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ETHICAL DIMENSIONS OF ISLAMIC FINANCE AND THEIR RELEVANCE IN CONTEMPORARY BUSINESS PRACTICES

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ABSTRACT

In the vast tapestry of global financial systems, Islamic finance emerges as a paragon of ethical praxis, steeped in the venerable tenets of Shariah law. The essence of this research is the exploration of these profound ethical underpinnings and their resonance in the contemporary mercantile milieu. The study takes a deep dive into the historical evolution of Islamic finance to highlight its core values of fairness, societal stewardship, and sustainable growth. These values make it a compelling alternative to the criticisms often levelled at conventional monetary systems. This research methodology adopts a systematic literature review approach, sourcing information from peer-reviewed articles, books, conference papers, and reports from recognised financial bodies. The culmination of this endeavour reveals an intricate interplay between the time-honoured ethics of Islamic finance and its manifestation in the modern economic realm. The introduction suggests that Islamic finance offers moral rectitude by championing risk-sharing and avoiding interest-driven transactions in today's globalised commerce.

INTRODUCTION

Islamic finance is a financial system that is guided by ethical principles derived from Islamic law, or Shariah. It is based on the belief that financial transactions should be conducted fairly and socially responsible (Belal et al., 2014). Islamic finance places a strong emphasis on ethical considerations, such as avoiding interest-based transactions (riba) and investing in socially responsible activities (Aribi & Arun, 2015).

In today's globalised world, Islamic finance has gained relevance due to its ethical foundations. The financial crisis of 2008-2009 highlighted the shortcomings of conventional finance and the need for alternative financial systems that prioritise ethical conduct and social responsibility (Ahmed et al., 2019). Islamic finance, with its emphasis on ethical principles and risk-sharing, offers an alternative model that can help mitigate the risks associated with excessive leverage and speculative financial activities (Ahmed et al., 2019).

Islamic financial institutions (IFIs) have a unique ethical identity that sets them apart from conventional financial institutions. They aim to maximise profits in alignment with Islamic Sharia principles rather than market principles (Aribi & Arun, 2015). IFIs also have broad objectives that encompass social value and ethical conduct, making them socially responsible organisations (Belal et al., 2014). The ethical dimensions of Islamic finance are particularly relevant in today's business landscape, where stakeholders increasingly demand transparency, accountability, and ethical behaviour from financial institutions (Sairally, 2013).

The ethical considerations in Islamic finance extended beyond the financial sector. Islamic finance promotes sustainable development and social responsibility, aligning with the principles of corporate social responsibility (CSR) (Franzoni & Alali, 2018). It emphasises the importance of sustainable economic growth, environmental stewardship, and

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social justice (Franzoni & Alali, 2018). By integrating ethical values into their operations, Islamic finance contributes to the overall growth of society and promotes a more inclusive and equitable financial system (Shamsudheen et al., 2023).

To summarise, ethical considerations are at the core of Islamic finance. Islamic financial institutions prioritise ethical conduct, social responsibility, and sustainable development. In today's globalised financial sector, where the shortcomings of the conventional financial system have become apparent, Islamic finance offers an alternative model that aligns with the values of transparency, accountability, and ethical behaviour. By integrating moral principles into their operations, Islamic financial institutions contribute to a more inclusive and socially responsible financial system.

LITERATURE REVIEW

Islamic finance has a rich historical development that spans several decades. The rise and stability of Islamic finance has been significant in recent decades and continues to accelerate (Ahmed et al., 2019). The literature on Islamic finance highlighted its essential characteristics, unique features from conventional banking, and its growth over time (Miah & Sharmeen, 2015). The instruments offered by modern Islamic financial service providers have strong historical pedigrees, as they have been applied throughout history in various Muslim communities (Zauro et al., 2020).

It is essential to note that while Islamic finance has its roots in the establishment of Islamic beliefs in the Arabian Peninsula, the history of current Islamic finance is relatively young, spanning only about 35 years (Chazi & Syed, 2010). However, the potential for Islamic financial instruments to improve fairness, justice and financial inclusion is evident, particularly in Muslim societies that face high rates of financial exclusion and poverty (Udoh et al., 2022).

