Sharia Economic and Management Business Journal (SEMBJ)

| Volume 7, Issue 3, 2026 | Page 200-211 |
https://doi.org/10.62159/sembj.v7i3.2960
ISSN-Online: 2774-2679

https://siducat.org/index.php/sembj

Reconstruction Islamic Banking Fiqh Based on Maqashid al-Shariah: Strengthening Islamic Economic Ecosystem and Authority Religious Courts (PA) in Indonesia

Tentiyo Suharto[1]*, Budi Kisworo[2], Mawardi Lubis[3], Maryam Batubara[4]

[1]State College for Islamic Studies Mandailing Natal, Indonesia.
[2]State Institute for Islamic Studies Curup, Indonesia.
[3]Fatmawati Sukarno State Islamic University, Bengkulu, Indonesia.
[4]State Islamic University of North Sumatra, Indonesia.

tentiyosuharto18@gmail.com *✉

ARTICLE INFO

Keywords:
Islamic Banking Fiqh; Maqashid al-Shariah; Islamic Economic Ecosystem; Religious Courts Authority; Substantive Justice;

ABSTRACT

Background: The rapid evolution of the global Islamic finance industry necessitates a methodological shift from rigid, text-based legal compliance (hilah) toward a purpose-driven framework that prioritizes the substantive objectives of Islamic law (Maqashid al-Shariah). Simultaneously, massive financial digitalization introduces regulatory gaps, while the Religious Courts face capacity challenges in adjudicating complex, tech-driven economic disputes under standard formalistic procedures.
Research Gap: A distinct dichotomy persists between the rapid innovation of digital-based Islamic banking products and the slow adaptation of contemporary fiqh methodologies and judicial doctrines, creating a disparity between formal legal certainty and substantive justice for modern economic actors.
Novelty: This study introduces a comprehensive, multi-layered integrated framework that unifies fiqh reconstruction, maqashid-based banking governance, economic ecosystem orchestration (commercial finance, ZISWAF, MSMEs, and fintech), and religious judicial oversight into a self-correcting structural feedback loop.
Method: Employing a combined juridical-normative and socio-legal approach, this study analyzes conceptual foundations, statutory regulations, court jurisdictions, and contemporary Islamic legal literature, utilizing qualitative descriptive-analytical evaluation of primary and secondary legal materials.
Results: The findings demonstrate that reconstructing fiqh through the five objectives of Maqashid al-Shariah transforms Islamic banks from conventional intermediaries into holistic ecosystem orchestrators aligned with ESG standards and the Sharia Maqashid Index (SMI). Furthermore, expanding the absolute jurisdiction of Religious Courts through maqashid-based judicial interpretation enables judges to resolve complex modern financial disputes and enforce substantive distributive justice.
Conclusion: Synchronizing jurisprudential reform, ethical market orchestration, and adaptive judicial oversight successfully bridges theoretical legal principles with practical execution, establishing a resilient, equitable, and sustainable Islamic economic ecosystem.

Received: 6/28/2026 **Revised:** 8/22/2026 **Accepted:** 9/6/2026 **Published:** 9/9/2026

How to cite this article:
Suharto, T.S., Kisworo, B., Lubis, M., Batubara, M. (2026). Reconstruction Islamic Banking Fiqh Based on Maqashid al-Shariah: Strengthening Islamic Economic Ecosystem and Authority Religious Courts (PA) in Indonesia. Sharia Economic and Management Business Journal (SEMBJ), 6(3), 200-211. https://doi.org/10.62159/sembj.v7i3.2960

INTRODUCTION

The rapid development of the global Islamic finance industry demands an adaptation of Islamic law that is no longer merely oriented toward formal legality (textual compliance), but rather toward achieving the substantive objectives of Islamic law itself. For a long time, the construction of Islamic banking fiqh has often been trapped in contract legalism (hilah), which is legally formal yet substantively fails to deliver distributive justice to society. In line with this, the methodological reorientation of contemporary muamalah fiqh is urgently needed so that Islamic banking products can address the complexity of modern transactions without losing their prophetic ethical spirit (Hakim, 2023). This transformation serves as a crucial foundation for shifting the paradigm of Islamic banking from merely a commercial intermediation institution to a primary driver of sustainable public welfare.

In the realm of empirical implementation, strengthening the Islamic economic ecosystem in the digital era requires robust synchronization among commercial finance, social finance (ZISWAF), and the real sector based on the principles of maslahah. Nevertheless, massive financial digitalization today often triggers new legal conflicts, such as digital contract disputes, defaults in sharia financial technology financing, and the complexity of modern investment instruments. Addressing this phenomenon, the digital Islamic economic ecosystem still faces major challenges in the form of unpreparedness regarding derivative regulatory frameworks and risk mitigation standards that align with the ethical values of Maqashid al-Syariah (Pratama, 2024). Consequently, the integration between digital banking systems and Islamic social instruments has not been fully optimal in reducing social inequality and creating community economic resilience.

On the other hand, when Islamic economic disputes enter the judicial realm, the existence and absolute authority of the Religious Courts in Indonesia play a critical role in providing legal certainty with substantial justice. Although the expansion of Religious Court authority has been regulated, practice frequently encounters obstacles when adjudicating modern Islamic economic disputes that involve high technology and multi-parties. Regarding this judicial enforcement dynamic, there are sentencing disparities and limitations in judges' capacity to construct law based on Maqashid al-Syariah, meaning that court decisions sometimes fail to reflect maximum distributive justice for disputing parties (Rahmawati, 2025).

