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Reconstruction of the Concept of *Present Value* within the Framework of Maqashid al-Syariah

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ABSTRACT

The concept of present value is a key component in modern financial theory for evaluating the time value of money, but its dependence on interest rates contradicts Islamic teachings that prohibit usury. Therefore, in Islamic economics, it is important to reconstruct this concept in accordance with the principles of maqashid sharia, which emphasize justice, balance, and human welfare in economic practices.

This study uses the Systematic Library Research method, which involves a systematic review of classical and modern literature in the fields of conventional economics, Islamic economics, and maqashid sharia theory. The analysis was conducted by identifying the fundamental differences between the conventional present value concept and the sharia value, then synthesizing them into an alternative model.

This study introduces the Maqasid-Based Present Value Model (MBPV), which replaces conventional interest rates with three ethical parameters: Ethical Parameter (E), Maslahah Coefficient (M), and Real Growth Rate (g). This model evaluates the value of an investment not only based on time but also on its social and ethical contributions. The research findings highlight the need to integrate sharia maqashid principles into Islamic finance, ensuring that Islamic finance is not only free from usury but also promotes justice, social sustainability, and collective welfare.

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INTRODUCTION

The development of modern economics has brought mathematical and financial concepts into almost all aspects of human life, including investment decisions, consumption, and public policy. One of the most fundamental concepts is present value, which forms the basis for investment feasibility analysis, asset valuation, and long-term financing decisions. Simply put, present value asserts that the value of money today is higher than the value of money in the future due to the potential profit or opportunity cost of using funds. However, when this concept is brought into the context of Islamic economics, a fundamental question arises as to the extent to which this principle is in line with the values of maqashid sharia, which are the main objectives of Islamic law, including the preservation of religion (hifz ad-din), life (hifz an-nafs), intellect (hifz al-'aql), lineage (hifz an-nasl), and wealth (hifz al-mal). This question is important because Islam emphasizes a balance between material gains and spiritual values as well as social justice in all economic activities. (Kholish & Roy, 2020)

In the conventional economic paradigm, the concept of present value is closely related to the interest rate used as a discount tool to calculate the present value of future cash flows. This poses a dilemma for the Islamic economic system, because usury which is at the core of the concept of interest—is strictly prohibited in Islam. Therefore, reconstructing the concept of present value is urgent so that it can operate within a framework that is in accordance with sharia principles without losing its function as an economic analysis tool. The main challenge lies in how to replace the interest element with other parameters that still reflect the time value of money but do not conflict with the principles of justice and benefit. In the context of maqashid syariah, the concept of the time value of money needs to be interpreted not only as a reflection of economic efficiency, but also as a means of maintaining the sustainability of wealth and social balance between individuals and society. (Umam, 2013)

Furthermore, maqashid syariah as the normative foundation of Islamic economics has a different orientation from conventional economics. While conventional economics is oriented towards maximizing individual profits, maqashid syariah is oriented towards achieving public interest (maslahah 'ammah). Within this framework, justice ('adl) and balance (tawazun) become the main foundations in formulating every economic policy and instrument. Thus, the reconstruction of present value is not merely technical-mathematical, but also normative-philosophical, because it concerns how this concept can reflect the values of justice and benefit desired by sharia. This means that the assessment of the time value of money must take into account social and ethical dimensions, not just financial dimensions. For example, investment decisions that delay consumption today in order to obtain benefits in the future must consider whether such actions provide broad benefits to society, not just personal gain. (Ferdian & Harahap, 2025)

Furthermore, in the context of maqashid syariah, the concept of time cannot be understood merely as an economic variable, but also as a trust and part

of divine provisions. Islam places time as a very valuable resource that must be optimally utilized to achieve balance in this world and the hereafter. Therefore, the concept of present value, which views time only from an economic perspective, is considered insufficient to fully reflect the Islamic view. In the maqasid perspective, the value of time should also be linked to the value of blessing (barakah), namely how the use of time and financial resources can bring sustainable benefits and not cause harm to others. Thus, the maqasid approach to present value is not only a matter of calculating the value of money in a temporal dimension, but also a matter of how time is used to achieve broader benefits.

