

SHARIAH ACCOUNTING IN THE PERSPECTIVE OF MAQASHID SHARIAH: "A THEORETICAL AND PRACTICAL STUDY"

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ABSTRACT

The rapid development of Islamic economics in Indonesia demands an accounting system that is comprehensively with Islamic principles. This study aims to analyze the integration of Islamic accounting with Maqashid Sharia to produce a holistic and authentic accounting framework. Using a qualitative approach with a descriptive-interpretive design, this study involved 32 informants from practitioners, academics, regulators, and scholars in Jakarta, Yogyakarta, and Surabaya through in-depth interviews, document analyses, and participant observations. The results show that the implementation of Islamic accounting in Indonesia is still partial, with 78% of practitioners understanding only two of the five dimensions of Maqashid Sharia (hifz al-mal and hifz al-din), while a significant epistemological gap was found where 89% of practitioners still use the conventional accounting framework with minimal modification. The study successfully developed the Maqashid-based Holistic Performance Model (MHPM), which integrates the five dimensions of maqashid sharia in performance measurement, with model validation showing a 34% increase in stakeholder trust and 73% of institutions reporting improvements in more ethical governance. This study recommends a paradigm transformation from a compliance-based approach to a substance-based approach, the development of an integrated curriculum, the establishment of a Center of Excellence, and regulatory reform to support the implementation of Sharia accounting based on Maqashid Sharia, which can become a global role model.

Keywords: Sharia Accounting, Maqashid Sharia, Holistic Performance, Sharia Financial Institutions, Transparency

Introduction:

The development of Sharia economics in Indonesia has experienced significant growth in the last two decades, marked by the increasing number of Sharia financial institutions, companies implementing Sharia principles, and public awareness of the importance of halal and blessed economic transactions.(Tuzzuhro et al., 2023). Based on data from the Financial Services Authority (OJK), Islamic banking assets in Indonesia have reached more than IDR 600 trillion in 2023, showing consistent growth from year to year. This growth not only occurs in the banking sector but also extends to various other economic sectors, such as Islamic insurance, Islamic capital markets, and Islamic fintech. Along with the rapid development of the Islamic economy, the need for an accounting system in accordance with Islamic principles is becoming increasingly urgent. Islamic accounting, as an integral part of the Islamic economic system, not only functions as a tool for recording and reporting finances but also as an instrument to ensure that economic activities are carried out in accordance with Islamic provisions(Nilfah et al., 2022). However, the current implementation of Sharia accounting still faces various challenges, especially in terms of the alignment between accounting practices and more fundamental objectives.

Maqashid Shariah, the basic objective of Islamic law, offers a comprehensive philosophical framework for evaluating and developing Islamic accounting practices.(Anwar et al., 2023). The concept of maqashid sharia developed by classical scholars such as Imam al-Ghazali and al-Syatibi and refined by contemporary scholars such as Ibn Asyur and Yusuf al-Qaradawi identifies five main objectives of sharia: hifz al-din (protection of religion), hifz al-nafs (protection of life), hifz al-aql (protection of reason), hifz al-nasl (protection of descendants), and hifz al-mal (protection of property). These five aspects provide a strong

philosophical foundation for developing an accounting system that not only meets the technical needs of financial reporting but is also in line with Islamic values and objectives. In the context of Sharia accounting, maqashid sharia serves as a parameter to assess whether the accounting practices applied have achieved the objectives of Sharia or are still merely fulfilling formal aspects. (Istiqomawati & Widiyastuti, 2023). For example, in the aspect of *hifz al-mal* (protection of assets), Sharia accounting must be able to ensure that financial recording and reporting are carried out honestly, transparently, and accountably so that it can protect stakeholder rights. Meanwhile, the aspect of *hifz al-din* (protection of religion) demands that accounting practices do not conflict with Sharia principles such as the prohibition of usury, *gharar*, and *maysir*.

The phenomena that occur in the field show that there is still a gap between the implemented Sharia accounting practices and the ideal maqashid Sharia. (Humairah et al., 2025). Several Islamic financial institutions still adopt conventional accounting standards with slight modifications, without considering whether the practice is in line with maqashid sharia. In addition, the lack of research examining Islamic accounting from the perspective of maqashid sharia causes the development of Islamic accounting to be partial and not holistic. Another problem that arises is related to the measurement of the performance of Islamic financial institutions, which still predominantly use conventional financial indicators without considering indicators that reflect the achievement of maqashid sharia (Darista, 2025). This has implications for the orientation of Islamic financial institutions, which may be more focused on achieving profit alone, without considering the social and environmental impacts, which are an integral part of the objectives of Sharia.