The primary research gap in the current digital era lies in the dichotomy between the massive innovation of digitally-based Islamic banking products and the rigidity and slowness of contemporary fiqh methodological updates alongside the doctrinal readiness of judicial institutions. On one hand, the Islamic economic ecosystem is urged to move quickly to keep pace with the competitive global digital ecosystem; on the other hand, the theoretical framework of fiqh used remains partial, while the authority of the Religious Courts remains constrained by formal legal positivism procedures that have not fully integrated the subjective values of Maqashid al-Syariah. Consequently, a disparity emerges between formal legal certainty in court and the substantive justice felt by Islamic economic actors in the digital era. Based on this background, an in-depth study regarding the reconstruction of Islamic banking fiqh based on Maqashid al-Syariah as an instrument to strengthen the economic ecosystem and religious court authority is crucial to research further.

The integration of Maqashid al-Syariah into Islamic banking and the legal framework requires addressing several critical dimensions. A shift from rigid legal compliance (hilah) to a purpose driven approach is essential for contemporary fiqh, ensuring that financial products genuinely foster distributive justice and public welfare. Simultaneously, the digital era exposes significant regulatory gaps within the Islamic economic ecosystem, demanding seamless harmonization between commercial finance, social finance (ZISWAF), and modern digital frameworks. Furthermore, strengthening the Religious Courts' capacity to adjudicate modern, tech-driven disputes through a Maqashid al-Syariah lens is critical to resolving decision disparities and securing substantive legal certainty. Ultimately, overcoming the dichotomy between rapid financial innovation and slow methodological or doctrinal adaptation is vital to bridging formal court rulings with the real-world economic needs of society.

METHOD

The methodology of this research employs a combined juridical-normative and empirical (socio-legal) approach, comprehensively examined to analyze the reconstruction of Islamic law regarding Islamic banking in Indonesia (Sutiawan, 2023). A conceptual approach is applied by examining the fundamental principles of Maqashid al-Shariah as the core of legal formation, which are subsequently integrated with aspects of banking governance and the judicial authority of the Religious Courts (Rahmawati, 2024). The strengthening of this Islamic economic ecosystem also refers to contemporary theoretical frameworks as examined in modern Islamic legal literature (Hidayat, 2025). In examining regulatory dynamics and the practices of the Islamic financial industry, this study explores adjustments in banking regulations as well as the harmonization of material law within the environment of the Religious Courts (Sutiawan, 2023). This juridical-empirical analysis is enriched through a review of national strategic policies and Islamic legal literature that has developed rapidly in the recent decade (Rahmawati, 2024). Furthermore, the evaluation of the effectiveness of Islamic economic dispute resolution and legal certainty refers to the comprehensive development of integrative Islamic legal thought (Hidayat, 2025).

The data sources utilized include primary legal materials consisting of legislation related to Islamic banking, court decisions, and fatwas from the National Sharia Board of the Indonesian Ulema Council (DSN-MUI) (Sutiawan, 2023). Secondary legal materials are obtained from textbooks, reputable scientific journals, and previous research findings, while tertiary legal materials encompass legal dictionaries and encyclopedias (Rahmawati, 2024). All data is analyzed qualitatively using a descriptive-analytical method to produce an ideal fiqh reconstruction model for strengthening the national Islamic economic ecosystem towards a just order (Hidayat, 2025).

The reconstruction of Islamic jurisprudence (fiqh) through the framework of Maqashid al-Shariah serves as a vital foundation for modernizing Islamic banking governance and strengthening the broader Islamic economic ecosystem. By shifting from literal compliance to a value-oriented paradigm that prioritizes public welfare (maslahah), Islamic financial institutions can move beyond traditional intermediation to become true ecosystem orchestrators. Furthermore, the strategic authority of the Religious Courts plays an indispensable role in adjudicating economic disputes, ensuring substantive justice, and delivering legal certainty. Ultimately, this integrated model bridges theoretical jurisprudence with practical governance, fostering sustainable economic development, equitable wealth distribution, and long-term prosperity within the national framework.

RESULTS

The reconstruction of Islamic jurisprudence (fiqh) through the framework of Maqashid al-Shariah serves as a vital foundation for modernizing Islamic banking governance and strengthening the broader Islamic economic ecosystem. By shifting from literal compliance to a value-oriented paradigm that prioritizes public welfare (maslahah), Islamic financial institutions can move beyond traditional intermediation to become true ecosystem orchestrators. Furthermore, the strategic authority of the Religious Courts plays an indispensable role in adjudicating economic disputes, ensuring substantive justice, and delivering legal certainty. Ultimately, this integrated model bridges theoretical jurisprudence with practical governance, fostering sustainable economic development, equitable wealth distribution, and long-term prosperity within the national framework.

Theoretical Reconstruction of Islamic Banking Fiqh Based on Maqashid al-Shariah

The results indicate that contemporary Islamic banking fiqh remains largely oriented toward akad validity and legal-formal Shariah compliance. This approach is important for maintaining the prohibition of riba, gharar, and maysir, but it does not always adequately assess the broader social, ethical, and economic consequences of banking products. Recent studies emphasize that Maqashid al-Shariah should move beyond a normative concept and become an operational framework for evaluating Islamic banking performance, sustainability, and social impact. The reconstruction therefore shifts the orientation from whether a contract is formally Shariah-compliant to whether the contract and its implementation realize maslahah and prevent harm.

The proposed reconstruction integrates the five objectives of Maqashid al-Shariah into Islamic banking law and product development: hifz al-din emphasizes Shariah integrity and ethical governance; hifz al-nafs promotes financial protection and human welfare; hifz al-‘aql encourages financial and digital literacy; hifz al-nasl supports family and intergenerational welfare; and hifz al-mal emphasizes wealth protection, productive financing, and equitable distribution. This approach is consistent with recent scholarship arguing that Islamic banking should integrate Maqashid into institutional strategy, financing, governance, and sustainability rather than limiting it to contract compliance.