Historical Development of the Islamic Financial System

The historical growth of Islamic financial institutions has been extensively researched and analysed. Scholars have explored the emergence of Islamic financial institutions, established regulatory frameworks and expanded financial instruments and services (Ahmed et al., 2019). The intention to use contemporary Islamic banking has been influenced by factors such as Islamic financial literacy, awareness, reputation, and attitude towards Islamic banking (Ahmed et al., 2019). Additionally, the evolution of Islamic finance was enhanced by the Middle East oil boom and a resurgence of Islam in Muslim societies from the 1970s and beyond (Bassens et al., 2012). This combination of factors contributed to the significant prosperity of the Islamic financial sector in Malaysia over a 35-year period (Khatib et al., 2022).

Islamic finance also encompasses the concept of waqf, which is an essential aspect of Islamic social finance. Research on waqf can enhance the scientific development of Islamic social finance and introduces alternative instruments to subside poverty in communities (Uluyol et al., 2021). Furthermore, the evolution of Islamic banking models and the current state of Islamic finance have been reviewed in the literature (Ahmed et al., 2019).

Core Ethical Principles of Islamic Finance

Islamic finance is guided by core ethical principles derived from Islamic law or Shariah. Islamic Shariah principles include the prohibition of any transactions involving interest (riba), the avoidance of uncertainty (gharar), and the prohibition of forbidden (haram) activities that are considered unethical or harmful in Islamic Sharia, such as gambling or alcohol (Ahmed et al., 2019). Islamic finance also emphasises risk-sharing and promoting social justice and economic well-being (Franzoni & Alali, 2018).

Islamic finance is based on a solid ethical foundation that differentiates it from conventional finance. One of the fundamental principles in Islamic finance is the prohibition of riba, which refers to interest (Ahmed et al., 2019). Riba is considered exploitative and unfair because it allows lenders to profit without taking on any risk. Instead, Islamic finance promotes risk-sharing, where both parties share in the profits and losses of a transaction (Ahmed et al., 2019). This principle promotes fairness and encourages responsible financial behaviour.

Another principle in Islamic finance is the avoidance of gharar, which refers to excessive uncertainty or ambiguity in a transaction (Jatmiko et al., 2023). Gharar is seen as detrimental to the stability and integrity of financial transactions, as it can lead to disputes and unfair outcomes. Islamic finance promotes transparency and clarity in transactions to avoid gharar (Jatmiko et al., 2023).

Islamic finance also prohibits haram, which includes forbidden transactions such as gambling, speculation, and investing in industries that are considered unethical or harmful, such as alcohol or tobacco (Mbengue, 2010). Islamic finance promotes ethical and socially responsible investment practices by avoiding haram transactions, Zakat, or charitable giving, is another crucial aspect of Islamic finance (Ahmed et al., 2019). It serves as a means of wealth redistribution and social welfare, as Muslims must give a portion of their wealth to those in need. Zakat is vital in promoting economic justice and reducing social inequality (Ahmed et al., 2019).

Overall, the ethical foundations of Islamic finance are rooted in principles such as the prohibition of riba, emphasis on risk-sharing, avoidance of gharar, prohibition of haram transactions, and the role of zakat in wealth redistribution. These principles aim to create a financial system that is fair, transparent, and socially responsible (Ullah et al., 2016).

Comparative Analysis with Conventional Finance Ethics

Islamic finance and conventional finance have distinct ethical frameworks and principles. Islamic finance is guided by Shariah principles, which strictly prohibits interest (riba) and promotes sharing of risks and ethical investment. On the other hand, conventional finance operates within a secular framework and allows for interest-based transactions.

Researchers have examined the differences in ethical frameworks, highlighting how Islamic finance prioritises ethical conduct, social responsibility, and sustainable development (Aribi & Arun, 2015). Comparative studies have also explored the impact of Sharia-based finance on global financial crisis, highlighting its potential to mitigate risks and promote stability (Ahmed et al., 2019). Additionally, scholars have examined the ethical decision-making behaviour of individuals in Islamic financial institutions, comparing it to conventional banking practices (Shamsudheen & Rosly, 2020).

Islamic finance emphasises ethical and socially responsible practices. It promotes the concept of risk-sharing, where profits and losses are shared between the parties involved. This principle encourages fairness and discourages excessive risk-taking. In contrast, conventional finance relies on interest-based transactions, which can lead to wealth concentration and inequality.

Several studies have compared the ethical dimensions of Islamic finance and conventional finance. Mollah and Zaman (2015) found that Islamic banks, which are governed by Shariah principles, have stronger corporate governance and perform well in terms of profitability and stability compared to those of conventional banks. This suggests that the ethical framework of Islamic finance contributes to better financial performance.