Beyond the theoretical dimension, the reconstruction of the concept of present value also has great practical relevance in the contemporary world of Islamic finance. Islamic financial institutions such as banks, financing companies, and investment institutions face the need to evaluate projects, calculate returns, and make investment decisions in an efficient manner that remains consistent with Islamic principles. In practice, many institutions still indirectly use conventional approaches in calculating the time value of money, for example, through the use of discount rates derived from market interest rates, albeit in modified forms such as "rate of return" or "expected profit rate." This shows that reconstruction efforts have not been fully completed. A methodological approach is needed that can explain the time value of money without being trapped in the interest paradigm, while still providing a rational basis for economic decision-making. (Rahma, 2019)

From the perspective of economic justice, maqashid syariah demands that every form of transaction and value calculation does not cause inequality or exploitation. In the context of present value, the use of excessively high discount rates can cause value distortion and disregard the rights of other parties, especially in long-term projects that have a social impact. Conversely, if the concept of present value is reconstructed using the maqashid approach, the discount rate can be linked to the level of risk, real productivity, and social benefits, rather than interest. This will create a balance between economic profit and social justice. Thus, the main objective of reconstruction is not merely to replace mathematical formulas, but to build an ethical framework that can guide economic practices to be more equitable and oriented towards public interest. (Suud, 2025)

LITERATURE REVIEW

Research conducted by Yusuf & Nurlaila, (2024) with the title "Examining the Basis of Maqashid Sharia in Renewal of Islamic Law in Indonesia" states that the renewal of Islamic law in Indonesia is driven by social, scientific, and technological changes. Along with societal changes, Islamic law needs to be renewed in order to remain relevant without abandoning sharia values. In this context, maqashid syariah, which is the main objective of sharia for the benefit of humanity, becomes the methodological basis in the process of legal renewal,

including the law on investing. The findings in this study, namely that *ijtihad* based on *maqāshid* is the key to the continuity of Islamic law, can be linked to the concept of present value, both conceptually-philosophically and by economic-legal analogy. The difference between this study and the author's is that the former focuses on the renewal of Islamic law in Indonesia based on *maqashid al-syari'ah* to adapt the law to social, technological, and societal value changes, while the author's study focuses on reconstructing the conventional economic concept (*present value*) to align with the values and objectives of *maqashid al-syari'ah*, particularly in the field of finance and sharia investment. The similarity between the two studies is that they both use *maqashid al-syari'ah* as their main theoretical basis.

Both view *maqashid* as a dynamic and contextual approach to bridge Islamic values with the developments of the times, both in law and economics.

In the research by Nurrachmi et al. (Nurrachmi et al., 2013) entitled "Time Value of Money in Islamic Perspective and the Practice in Islamic Banking Implications," it is stated that in the conventional system, TVM is the main basis of finance because it is based on interest, which is considered compensation for delayed consumption or loans. However, in Islam, interest (*riba*) is strictly prohibited, so it is necessary to reinterpret the concept of time value of money to be in accordance with *maqashid al-syari'ah* and the principles of economic justice. Thus, TVM in Islam is not completely rejected, but is reconceptualized to support productive and fair transactions, not speculative or exploitative ones. The findings of this research show that Islamic TVM promotes economic justice and social stability in accordance with the concept of *Maqashid Syariah*. The difference between this research and the author's is that the main focus of the research explains how the concept of *Time Value of Money (TVM)* can be accepted in Islam without contradicting the prohibition of *riba*, and how the concept is applied in Islamic banking practices, while the author will conduct research with a focus on reconstructing the concept of *Present Value (PV)* so that it is in accordance with the principles of *maqashid al-syari'ah* and does not conflict with the prohibition of usury and the principle of justice. The similarity stems from criticism of the conventional system, in which existing research and the research to be conducted reject the basic assumption of capitalist economics that "things have their own time value" which is paid with interest, and recognize time value within the Islamic framework.