Consequently, the theoretical reconstruction positions fiqh as the legal foundation and Maqashid as the substantive orientation of Islamic banking. Product innovation, financing policies, risk management, and customer services should therefore satisfy both legal validity and measurable maslahah. This framework transforms Islamic banking from a predominantly contract-based financial institution into a value-based institution oriented toward justice, inclusion, welfare, and sustainable economic development. The following is elaborated based on the differences below:

Table 1. Reconstruction of Islamic Banking Fiqh Based on Maqashid al-Shariah

Maqashid	Conventional Fiqh Orientation	Reconstructed Orientation	Banking Implication
Hifz al-Din	Validity of akad and Shariah compliance	Ethical and Shariah integrity	Shariah governance and halal investment
Hifz al-Nafs	Avoidance of direct harm	Protection of welfare and financial security	Inclusive and responsible financing
Hifz al-'Aql	Limited consideration	Knowledge and informed decisions	Financial and digital literacy
Hifz al-Nasl	Protection of family	Intergenerational welfare	Family, education, and sustainable financing
Hifz al-Mal	Lawful ownership and transactions	Protection and productive circulation of wealth	Risk management and productive financing

Table 2. Theoretical Shift

Aspect	Legal-Formal Fiqh	Maqashid-Based Fiqh
Main focus	Akad validity	Maslahah and impact
Compliance	Formal Shariah compliance	Substantive Shariah compliance
Product assessment	Legal conformity	Legal conformity + social-economic outcomes
Bank objective	Profit and compliance	Profit, justice, welfare, and sustainability
Customer position	Contracting party	Stakeholder whose welfare must be protected
Performance	Financial indicators	Financial + Maqashid indicators

Maqashid-Based Islamic Banking Governance

Through this maqashid-based governance framework, Islamic banking is able to deliver robust distributive justice and provide sustainable economic benefits. The transformation of Islamic banking governance reflects a fundamental shift from a rigid legalistic-formal approach to an ethical-substantive framework based on maqashid syariah. This shift in orientation demands financial institutions to move beyond the mere limits of contract validity by prioritizing the realization of public welfare and the comprehensive prevention of harm. Operationally, financing is repurposed from a mere commercial exchange instrument into a strategic means to achieve wealth redistribution and strengthen the real sector. Furthermore, the dimensions of transparency and consumer protection are expanded to encompass social accountability and the safeguarding of property rights to prevent exploitation within financial schemes. The convergence of all these aspects confirms that the theoretical contribution of maqashid-based banking governance establishes a new standard where bank efficiency and performance are no longer measured solely by profit growth, but through a socio-religious index that includes economic inclusion, distributive justice, and financial education.

Table 3. Implementation of the Maqashid al-Shariah Governance Framework

Governance Dimension	Old Paradigm (Contract-Based)	New Paradigm (Maqashid-Based)
Primary Orientation	Legal formal compliance & contract validity	Maslahah, justice, and real utility
Risk Focus	Legal/sharia compliance risk	Social risk, ethical integrity, and economic impact
Transparency	Minimum regulatory standard disclosure	Comprehensive transparency & customer protection

Performance Benchmark	Conventional financial profitability	Sharia Maqashid Index (SMI) & ESG Integration

Reconstruction of the Islamic Economic Ecosystem through Integrated Islamic Banking Fiqh

The reconstruction of Islamic banking fiqh marks a pivotal shift in the role of Islamic banks from mere conventional intermediary institutions to orchestrators of the Islamic economic ecosystem, integrating commercial, social (ZISWAF), and real sectors. This transformation is further reinforced through digital innovation, Islamic fintech, and ESG-based financing that supports the empowerment of MSMEs, the halal industry supply chain, and the sustainable economic resilience of the ummah. The resulting framework is elaborated below, corresponding to the structure illustrated in the diagram:

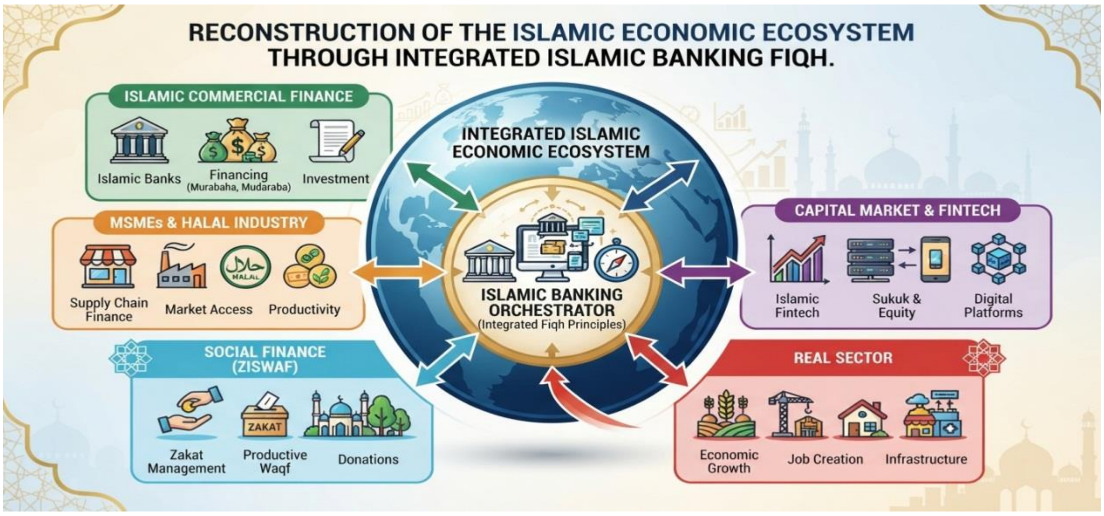

Figure 1. Reconstruction of the Islamic Economic Ecosystem through Integrated Islamic Banking Fiqh

