, and resilient Islamic financial contracts in the age of smart finance.

Keywords: Islamic Banking, Default Risk, Financial Technology, Sharīʻah Compliance, Blockchain, Credit Risk Management

Presentation Title

Shari'ah and Digital Currencies: Analyzing Cryptocurrency in the Islamic Finance Framework

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Abstract

Purpose: The evolution of currency has long been a subject of scholarly and practical discourse, especially within the framework of Islamic finance. Historically, currencies have evolved from barter systems to the use of precious metals, and more recently to digital and cryptocurrency forms. From an Islamic perspective, there is no strict obligation to use a specific form of currency, such as gold or silver. Instead, Islamic jurisprudence (fiqh al-muamalat) recognizes money as a social convention, acceptable in any form so long as it adheres to the foundational principles of Shari'ah. This flexibility has opened up a significant dialogue around the permissibility and implications of emerging financial innovations—most notably, cryptocurrency. The recent proliferation of cryptocurrency, a technology-based medium of exchange, has raised critical questions about its legitimacy, utility, and ethical considerations within Islamic finance. This study investigates the Shari'ah compliance of cryptocurrency and explores its potential implications for the Islamic financial system.

Methodology: Applying a normative research approach, the study conducts a comprehensive review of scholarly literature and analyzes secondary data to evaluate the current status of cryptocurrency, identify prevailing scholarly opinions, and propose recommendations for future regulatory and structural developments.

Findings: A key principle in Islamic commercial jurisprudence asserts that all financial transactions and innovations are permissible unless proven otherwise. Accordingly, the study highlights that cryptocurrencies can be permissible under Shari'ah provided certain conditions are met. These include the requirement that cryptocurrencies are supported by tangible assets, recognized and regulated by a credible central authority, and do not involve elements prohibited in Islam such as excessive uncertainty (gharar), gambling (maysir), or interest (riba). The findings suggest that while cryptocurrencies do not inherently contradict Islamic teachings, their current structure, particularly their volatility, lack of central regulation, and use in speculative trading, necessitate careful scrutiny and targeted reforms. Islamic scholars and economists have voiced mixed opinions. Some emphasize the need for central regulation and asset backing as prerequisites for permissibility. Others propose the creation of "halal cryptocurrencies" by Islamic states through intergovernmental collaboration, ensuring compliance with ethical and legal Islamic norms. Moreover, several scholars recommend a cautious and phased adoption of cryptocurrencies in Islamic finance, beginning with enhancing public awareness, securing governmental backing, and ensuring Shari'ah compliance through collaboration between scholars and financial experts.

Implication: Islamic financial institutions and regulators can use the findings to develop a Shariah-compliant regulatory framework for cryptocurrencies. This includes ensuring the cryptocurrency is asset-backed, government-approved, and used transparently within the financial system. Moreover, the study suggests that Islamic countries can collaborate to develop halal cryptocurrencies. Such collaborative efforts could lead to the creation of a unified Islamic digital currency, enhancing cross-border trade and financial integration among Muslim nations.

Keywords: *Shari'ah*, Digital Currencies, Cryptocurrency, Islamic Finance

Presentation Title

How Does Digital Marketing Influence Purchase Intention? Insights from Indonesian Muslim Millennials

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Abstract

Purpose - This research aims to explore the impact of digital marketing on the purchase intentions of young Muslim consumers in Indonesia, a rapidly growing market segment with significant digital economic potential.

Design/methodology - The research uses SEM-PLS analysis with data from 200 participants to investigate how different digital marketing factors like advertising, e-commerce, influencers, blog content, and social media impact purchase intentions.

Findings - The findings reveal that advertising, e-commerce, blog content, and social media have a positive and significant impact on purchase intentions among young Muslim consumers. In contrast, the influence of influencers is found to be insignificant. These findings stress the importance of businesses utilizing various digital marketing strategies to effectively reach and connect with this expanding consumer demographic.

Research limitations/implications - This research exclusively targets young Muslim consumers in Indonesia, restricting the broader applicability to other demographics. It utilizes cross-sectional data, failing to capture potential changes in trends over time.

Practical Implication - This study offers practical guidance for marketers who want to create successful digital marketing plans specifically for young Muslim consumers in Indonesia, thereby improving their competitiveness and overall marketing outcomes.

Research Gap - Numerous research studies have investigated the influence of digital marketing on consumer buying intentions, with limited emphasis on Indonesian Muslim millennials. In their study, Smith and Johnson (2019) examined how digital marketing impacts consumer buying behavior by analyzing crucial elements like online interaction, trust, and perceived worth. Wijaya and Gunawan (2021) studied how social media marketing affects purchase intentions in Indonesian millennials, without considering the religious aspect that could play a major role in their decision-making. Similarly, Pratiwi and Sutanto (2020) also investigated how influencers affect consumer intention to buy, but did not delve into the specific preferences of Muslim millennials. Rahman and Suryadi (2018) investigated how Muslim millennials in Indonesia are embracing e-commerce, specifically looking at how it affects their buying decisions. However, they did not consider other important digital marketing elements like content marketing and advertising.

There is a need for more comprehensive research in the literature that combines important digital marketing elements, like social media impact, e-commerce utilization, and influencer marketing, specifically among Muslim millennials in Indonesia. Although each element has been studied individually, there has not been any research that has integrated them to fully comprehend their combined effect on purchase intention within this particular demographic. This research seeks to address this lack by providing a more detailed examination of how these digital marketing elements interact and impact the purchasing choices of Muslim millennials. In this way, businesses will gain valuable insights on how to create more efficient marketing strategies that meet the specific needs and preferences of this group.

