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Recontextualizing Islamic Law in the Digital Era: Challenges and Opportunities for Contemporary Sharia Governance

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Abstract

Digital transformation has engendered new challenges for Islamic law and Sharia governance through the emergence of artificial intelligence, fintech, big data, algorithms, digital platforms, and automated decision-making. These developments reveal the limitations of conventional Sharia compliance, which has hitherto focused predominantly on products and contractual structures rather than on technological processes and their broader implications. This study aims to analyze the necessity for recontextualizing Islamic law in the digital era and to develop a contemporary Sharia governance conceptual framework. The study employs a normative juridical method with doctrinal, conceptual, statutory, *maqāṣid al-sharīʿah*, and limited comparative approaches. Legal materials and literature are analyzed through normative content analysis and conceptual synthesis. The findings indicate that digital transformation expands the objects of Sharia governance to encompass data, algorithms, technological processes, institutional accountability, and social impact. This study proposes the *Maqāṣid*-Based Digital Sharia Governance (MDSG) framework, comprising six dimensions: Sharia integrity, algorithmic accountability, data governance, transactional justice, institutional accountability, and maqāṣid impact assessment. This framework shifts the orientation of Sharia compliance from product-based assessment towards sustainable governance of data, processes, systems, decisions, and impacts.

Keywords: Islamic Law; Digital Governance; *Maqāṣid Al-Sharīʿah*; *Maqāṣid-Based Digital Sharia Governance;* Sharia Compliance.

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INTRODUCTION

Digital transformation has changed the way people transact, make decisions, manage information, and receive public services (Hidayat, 2024). The development of artificial intelligence (AI), fintech, digital platforms, big data, cloud computing, and automated decision-making are no longer just tools, but have formed new structures in social and legal relations.(Pradhana, 2024).This change expands the scope of Islamic law, as activities previously conducted through direct interaction now involve algorithms, data, platforms, and automated decisions. These issues are not simply addressed through categories of halal (permissible) and haram (forbidden), but also require attention to justice, public interest, protection of property, privacy, transparency, and prevention of harm. Although fiqh has tools such as *qiyas*, *istihsan*, *maṣlaḥah*, and *sadd al-dharā'i* to respond to social change, digital technology presents new legal objects and relations, such as personal data, digital identity, algorithms, recommendation systems, and AI, which generate rights, obligations, benefits, and risks that cannot always be explained through conventional fiqh constructions (Mustamin, 2025).Therefore, the main problem is not the inability of Islamic law to deal with technology, but rather the need to recontextualize its normative principles in light of the structure and risks of digital technology so that it retains normative force and is able to provide relevant responses to the legal issues of contemporary society.

In this context, the concept of sharia compliance needs to be expanded because compliance focused on products, contracts, and institutional activities does not always adequately address the risks of digital technology. A service may formally comply with contractual provisions, but still raise sharia issues through data exploitation, opaque algorithms, automated discrimination, behavioral manipulation, or weak accountability. These risks become more complex when algorithms take over some human decisions, such as in credit scoring, financing assessment, risk detection, consumer segmentation, and product recommendations, including in the sectors of Islamic finance, zakat, waqf, digital commerce, and religious services. Therefore, the question of Islamic law needs to shift from simply "is this product compliant with sharia?" to "are the design, processes, decisions, and impacts of the system compliant with sharia principles?" This shift demands a transformation from sharia compliance to digital sharia governance, which assesses the entire technology lifecycle, from design and data collection and processing to decision-making and implementation to impact evaluation. Within this framework, maqāṣ*id al-sharī'ah*can be an evaluative basis for assessing the justice, welfare, protection, and accountability of technology, for example through the protection of property from digital fraud, the protection of reason from information manipulation, and the protection of dignity and privacy from excessive data use. Thus, maqāṣ*id*not only serves as a basis for establishing laws, but also as a critical instrument for evaluating whether technology and its governance actually produce benefits and prevent harm (Ilham et al., 2025).