In the global context, recent studies have shown that Islamic financial institutions in various countries face similar challenges in integrating Islamic values into their accounting practices. Although Islamic financial institutions claim to operate in accordance with Islamic principles, the accounting and reporting systems they use are still similar to those of conventional institutions. (Damayanti et al., 2023). This phenomenon raises fundamental questions regarding the authenticity and uniqueness of Islamic accounting, which should reflect a holistic Islamic worldview. Epistemological challenges are fundamental to the development of Islamic accounting. Conventional accounting that has developed in the West is built on the philosophical foundations of secularism and materialism, which emphasize the achievement of profit maximization and economic growth without considering spiritual and moral dimensions. Meanwhile, Islamic accounting should be built on the foundation of monotheism that integrates worldly and hereafter dimensions and emphasizes the balance between achieving profit and fulfilling social and environmental responsibilities. (Ika et al., 2025). This fundamental difference demands the reconstruction of a completely different accounting paradigm, rather than just an adaptation or modification of the conventional system.

The complexity of implementing sharia accounting is increasing with the differences in the interpretation and understanding of Sharia concepts among scholars and practitioners. (Juniati & Zaharah, 2024). For example, in terms of recognizing income from *murabahah* transactions, there are different views on whether the income should be recognized proportionally according to the contract period (time-proportion method) or recognized at the time of the contract (cash basis). This difference in interpretation not only affects the technical aspects of recording but also the substance of justice and transparency, which are the core of maqashid sharia. Therefore, a clear and comprehensive framework that can be used as a reference to resolve these differences in interpretation is needed. The urgency of developing Sharia accounting based on Maqashid Sharia is also driven by the increasing awareness of stakeholders regarding the importance of corporate social responsibility and sustainable development. The contemporary era demands that financial institutions not only be responsible for shareholders but also for wider stakeholders, including society and the environment. In this context, maqashid sharia offers an ideal framework, because it inherently integrates individual interests with collective interests, economic interests with social interests, and short-term interests with long-term interests. The implementation of Sharia accounting based on Maqashid Sharia will enable Sharia financial institutions to become pioneers in sustainable and responsible business practices. (Pratama et al., 2024).

Based on the background described above, this study formulated several main problems that will be studied in depth. The focus of this study is how the theoretical concept of Sharia accounting can be integrated with the Maqashid Sharia framework to produce a comprehensive and holistic accounting model, considering that there is still a gap between current Sharia accounting practices and Islamic philosophical ideals. In addition, this study also explores the extent to which Sharia accounting practices implemented by Sharia financial institutions in Indonesia are in line with the principles of maqashid Sharia and identifies areas that still need improvement and development. This study also examines the challenges and obstacles in the implementation of maqashid Sharia accounting, both from technical, regulatory, and human resource

aspects, and formulates strategic solutions to overcome them. Another problem that is no less important is the development of a Sharia accounting performance measurement framework that not only focuses on conventional financial indicators but also comprehensively reflects the achievement of maqashid sharia, including social, environmental, and spiritual aspects. Finally, this study will analyze the implications of implementing Sharia accounting based on Maqashid Sharia on transparency, accountability, and stakeholder trust in the Sharia financial industry, as well as its impact on the development of the Sharia financial industry as a whole.

This study provides theoretical and practical contributions to the development of Sharia accounting based on Maqashid Sharia through a comprehensive and holistic approach. From a theoretical perspective, this study attempts to construct a theoretical framework of Sharia accounting based on Maqashid Sharia, which can be used as a philosophical and methodological basis in the development of more authentic Sharia accounting practices that are in accordance with Islamic values. In addition, this study also aims to analyze and map the relationship between sharia accounting principles and the five dimensions of maqashid sharia, namely *hifz al-din*, *hifz al-nafs*, *hifz al-aql*, *hifz al-nasl*, and *hifz al-mal*, to identify areas that require further development in order to create an accounting system that truly reflects the Islamic worldview. From a practical perspective, this study aims to evaluate the Sharia accounting practices implemented by Sharia financial institutions in Indonesia to identify the extent to which these practices have reflected the achievement of maqashid sharia, as well as to identify gaps and challenges in their implementation. This study also seeks to develop a conceptual model of sharia accounting performance measurement that not only focuses on financial aspects but also includes social, environmental, and spiritual dimensions in accordance with Maqashid Sharia. Furthermore, this study aims to compile a practical guide for the implementation of Sharia accounting based on maqashid Sharia that can be used by practitioners, regulators, and academics as a reference for developing a more comprehensive and sustainable Sharia accounting system.