The generated diagram illustrates the framework of the "Reconstruction of the Islamic Economic Ecosystem through Integrated Islamic Banking Fiqh". At the core of the ecosystem sits the Islamic Banking Orchestrator, driven by integrated fiqh principles to coordinate and connect various vital economic pillars. Surrounding the central orchestrator are five key integrated sectors:

- Islamic Commercial Finance: Encompasses Islamic banks, commercial financing models like Murabaha and Mudaraba, and investment vehicles to supply liquidity.
- MSMEs & Halal Industry: Focuses on supply chain finance, market access, and productivity enhancements to empower small businesses and halal producers.
- Social Finance (ZISWAF): Integrates zakat management, productive waqf, and donations to drive equitable wealth distribution and social welfare.
- Capital Market & Fintech: Incorporates Islamic fintech, sukuk and equity instruments, and digital platforms to optimize transactions and financial inclusion.
- Real Sector: Directly impacts economic growth, job creation, and infrastructure development through the synchronized deployment of funds.

Strengthening the Religious Courts' Authority in Islamic Banking Dispute Resolution

The conclusion of the analysis on strengthening the authority of Religious Courts in resolving Islamic economic disputes emphasizes the critical need to shift the judicial orientation from rigid formal-contractual law enforcement to a maqashid-based legal interpretation approach (Maqashid-Based Judicial Interpretation). The increasing complexity of modern banking products, the integration of financial technology (fintech), and dynamic financing restructuring require judges to possess multidisciplinary competencies to overcome jurisdictional barriers and technical limitations. Through the application of maqashid-based interpretation, judicial rulings do not merely function to provide contractually valid legal certainty, but are also capable of realizing public welfare, distributive justice, and the sustainable protection of public rights within the modern financial era.

Jurisdiction of Religious Courts in Islamic Economics. Pursuant to Law Number 3 of 2006 and Law Number 50 of 2009 concerning the Second Amendment to Law Number 7 of 1989 regarding Religious Judicature, the absolute jurisdiction of the Religious Courts was expanded to examine, adjudicate, and settle cases at the first instance level within the field of Islamic economics. The scope and coverage of the Religious Courts' jurisdiction in Islamic economics comprise the following areas:

Table 4. The Scope and Coverage of The Religious Courts' Jurisdiction In Islamic Economics

No	Field of Activity	Scope of Dispute Objects & Transactions
1	Islamic Banking	Disputes related to the operations of Islamic Commercial Banks (BUS), Islamic Business Units (UUS), and Sharia Rural Banks (BPRS), including *Murabahah*, *Mudharabah*, *Musyarakah*, and *Ijarah* financing, as well as financing restructuring.
2	Microfinance & Islamic Financing Institutions	Disputes involving Islamic Microfinance Institutions, Sharia financing companies, Sharia venture capital companies, and Sharia guarantee institutions.
3	Islamic Insurance & Reinsurance	Disputes concerning claims, policies, or the management of *tabarru'* funds and investments in Sharia Life Insurance, Sharia General Insurance, and Sharia Reinsurance companies.
4	Islamic Capital Market	Disputes arising from Sharia-compliant financial instruments in the capital market, such as the issuance and transactions of Islamic Bonds (Sukuk), Islamic mutual funds, Sharia shares, and other Sharia commercial papers.
5	Islamic Fintech & Digital Platforms	Disputes related to Sharia-based information technology peer-to-peer lending services (*fintech peer-to-peer lending*) and digital transactions based on Sharia contracts.
6	Zakat, Infaq, Sedekah, & Productive Waqf	Disputes regarding the management, distribution, or institutional disputes involving National Zakat Boards (BAZNAS/LAZ) as well as the management of productive waqf properties (*Cash Wakaf Linked Sukuk*, etc.).
7	Other Islamic Businesses	Disputes in commercial business sectors that explicitly stipulate Sharia principles in their contracts, including Sharia pawnbroking (*rahn*), Sharia financial institution pension funds, and halal trade/businesses.

Based on the Elucidation of Article 49 of the Religious Judicature Law, the legal subjects bound by this jurisdiction are not limited solely to individuals who are Muslims, but also include legal entities or non-Muslim parties who voluntarily submit themselves or enter into contracts/agreements based on Sharia principles. The analytical conclusion regarding the expanded jurisdiction of the Religious Courts in Islamic economics highlights their central and strategic position as the frontline in enforcing substantive justice within the modern financial sector. This broadened jurisdiction spanning Islamic banking, capital markets, fintech, insurance, and social instruments such as ZISWAF and productive waqf demands that the religious judiciary transform from a traditional dispute resolver into an adaptive law enforcement body capable of navigating contemporary economic complexities. Conceptually, this absolute authority not only provides robust legal certainty for business actors including non-Muslim legal entities that voluntarily submit to Sharia contracts but also ensures that every judicial decision fulfills public welfare (maqashid syariah). Consequently, strengthening the Sharia economic jurisdiction within the Religious Courts serves as a crucial pillar for safeguarding national financial stability, protecting public economic rights, and fostering just and sustainable economic growth for the ummah.