Originality/value - This study addresses a gap in existing literature by examining the collective interaction of various digital marketing elements, rather than focusing on individual components. It deepens the understanding of digital marketing's influence on consumer behavior and enriches the academic discourse with new perspectives on effectiveness in emerging markets, paving the way for future research.

Presentation Ttile

Exploring the Competency of Shariah Scholars in Islamic Banking Institutions

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Abstract

Purpose: There is sufficient literature available on the Shariah governance framework and roles and responsibilities of SSB but there is an insufficiency of academic writings on the competency of Shariah board members of this industry. The purpose of this qualitative study will be to find the factors and elements that improve the competency of a Shariah board in Islamic banks for making Shariah pronouncements more reliable and compatible and to develop a competency framework for the Shariah scholars working in Islamic banking institutions

Design/Methodology/Approach: The methodology adopted in the study is purely qualitative because the results of the qualitative research method are more definitive, identifying and its interpretation is quite easily from the obtained data. In addition, there are multiple sources for data collection. Researchers call them data collection tools. The interview method is one of the most distinguished data collection strategies used in social movement studies. Hence, in the present study, data were collected through semi-structured interviews using audio-recorded technique and transcribed verbatim.

Findings: The research finds that while Shariah board members generally possess strong religious academic background, there is a need to enhance their technical skills and contemporary education to understand the banking practices, and deeper involvement within the operational dynamics of Islamic banks. The Shariah scholars equipped with academic excellence, practical skills, and active institutional engagement is fundamental element for the credibility and effectiveness of Islamic banking institutions.

Research Limitations: The study was conducted from the year 2020 to 2023, therefore, the time scope of the study is limited to this time frame. However, this study deals with the Islamic banking and finance industry in general, with specific emphasis on Shariah boards of IBIs located in Pakistan only. In addition, the Islamic governance system has five pillars. The conceptual scope of the study is limited to only the issue of competency.

Originality/Value: This study is one of the first that will focus on developing the competency framework for Shariah board members in the Islamic banking industry to enhance the credibility of the industry and better achievement of the goals. Furthermore, the study contributes to the literature by providing a framework that will help and guide the regulators while appointing the Shariah scholars as a Shariah board members.

Keywords: Islamic Finance; Islamic Banks; Shariah Governance; Shariah Supervisory Board; Competency

Presentation Title

Factors Affecting Intentions to Adopt Islamic Pension System in Uzbekistan

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Purpose

This study investigates the factors affecting the intentions to adopt Islamic pension system in an emerging financial market of Uzbekistan. This study reviews the intentions with reference to theory of planned behavior which provide guidance on how our attitude, controlled believes and subjective norms impact our intentions to adopt Islamic Pension system.

Methodology

Purposive sampling is adopted to collect the data from our sample frame which consists of all formally employed persons in Uzbekistan. In the first phase, so far, a sample of 145 is collected. Simple regression, hayes mediation analysis is done by using SPSS. Notably, our data collection process is not yet fully completed.

Findings

The findings of the study demonstrate that antecedents of significantly explain behavioral beliefs and motivation to comply. However, the factors influencing perceived behavioral control were not clearly supported. The regression results show a strong, positive relationship between behavioral beliefs, motivation to comply, and perceived behavioral control with the intention to adopt the Islamic pension system. Furthermore, the moderation analysis reveals that perceived benefits positively strengthen the link between these factors and individuals' intentions to adopt Islamic Pension.

Practical Implications

The findings indicate that it would be vital to focus on perceived benefits in order to encourage the uptake of Islamic pensions. Perceived benefits significantly mediate the relationships between subjective norms, attitude, and perceived behavioural control, with subjective norms having the strongest mediated effect (Perugini & Bagozzi, 2001); thus, strategies must also attempt to strengthen social influences and public trust. Educational campaigns, along with endorsements from relevant religious and community leaders could strengthen attitudes (Cheng et al., 2022) and making procedures simpler while increasing financial literacy may improve perceived control. Ultimately, these interventions could increase the likelihood of boost stronger behavioural intentions and broaden the uptake of Islamic pension schemes.

Originality of study

This study is one of the first study which applies theory of planned behaviour to explore the public intentions to adopt a new pension system in Uzbekistan. It uniquely examines the moderating impact of perceived benefits in the relationship between three facets of theory of planned behaviour and Intentions to adopt Islamic pension system. Study contributes new insights into behavioural drivers of adopting new pension system in a post-soviet,

economically transitioning economy.

Limitations

The findings provided here are from the working paper and apply certain limitations, foremost is the limited data. As this study is still in process and the data collection process is not yet completed. The findings presented in this abstract are based on our initial data, which we used to do some preliminary analysis. Our final findings may change as we may receive more responses. Secondly, so far, our respondents are mostly the residents of Tashkent, Capital city of Uzbekistan, who may have different perspective as compared to those who are from other regions where people may have less financial literacy. Lastly, if we look at the average age of the respondents' they are quite young and may have different attitudes (risk taking behavior) as compared to those who are above 40-50 years of age. This study open horizons to study about the adaptation of new pension system by including more behavioral aspects of the Uzbekistan's pupation.

Keywords: Pension System, Islamic Pension, Uzbekistan, Profit and loss sharing, Private Pension Funds

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