From the two studies above, there is a gap that needs to be researched because there is no theory and calculation model for *Present Value* based on *maqashid al-syari'ah* as an Islamic ethical-economic paradigm. The concept of the time value of money in Islam is still practical (applicable in banks) and has not been formulated philosophically and mathematically within the *maqashid* framework. Developing an *Islamic Present Value Model (IPV)* that combines economic, moral, and social dimensions, and replaces the interest-based discount mechanism with *maslahah*. Therefore, the author is interested in conducting research entitled

"Reconstructing the Concept of Present Value within the Maqashid al-Syari'ah Framework."

RESEARCH METHODOLOGY

This research uses a library research method with a normative-conceptual approach. Data is obtained from secondary sources such as books, journals, previous research results, and classical and contemporary Islamic legal documents (fiqh books). The analysis was conducted descriptively and analytically, explaining relevant theoretical concepts and evaluating their suitability from an Islamic law perspective. (Pollock & Berge, 2018)

RESULTS & DISCUSSION

Maqashid Syariah

Maqashid syariah provides the basis for the development of the concepts of intrinsic value and instrumental value in Islamic economics. Intrinsic value relates to the moral and spiritual benefits of something for humans, while instrumental value relates to the usefulness of something in achieving a particular goal. In the context of present value, money and time have instrumental value, but they are not the ultimate goal. Therefore, in reconstructing the concept of present value, both must be placed within the framework of the intrinsic value of maqashid, namely *maslahah*. This means that the time value of money is only valid in sharia if its use brings benefits that are in line with sharia objectives and does not cause harm (*mafsadah*). With this perspective, the new concept of present value will be more humane, ethical, and in line with the spirit of Islam, which places the economy as a means, not an end. (Sahida et al., 2013)

This reconstruction is also important in responding to the increasingly complex challenges of economic globalization and financial digitalization. Amid the emergence of modern financial instruments such as *sukuk*, sharia fintech, and social investment, a strong theoretical foundation is needed to ensure that all these practices remain within the corridor of sharia maqashid. If the concept of present value is not reexamined, the sharia economy risks losing its identity and becoming merely a variant of the conventional system labeled as Islamic. Conversely, if this reconstruction is successful, Islamic economics can provide an alternative financial model that is more equitable and sustainable. This is not only important for Muslims, but also for the global community that is seeking a more humane and ethical economic system.

Finally, it should be emphasized that reconstructing the concept of present value within the framework of maqashid syariah is not merely an academic endeavor, but also a form of contribution to broader economic reform. By integrating the values of justice (*'adl*), balance (*tawazun*), and benefit (*maslahah*), the concept of present value can become an instrument that supports the achievement of value-based sustainable development. This is in line with the vision of Islam as *rahmatan lil 'alamin* a blessing for the entire universe which places human welfare and environmental sustainability as its main objectives. This reconstruction is expected to pave the way for the development of Islamic economic theory that is

not only compatible with the demands of the times but also firmly rooted in revelatory values and universal morality.(Suud, 2025)

Based on the background described above, this study departs from the conceptual gap between the concept of present value in conventional economics and the values of maqashid sharia in Islamic economics. Present value, which has been used in modern economic and financial practices, is based on the assumption that the value of money is directly related to interest rates and individual time preferences. This has the potential to conflict with the basic principles of sharia, which rejects the practice of usury and places justice and benefit as the main objectives of every economic activity. Therefore, a theoretical reconstruction is needed so that the concept of present value can be reinterpreted in accordance with sharia and support the objectives of maqashid. The Concept of Present Value in Conventional Economics. The concept of *present value* is one of the main pillars of modern financial theory. According to Sahida et al.(2013) , present value is the current value of a number of cash flows that will be received in the future, calculated by discounting those cash flows using an interest rate or *discount rate*. The basic principle is that one unit of money owned today has a higher value than one unit of money that will be received in the future, because money today can be invested and generate profits. This idea is known as the *time value of money*. Thus, present value is used to measure the real value of future income or expenses, taking into account the time factor and the expected rate of return. (

In conventional economic perspectives, the main assumptions of this concept are individual rationality (*rational choice theory*) and *time preference*. Individuals are considered to always strive to maximize their utility, and because humans tend to value benefits received in the present more than in the future, money in the future must be discounted to obtain an equivalent value in the present. The discount rate is usually linked to *interest rates*, inflation, and investment risk. However, from an Islamic ethical perspective, this approach is anthropocentric and materialistic because it places individual interests and economic gain at the center of consideration. Therefore, in the context of Islamic economics, this concept needs to be reviewed to be in line with the principles of justice, balance, and benefit.

