* **Islamic Ethics in Business.**

Business ethics is a term that is often ascribed and imputed for the behaviour of a business organisation. The behaviour purported and asserted by the organization to maintain its interaction and communication with the respective civilization. The behaviour which it shows towards its grooming, maintaining the negotiation with the customers and the behaviour it shows towards the internal affairs. The notion of the term Business ethics is antique as the business itself. Iniquitously, the different forms of business ethics were acquired by different folklore, cultures and regions. But now with the proliferating and booming globalization, different sets of business ethics are perpetually annexing the familiar mores, forms and values. Proudly Islam being the complete and unmitigated religion provides not only the guiding doctrine and principles for all the human activities and exertion but it also clarify, demonstrate and prescribe the ethics of doing business as well. The Islamic ethics in business are considered valid and authenticate in all over the world. Howbeit, the Quran is not only the mystical book that gives such wonderful instructions and guidelines, and these ideas were not first visualized and conceived by the Muslim thinkers. But, the Bible has various such instructions, signs and notions which have been and can be practised and enforced in the commercial activities and business. Everyday, somewhere in the world, lot of people face and suffer from some ethical issues in business and uncannily the don’t know how to deal with them. These issues are faced by both employees and the boss. These ethical issues include fraud, lying, stealing and deceit etc. Various unethical behaviour in business is recorded during the surveys made either by U.S.A or internationally all over the world. These highlighted some serious issues faced in business by the employees and the bosses as well.

**Some** recent audits including the surveys made by more than two thousand U.S. association and corporation companies divulged and affirmed the basic ethical problems to be faced in the business now a days. Problems regarding unethical behaviour and circumstances in the business are arranged in (order of importance) concerned managers; Drugs and alcohol exploitation is one of these problems other being the worker vandalism, Collide and contention of interest, Trait control issues, Bigotry and favouritism in hiring and promotions, Desecration of proprietary information, Illegal use of organization’s expanse and spread accounts, lay off closings and the cease, illegal using of a company’s assets, and the environmental pollution causing factors. It is also reported at the international level that the ethical values in the business are very subordinate and hardly found. Other surveys made by almost three hundred famous companies over the world, provided the information regarding unethical behaviour in business highlighting the major issues being unethical ways of payments, sexual harassment, inappropriate gifts given, no moral values, employee conflicts of interest and many other serious crux which lead to the destruction of business. And these major issues are mentioned by 85% of the senior executives having professional experience. After describing the business ethics and the problems faced by the world in maintaining these ethics a question arises here which is **Is it unsophisticated or ingenuous for the Muslims doing any kind of business to behave ethically in a globally worldwide competing and opposing environment?** The answer is simply roaring and resounding NO,NOT AT ALL!. Islam being the complete religion governs and covers the all aspects and facets of life. Islam gives the everlasting and eternal triumph or Falah to all the Muslims equally, no matter they are working over their business issues, conducting their business affairs or dealing with the other daily life activities. Islam teaches us and guides us the right path to all the fields of life. Muslims seek help from religion Islam, in every aspect of life. For doing business and understanding all the ethics in business Islam gives the unmitigated instructions. The Islamic ethics in business are thus considered to be most accurate and valid all over the world. The Islamic ethics for doing business includes detailed description which is explained as follows;

**Explanation of Islamic funds, finance, services and contracts.**

The banking or embankment activities that acquiesce with the Islamic law are collectively known as **sharia** or **The Islamic finance and banking**. This includes its own distinct offered products, services and contracts. These products, services and contracts are totally different from usual, customary banking provided in different nations of the world. These products, services and contracts offered in sharia include mainly profit sharing which in terms of Islam is called as Mudharabah, the safe keeping or preservation which is termed as Wadiah, Joint venture or partnership which is termed as Musharakah, cost plus finance service which is termed as Murabahah, leasing or chartering which is termed as Ijar, another international service of transferring funds which is known as Hawalah, the Islamic indemnification or insurance service termed as Takaful, and the Islamic bonding service provided by the shariah which is termed as Susuk. In Sharia Riba, or any other exorbitant amount of interest on any business is prohibited. Strictly any usury is not allowed in any business according to the rules and principles of Sharia. Still there are situations where some Muslims have arguments and tussle considering the interest on products equivalent to riba. Sharia doesn’t allow investments made in business of any “Haraam” product such as alcohols and pork’s. Such businesses are against the Islamic law and are considered offensive. By following the laws of Islamic finance and Sharia and following guidelines provided for setting the business, by the Islamic economical point of view, some principles are described. These principles according to the concurrent and contemporary movements and steps of Islamic banking and finance system restrict and prohibit a variety of activities. The list of these activities includes mainly the following important points;

**Indemnifying and charging interest.** The paying of any kind of interests, all forms of interest are considered as riba and thus are strictly vetoed. Fiqh al-Muamalat is the term known for the rules of Islamic ventures and transactions. According to these rules the paying and charging of all forms of interest are strictly banned and are created for preventing use of interest in business. This was an important step in the grooming of businesses.