The Islamic financial system follows a set of principles, ethics, and objectives that align with the broader social responsibility. This suggests that ethical considerations are integrated into the operations of Islamic finance. According to a study conducted by Franzoni and Alali (2018), the principles of Islamic finance and corporate social responsibility (CSR) are aligned. Mathkur (2019) highlighted the difference in risk management approaches between Islamic and conventional finance. Conventional finance relies on risk diversification, while Islamic finance emphasises risk sharing. This distinction reflects the ethical principles of Islamic finance, which prioritise fairness and cooperation. The COVID-19 pandemic has also brought attention to Islamic finance. According to Uluyol et al. (2021), this crisis has highlighted the need to reconsider mainstream financial practices. Islamic finance offers a compelling alternative due to its focus on ethical and sustainable practices. This alternative system can lead to a more resilient and inclusive financial system.

Overall, the literature on Islamic finance provides valuable insights into the historical development of the industry, the core ethical principles that guide it, and a comparative analysis with conventional finance ethics. These studies contribute to a deeper understanding of the ethical foundations of Islamic finance and its relevance in today's globalised world. Islamic finance differs from conventional finance in its ethical frameworks and principles. Islamic finance promotes risk-sharing, ethical investment, and social responsibility, while conventional finance operates within a secular framework and allows for interest-based transactions. Studies have shown that Islamic finance can lead to better financial performance, more robust corporate governance frameworks, and alignment with the principles of social responsibility. The COVID-19 pandemic has also highlighted the potential of Islamic finance as an alternative to mainstream financial practices.

MATERIALS AND METHODS

To investigate the ethical dimensions of Islamic finance and their relevance in contemporary business practices, a comprehensive literature review was conducted. The approach involved analysing and synthesising the theories and perspectives of different scholars in the field. The selected references provided valuable insights into various aspects of Islamic finance, including its principles, practices, ethical considerations, and their implications for contemporary business.

Research Design

This study employs a rigorous research design rooted in a systematic literature review methodology. The systematic literature review is a well-established and academically recognised method that allows for the comprehensive exploration and synthesis of existing literature on a specific research topic, thereby enabling a deep understanding of the ethical dimensions of Islamic finance and their contemporary relevance in business practices.

Data Collection

The data for this research is meticulously sourced from a variety of authoritative and scholarly outlets:

Peer-Reviewed Articles

A thorough and exhaustive search of renowned academic databases, including but not limited to PubMed, Scopus, and British Library Database, is diligently conducted. This search aims to identify and select peer-Reviewed articles that offer substantive discussions and analyses of the ethical aspects underpinning Islamic finance.

Conference Papers

The proceedings of academic conferences and symposia related to Islamic finance and ethical considerations are meticulously reviewed. This process is essential to extract pertinent information, novel insights, and the latest developments in the intersection of Islamic finance and ethics.

Reports from Recognised Financial Bodies

In-depth scrutiny of reports and publications issued by esteemed financial institutions and regulatory bodies is conducted. This includes organizations such as the Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The aim is to access authoritative data and information pertaining to ethical standards and practices within the Islamic finance industry.

Data Analysis

The amassed data is subjected to a rigorous and systematic analysis, adhering to the highest standards of academic scrutiny. This process involves meticulous categorisation, thematic coding, and synthesis of the information drawn from the selected sources. The objective is to generate a comprehensive overview of the ethical dimensions of Islamic finance, identifying key arguments, nuanced findings, and merging trends in the field.

Findings

The culmination of this scholarly inquiry reveals an intricate and symbiotic relationship between the time-honoured ethical principles inherent in Islamic finance and their tangible manifestation in the complex and ever-evolving landscape of contemporary global commerce. The salient findings posit that Islamic finance, through its unwavering commitment to principles such as risk-sharing and the rejection of interest-driven transactions, serves as a beacon of moral rectitude within the intricate labyrinth of today's interconnected and globalised business environment.

The theories held by different scholars were presented in a table, highlighting their key arguments and findings. The table below summarises the main theories and perspectives discussed in the selected articles.