Furthermore, the concept of present value in the capitalist system has formed the basis for many financial instruments such as bonds, stocks, and derivatives, most of which operate based on expectations of interest or capital gains. This system encourages speculative behavior and extreme exploitation of the time value of money. As a result, economic inequality and financial instability often arise without consideration for moral and humanitarian aspects. Therefore, criticism of the concept of present value is not only theological, but also ethical and social. Within the framework of maqashid sharia, this concept needs to be reconstructed so that it not only reflects economic values, but also considers spiritual, social, and ecological balance in every economic decision.(Hirschfeld, 2019)

The Concept of Time Value in the Islamic Perspective

In Islam, time has a very important and sacred position. The Qur'an itself often swears by time, as in Surah Al-'Asr: "By time, indeed, mankind is in loss, except for those who believe and do righteous deeds." (QS. Al-'Asr: 1–3). This verse shows that time is not merely an economic dimension, but also a moral and spiritual dimension that must be utilized to achieve goodness and benefit. Therefore, the concept of time in Islam cannot be reduced to a factor in calculating financial profit. Time is a trust from Allah SWT that must be managed responsibly in order to provide sustainable benefits for humans and their environment. (Rahma, 2019)

In the context of Islamic economics, the value of time is recognized, but not in the sense of "time value of money" as understood in conventional economics. The value of time in Islam is closer to the concept of "time productivity value," where time is seen as a resource that must be utilized to produce *real value* creation. Islam does not reject the difference in value between cash and deferred transactions, but it rejects using this as a basis for earning interest-based profits. This can be seen in the practice of deferred sales (*murabahah*, *salam*, *istishna'*), which allows for price differences between cash and deferred payments, not because of interest factors, but because of differences in the time of delivery of goods and the risks incurred. Thus, the value of time is recognized in sharia as long as it is based on real productivity and risk.

This view is in line with the principle of justice and equity, whereby every form of profit must be commensurate with the risk or real contribution in economic activity. Therefore, the reinterpretation of the concept of present value in Islam should not be based on *interest rates*, but can use *the profit rate*, *expected return*, or *real growth rate* approach, which describes real economic growth without the element of usury. This reconstruction will restore the value of time within the framework of *maqashid syariah*, namely as an instrument to achieve *maslahah*, not as a tool to pursue profit alone. (Ridan et al., 2017)

Sharia Maqasid as a Normative Framework for Islamic Economics

The concept of *maqashid syariah* terminologically comes from two words: *maqashid*, which means purpose or intention, and *syariah*, which means Islamic law. Overall, *maqashid syariah* can be interpreted as the objectives to be achieved by Islamic law in order to realize human welfare. According to Al-Ghazali in *Al-Mustashfa*, *maqashid syariah* covers five main aspects, namely the preservation of religion (*hifz ad-din*), life (*hifz an-nafs*), reason (*hifz al-'aql*), offspring (*hifz an-nasl*), and wealth (*hifz al-mal*). All of these objectives are oriented towards achieving balance and human welfare both in this world and in the hereafter. (Ridan et al., 2017)

In the context of Islamic economics, *maqashid syariah* serves as an ethical and policy framework that ensures that every economic activity is not only

financially efficient, but also fair and brings social benefits. Every economic instrument, including the calculation of time value, must be tested based on the extent to which it supports or hinders the achievement of these maqashid. For example, if a financial practice causes exploitation, inequality, or excessive uncertainty (*gharar*), then that practice is considered contrary to the maqashid, even if it appears economically profitable. Therefore, maqashid syariah can serve as a normative evaluation tool to assess the compatibility of an economic concept with sharia principles.