**Contribution in any “Haram” business.**

 Investments which are made in businesses that are considered to be “Haram” according to the Islamic laws and regulations are banned. Such investments are precluded by the Islamic laws. You can’t make any investment in the businesses dealing with production of Alcohol, pork’s and harmful drugs. These are forbidden. You can also not make any investment in any business having connection with any indecent, gossip including, or business having pornography associated with it.This is another important point which restricts the people from Haram businesses and from harming other people for their benefits.

**Extra and added charging for dilatory payment.**

 This includes charging extra amount of money for the late payment. This thing is also banned. You should not charge any extra money if people can not return your money on the due time. This applies to Murabahah or also termed as the fixed payment transactions. However in some cases, it is also discussed that having two conditions you are allowed to charge extra amount, the one being if they are donated to charity and the other being if the refusal of payment was deliberately said by the buyer. These situations are exceptional.

**Maisir, the betting.**

 Translation for the term Maisir is commonly gambling and betting, but according the Islamic laws of finance Maisir is termed as supposition and speculation. This is strictly banned in Islam. The business which involves Maisir as the source of earning is forbidden and not allowed. According to the Islamic rules you are not allowed to make investments in businesses which are dependent on any upcoming, unknown, uncertain event by giving a hypothesis or simply betting about it. This is forbidden in Islam. Any investment made in any gambling or speculation type of business is prohibited.

**Gharar, the ambiguity.** Gharar is also a bit relevant to the Maisir. The word Gharar is translated in terms of un-certainty and ambiguity. It is state of being predictable about the future which is actually unknown. Both the Maisir and Gharar are forbidden and not allowed to be involved in any business. Making money through such assumptions and predictions are strictly banned by the Islamic finance law. It is totally against the rules and regulations of Islam. These things are highly considered to be risky and can also instigate and foment the fraudulent behaviour in leading businesses. Thus are completely banned in Islamic finance.

Another thing which is strictly restricted in Islamic laws and finance is the promoting and engaging in ventures and transactions having dearth and paucity in the material finality. This point explains the term that all the transactions and ventures being made must be unreservedly conjoined to an authenticate and real intrinsic and underlying economic and financial transaction. And this thing leads to a situation where there are no other options and derivatives left. This thing should be avoided in order to lead the business according to the golden rules of Islamic law. These above mentioned forbidden and restricted terms are highly risky for the business. Practically, by following the instructions given by the Islamic finance law, growth of one’s business and establishment is really easier. Another important step for making this law more effective and strict, the Sharia members and supervisors, directs and guides the Islamic banks for all the transactions and ventures processes to be done according to the law and rules. They check and ensure that all the activities regarding transactions are going on well and in accordance with the rules and regulations. This judgment and elucidation made by the supervising team of Sharia has variable concerns varying country by country for instance being the most stringent and strict in Sudan and is considered to be less strict in Turkey. These golden rules and regulations made by Islamic law of finance has countless benefits in the field of business and economy. These perks and assets are numerous and enough for raising a country’s economical and financial position. Countless benefits which are because of the forbidding and prohibiting of interests on different products, chartering any illegal costs and due to obeying the foresee admonition often regarded as Divine Injunctions. These perks provided include the establishment and inauguration of an economy which is totally free from the lop-sidedness and disproportion. Draws attention to the situation where the money can be easily given to the hands of the poor and needy without any scam and they get equal rights with their finance and economic conditions. Also provide such duopoly and exclusive control which cease, and paralyze the external offensive forces in the market with the intentions of promoting their fake business. These benefits and strategies provided by the Islamic law are found no where else. And thus are an integral source of establishing a state where business can be promoted easily on Islamic terms and conditions without any fear. The ethics found in Islamic finance for increasing and grooming the business are unique and are also considered accurate worldwide. Applying these strategies in your business you can make a good move toward the progression and development of economy which is basic need now a days for a nation to stay efficient and to grow in this competitive world. You can take step in the generation of various factors that can prove valuable for the nation. These steps will result in wonderful changes giving an increased amount of exports, decreased amount of imports making positive impact on the economical and financial success of the nation. Can result in voracious amount of Jobs making the unemployment percentage less and providing the youth and young generation the good and desired Job vacancies so that they can play their role in the progress of the nation. Also making good attempts in refurbishing and rehabilitation of the handicaps and cripples. Hence providing a complete, successful, economically and financially strong nation. These instructions regarding ethics in business are not only considered as the benefits for improving the economical state but are also regarded as the principles and objectives of Islamic law facilitating every nation, every being with the guidelines to grow economically strong and to be an effective nation. These are the Islamic ethics in business, and no policies or laws offered by other nations can be compared with them. These golden objectives and principles providing navigation to the progression of a nation’s economy include legitimacy, humanity, decency, righteousness, homology and isonomy, clearness, pellucidity and pursuance of social conformity, unity and peace. These business ethics in Islam are the best source of the boosting and ennoblement of fair and equal growth of the economy and diminishing the poverty by providing countless Jobs and giving employment to the unemployed. This step is crucial for the progress of nation because the youth and young generation always plays remarkable role in the effective building and grooming of the economy and probably the nation’s progress. This step will also provide a broad vision about how the conditions of the Muslim communities and interactions can be improved all over the world. The interaction of Muslim nations with the world can be made better following the objectives and principles of Islamic law of business and hence by improving our social status, we can improve our economical status also.