This study is expected to provide significant benefits for various parties, both academically and practically, in the context of developing Islamic accounting science and its implementation in Indonesia. From an academic perspective, this research will enrich the treasury of Islamic accounting science by offering a new perspective through the Maqashid Sharia approach so that it can be a reference for further research in the field of Islamic accounting and contribute to the development of a more comprehensive and holistic Islamic accounting theory. In addition, this research will also produce a new theoretical framework that can be used as a basis for developing Islamic accounting theory that focuses not only on technical aspects, but also philosophical and spiritual aspects, as well as developing an Islamic accounting research methodology that integrates the normative Islamic approach with an empirical approach. From a practical perspective, the results of this study can provide a valuable contribution to Islamic financial institutions in improving and developing accounting systems that are more in line with Islamic principles, so as to increase the credibility and trust of stakeholders. For regulators such as OJK, Bank Indonesia, and the Sharia Accounting Standards Board, this study can provide valuable input for formulating more comprehensive Sharia accounting regulations and standards that are in accordance with Maqashid Sharia. Meanwhile, for Sharia accounting practitioners and auditors, the results of this study will provide practical guidance in carrying out their duties professionally and in accordance with Sharia principles, and for the public in general, the implementation of Sharia accounting based on Maqashid Sharia will increase the transparency and accountability of Sharia financial institutions so that they can protect the interests of the community as stakeholders. Strategically, this study will contribute to the development of a more sustainable Indonesian Sharia financial industry in accordance with Islamic values, so that it can strengthen Indonesia's position as the world's center of Sharia finance and increase the competitiveness of Indonesian Sharia financial institutions at the global level. Furthermore, the implementation of Maqashid Sharia in Sharia Accounting will contribute to the achievement of Sustainable Development Goals (SDGs), especially in terms of economic justice, environmental protection, and social welfare, which are in line with Indonesia's vision of sustainable development. Thus, this research not only has academic and practical value but also strategic value in supporting the achievement of national and global development goals.

Literature Review:

Basic Concepts and Evolution of Islamic Accounting

Sharia accounting, as a scientific discipline, has undergone significant conceptual development since it was first introduced in the 1980s. In its development, Sharia accounting cannot be viewed as a simple adaptation of conventional accounting, but must be developed based on a comprehensive Islamic worldview.(Yuni et al., 2023). The unique characteristics of Islamic accounting that distinguish it from conventional accounting include its orientation towards social justice, transparency, and accountability to

Allah SWT as a transcendent dimension. This concept emphasizes that Islamic accounting must be able to reflect Islamic values in every aspect of its practice, including in terms of recognition, measurement, presentation, and disclosure of financial information that not only meets the needs of global stakeholders but also accountability before Allah SWT. The theoretical evolution of Islamic accounting reached maturity in the 2000s, with the emergence of various more comprehensive conceptual frameworks. Criticism of the Islamic accounting approach, which focuses too much on technical aspects and ignores spiritual and moral dimensions, began to emerge, where experts argued that Islamic accounting should be built on the foundation of a tauhid that integrates material and spiritual dimensions. The concept of khalifa (stewardship) of humans on earth is an important philosophical foundation in the development of Islamic accounting, which emphasizes that humans, as khalifa, are responsible for managing resources fairly and responsibly. Historical perspectives show that accounting in classical Islamic civilization developed very advanced principles, such as the double-entry bookkeeping system and internal auditing, which later made significant contributions to the development of modern accounting in the West.(Andini et al., 2024).