In the context of reconstructing the concept of present value, maqashid syariah serves as the moral and philosophical foundation for building a new model that not only assesses cash flow based on time factors, but also considers the values of justice, balance, and sustainability. The time value of money in Islam must be viewed in the context of sustainability of benefit, not just economic efficiency. Thus, maqashid syariah can be the basis for developing the concept of *Islamic present value* that reflects a balance between economic growth and social responsibility. (Ubaidillah et al., 2024)

Efforts to Reconstruct the Concept of Present Value in Islamic Economic Literature

Several previous studies have attempted to reinterpret the concept of present value from an Islamic perspective. For example, Dusuki and Abozaid (2007) proposed a *value-based time concept* approach that links the value of time to productivity and social benefits, rather than interest. Meanwhile, Kahf (1994) emphasized that in Islam, time is an important factor in production and trade, but the value of time should not be used as a basis for profiting without any real economic activity. In another study, Siddiqi (2006) mentioned that *time preference* in Islam can only be accepted if it is directed towards achieving the common good, not individualistic gains. (Ubaidillah et al., 2024)

Although there are various approaches, most studies are still limited to conceptual aspects and do not offer mathematical or methodological models that can be implemented in modern Islamic financial systems. Therefore, a more comprehensive reconstruction is needed to integrate theoretical, ethical, and practical dimensions. In this case, maqashid sharia can serve as a methodological basis for developing *an Islamic present value model* that functions not only as a financial tool but also as an instrument for measuring economic benefit. With the maqashid approach, this concept can be directed to support sustainable development, equitable welfare, and increased distributive justice. (Ubaidillah et al., 2024)

Based on the above literature review, it can be concluded that there is a significant gap between the theory of present value in conventional economics and the values of maqashid syariah in Islamic economics. The concept of present value, which is rooted in the paradigm of interest and individualistic time preferences, needs to be reconstructed to be in line with Islamic moral and social orientations. The maqashid sharia approach provides clear normative directions

for building an economic model that is fair, balanced, and oriented towards *maslahah*. Therefore, this study attempts to bridge this gap by developing a new conceptual framework for present value based on sharia *maqasid*, so that it can be applied in modern sharia finance practices in a more ethical and sustainable manner. (Ubaidillah et al., 2024)

Conceptual Analysis: Present Value in the Conventional Economic Framework

The concept of *present value* (PV) has long been a key instrument in modern financial theory. Mathematically, present value is calculated using the formula:

$$PV = \frac{FV}{(1 + r)^n}$$

where PV is the present value, FV is the future value, r is the interest rate, and n is the number of time periods. This formula shows that the higher the interest rate and the longer the time period, the lower the present value of a future cash flow. This thinking is based on two main assumptions: the time value of money and economic rationality. (Hal R, 2014)

However, in the framework of Islamic economics, the use of *interest rates* as a discount factor is considered problematic. This is because interest (*riba*) is included in the category of transactions that are prohibited by sharia, as stated in the Qur'an:

"Allah has permitted trade and forbidden usury." (QS. Al-Baqarah: 275)

Theoretically, interest reflects compensation for deferred consumption or risk, but in practice, interest is exploitative because it provides certain profits without risk. In the Islamic economic system, every profit must be proportional to the risk borne (*al-ghunmu bi al-ghurmi*). Therefore, the reconstruction of *present value* in Islam requires the elimination of interest as a determining factor of the time value of money, replaced by parameters that reflect fairness, productivity, and benefit. (Rahma, 2019)

In conventional economics, *present value* is also used as an investment decision-making tool through the *Net Present Value* (NPV) indicator. A project is considered feasible if $NPV > 0$, meaning that the present value of cash inflows is greater than the present value of cash outflows. Although this method is financially rational, from a *maqashid syariah* perspective, it is considered **partial** because it only assesses economic benefits without considering social, ethical, or spiritual benefits (*barakah*). Therefore, the reconstruction of *present value* must expand its assessment dimensions, not only to *financial returns* but also to *social returns* and *spiritual values*. (Sofi, 2015)