**Explaining overview of products, services and contracts in Sharia**

**.**Islamic finance industry has a major portion of banking and embankment activities. The three major categories involved in this industry are banking products, investments and last but not the least accounts. These three categories describe the major pillars of this industry. The important points regarding this overview include detailed knowledge about modes of profit and loss sharing terms, the term trade-based financing and the third important point about safety and security based contract.

**Modes switching between profit and loss sharing**

 The profit and loss modes are described as the terms Musharakah and the Mudarabah, and its terminology is explained through the concepts that in this category of banking finance a mutual partnership between the financier and the user of finance such that the both members of this partnership share equal profits and losses made in the business. The original Islamic banking members find this profit loss sharing strategy as a key model for the removal of finance based interests and loans and replacing them. But some critics don’t agree with the above statement and consider the conventional banking more comfortable and they see profit and loss sharing as a risk in the progression of economy.

**Trade based financing and economy**

**.** The trade based economy often regarded as the asset previewed financing. In this category, not the fixed interest, loan and funds are given as conventional profits but the exchange plan of money and transferring of assets, money is made by the purchasing, hiring and selling of goods, services and products from different organization. The profit gained is also utilized for promoting the business terms. Selling and purchasing is done at exceptional level. This includes Musawamah, Salam, Murabaha and the terms of Istisna’s and tawaruq.

**Security and safety purposes**

**.** This category involves the intentional, fair safety and security of the investor’s or customer’s funds. All the details about the customer’s contracts, services purchasing and the businessman’s investment, selling, details are kept safe and secured. This includes the term Huwala.

By using these different strategies and techniques, business growth, management is surely done with no offense and no risk at all. That’s the ethics given by the religion Islam. These can’t be denied as they prove to be the key model for the establishment of nation’s economy. Business growth rate can be increased using these laws. Providing a wide and broad range of rule and regulations with facts to improve your business. These are moral laws which are very effective in every field of the business.

**References.**

1. Faleel Jamaldeen divides Islamic finance instruments into four groups—designating *bay al-muajil* and *salam* "trade financing instruments" rather than asset-based instruments.
2. for example *bay al-muajil* instruments are used in combination with *murabaha*, a *ijara* (leasing) may be used in combination with *bai* (purchasing) contract, and sukuk ("Islamic bonds") can be based on *mudaraba*, *murabaha*, *salam*, *ijara*, etc.
3. according to Mehmet Asutay quotes Zubair Hasan
4. "In order to pressurize the buyer to pay the instalments promptly, the buyer may be asked to promise that in case of default, he will donate some specified amount for a charitable purpose."
5. (Resolution 179 (19/5)).
6. QardHasan lets you borrow from the community, interest-free, using the power of crowd funding to get fair access to higher education.
7. for example according to Saudi Muhammad Saalih al-Munajjid of IslamQA, it is not haram (forbidden) to use conventional banks to transfer money "but one should hasten to collect the money as soon as it arrives, so that the bank will not be able to make use of it in any riba-based dealings".
8. Deposit accounts held at a bank or other financial institution may be called [transaction accounts](https://https-en-m-wikipedia-org.0.freebasics.com/wiki/Transaction_account?iorg_service_id_internal=1547440102204384%3BAfou19o3hNFuYYUQ), checking accounts, current accounts or demand deposit accounts. It is available to the account owner "on demand" and is available for frequent and immediate access by the account owner or to others as the account owner may direct. Transaction accounts are known by a variety of descriptions, including a current account (British English),r checking account when held by a bank share draft account when held by a credit union in North America. In the UK, Hong Kong, India and a number of other countries, they are commonly called current or cheque accounts.
9. "...the Holy Qur’an has expressly said, `And if he (the debtor) is short of funds, then he must be given respite until he is well off.`" (2:280)