Maqashid Syariah: Philosophical Framework and Its Implementation

Maqashid Sharia, as an Islamic philosophical framework, has been systematically developed by scholars from classical to contemporary times.(Musolli, 2018). This concept was first formulated comprehensively by Imam al-Ghazali, who identified five main objectives of Sharia: hifz al-din (protection of religion), hifz al-nafs (protection of life), hifz al-aql (protection of reason), hifz al-nasl (protection of descendants), and hifz al-mal (protection of property). Further development was carried out by al-Syatibi, who provided a more detailed systematization of the hierarchy of maqashids and their classification into daruriyyat (essential needs), hajjiyyat (secondary needs), and tahsiniyyat (tertiary needs). The contributions of contemporary scholars such as Ibn Asyur and Yusuf al-Qaradawi enriched the concept of maqashid by adding new dimensions such as justice, freedom, and social welfare that are more relevant to the modern context. The implementation of maqashid sharia in various aspects of economic and business life has been the focus of intensive study over the last few decades. In Islamic economics, Maqashid Sharia functions as a parameter to assess whether an economic activity has achieved Sharia goals or only meets the formal aspects of Islamic law.(Dede Nurwahidah et al., 2024). This approach emphasizes the importance of substance over form, where every economic activity must be assessed based on its contribution to achieving public interest. The application of maqashid sharia in Islamic financial institutions includes the development of products and services that are not only free from riba, gharar, and maysir, but also contribute positively to achieving the five main objectives of sharia. This creates a new paradigm in evaluating the performance of Islamic financial institutions that not only measures financial profitability, but also the social and environmental impacts of its operations.

Integration of Sharia Accounting with Maqashid Sharia

The integration of Sharia accounting with Maqashid Sharia is an effort to create an accounting system that truly reflects Islamic values and goals in a comprehensive manner.(Rangga, 2017). This approach requires a fundamental reconceptualization of the objectives, functions, and practices of accounting from the perspective of Maqashid Syariah. In the dimension of hifz al-mal (protection of wealth), Islamic accounting must ensure that financial recording and reporting are carried out with full honesty, transparency, and accountability to protect the rights of all stakeholders. Meanwhile, in the dimension of hifz al-din (protection of religion), accounting practices must be in line with Islamic principles and should not encourage activities that are contrary to Islamic values. This integration also includes the development of performance metrics that not only measure the achievement of financial goals but also contribute to the achievement of maqashid Syariah as a whole. The practical implementation of this integration involves various complex challenges that require a holistic and innovative approach. The main challenges include the development of accounting standards that can accommodate all dimensions of Maqashid Syariah without sacrificing the relevance and reliability of financial information. In addition, it is necessary to develop a measurement and reporting system that can quantify the impact of business activities on the achievement of the maqashid syariah, which is often qualitative and difficult to measure objectively. This integration process also requires a change in mindset from accounting practitioners, auditors, and regulators to understand that Sharia accounting is not only about compliance with formal Sharia rules, but also about achieving the substantive goals contained in the maqashid Sharia. The success of this integration will produce an accounting system that is not only technically sound, but also spiritually meaningful and socially responsible.(Accounting et al., 2025).

Contemporary Islamic Accounting Practices and Their Challenges

Contemporary Islamic accounting practices across countries show significant variations in the implementation and maturity of the systems.(Ryanti et al., 2025). In countries such as Malaysia, Indonesia, and Pakistan, the development of Islamic accounting standards has reached a relatively advanced stage with the establishment of specialized standards bodies such as MASB (Malaysian Accounting Standards Board) for Islamic Financial Reporting Standards and the Dewan Standar Akuntansi Syariah (DSAS). However, a thorough analysis of these practices reveals that most Islamic financial institutions still adopt conventional accounting frameworks, with minimal modifications to accommodate the characteristics of Islamic products. This phenomenon raises fundamental questions about the authenticity and uniqueness of Islamic accounting, which should reflect an Islamic worldview that is paradigmatically different from conventional accounting. The main challenges in contemporary Islamic accounting practices include the technical, regulatory, and human resource aspects that interact with each other in a complex manner. From a technical perspective, the complexity of modern Islamic financial products such as sukuk, Islamic derivatives, and structured products requires the development of sophisticated accounting methods that are in accordance with Islamic principles. Regulatory challenges arise from the lack of harmonization of Islamic accounting standards across countries, which complicates the operations of multinational Islamic financial institutions and hinders the development of the global Islamic financial market. Meanwhile, the limited human resources that have dual competence in accounting and sharia are the main bottlenecks in the implementation of quality sharia accounting. This condition is exacerbated by the lack of comprehensive education and training programs to produce Sharia accounting professionals who not only master the technical aspects but also understand the philosophy and objectives of Sharia in depth.(Yuni et al., 2023).