Reconstruction of the Time Value of Money from the Perspective of Sharia Maqasid

Time Value as a Trust and Means of Benefit

In Islam, time (*al-zaman*) is viewed as a gift and trust given by Allah to humans. The use of time must be directed towards achieving *maslahah* (good) and avoiding *mafsadah* (harm). This concept implies that time should not be used to obtain destructive or unfair profits. Maqashid syariah places time in a moral dimension not merely an economic one. Every use of time for economic activities must uphold the principles of *'adl* (justice) and *ihsan* (goodness). (Sofi, 2015)

Therefore, *present value* within the framework of maqashid syariah should not be calculated based on interest rates, but rather on real productivity rates and social benefits. For example, the discount rate can be replaced with parameters such as *the real growth rate of productivity*, *expected return on halal investment*, or even *the maslahah coefficient*—an index that measures the extent to which economic activities benefit society. This approach treats time as an ethical instrument, not just a mathematical variable.

According to Chapra, time in Islam is a factor in spiritual and social development, not an instrument for capitalizing on profits. Thus, the value of money over time cannot be separated from the value of blessings. Blessing means that the use of time and wealth produces sustainable benefits and fosters social balance. Within the maqashid framework, blessing can be a moral parameter for assessing whether an investment is feasible or not, so that *present value* calculations are not only quantitative but also qualitative. (Burhanuddin, 2024)

Consequently, present value assessment within the maqāṣid framework is inappropriate if discounted at interest rates; it needs to be linked to real productivity and social benefits. Islamic economic literature proposes substitutes such as productivity growth rates, expected returns from halal investments, or proxies for risk-adjusted project returns as discount factors not interest. M. Fahim Khan shows that discounting is valid if it reflects the value of time that is not predetermined and can be proxied by the relevant real rate of return; Monzer Kahf emphasizes that the time value of money is an investment phenomenon that is assessed ex-post from real results, not ex-ante interest promises. His idea opens up the possibility of measuring PV based on productive performance and risk sharing (profit-and-loss sharing), rather than based on interest-bearing loans. (Muzaki et al., 2025) On the implementation side, welfare indices (e.g., "maslahah coefficient") can be derived from the maqāṣid measurement framework that has been developed in research such as the maqāṣid-based Islamic bank performance assessment model and various "maqāṣid indices" to assess contributions to justice, education, and welfare. These indices demonstrate the operational feasibility of assessing social outcomes in a structured manner, so that PV is not only quantitative (cash flow) but also qualitative (impact on maqāṣid). Thus, the weight of maslahah can multiply or adjust financial PV to prioritize projects that are most beneficial to society.

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Justice ('Adl) as a Principle of Ethical Discounting

One of the main objectives of maqashid sharia is to uphold justice ('adl) in all aspects of life, including economic activities. Justice in the context of the time value of money means ensuring that each party receives their rights proportionally and that no one is disadvantaged by unfair discount practices. In conventional economics, interest rates are often a source of inequality because they only benefit capital owners without considering the social or moral conditions of those who need funds. (Burhanuddin, 2024)

The concept of fair *Islamic present value* (IPV) can be developed by replacing *the interest rate* with an ethical discount rate (EDR) that is, a discount rate that takes into account social, moral, and spiritual dimensions. EDR can be formulated by considering three main factors: (1) real economic risk, (2) contribution to social welfare, and (3) environmental sustainability value. This approach is similar to the concept of *social discount rate* used in sustainable development economics, but adapted to the principles of maqashid sharia. (Hamdi, 2024)

For example, investment projects that improve community welfare, create jobs, and preserve the environment can be given a lower discount rate because they provide high social benefits. Conversely, projects that have the potential to cause damage or exploitation should be subject to a high discount rate or even rejected. Thus, *present value* not only reflects financial efficiency, but also becomes a measure of justice and welfare.