Scholar	Theory/Perspective	Key Arguments/Findings
Budiman (2015)	Islamic Finance: A Practical Guide	Provides practical insights into Islamic financing, market trends, and key developments in sukuk, syndications, funds, project financing, Islamic liquidity management, and takaful.
Guizani (2020)	Pecking Order Theory of Capital Structure	Tests the applicability of the pecking order theory to Islamic financing modes and provides empirical insights into the capital structure of Islamic financial institutions.
Gilani (2015)	Ethical Aspects of Islamic Banking	Explores the ethical aspects of Islamic banking and highlights the importance of ethical management in Islamic banking operations.
Arham (2010)	Islamic Perspectives on Marketing	Conceptually examines modern marketing theory from an Islamic perspective, emphasising ethical considerations in marketing practices.
Jatmiko et al. (2023)	Ethicality of Islamic Banks' Business Model	Explores the ethical dimensions of Islamic banks' business models and discusses the perspectives of religious scholars on the development of Islamic finance.
Bennett and Iqbal (2013)	Socially Responsible Investing in Islamic and Conventional Financial Markets	Discusses how socially responsible investing can bridge the gap between Islamic and conventional financial markets, promoting economic development and ethical financing.
Shamsudheen et al. (2023)	Ethical Praxis of Ethical (Islamic) Financial Institutions	Surveys empirical discoveries to assess the ethical praxis of ethical (Islamic) financial institutions, providing practical solutions to address ethical shortfalls in Islamic finance.
Shamsudheen and Rosly (2020)	Ethical Judgement in Islamic Banks	Investigates ethical judgement and ethical choice in Islamic banks, highlighting the importance of moral teachings in Islamic finance.
Musa et al. (2020)	Islamic Business Ethics and Practices of Islamic Banks	Explores the ethical dimensions of Islamic business practices, emphasising the infusion of ethical principles in Islamic finance transactions.
Minhat and Dzolkarnaini (2016)	Profit and Loss Sharing in Islamic Corporate Financing	Examines the promotion of profit and loss sharing in Islamic corporate financing and addresses ethical concerns in the current practice of Murabaha.
Rafikov and Akhmetova (2020)	Methodology of Integrated Knowledge in Islamic Economics and Finance	Discusses the methodology of integrated knowledge in Islamic economics and finance, combining revealed and existential sciences to address ethical dimensions.
Lone and Ahmad (2017)	Expectations and Disappointment in Islamic Finance	Provides insights into Islamic finance to improve the industry's long-term goals and better serve society, addressing constructive criticism and expectations.
Mathkur (2019)	Business Ethics in Islamic Finance	Explores the intersection of business ethics and Islamic finance, highlighting the ethical considerations and principles in Islamic financial practices.

RESULTS

The comprehensive examination of the scholarly works in the field of Islamic finance, as presented in the table, reveals a mosaic of insights and perspectives that collectively contribute to a deeper understanding of the ethical dimensions inherent in this financial domain. These results highlight the multifaceted nature of Islamic finance and its commitment to ethical principles, reaffirming its relevance in contemporary business practices.

Diverse Perspectives

The analysis of the scholarly works demonstrates the presence of a diverse range of perspectives and methodologies. Researchers have approached the ethical dimensions of Islamic finance from various angles, encompassing practical insights, theoretical frameworks, empirical investigations, and explorations of ethics within specific facets of Islamic finance.

Empirical Rigor

A noteworthy aspect of these findings is the rigorous empirical research undertaken by some scholars. Works such as Guizani (2020) and Shamsudheen et al. (2023) contribute to the body of knowledge by providing concrete empirical evidence that illuminates the practical implications of Islamic finance in areas such as capital structure and ethical praxis.

Ethical Emphasis

The results consistently emphasise the paramount importance of ethics within Islamic finance. Scholars such as Gilani (2015) and Shamsudheen and Rosly (2020) highlight the pivotal role played by ethical management and moral teachings in shaping ethical conduct within Islamic financial institutions.

Social Responsibility

The concept of socially responsible investing, as expounded upon by Bennett and Iqbal (2013), emerges as a bridge between Islamic and conventional financial markets. This concept holds significant promise in fostering not only economic development but also ethical financial practices within the industry.

Interdisciplinary Approach

Rafikov and Akhmetova (2020) offer an intriguing interdisciplinary approach that merges revealed and existential sciences in Islamic economics and finance. This approach, as revealed in the results, holds substantial potential for addressing the multifaceted ethical dimensions inherent in the Islamic finance landscape.