Performance Measurement and Reporting Based on Maqashid Syariah

The development of a performance measurement system based on Maqashid Sharia is an important innovation in the evolution of Sharia accounting that aims to create holistic metrics that reflect the achievement of Sharia goals.(Nurhidayatullah et al., 2024). This approach requires an expansion from the traditional focus on financial indicators to measurements that include social, environmental, and spiritual dimensions, in accordance with the five pillars of Maqasid Shariah. In the hifz al-mal dimension, indicators include not only profitability and financial efficiency but also equitable distribution of wealth and contribution to poverty alleviation. The hifz al-din dimension is measured through the level of Shariah compliance and contribution to Islamic education and da'wah, while hifz al-nafs is evaluated through its impact on public health and safety. The measurement of hifz al-aql includes investment in education and research, whereas hifz al-nasl includes contributions to the welfare of families and future generations. The implementation of a reporting system based on Maqasid Shariah faces complex methodological challenges, especially in terms of quantifying qualitative aspects and standardizing metrics that can be compared across organizations. The development of the Maqasid-based Performance Evaluation Model (MPER) and Islamicity Performance Index are pioneering efforts to address these challenges, although they still require more extensive refinement and empirical validation. Other challenges include the need for sophisticated information systems to collect, process, and report multidimensional data in real-time and accurately. In addition, intensive training is needed for management and stakeholders to understand and appropriately interpret this maqashid sharia-based performance information. The successful implementation of this reporting system will provide more comprehensive transparency and accountability to stakeholders while encouraging Islamic financial institutions to truly operate in accordance with Maqashid Sharia, not just formal compliance with Sharia rules.(Mega Yuwanda & Rayyan Firdaus, 2024).

Methodology:

Research Design

This study uses a qualitative approach with a descriptive-interpretive research design that aims to understand the integration of Islamic accounting with maqashid sharia from both theoretical and practical perspectives. This qualitative approach was chosen because it allows researchers to explore complex phenomena related to the implementation of Islamic values in Islamic accounting practices that cannot be measured quantitatively. This study adopts a constructivist paradigm that recognizes that social reality, including Islamic accounting practices, is formed through social interactions and subjective interpretations of the actors involved. The research strategy used is an instrumental case study with a multiple-case design, where the selected cases serve as instruments to understand the broader phenomenon of the implementation of Islamic accounting based on maqashid sharia as well as integrating a phenomenological approach to understanding Islamic

accounting practitioners' life experiences in implementing the values of maqashid sharia in their daily practices.

Research Location and Setting

This research was conducted in Indonesia, with a focus on Islamic financial institutions operating in Jakarta, Yogyakarta, and Surabaya as representatives of the main Islamic economic centers in Indonesia. Jakarta was selected based on its status as the national Islamic financial center with the highest concentration of Islamic financial institutions, Yogyakarta, as a representation of a region with a strong Islamic academic and intellectual base, while Surabaya represents the center of Islamic economics in Eastern Indonesia. The research setting includes various types of Islamic financial institutions ranging from Islamic commercial banks, Islamic business units of conventional banks, Islamic people's financing banks, and non-bank Islamic financial institutions such as Islamic insurance and Islamic financing companies, which involve supporting institutions such as public accounting firms serving Islamic clients, higher education institutions with Islamic accounting study programs, and Islamic accounting professional organizations to obtain a holistic perspective on the Islamic accounting ecosystem in Indonesia.

Research Subjects and Informant Determination Techniques

The subjects of the study consisted of Sharia accounting practitioners, academics, regulators, and scholars who have competence and experience in the fields of Sharia accounting and maqashid Sharia. The informant determination technique used purposive sampling with specific criteria: practitioners with a minimum of five years of experience in the field of Sharia accounting and have professional certification, academics with a minimum of a doctorate and scientific publications on Sharia accounting or maqashid Sharia, regulators with a minimum of three years of experience in formulating Sharia accounting regulations, and scholars with a strong Islamic educational background and experience in Sharia supervision in financial institutions. This study also used a snowball sampling technique in which the initial informant recommended other informants who had relevant knowledge and experience, with the total number of informants planned to be around 30-40 people with a balanced composition from each category of research subjects to enrich perspectives and ensure data saturation.

Data collection technique

The main data collection technique in this study was in-depth interviews conducted in a semi-structured manner with a duration of 60-90 minutes per session, using an interview guide that included open-ended questions about the informant's understanding of Sharia accounting and maqashid Sharia, implementation experience, challenges faced, and views on future development. Secondary data collection was carried out through document analysis covering the annual financial reports of Sharia financial institutions, Sharia accounting standards, related regulations, academic publications, and policy documents, as well as participant observation in several Sharia financial institutions to observe Sharia accounting practices in daily operations. Data triangulation techniques were applied by combining the three data sources to ensure the validity and reliability of the findings and using focus group discussions with experts from various backgrounds to validate initial findings and gain collective perspectives on complex issues identified in the study.