Hifz al-Mal: Protection and Productivity of Wealth

In maqashid syariah, *hifz al-mal* (preservation of wealth) means protecting wealth from damage, misuse, and idleness (*idle resources*). Islam commands that wealth be managed productively and beneficially for society. Therefore, the time value of money must be linked to the real productivity of wealth, not merely the potential for interest or speculation. The concept of *present value* based on *hifz al-mal* can be formulated using a real economy linkage approach, where future value is calculated based on the potential real contribution to production and welfare. For example, agricultural, educational, or renewable energy projects can be valued higher in the context of maqashid because they generate real added value for the people. Conversely, financial activities without real asset backing, such as derivative speculation, have no value within the maqashid framework because they do not create *maslahah*.

Umer Chapra emphasizes that economic stability and distributive justice can only be achieved if financial resources are directed towards productive

sectors that support maqashid. Therefore, *present value* calculations in Islamic economics should be based on *asset-backed value*, not *interest-based discounting*. This principle is in line with *sukuk* practices, where each security must have a real asset base that reflects its legitimate economic value.(Rahmawan, 2025)

Conceptual Reconstruction Model of Present Value within the Maqashid Shariah Framework

Based on the results of a systematic literature review, *present value* reconstruction can be formulated into a new conceptual model called Maqashid-Based Present Value (MBPV). This model combines a quantitative financial approach with the normative principles of maqashid syariah(Rahmawan, 2025) . The conceptual form can be explained through three main components, namely:

1. Ethical Parameter (E)

This is a correction factor for the calculation of the time value of money that takes into account aspects of social justice, sustainability, and blessings. E can have a value between 0-1, where the higher the ethical value of a project, the greater the value of E.

2. Maslahah Coefficient (M)

M measures the extent to which economic activities provide social, moral, and ecological benefits. For example, education or public health projects have a high M value, while speculative consumption activities have a low M value.

3. Real Growth Rate (g)

G replaces the role of *interest rate* in discount calculations. The value of g reflects halal and sustainable economic productivity.

Thus, the *maqashid-based present value* formula can be formulated as follows:

$$MBPV = \frac{FV \times (E \times M)}{(1 + g)^n}$$

This formula conceptually combines financial logic and maqashid values. The higher the ethical and beneficial value of a project, the greater the present value obtained. This model also emphasizes that time cannot be separated from moral values; every economic activity must have *religious value* and social contribution.

This approach is in line with the views of Sahida et al.(2013) in their article on *Islamic Moral Economy*, which emphasizes that the Islamic economic system is not merely interest-free, but must be oriented towards justice and collective welfare. With MBPV, this principle can be applied in the operational practice of Islamic finance.(Rahmawan, 2025)

Implications of Reconstruction for the Sharia Financial System

The reconstruction of *the present value* concept has significant implications for the modern Islamic financial system. First, it can become a more comprehensive framework for evaluating Islamic investments. By incorporating

maslahah and *ethical* factors into project assessments, Islamic financial institutions can select investments that are not only profitable but also have a positive social impact. This is in line with the vision of *Islamic Social Finance*, which includes *zakat*, *waqf*, and sustainable investment.

Second, this model encourages the creation of ethical financial instruments that do not rely on interest, but on productivity and *maslahah* value. For example, *profit-sharing sukuk* or *impact sukuk* can use MBPV parameters to determine the issuance value and rate of return. This will increase transparency and fairness in the distribution of investment returns. Third, the *maqashid* approach to *present value* can strengthen the development of a just economy (). By linking time value to social benefit, the Islamic financial system can avoid exploitation and ensure an equitable distribution of economic benefits. As emphasized by Kahf (2015), the Islamic economic system must function to reduce social inequality and strengthen economic solidarity among the people. Fourth, this model is also relevant in the context of green economy and sustainability. The *maslahah coefficient* value can be adapted to assess environmentally friendly projects or those that support *sustainable development goals (SDGs)* from an Islamic perspective. Thus, Islamic economics can contribute to the global agenda of sustainable development without abandoning *sharia* values.

The results of this study show that reconstructing the concept of *present value* within the framework of *maqashid sharia* is not only possible but also necessary to maintain the epistemological consistency of Islamic economics. However, the main challenge is to change the paradigm of practitioners and academics so that they do not simply replace the term *interest* with *profit rate* but truly instill the values of *maqashid* in the entire decision-making process.