An Integrated Model of Maqashid-Based Fiqh, Islamic Banking Ecosystem, and Religious Court Authority

The conclusion of the in-depth analysis on the integrated model of Maqashid-Based Fiqh, Islamic Banking Ecosystem, and Religious Court Authority confirms that the advancement of the Islamic economy cannot be achieved through partial approaches. This synthesis proves that fiqh reconstruction, maqashid-based banking governance, economic ecosystem orchestration, and religious court authority constitute a unified, mutually reinforcing systemic framework. Through this model, Islamic banking institutions are successfully transformed from mere conventional financial intermediaries into primary drivers of distributive justice, social welfare, and real sector empowerment. Furthermore, the inclusion of religious court authority ensures that every dispute resolution is not confined to formalistic legal compliance, but rather oriented toward achieving public interest (maslahah). Ultimately, this comprehensive convergence establishes a resilient, just, ethical, and sustainable foundation for the Islamic economy. An in-depth analysis of the integration of maqashid-based fiqh, the islamic banking ecosystem, and religious court authority reveals a holistic framework designed to achieve sustainable development and substantive justice. The integration process operates through a continuous, interdependent continuum:

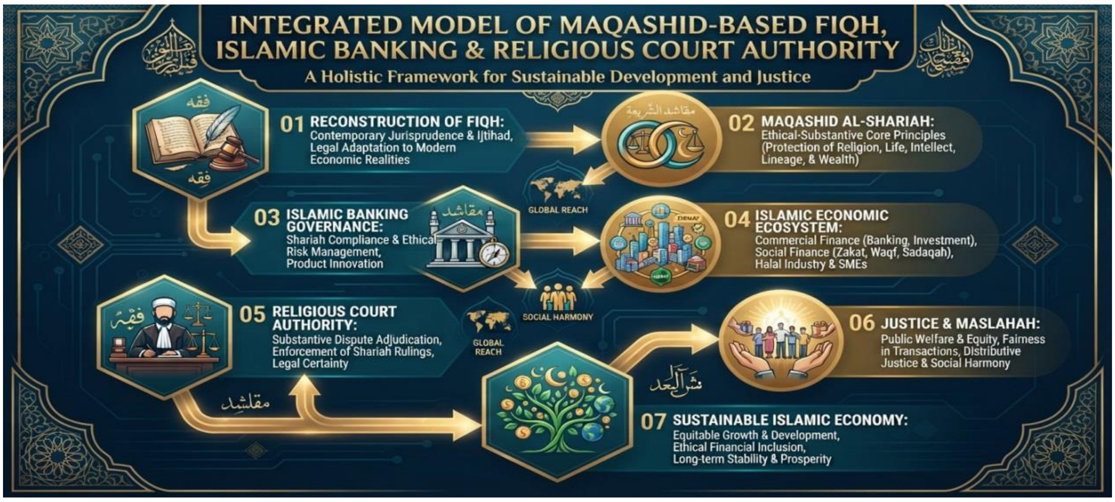

Figure 3. Integrated Model of Maqashid-Based Fiqh, Islamic Banking and Religious Court Atuhority

The framework visualizes a holistic, socio-legal, and economic paradigm that bridges theoretical jurisprudence with practical institutional execution. The architecture operates through a continuous feedback loop divided into foundational, operational, and outcome-driven phases.

Reconstruction of Fiqh (Step 1): Acts as the intellectual catalyst by modernizing classical jurisprudence (ijtihad) to adapt to contemporary socioeconomic realities rather than relying on rigid, historical interpretations.

Maqashid al-Shariah (Step 2): Serves as the ethical-substantive core, focusing on the higher objectives of Islamic law specifically the preservation of religion, life, intellect, lineage, and wealth. It provides the moral compass (the "why") for legal and financial structures.

Islamic Banking Governance (Step 3): Translates ethical principles into institutional practices, shifting financial institutions from traditional intermediaries into ecosystem orchestrators focused on risk management, transparency, and product innovation.

Islamic Economic Ecosystem (Step 4): Integrates commercial finance, social finance components (such as Zakat and Waqf), and the real sector (including halal industries and SMEs) to foster inclusive economic participation.

Religious Court Authority (Step 5): Provides the necessary legal enforcement mechanism through substantive dispute adjudication, contract interpretation, and the enforcement of rulings, thereby guaranteeing legal certainty for financial and social transactions.

Justice & Maslahah (Step 6): Channels the outputs of legal and economic processes toward public welfare (maslahah), distributive justice, and societal equity.

Sustainable Islamic Economy (Step 7): The ultimate destination of the model, achieving long-term systemic stability, equitable wealth distribution, and ethical financial inclusion.

This model demonstrates that sustainable development in Islamic economics cannot succeed through financial mechanics alone; it requires synchronized legal reform (Fiqh), ethical framing (Maqashid), institutional governance, and judicial backing to achieve true public welfare.

DISCUSSION

Interpretation of the Maqashid-Based Fiqh Reconstruction

The findings demonstrate that Maqashid al-Shariah provides a stronger theoretical foundation for reconstructing contemporary Islamic banking fiqh. The five objectives create a comprehensive framework that connects legal compliance with ethical responsibility and socioeconomic welfare. Therefore, the validity of an Islamic banking product should no longer be assessed solely from the structure of its akad but also from its consequences for customers and society. The main theoretical contribution is the repositioning of Maqashid al-Shariah from an evaluative framework into a constructive framework for developing Islamic banking law, products, governance, and services. In this model, fiqh establishes the boundaries of permissibility, while Maqashid determines the direction of value creation. This integration can reduce the gap between the normative ideals and practical realities of Islamic banking and strengthen its role as a sustainable component of the Islamic economic ecosystem (2024).