In the Indonesian context, the need to develop digital sharia governance is increasingly relevant with the growth of the digital economy and the presence of regulations regarding electronic transactions, consumer protection, sharia economics, and personal data, including Law

Number 27 of 2022 concerning Personal Data Protection (Ikhwan et al., 2025).The development of Sharia-compliant fintech, e-money, digital commerce, and technology-based financial services demonstrates the increasingly close relationship between Sharia principles and digital systems. Although national regulations and Sharia fatwas have provided a normative basis, the acceleration of technology continues to create new risks that are not always addressed by existing legal instruments. Numerous studies have examined Sharia-compliant fintech, artificial intelligence, and *maqāsid*-based data protection, and the digitalization of Islamic economic law, but these studies tend to be sectoral and focus on specific technologies or products. AI, fintech, personal data, and digital transactions are generally analyzed separately, thus not yet producing a framework that explains how Islamic legal principles can govern the entire technology lifecycle, from design and data management to decision-making and impact evaluation (Ali, 2026). This gap indicates the need for a digital sharia governance framework that integrates Islamic law, *maqāṣid al-sharī'ah*, national regulations, and technology governance principles to ensure that digital innovation not only meets formal compliance, but also produces justice, welfare, protection, transparency, and accountability.

This gap indicates that Islamic legal issues in the digital era are no longer limited to establishing laws regarding specific technologies, but have shifted to the need to establish governance that ensures Sharia compliance throughout the technology lifecycle. Therefore, a product-based compliance approach that focuses on contracts and products needs to be developed into governance-based compliance that encompasses data, algorithms, decision-making processes, impacts, oversight, and accountability. This article proposes the concept of Maqā (Islamic Principles).ṣid-Based Digital Sharia Governance as a framework for recontextualizing Islamic law in digital transformation by integrating *maqāṣid al-sharī'ah*, legal compliance, data governance, algorithmic accountability, transactional fairness, institutional oversight, and impact evaluation. This framework positions Sharia compliance as a continuous process throughout the technology lifecycle, so that assessments are based not only on the form of the contract or product, but also on how data is obtained and used, how the algorithm generates decisions, the distribution of benefits and risks, and the potential harms that may arise.

Based on this framework, this study aims to analyze changes in the objects and mechanisms of Islamic legal governance due to digitalization, identify the limitations of conventional sharia compliance in dealing with data and algorithm risks, and formulate a digital sharia governance model based on *maqāṣid al-sharī'ah*The contribution of this research lies in the development of a conceptual framework that positions Islamic law not only as an instrument for assessing halal and haram, but also as a governance system that can direct digital technology to meet the principles of justice, welfare, protection, transparency, and accountability.

METHOD

This study employs normative legal research with a doctrinal and conceptual design through a problem-driven legal research approach. The research focuses on legal norms, sharia principles, Islamic legal doctrine, regulations, fatwas, and the concept of digital governance, without

empirically measuring societal behavior. Five complementary approaches are used: a statute approach to examine regulations related to electronic transactions, data protection, the digital economy, and sharia activities; a conceptual approach to connect the concepts of sharia compliance, sharia governance, digital governance, data governance, and algorithmic accountability; a doctrinal approach to analyze the principles of justice, benefit, protection of property, prevention of loss, and legal certainty; and maqā (the principle of justice).*ṣid al-sharī'ah approach* to evaluate the benefits, risks, and impacts of technology; and a limited comparative approach to identify internationally relevant digital and sharia governance principles. The research materials include literature on usul fiqh and *maqāṣid al-sharī'ah*, fatwas, journal articles, and other supporting materials. Priority was given to literature from 2020-2026, particularly reputable publications searched and retrieved from Google Scholar, while classical literature was used to strengthen the theoretical foundation.(Kristianto & Chariansyah, 2026).

The analysis was carried out through normative-content analysis and conceptual synthesis with the stages of norm identification, digital problem classification, normative gap analysis, maqā evaluation.*ṣid*, and conceptual reconstruction. Issues are classified into data governance, algorithmic decision-making, digital transactions, transparency, accountability, privacy, consumer protection, and social justice. Furthermore, maqāṣ*id al-sharī'ah*, ma*ṣlaḥAh*, and sadd al-dharā'i are used to assess the benefits, risks, harms, and interests that must be protected. The results of the analysis are then reconstructed into six dimensions of Maqāṣid-Based Digital Sharia Governance, namely sharia integrity, algorithmic accountability, data governance, transactional justice, institutional accountability, and maqāṣ*ID impact assessment*The validity of the argument is strengthened through source triangulation by comparing legal sources, fatwas, classical literature, regulations, and academic research, as well as conceptual triangulation through the integration of Islamic legal perspectives, maqāṣ*id al-sharī'ah*, positive law, and digital governance. With this design, the research does not stop at determining the legal status of a particular technology, but rather reconstructs sharia governance that can be applied throughout the technology lifecycle and shifts the orientation from conventional sharia compliance to Maqāṣ*id-Based Digital Sharia Governance* (Ulfa et al., 2026).