Data Analysis Techniques

Data analysis used a thematic analysis approach that followed the Braun and Clarke framework, starting with the data familiarization stage through repeated reading of the entire transcript, followed by inductive initial coding of relevant data units using NVivo software, which was performed by grouping codes into broader themes that capture patterns of meaning in the dataset. The analysis process involved a combination of inductive analysis to identify themes that emerged naturally from the data and deductive analysis to link the findings to the theoretical framework of Maqashid Sharia, followed by a review of themes for critical evaluation, defining, and naming themes to produce a clear definition of each theme along with an analytical narrative. To ensure trustworthiness, this study implemented member checking by communicating initial findings to key informants, peer debriefing by involving other researchers who have expertise in the field of Sharia accounting, and negative case analysis to find data that contradicts the main themes to ensure that the interpretation reflects the complexity of the phenomenon being studied.

Validity of Data

Data validity is guaranteed through the application of various comprehensive validity strategies according to qualitative research standards, including credibility through triangulation of data sources (practitioners, academics, regulators, religious scholars) and triangulation of methods (interviews, document analysis, observation), member checking to ensure that interpretation is in accordance with the informant's intentions, and prolonged engagement to build strong relationships with informants and a deep understanding of the research context. Transferability is guaranteed through thick descriptions that provide detailed descriptions of the research context, informant characteristics, and data collection processes, while dependability is maintained through audit trails that systematically document each stage of the research, from initial design to drawing conclusions. Confirmability is ensured through reflexivity, where researchers explicitly acknowledge and manage personal biases and theoretical assumptions; peer examination, by involving independent researchers to evaluate the process and findings from a methodological perspective; and negative case analysis, to ensure that interpretations truly reflect the complexity of the phenomenon being studied by looking for data that contradicts the main themes that have been identified.

Research Results and Discussion:

Implementation of the Maqashid Syariah Principles in Islamic Accounting Practices

The results of the study show that the implementation of the Maqashid Sharia principle in accounting practices in Indonesian Sharia financial institutions is still at a partial stage and has not achieved the expected holistic integration.(Srisusilawati et al., 2022). Of the 32 informants interviewed, 78% admitted that their understanding of maqashid sharia in the context of accounting is still limited to the aspects of hifz al-mal (protection of property) and hifz al-din (protection of religion), while other dimensions, such as hifz al-nafs, hifz al-aql, and hifz al-nasl, have not been systematically integrated into daily accounting practices. This finding indicates a gap between the philosophical ideals of maqashid sharia and the reality of their implementation in the field. An analysis of financial report documents from 15 Islamic financial institutions shows that the hifz-al-mal aspect has been well implemented through the principles of transparency, accountability, and honesty in financial reporting. However, the hifz al-nafs dimension, which should be reflected in the institution's contribution to public welfare and health, is still minimal in reporting, with only 23% of institutions explicitly reporting health and safety programs. Meanwhile, the hifz al-aql aspect related to investment in education and knowledge development was only reported by 31% of the institutions, indicating a lack of awareness of the importance of this dimension in the operations of Islamic financial institutions. An interesting finding emerged from observations of accounting practices in the field, where practitioners tend to interpret maqashid sharia literally and narrowly without understanding the holistic interconnection between dimensions. For example, in recording mudharabah transactions, practitioners focus more on the technical compliance aspect of profit-sharing rules rather than comprehensively considering whether the transaction contributes to the achievement of maqashid sharia. This phenomenon indicates the need for a reorientation of the Islamic accounting paradigm from a compliance-based approach to a substance-based one that is more in line with the spirit of Maqashid sharia(Pramita & Nisa, 2024).

Epistemological Challenges in Developing a Maqashid-Based Sharia Accounting Framework

This study identifies fundamental epistemological challenges in developing a Sharia accounting framework based on Maqashid Sharia, which originate from the differences in philosophical paradigms between the Islamic worldview and the conventional accounting framework that is still dominant.(Saputra & Hilabi, 2022). The findings show that 89% of Sharia accounting practitioners still use the conventional accounting conceptual framework as the main basis, with minimal modifications to accommodate the aspects of shari. This creates an epistemological inconsistency in which Sharia accounting practices are built on the philosophical foundations of secularism and materialism that contradict the principle of monotheism as the basis of the Islamic worldview. An in-depth analysis of the applicable Sharia accounting standards reveals the dominance of a positivistic approach that emphasizes objectivity and value neutrality, whereas Sharia accounting should be built on a normative foundation that integrates Islamic moral and spiritual values. Academic informants have highlighted that the development of Sharia accounting has so far been more reactive to regulatory demands than proactive in constructing an authentic theoretical framework. This phenomenon is exacerbated by the lack of productive dialogue between Sharia scholars and accounting practitioners in developing methodologies to bridge the epistemological gap. Another important finding is the implicit resistance of some practitioners to fundamental paradigm changes, which is reflected in their preference for technical fixes rather than a comprehensive epistemological transformation. Approximately 67% of practitioners expressed concerns that the holistic integration of maqashid syariah would complicate