From Contract-Based Compliance to Maqashid-Based Islamic Banking Governance

The transformation of Islamic banking governance marks a fundamental shift from a legalistic-formal orientation (contract-based compliance) to an ethical-substantive framework (maqashid-based governance). The old paradigm, which focused narrowly on the validity of contracts in fiqh such as halal-haram and valid-void distinctions—often neglected the essence of distributive justice as the primary objective of Sharia (Al-Amri, 2024). This shift from contractual compliance to maslahah requires financial institutions not merely to pursue commercial profits based on contractual legality, but to actively ensure the realization of public welfare (jalb al-maslahah) and the prevention of all forms of harm (dar'u al-mafasid) (Haneef et al., 2024).

In the operational dimension, this paradigm shift positions financing not just as a conventional exchange instrument, but as a strategic means for wealth redistribution through the strengthening of the real sector (Rahman & Fauziah, 2025). Aspects of transparency and consumer protection are expanded, focusing not only on financial report disclosure but also encompassing deep social accountability. Consumer protection is integrated as a tangible form of safeguarding civil rights (hifz al-mal), ensuring the absence of exploitation in financing margin schemes or profit-sharing systems (Kassim & Hamid, 2025). Entering 2026, the theoretical contribution of Maqashid-Based Islamic Banking Governance formulates that the efficiency and performance of Islamic banking are no longer measured solely by financial profit growth. Instead, institutional success is measured through a comprehensive socio-religious performance index, encompassing financial education levels, wealth distribution justice, and the breadth of economic inclusion for society (Setiawan et al., 2026).

The development of literature and the implementation of this governance framework have experienced a significant escalation in recent years, where the integration of Maqashid principles with global sustainability frameworks increasingly dominates academic discourse. The transformation of Islamic banking governance reflects a fundamental shift from a rigid legalistic-formal approach to an ethical-substantive framework based on maqashid syariah, where financial institutions go beyond merely pursuing contract validity to prioritize public welfare and the comprehensive prevention of harm. Operationally, financing is repurposed as a strategic means for wealth redistribution and the strengthening of the real sector, accompanied by expanded transparency and consumer protection to prevent exploitation. This convergence establishes a new standard where bank performance is measured through socio-religious indices such as the Sharia Maqashid Index (SMI) and ESG integration encompassing economic inclusion, distributive justice, and financial education, with its escalation increasingly dominating contemporary global academic discourse.

Islamic Banking as an Economic Ecosystem Orchestrator

The reconstruction of Islamic banking fiqh demands a paradigm shift from merely a conventional intermediary institution to a strategic role as an Islamic economic ecosystem orchestrator. Based on cutting-edge academic discourse, this transformation serves as the primary foundation for uniting various commercial financial instruments, social instruments (ZISWAF), and the real sector. This integration directly strengthens the economic resilience of the ummah through the optimization of the halal industry supply chain and the empowerment of Micro, Small, and Medium Enterprises (MSMEs). As emphasized in contemporary Islamic economics literature, strengthening governance based on contemporary fiqh muamalah enables Islamic banks to orchestrate an inclusive ecosystem where commercial financing is aligned with redistributive zakat and productive waqf instruments (Rahman et al., 2024).

Subsequent research developments emphasize the importance of digitalization and financial instrument innovation in expanding the scope of the Islamic economic ecosystem. The presence of Islamic financial technology (Islamic fintech) and the Islamic capital market integrated into digital banking platforms has facilitated transaction efficiency and accelerated financial inclusion for MSME actors. This cross-sector collaboration creates a solid synergy between the monetary sector and the real sector, thereby minimizing liquidity gaps. In line with empirical research findings, optimizing Islamic banking orchestration has proven capable of enhancing the transmission of Islamic monetary policy and strengthening national economic resilience against external shocks (Hidayat & Pratama, 2025).

Entering 2026, the implementation of this banking fiqh reconstruction has become increasingly urgent alongside global economic complexities and the demands of international halal industry standardization. Islamic banks are demanded to not only orient toward profitability but also measure social impact through the integration of environmental, social, and governance (ESG)-based financing that aligns with Sharia principles. Strengthening the regulatory framework and National Sharia Board fatwas further provides legal certainty for hybrid instruments such as cash wakaf linked sukuk and blended finance driven by Islamic banking. Through this integrated ecosystem approach, Islamic banks have proven effective in transforming the real sector and driving sustainable economic growth for the ummah (Kusuma et al., 2026).

This structural flow demonstrates how the Islamic bank evolves beyond a traditional intermediary into a holistic orchestrator uniting commercial, social, and digital elements into a single sustainable economic grid. The novelty of this framework lies in the paradigm shift that redefines the Islamic bank from a traditional intermediary into a proactive Islamic Banking Orchestrator. Unlike conventional models, this approach uniquely unifies five critical pillars commercial finance, MSMEs/halal industry, social finance (ZISWAF), capital markets/fintech, and the real sector into a single sustainable grid. Furthermore, it introduces a powerful convergence between profit-oriented commercial finance, redistributive social wealth, and digital innovations to comprehensively drive equitable wealth distribution, financial inclusion, and macroeconomic growth.

Maqashid-Based Judicial Interpretation and Religious Court Authority

An in-depth analysis regarding the strengthening of the Religious Courts' authority in resolving Sharia economic disputes reveals an urgent need for transformation from rigid legal enforcement to a more substantive and just approach. The complexity of modern banking contracts, the integration of financial technology (fintech), and the increasingly massive dynamics of financing restructuring demand judges to possess multidisciplinary competence encompassing Islamic law, civil law, and a profound understanding of contemporary financial instruments (Al-Qari et al., 2024). These challenges frequently trigger jurisdictional hurdles as well as limitations in technical capacity when adjudicating cases involving intricate hybrid products. Consequently, the application of Maqashid-Based Judicial Interpretation becomes a fundamental solution so that judicial rulings do not merely fulfill formal legal-contractual requirements, but are also capable of realizing public welfare (maslahah) and substantive justice for disputing parties (Zain & Rahman, 2025).