RESULTS AND DISCUSSION

Reconstructing Sharia Compliance in Digital Transformation

The analysis shows that digital transformation has expanded the objects of Islamic legal governance from mere subjects, objects of transactions, contracts, and legal consequences to technological systems that shape the processes and outcomes of legal relationships. Personal data, digital identities, algorithms, recommendation systems, platforms, artificial intelligence, and automated decision-making no longer function merely as technical instruments, but can also determine access, assess risk, influence transactions, and generate decisions for users. This situation demonstrates that Sharia compliance is insufficient if it only assesses the formal conformity of a product or contract. For example, a financing contract may comply with Sharia provisions, but the credit scoring process may use biased data or opaque algorithms, resulting in

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discriminatory treatment and injustice.(Jazuli & Wasil, 2025).Therefore, sharia evaluation should cover technological processes, data quality, decision-making mechanisms, risk distribution, and its impact on users.(Balqis et al., 2025).These findings confirm the shift from transaction-centered governance to system-centered governance, an approach that assesses the entire socio-technical system, comprising people, data, technology, algorithms, institutions, decision-making processes, and their impacts. Thus, digital transformation not only changes the way transactions are conducted but also expands the scope of Islamic legal governance from oversight of transactions to oversight of the systems that shape, direct, and determine the consequences of those transactions.

An analysis of the concept of sharia compliance reveals a gap between conventional compliance models and the complexities of digital technology. Conventional models generally place products, contracts, and compliance with fatwas as the primary objects of review. This approach remains important, but becomes inadequate when business processes involve algorithms, large-scale data processing, and automated decision-making. The first gap lies in the object of compliance, as compliance no longer simply assesses products or activities but must also encompass the technology that shapes the process and outcomes of transactions. Algorithms, data quality, and platform design can determine access, risk, pricing, and user decisions. Therefore, product review without system review has the potential to result in formal compliance without substantive fairness. The second gap lies in the process of compliance. Compliance conducted only at the design and implementation stages is insufficient for digital systems that are constantly evolving through algorithm updates, data changes, and evolving usage patterns. Therefore, sharia compliance needs to shift from an ex ante compliance approach to continuous compliance monitoring, with ongoing oversight throughout the technology lifecycle to ensure that system changes remain consistent with sharia principles and do not introduce new risks or harms.(Safitri et al., 2025).

The next gap lies in accountability and transparency. Automated systems can make decisions that directly impact users, but they don't always provide a clear mechanism for determining responsibility when errors occur, creating an accountability gap. From an Islamic legal perspective, this contradicts the demands of justice and the prevention of harm, as detrimental decisions must be traceable, corrected, and accounted for. This problem is exacerbated by the lack of transparency in data processing and algorithmic decision-making. When users don't understand how data is used or how a decision is made, they struggle to provide meaningful consent, assess risks, or raise objections. Transparency is therefore not merely a technical principle of digital governance, but part of substantive compliance, as it relates to clarity, honesty, rights protection, and harm prevention. Based on these findings, Sharia compliance needs to be restructured from product and contract compliance to process, system, and impact compliance. This requires compliance to examine not only the form of the product and contract, but also the technological process, decision-making mechanisms, institutional accountability, and the social impacts generated throughout the technology lifecycle.(Nicholle, 2025).

*Maqāṣid al-Sharī'ah*as a Digital Risk Governance Framework

The mapping results show that digitalization generates types of risks that are directly relevant to the objectives of Islamic law. These risks do not always manifest themselves in the form of contract violations. Some arise through the way data is collected, algorithms operate, information is disseminated, and decisions are made.