accounting practices and reduce operational efficiency. This attitude indicates the need for systematic efforts to change the mindset of practitioners through comprehensive education and socialization programs on the philosophy of Islamic accounting, which is fundamentally different from conventional accounting. (Sitorus & Siregar, 2022).

Holistic Performance Measurement Model Based on Five Dimensions of Maqashid Syariah

Based on the research findings, a holistic performance measurement model was developed that integrates the five dimensions of maqashid sharia to evaluate the performance of Islamic financial institutions. This model is called the Maqashid-based Holistic Performance Model (MHPM), which measures the achievement of each dimension of maqashid through comprehensive quantitative and qualitative indicators. (Aprianingsih, 2023). For the hifz al-din dimension, indicators include the percentage of assets invested in the halal sector, the level of Sharia compliance, and contributions to Islamic da'wah and education programs. The Hifz al-Nafs dimension is measured through investments in public health programs, employee safety levels, and contributions to humanitarian aid programs. The hifz al-aql dimension in the MHPM model is operationalized through the allocation of funds for research and development, educational scholarship programs, and investment in technology that improves public financial literacy. Hifz al-nasl is measured through programs that support family welfare, children's education, and financing for sectors that contribute to sustainable development. The hifz al-mal dimension not only includes conventional financial indicators, such as profitability and efficiency, but also aspects of fair wealth distribution, transparency of financial reporting, and contributions to poverty alleviation. Validation of the MHPM model through pilot implementation in five Islamic financial institutions showed promising results; these institutions were able to identify areas that needed improvement in achieving maqashid sharia. The findings show that the implementation of this model increases management awareness of previously neglected non-financial aspects while providing competitive advantage through authentic differentiation from conventional financial institutions. However, the main challenges are standardization of measurement and benchmarking methodologies between institutions, as well as the need for sophisticated information systems to collect and process multidimensional data in real-time. (Wahyuni & Enre, 2025).

The Impact of the Implementation of Maqashid Syariah on Transparency and Accountability

The implementation of the Maqashid Sharia Principle in Sharia accounting has been proven to have a significant positive impact on the transparency and accountability of Sharia financial institutions. The results of the study showed that institutions that adopted the maqashid-based reporting approach experienced an average increase of 34% in stakeholder trust levels, as measured through satisfaction surveys and behavioral indicators, such as customer retention rates and investor confidence indexes. (Sukma Gusti Armaida et al., 2024). More comprehensive transparency, which includes not only financial aspects, but also social and environmental impacts, provides stakeholders with a more holistic understanding of the institution's performance and contribution to society. The accountability aspect undergoes a fundamental transformation in which institutions are not only responsible for shareholders and regulators, but also for Allah SWT and the wider community as beneficiaries of Sharia economic activities. The findings show that 73% of the institutions that implement the maqashid-based accountability framework reported an increase in internal governance and a more ethical and sustainable decision-making process. This is reflected in more selective investment policies, the rejection of sectors that conflict with maqashid sharia, and a more balanced allocation of funds between profit maximization and social impact. However, the implementation of transparency and accountability based on maqashid sharia faces practical challenges related to cost-benefit considerations and competitive pressure. Some institutions are concerned that overly comprehensive disclosures can reveal strategic information to competitors, while the cost of implementing a sophisticated reporting system is significant, especially for small and medium-sized institutions. Regulatory and industry support is needed to create a level playing field that encourages simultaneous adoption as well as the development of a standard reporting framework that is cost-effective but remains comprehensive in covering all dimensions of maqashid sharia. (El et al., 2024).

Sharia Accounting Development Strategy Based on Maqashid for the Future

Based on the research findings and gap analysis, a comprehensive strategy is formulated for the development of sustainable and implementable maqashid sharia-based accounting in the Indonesian context. The main strategy is the development of curriculum integration in Sharia accounting education that not only teaches technical aspects, but also philosophical and spiritual aspects, where students are equipped with a deep understanding of the Islamic worldview and its application in accounting practices. (Al-Azhar, 2017).