Through a maqashid-based interpretation, judges can comprehensively weigh the social and economic implications of a dispute, ensuring that legal certainty in the national Sharia banking sector aligns harmoniously with the ongoing protection of public rights in the digital and modern financial era (Hidayatullah et al., 2026).

Integrated Socio-Legal Contribution of the Proposed Model

The synthesis of an integrated model connecting the Reconstruction of Fiqh, Maqashid al-Shariah, Islamic Banking Governance, the Islamic Economic Ecosystem, and Religious Court Authority constitutes the primary novelty of this study (Al-Amri, 2024). Rather than operating as isolated legal or financial domains, this comprehensive framework establishes that the evolution of contemporary Islamic jurisprudence directly shapes the ethical architecture of banking governance, which in turn orchestrates the broader socio-economic ecosystem (Haneef et al., 2024). By embedding maqashid-based governance into institutional practices, Islamic banks transcend conventional intermediary functions to actively foster halal supply chains, micro, small, and medium enterprises (MSMEs), and distributive social finance instruments like ZISWAF (Rahman & Fauziah, 2025). Furthermore, the inclusion of Religious Court Authority acts as a critical institutional enforcement mechanism, ensuring that commercial disputes, contract interpretations, and asset-backed transactions are adjudicated not merely through formalistic legal compliance, but through the substantive lens of maslahah (public interest) and socio-economic justice (Kassim & Hamid, 2025). Consequently, this multi-layered integration creates a self-correcting structural feedback loop where jurisprudential renewal, ethical market orchestration, and judicial oversight converge to drive a resilient, sustainable, and equitable Islamic economy (Setiawan et al., 2026).

CONCLUSION

The integration of Maqashid-based fiqh, the Islamic banking ecosystem, and Religious Court authority creates a holistic framework for sustainable development and substantive justice. Fiqh shifts from a rigid, contract-based compliance model toward a Maqashid-based approach that prioritizes public welfare (maslahah), ethical integrity, and socioeconomic outcomes. Concurrently, Islamic banks evolve from traditional financial intermediaries into ecosystem orchestrators that integrate commercial finance, social finance (ZISWAF), and the real sector. Furthermore, Religious Courts provide essential legal certainty and enforcement, utilizing Maqashid-based interpretation to resolve modern, tech-driven disputes and ensure distributive justice. Ultimately, this synchronized framework establishes a continuous feedback loop among legal reform, institutional governance, and judicial backing to achieve long-term economic stability, financial inclusion, and societal prosperity. This comprehensive model successfully bridges theoretical jurisprudence with practical institutional execution to drive impactful public welfare, while financial institutions effectively transcend traditional profit-driven limitations by aligning legal validity with measurable socio-economic outcomes. Moreover, the expanded jurisdiction and adaptive interpretation within religious judiciaries safeguard public rights amidst rapid technological advancements, and cross-sector collaboration across commercial, social, and digital domains heavily reinforces the macroeconomic resilience of the broader community. Synchronizing legal reform, ethical governance, and judicial oversight ultimately ensures a resilient, equitable, and sustainable Islamic economy.

ACKNOWLEDGMENT

The author would like to express profound gratitude and appreciation to various institutions, funding agencies, research participants, and individuals who provided invaluable contributions, support, and insights throughout the completion of this study on the reconstruction of Islamic banking fiqh based on Maqashid al-Syariah, the strengthening of the Islamic economic ecosystem, and the authority of the Religious Courts in Indonesia.

AUTHOR CONTRIBUTION STATEMENT

Tentiyo Suharto conceptualized the study, designed the methodology, and prepared the initial manuscript draft. Budi Kisworo collected and analyzed the data and interpreted the research findings. Mawardi Lubis supervised the research, critically reviewed the manuscript, and Maryam Batubara approved the final version for publication. All authors contributed to the revision process and agreed to be accountable for the integrity of the work.

AI DISCLOSURE STATEMENT

In the preparation of this academic manuscript concerning the reconstruction of Islamic banking fiqh based on Maqashid al-Syariah, Artificial Intelligence (AI) was used in a limited and ethical capacity as an editorial aid to refine grammatical structures, translate technical terms into English, and format the academic writing. All conceptual frameworks, theoretical arguments, legal analyses, and the substantive content of this study were entirely conceived, developed, and independently accounted for by the author.

FUNDING STATEMENT

The Funding Statement for this research is briefly outlined as follows: This research received no specific grant from any funding agency, commercial entity, or sponsor. All stages of the drafting, data collection, and completion of this scholarly work were self-funded by the author as a contribution to the advancement of science and the strengthening of the Islamic economic ecosystem in Indonesia.

CONFLICTS OF INTEREST

The research regarding the reconstruction of Islamic banking fiqh based on Maqashid al-Syariah, the strengthening of the Islamic economic ecosystem, and the authority of the Religious Courts was developed purely as an academic and theoretical study for the advancement of science and the enforcement of substantively just law. The author declares that there are no potential conflicts of interest whether from financial, institutional, or professional aspects that could influence the objectivity, neutrality, and analytical outcomes of this entire research endeavor.

REFERENCES

Al-Amri, K. (2024). Transformation of Shariah Economic Justice: Ethical and Utility Perspectives in the Framework of Maqashid Shariah. Al-Risalah: Forum Kajian Hukum Dan Sosial Kemasyarakatan, 24(1), 101-115.

Al-Qaradawi, Yusuf (2006). Fiqh al-Maqashid: Madzhab al-Maqashid fi Daw' al-Qur'an wa al-Sunnah. Kairo: Dar al-Syuruq.