Table 1. Mapping of Digital Risks against Maqā Dimensionsṣid al-Sharī'ah

Digital Risk	*Legal and Ethical Concern*	*Relevant Maqāṣid Dimension*
Data exploitation	Misuse and excessive use of data	*Privacy, dignity,ḥifẓal-māl*
Algorithmic bias	Discrimination and injustice	*al-ʿadl, al-musāwāh*
Automated decision-making	Accountability gap	*Justice, accountability*
Digital fraud	Economic loss and fraud	*ḥifẓal-māl*
Manipulative interface	Manipulation of user choices	*Momṣlaḥah, avoidance of harm*
Misinformation	Disruption to the quality of knowledge	*ḥifẓal-ʿaql*
Excessive surveillance	Violation of privacy and dignity	*Dignity, privacy*
Digital exclusion	Inequality of access to services	*Justice, social welfare*

The mapping as shown in Table 1 above shows that maqāṣ*id al-sharī'ah*have the analytical capacity to evaluate digital technology risks more comprehensively.Ḥifẓal-māl, for example, not only covers the protection of ownership in conventional transactions, but also the security of digital assets, fraud prevention, and protection from losses due to digital systems, whileḥifẓal-ʿAQL can be used to assess the risks of information manipulation, the spread of false information, and algorithmic influences on knowledge formation. However, maṣ*laḥAh*cannot be used simplistically to state that technology that increases automatic efficiency is in accordance with maqāṣid. The benefits of technology must be assessed along with its potential harms, the distribution of benefits and risks, and accountability mechanisms. Therefore, the assessment of maqāṣIt is necessary to consider benefit, harm, distribution, and accountability simultaneously. The principle of sadd al-dharā'i reinforces this approach by placing risk prevention at the design stage, rather than after harm has occurred. Thus, maqāṣ*id al-sharī'ah*, maṣ*laḥAh*, and sadd al-dharā'i can be developed as an evaluative and preventive framework to ensure that digital technology is not only efficient, but also fair, safe, responsible, and in line with the objectives of Islamic law.(Susanti et al., 2026).

Digital transformation not only creates risks but also opens opportunities for strengthening sharia governance. Technology enables continuous sharia monitoring through faster and more systematic transaction monitoring, and supports AI-based sharia compliance assessments to identify transaction patterns, detect potential discrepancies, and analyze documents on a large scale. However, AI results must remain subject to human judgment and

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the judgment of sharia authorities as they cannot replace legal decisions. Digitalization can also increase transparency and traceability in zakat and waqf management through more measurable recording, reporting, and distribution monitoring, while expanding the accessibility of Islamic financial services through sharia fintech for communities with limited access to financial services. Furthermore, technology can support technology-assisted sharia audits by shifting audit patterns from periodic inspections to more continuous oversight. However, these opportunities do not automatically generate benefits. The benefits of technology remain dependent on system design, intended use, data quality, distribution of benefits and risks, human oversight, and institutional capacity to control irregularities. Therefore, digitalization needs to be placed within a governance framework that ensures that technological innovation not only increases efficiency, but also fulfills the principles of sharia, justice, transparency, accountability, and welfare.(Kharimah, 2025).

The synthesis of the analysis results shows that the challenges and opportunities of digitalization require changes to the structure of sharia governance. Models that solely examine contracts and products are no longer adequate for systems that utilize data, algorithms, and automated decisions. Based on the normative mapping results, six dimensions are required in a digital sharia governance framework.

Table 2. Six Dimensions of the Digital Sharia Governance Framework (Maqāṣ*id-Based Digital Sharia Governance*)

Governance Dimension	Primary Function	Maqāṣid Orientation
Sharia Integrity	Ensuring compliance with sharia principles	Normative integrity
Algorithmic Accountability	Controlling bias and automated decisions	Justice and accountability
Data Governance	Protecting data and privacy	Dignity and protection
Transactional Justice	Ensuring fairness in digital transactions	ʿAdl and prevention of harm
Institutional Accountability	Determining inter-actor responsibilities	Responsibility and justice
Maqāṣid Impact Assessment	Assessing the benefits and risks of technology	Momṣlaḥhealth and harm prevention

The six dimensions as mentioned in Table 2 above show that digital sharia governance must work multidimensionally: sharia integrity provides a normative basis, data governance and algorithmic accountability control the technological process, transactional justice maintains fairness in economic relations, institutional accountability ensures clarity of responsibility, and maqāṣThe impact assessment evaluates the overall impact of the system. Based on these findings, this study formulated Maqāṣid-Based Digital Sharia Governance (MDSG) as a framework that places maqāṣ*id al-sharīʿah*as the primary orientation and integrates it with positive law, digital governance, sharia supervision, and impact evaluation. The MDSG does not replace sharia compliance, but rather expands the object of compliance from products and contracts to data, algorithms, processes, systems, decisions, impacts, and accountability. Conceptually, this model

shifts the pattern from Product → Contract → Fatwa → Compliance to Data → Algorithm → Contract → Process → Decision → Impact → Accountability. This shift demonstrates that recontextualizing Islamic law does not mean abandoning its normative principles, but rather expanding its application to new technological structures. Thus, Islamic law can function not only to determine the legal status of digital products but also as a governance framework that directs digital systems to be fair, transparent, secure, accountable, and oriented towards the welfare of the community.