Practical Solutions

The results indicate that several scholarly works, including Shamsudheen et al. (2023) and Musa et al. (2020), contribute by offering practical solutions to address ethical challenges within Islamic finance these pragmatic solutions provide actionable insights for industry stakeholders seeking to navigate ethical considerations effectively.

Expectations and Critiques

Lone and Ahmad (2017) contribute to the discourse by examining expectations and criticisms within the Islamic finance industry. Their findings highlight the importance of addressing constructive criticism and managing expectations to enhance the industry's long-term goals and its ability to serve society effectively.

In summary, the results derived from this extensive analysis of scholarly works demonstrate that Islamic finance, with its unwavering commitment to ethical principles and its principled approach to risk-sharing and interest-free transactions, stands as a compelling and relevant alternative within the complex global financial landscape. These results affirm the enduring importance of ethics in contemporary business practices, resonating with the core values and principles of Islamic finance.

DISCUSSIONS

The diverse array of scholarly works presented in the previous section offers profound insights into the ethical dimensions of Islamic finance and their contemporary relevance within the global business landscape. This discussion seeks to distil the key implications and overarching themes that emerge from these results.

Diversity of Perspectives and Methodologies

The presence of various perspectives and methodologies in Islamic finance research highlights its multifaceted nature. This diversity is a testament to the depth and complexity of ethical considerations within the domain. It also reflects the willingness of researchers to explore various avenues in their quest to understand the ethical dimensions of Islamic finance fully.

Empirical Rigor and Practical Insights

The empirical research conducted by scholars such as Guizani (2020) and Shamsudheen et al. (2023) provides valuable evidence regarding the practical implications of Islamic finance. These findings bridge the gap between theory and practice, offering real-world insights that can inform decision-making in the financial industry. This empirical rigor is a notable contribution to the field, and it underscores the need for further empirical investigations to expand our understanding of how ethical principles manifest in actual financial operations.

Ethical Emphasis within Islamic Finance

The consistent emphasis on ethics within Islamic finance throughout the scholarly works reaffirms the intrinsic importance of ethical considerations in the industry. This ethical underpinning is not merely a theoretical concept but a guiding principle that shapes the conduct of Islamic financial institutions. It underscores the critical role of ethical management and the infusion of moral teachings in fostering ethical conduct within Islamic finance.

Social Responsibility and Economic Development

The concept of socially responsible investing, as articulated by Bennett and Iqbal (2013), holds significant promise for bridging the gap between Islamic and conventional financial markets. By promoting both economic development and ethical financial practices, this concept aligns with the broader global trends towards responsible and sustainable finance.

Interdisciplinary Approaches

The interdisciplinary approach proposed by Rafikov and Akhmetova (2020) presents an intriguing avenue for future research. The merging of revealed and existential sciences in Islamic economics and finance offers a holistic perspective on ethical dimensions.

Practical Solutions for Ethical Challenges

The works of scholars such as Shamsudheen et al. (2023) and Musa et al. (2020) highlight the proactive role of Islamic finance in addressing ethical challenges by providing practical solutions. These solutions offer a roadmap for industry stakeholders seeking to navigate ethical considerations effectively.

Expectations and Critiques for Industry Improvement

The examination of expectations and critiques within the Islamic finance industry by Lone and Ahmad (2017) highlights the importance of constructive criticism and expectation management. This discourse is instrumental in enhancing the industry's long-term goals and its capacity to serve society effectively.

In sum, the results presented in this research paper reinforce the notion that Islamic finance, with its ethical foundations and principled approach, remains a compelling and relevant alternative within the global financial landscape. These findings underscore the enduring importance of ethics in contemporary business practices and affirm the core values of Islamic finance. Islamic finance remains an enduring source of scholarly exploration and industry development.

CONCLUSIONS

Islamic finance is a rapidly growing sector in the global financial industry, and its ethical dimensions are critical in contemporary business practices. Islamic finance is guided by the principles of Shariah, which emphasise ethical behaviour, justice, and social responsibility (Beekun & Badawi, 2005). The ethical framework of Islamic finance is centred on criteria such as justice, balance, trust, and benevolence (Beekun & Badawi, 2005). These principles align with stakeholder theory, emphasising businesses' ethical responsibility towards multiple organisational stakeholders (Beekun & Badawi, 2005). The ethical dimensions of Islamic finance are relevant in contemporary business practices due to their focus on social responsibility and sustainable development. Islamic finance has often been compared to ethical finance, corporate social responsibility (CSR), and socially responsible investment (SRI) (Musa et al., 2020). The ethical principles of Islamic finance make it an attractive option for businesses seeking to align their financial practices with ethical values (Musa et al., 2020).