Al-Sanhuri, Abd al-Razzaq (1998). Masadir al-Haq fi al-Fiqh al-Islami. Beirut: Dar Ihya al-Turath al-Arabi.

Al-Syatibi, Abu Ishaq (2004). Al-Muwafaqat fi Usyul al-Syari'ah. Beirut: Dar al-Kutub al-Ilmiyah.

Al-Zuhayli, Wahbah (2008). Al-Fiqh al-Islami wa Adillatuhu. Damaskus: Dar al-Fikr.

Asutay, Mehmet (2012). Islamic Banking and Finance: Theory, Practice and Challenges. London: Routledge.

Ayub, Muhammad (2007). Understanding Islamic Finance. Chichester: John Wiley & Sons.

Chapra, M. Umer (2000). The Future of Economics: An Islamic Perspective. Leicester: The Islamic Foundation.

Djamil, Fathurrahman (2018). Penyelesaian Sengketa Perbankan Syariah di Pengadilan Agama dan Arbitrase Syariah. Jakarta: Kencana.

Dusuki, Asyraf Wajdi (2010). Maqasid al-Shariah, Islamic Economics, and Finance. Kuala Lumpur: CERT Publications.

El-Gamal, Mahmoud A. (2006). Islamic Finance: Law, Economics, and Practice. Cambridge: Cambridge University Press.

Haneef, M. A., et al. (2024). Exploring maqasid-driven ethical practices in Islamic banking: A case study approach. AL-IQTISHAD: Journal of Islamic Finance and Economics, 2(2), 60-73.

Haneef, Mohamed Aslam, and Tariqullah Khan (2015). Islamic Economics, Banking and Finance: Concepts, Issues and Challenges. Kuala Lumpur: IIUM Press.

Hidayat, T., & Pratama, A. (2025). The Impact of Sharia Green Financing and Digital Integration on Sustainable Development in Indonesia. Journal of Islamic Economics Lariba, 11(2), 340-358.

Ibn Ashur, Muhammad al-Tahir (2006). Treatise on Maqasid al-Shari'ah. Translated by Mohamed El-Tahir El-Mesawi. London: The International Institute of Islamic Thought (IIIT).

Iqbal, Zamir, and Abbas Mirakhor (2011). An Introduction to Islamic Finance: Theory and Practice. Hoboken: John Wiley & Sons.

Kamali, Mohammad Hashim (2008). Shari'ah Law: An Introduction. Oxford: Oneworld Publications.

Kassim, S., & Hamid, Z. (2025). Critical Perspectives on Maqashid al-Shariah in Modern Financial Systems and Consumer Protection. GIC Proceeding, 3, 73-81.

Mahkamah Agung Republik Indonesia. (2008). Kompilasi Hukum Ekonomi Syariah (KHES). Jakarta: Mahkamah Agung Republik Indonesia.

Mardani (2016). Hukum Acara Peradilan Agama di Indonesia. Jakarta: Sinar Grafika.

Marwah, A., bin Sapa, N., & Syatar, A. (2025). Integrating Maqashid al-Shariah into Islamic Economic Practices: A Contemporary Analytical Framework and Its Applications. El-Kahfi | Journal of Islamic Economics, 6(01), 36-44.

Nilfatri, & Pitri, A. (2026). The Implementation of Maqashid Shariah in the Resolution of Islamic Economic Disputes: A Normative Juridical Analysis. Zabags International Journal of Economy, 4(1), 78-92.

Rahman, F., & Fauziah, N. (2025). Maqasid al-Shariah and Sustainable Finance: Analyzing the Impact of Green Sukuk and ZISWAF Integration. Muslim Business and Economics Review, 4(1), 89-107.

Setiawan, B., et al. (2026). Scientific Dynamics and Research Frontiers of Maqashid al-Shariah in Islamic Economics: A VOSviewer-Based Bibliometric Exploration. Jurnal Ilmiah Ekonomi Islam, 12(1), 112-130.

Suhendi, Hendi (2014). Fiqh Muamalah: Mengeksplorasi, Mengkaji, dan Mengaplikasikan Bisnis Syariah. Jakarta: Rajawali Pers.

Sutedi, Adrian (2009). Perbankan Syariah: Tinjauan Hukum, Bisnis, dan Beberapa Problematikanya. Jakarta: Sinar Grafika.

Undang-Undang Republik Indonesia Nomor 3 Tahun 2006 tentang Perubahan atas Undang-Undang Nomor 7 Tahun 1989 tentang Peradilan Agama.

Undang-Undang Republik Indonesia Nomor 7 Tahun 1989 tentang Peradilan Agama.

Undang-Undang Republik Indonesia Nomor 50 Tahun 2009 tentang Perubahan Kedua atas Undang-Undang Nomor 7 Tahun 1989 tentang Peradilan Agama.

Usmani, Muhammad Taqi (2004). An Introduction to Islamic Finance. Karachi: Arham Shamsi.

Wahab, A., & Mahdiya, I. (2025). Reconceptualizing halal industry governance in the digital economy: A maqasid al-Sharia based legal framework. Journal of Islamic Law on Digital Economy and Business, 3(2), 152-167.

Warde, Ibrahim (2010). Islamic Finance in the Global Economy. Edinburgh: Edinburgh University Press.

Yusuf, N., Jamal, R., & Makka, M. M. (2024). The Significance of Ushul al-Fiqh and Maqashid Syari'ah Approaches in Reforming Islamic Law and Judicial Authority in Indonesia. Asy-Syir'ah: Jurnal Ilmu Syari'ah Dan Hukum, 58(2), 389-417.

Zein, Satria Effendi M. (2010). Problematika Hukum Keluarga Islam Kontemporer. Jakarta: Kencana.