Practically speaking, the MBPV model still requires further methodological development, especially in measuring the parameters of *ethics (E)* and *maslahah (M)* quantitatively. However, conceptually, this model offers a new direction for *sharia* finance theory: that economic efficiency and social justice are not two conflicting things, but can be unified through the *maqashid* approach.

Thus, it can be concluded that the reconstruction of *present value* within the framework of Islamic *maqashid* changes the financial paradigm from merely measuring monetary value to measuring *maslahah* value. It affirms that time, wealth, and profits are not the absolute property of humans, but rather a trust that must be managed to achieve justice, sustainability, and mutual prosperity. (Muzaki et al., 2025)

CONCLUSION

Thus, it can be concluded that the reconstruction of the concept of *present value* within the framework of *maqashid syariah* is not merely a terminological revision of conventional economic concepts, but a paradigmatic transformation. This transformation shifts the orientation of finance from its original materialistic nature to a spiritual-economic paradigm that places the welfare of the people as its main objective. In this paradigm, time is no longer a tool for exploiting value,

but rather a means of actualizing the divine mandate to create prosperity and justice on earth. Based on the results of the research and findings obtained, several suggestions can be put forward for further development at the academic, practical, and policy levels:

1. For the Development of Islamic Economic Theory

This study suggests that Islamic economists continue to expand their theoretical studies on the reconstruction of conventional financial instruments within the framework of *maqashid syariah*. The concept of *present value* is only one aspect of the many economic analysis instruments that still use the capitalist paradigm. Similar efforts can be extended to other concepts such as *interest rate*, *discount factor*, *net present value (NPV)*, and *internal rate of return (IRR)* so that all of them can be adjusted to the principles of justice and benefit. Quantitative research is also needed to empirically test the Maqashid-Based Present Value (MBPV) model, so that this concept can be converted into a mathematical and applicable model in sharia financial decision making.

2. For Islamic Finance Practitioners

Islamic financial institutions are advised to begin integrating ethical and social indicators into the investment assessment process. The use of *ethical discount rates* and *maslahah coefficients* can be an alternative in determining project value or a more equitable rate of return. By applying the maqashid principle, financial institutions can strengthen the differentiation between Islamic and conventional financial systems, not only in terms of the prohibition of usury, but also in terms of the social and moral dimensions of business. The MBPV model can be adapted to assess the effectiveness of *waqf sukuk*, *green sukuk*, or social infrastructure projects, so that the Islamic economy truly becomes a tool for achieving *rahmatan lil 'alamin*.

3. For the Government and Regulators

The government and financial authorities such as OJK and DSN-MUI are expected to develop policy guidelines that incorporate the dimensions of sharia maqasid in the assessment of financial projects and instruments. For example, development projects can be assessed not only based on *financial returns*, but also on a *maqasid compliance index* that measures the level of social benefit and environmental sustainability. Such policies can encourage the creation of an inclusive, equitable, and public welfare-oriented Islamic financial market. In addition, it is necessary to develop standardized methodologies for assessing the time value of Islamic money to prevent deviations in industry practices.

4. For Islamic Economics Education and Curriculum

Islamic higher education institutions are advised to incorporate the maqashid sharia approach in financial analysis into the Islamic economics and finance curriculum. This is important so that prospective economists and sharia finance practitioners understand that every financial decision has moral and social implications. By familiarizing students with the maqashid paradigm from an early age, it is hoped that a generation of economists will emerge who are not only

proficient in technical aspects but also have a high ethical awareness in carrying out their economic mandate in accordance with sharia.

5. For Further Research

This research is still conceptual and normative in nature. Therefore, it is recommended that further research be conducted using an empirical and quantitative approach to test the validity of the *Maqashid-Based Present Value (MBPV)* model. cal research can involve data from Islamic financial institutions, sukuk projects, or social investments to measure in real terms how the application of ethical values and *maslahah* (public interest) affects economic decisions. In addition, it is necessary to develop numerical measurement tools such as the *Maslahah Index* or *Ethical Value Scale* that can be used in Islamic finance models in practice.

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