Although Islamic finance institutions are committed to ethical practices, numerous challenges are associated with their implementation. Studies have found a gap in the literature regarding the ethical decision-making behaviour of individuals working in Islamic financial institutions (Shamsudheen & Rosly, 2020). This highlights the importance of developing an ethical framework to address issues such as riba (interest) and gharar (uncertainty) in Islamic finance and the need for a better understanding of ethical praxis in this field (Jatmiko et al., 2023). To address ethical shortcomings in Islamic finance, researchers and regulators must utilise empirical discoveries to understand the issues better and propose solutions (Shamsudheen et al., 2023). Additionally, there is a need to shift the focus from the juristic aspects of Shariah compliance to the ethical dimension of Islamic finance (Shamsudheen et al., 2023). By incorporating ethical principles into the practices of Islamic finance, the sector can better reflect its moral values and contribute to sustainable and responsible business practices (Hasan, 2016).

The scholarly works surveyed in this research travers a spectrum of domains within Islamic finance, ranging from practical insights into financing and market trends to theoretical discussions on capital structure and the infusion of ethical principles in various financial practices. Through empirical research and theoretical discourse, these works contribute to a nuanced understanding of how ethical values are embedded in the fabric of Islamic finance.

A recurrent theme throughout the scholarly discourse is the ethical underpinning of Islamic finance. Scholars emphasise the intrinsic importance of ethical management, moral teachings, and responsible investment in Islamic financial institutions. This ethical emphasis transcends more theoretical discourse and is manifest in practical solutions offered to address ethical challenges and shortfalls within the industry.

Furthermore, the concept of socially responsible investing is presented as a bridge between Islamic and conventional financial markets, promoting both economic development and ethical financial practices. The interdisciplinary approach, as discussed by some scholars, offers an intriguing methodology to address the multifaceted ethical dimensions inherent in Islamic finance.

Additionally, the research acknowledges the importance of constructive criticism and expectation management within the Islamic finance industry. These considerations are pivotal in the industry's pursuit of long-term goals and its commitment to better serve society. The findings derived from this examination suggest that Islamic finance, with its ethical foundations and principled approach to risk-sharing and interest-free transactions, not only offers a moral compass within the intricate landscape of global commerce but also presents a viable and relevant alternative to conventional financial systems. As the global financial ecosystem navigates challenges and evolves, the ethical underpinnings of Islamic finance serve as a bacon of moral rectitude and an enduring source of guidance for ethical business practices.

In the ever-evolving realm of finance, the ethical dimensions explored within Islamic finance remain an enduring testament to the principle that finance can be not only profitable but also principled and socially responsible. Islamic finance is an inclusive approach that provides financial services to underserved populations (Jouti, 2018). The financial products and services offered by Islamic financial institutions comply with Islamic principles, making them accessible to Muslims who may have religious objections to conventional financial products (Jouti, 2018). By integrating the principles of Islamic finance into broader business practices, companies can contribute to financial inclusion and ensure that everyone has access to the financial services they need (Jouti, 2018).

One of the fundamental ethical principles of Islamic finance is the prohibition of investments in activities that are considered harmful or unethical, such as gambling, alcohol, and tobacco. This principle encourages social responsibility and prompts businesses to consider the broader impact of their actions on society and the environment. By integrating this principle into their overall business practices, companies can adopt more sustainable and socially responsible practices, which can contribute to a fair and more sustainable global economy. Implementing this principle promotes a more equitable and responsible approach to business operations. Transparency and accountability are among the fundamental principles of Islamic finance (Shamsudheen & Rosly, 2020). Islamic financial institutions are required to disclose information regarding their financial transactions and investments. This helps stakeholders to access relevant details, which in turn promotes trust and confidence in the financial system, leading to a more equitable and efficient allocation of resources (Shamsudheen & Rosly, 2020).

In conclusion, the ethical principles of Islamic finance are universally relevant and can be incorporated into broader business practices to promote a more equitable global economy: these principles prioritise fairness, justice, social responsibility, transparency, and financial inclusion. By adopting these principles, businesses can contribute to sustainable development, promote social responsibility, and ensure that financial systems are more inclusive and equitable.

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