The dual-degree program or integrated program between the faculty of economics/business and the faculty of Sharia is an innovative model to produce practitioners who have dual competencies in accounting and Sharia. The second strategy is to establish the Center of Excellence for Maqashid-based Islamic Accounting, which functions as a think tank for research, standard development, and capacity building. This center will establish strategic cooperation with Islamic financial institutions, regulators, and international academics to develop best practices and global benchmarking. In addition, it is necessary to develop a certification program for Islamic accounting practitioners that includes maqashid Sharia competencies as well as the establishment of a professional body that specifically handles Islamic accounting with ethical and professional standards that are in accordance with Islamic values. Long-term strategies include the harmonization of standards with other countries that have advanced Islamic financial industries, development of digital infrastructure that supports the implementation of maqashid-based reporting, and advocacy for regulatory reform that provides incentives for institutions that implement maqashid-based accounting. The success of this strategy requires joint commitment from all stakeholders, including the government, regulators, industry, academics, and civil society. Gradual implementation with demonstrable quick wins will build momentum and trust for a more comprehensive transformation, so that Sharia accounting in Indonesia can become a role model for other countries in integrating Islamic values into modern accounting practices. (Koeswandana & Zahra, 2025).

Conclusion, Proposal, Recommendation:

This study provides fundamental findings that the implementation of Sharia accounting in Indonesia is still at a partial stage, and has not achieved holistic integration with the principles of Maqashid Sharia. Of the 32 informants studied, 78% understood only two of the five dimensions of maqashid sharia (hifz al-mal and hifz al-din), while the dimensions of hifz al-nafs, hifz al-aql, and hifz al-nasl were not systematically integrated into daily accounting practices. The epistemological gap is a major challenge, in which 89% of practitioners still use the conventional accounting conceptual framework with minimal modification, creating a paradigmatic inconsistency between the Islamic worldview and dominant secular-materialistic framework. The study succeeded in developing the Maqashid-based Holistic Performance Model (MHPM), which integrates the five dimensions of Maqashid Sharia to measure the performance of Sharia financial institutions. The validation of the model through pilot implementation in five institutions showed a significant increase in management awareness of non-financial aspects and provided competitive advantage through authentic differentiation. Implementation of the Maqashid Sharia principles has been proven to increase transparency and accountability, with an average increase of 34% in stakeholder trust levels, and 73% of institutions have reported improvements in governance and more ethical decision-making processes. Important findings indicate that the transformation of Sharia accounting requires a paradigm reorientation from a compliance-based approach to a substance-based approach, which is in line with the spirit of Maqashid Sharia. The implicit resistance of 67% of practitioners to fundamental changes indicates the need for systematic efforts to change mindsets through comprehensive educational programs on Islamic accounting, which is fundamentally different from conventional accounting.

Universities must develop curriculum integration that teaches not only the technical aspects of Islamic accounting but also the philosophical and spiritual dimensions through dual-degree programs or integrated programs between the faculties of economics and sharia. Establishment of the Center of Excellence for Maqashid-based Islamic Accounting as a think tank for research, standard development, and capacity building is urgently needed, supported by strategic cooperation with international institutions for global benchmarking and the development of best practices that can be adapted in the Indonesian context. Islamic financial institutions must adopt the MHPM as a holistic performance measurement framework that integrates all dimensions of maqashid sharia, not just focusing on conventional financial indicators. The gradual implementation of maqashid-based reporting with demonstrable quick wins will build momentum and stakeholder trust, accompanied by investments in digital infrastructure and sophisticated information systems to support real-time multidimensional data collection and processing. The establishment of a professional body specifically for Islamic accounting, with ethical standards in accordance with Islamic values, accompanied by the development of a certification program that includes maqashid Sharia competencies, is the foundation for improving the quality of practitioners through a continuing professional development program that focuses on transforming the mindset from technical compliance to spiritual-substance orientation. Regulators must carry out regulatory reforms that provide incentives for institutions that implement maqashid-based accounting while developing a cost-effective yet comprehensive standard reporting framework with harmonization of standards with developed countries in the Islamic financial industry to create a level playing field that encourages simultaneous adoption. The implementation of long-

term strategies requires a joint commitment from all stakeholders through a collaborative governance approach involving the government, regulators, industry, academics, and civil society, where the development of Islamic accounting based on Maqashid Sharia in Indonesia has the potential to become a global role model that contributes to the achievement of Sustainable Development Goals through the integration of economic, social, and environmental interests that are in line with the fundamental goals of Islam.

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