**Citations.**

* 1. [**^**](https://https-en-m-wikipedia-org.0.freebasics.com/wiki/Islamic_finance_products%2C_services_and_contracts?iorg_service_id_internal=1547440102204384%3BAfou19o3hNFuYYUQ#cite_ref-tnet01_1-0) [*"Shariah Law Guide"*](https://0.freebasics.com/xupsells/?encryptedcontinueuri=AausnVKghpDG-H4AA_SAGtgmuyMShIbcqrM6TrkSD1Zutbu2_l84plkxPM1gANjUgQYs7keYf0p3iFIw1Bc1usc1yiULJwk-phoqa-FH--0wAA7nyHBr7MdYjAFtAV6F&encryptedbackuri=AasDjY_7VmKDfdJo_AQxp_GcgDUspjMzC8fb_9FXE5mCQyIGsfLw1MxUp9rG6343lsOrGZPtDoOgdRXqakoJH0_mvkorKQpXwwKOBhVFXFZ-4ge5U_eln-tWkF7jDYe0N9-LWpKgOTOXFFH0WX4gE-1rcbF9oCxb-ysR1hhu7GvagX_x4wE_SYF4rUmdiOPjo1TcOekxCIoEd_lGdeRRJVQrDQk1jx2fSoZS9GiVHlj8RHzoiWugGEao44JqytFjdptSzdZ_IJ_NlSU_Bmg&why=not_zero_rated&service_id=1547440102204384&no_header=1). Trustnet.com.
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	3. [**^**](https://https-en-m-wikipedia-org.0.freebasics.com/wiki/Islamic_finance_products%2C_services_and_contracts?iorg_service_id_internal=1547440102204384%3BAfou19o3hNFuYYUQ#cite_ref-3) [*"Islamic Banking & Finance | Noorbank"*](https://0.freebasics.com/xupsells/?encryptedcontinueuri=AauwlystRX-TATTIy78FxvvBbFmPE5sL1lvShdweyqre2zzXrenKEK9FIYk4MKtWL6E_Cqr7Uj9k_vmMMdYXJYZblIheBM5C9WnKk4aVsi4Z9gtou8BBemqD8OrSh47FWUr56ugq90rVBqlV88dQg2cSsRR_LtStnQC9LRu7y4viZzdlg8oYp7rd&encryptedbackuri=Aav7WlYlf6Rd4mAw9sIVLj8fLgM5kr6QbM8d5A_gxeqt7gZsOPycqZCfC8JopfShrA4bto2uSNmDe6-lu1oj7uDX1TX2zPV2pNucZs5QmzlrFqEDqV_85ndHVD-L-996ZbhnnoIYRUXiM_aQxyUjHw95hUzxyT3qf9O-j05zpim9SqkIV_5xtnZ4uWGcGelI1MtLFiZ9iuedrt6Ln49uIz-gkbtRnteE6aAmP_lHtrYPcBUf40LY0uxx7bl0K8KIWEX5ocEXDNJeoPBD9JE&why=not_zero_rated&service_id=1547440102204384&no_header=1).www.noorbank.com. Archived from[*the original*](https://0.freebasics.com/xupsells/?encryptedcontinueuri=Aavu3J_yzdO-492F72V-smQQb6BQkejwN9ZRj7w4Qn-U5j9NRLGO83vKTJM74DCEUXmhWDqSMnbn5s3DRdJY6_8hmV-zMIfUY_f8bxpfA2anLtrqMns5SW9OQqaOiPs&encryptedbackuri=AatarWeFftdLxdvThcHdX9ThNjV85UgHbLqCO1I_hERo3Y1KjBPtf8OK6mbYN706EVYfbDVmZ5wQfIkbQU58sNHjkMFgTBR9Dg5oQ5v2XgKvXl7n0Qwy1knDr5oqMrFZOgSLrKX9kA5KadavIoakbLr608owAcwBiiGwEbBetyZZl00Io8L9BL-k0AJEMw-fNYg_7evmwSTab9QK3p41-VpXAmNdoSvujB7RwJPhNunIPeVUpKdTyhICoPg3xcpUq7RVEoMiE6VNEjDM-5o&why=not_zero_rated&service_id=1547440102204384&no_header=1)on 31 January 2018*. Retrieved 31 January 2018*.
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