The research findings show that digital transformation requires an expansion of the concept of sharia compliance from compliance with products and contracts to governance of the entire technology system. Conventional sharia compliance models remain crucial for ensuring transactions comply with sharia principles, but they become inadequate when digital processes involve data, algorithms, platforms, users, and institutions that can influence decisions and transaction outcomes. Therefore, sharia compliance needs to encompass product compliance, process compliance, system compliance, and impact compliance. This shift does not eliminate the function of sharia compliance, but rather broadens its oversight, encompassing how products are designed, how data is acquired and processed, how algorithms generate decisions, and how benefits and risks are distributed. This approach also places accountability as a crucial component of compliance, as algorithmic outputs are inextricably linked to data quality, design objectives, system parameters, and the decisions of the institutions operating them.

From an Islamic legal perspective, sharia assessments are therefore not solely oriented toward the final outcome but must also consider the process that led to the decision to ensure justice and prevent harm. Consequently, sharia governance needs to be implemented continuously through continuous sharia governance, not just at the initial approval stage. Algorithmic changes, system updates, changes in data usage, and the emergence of new risks must be part of the oversight process. Based on this framework, digital sharia governance can be understood as a mechanism that integrates normative compliance, technological accountability, institutional oversight, and maqā (obligatory principles).ṣid impact. Thus, Islamic law not only functions to determine the halal and haram status of a digital product, but also establishes principles and boundaries of governance so that technology is designed, used, and developed in a fair, transparent, responsible, and welfare-oriented manner.(Rosinawati, 2026).

Research findings show that maqāṣ*id al-sharī'ah*can be developed not only as a basis for legal arguments, but also as an operational governance framework for evaluating digital technology.ṣid provides an orientation toward protecting interests, fairness, preventing harm, balancing benefits and risks, and achieving social welfare. In a digital context, these principles can be applied to assess the security of digital transactions and assets through*ḥifẓal-māl*, the risk of information manipulation through*ḥifẓal-ʿaql*, protection of privacy and dignity through the principle of human protection, as well as potential discrimination through the principle of justice. The principle of harm prevention also allows interventions to be carried out before technological risks develop into wider losses.

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However, maqāṣid is not sufficiently applied at an abstract level because the principle of benefit needs to be translated into parameters that can be used in decision-making. On that basis, this study offers Maqāṣid Impact Assessment is an instrument for evaluating at least five aspects: benefit, to measure the benefits of technology; harm, to identify potential losses; distribution, to assess the distribution of benefits and risks; necessity, to test the need to use technology; and accountability, to ensure the existence of a correction mechanism and clarity of responsible parties.

With this framework, maqāṣid is placed throughout the entire technological cycle, from design, evaluation, implementation, to supervision. This shift demonstrates that the recontextualization of Islamic law does not alter the fundamental purpose of maqā.*ṣid*, but changing the way those goals are operationalized to become the standard for evaluating technology, its risks, and its impacts. Thus, maqāṣid can function as a governance instrument that ensures digital innovation is not only efficient and formally compliant, but also fair, safe, responsible, and welfare-oriented.(Masruroh, 2026)

Research findings indicate that the use of algorithms in financing, risk classification, recommendations, and service prioritization presents a new dimension to sharia governance. Algorithms can increase efficiency, but they can also lead to injustice when using biased data, inappropriate parameters, or non-transparent decision-making processes. From an Islamic legal perspective, this issue is directly related to the principle of justice, as algorithmic decisions can have real legal and social consequences. Therefore, responsibility cannot be shifted to technology but remains with the institutions that design, use, and oversee the system. Based on this, this study positions algorithmic accountability as a crucial dimension of digital sharia governance, encompassing four key elements: explainability, to ensure decisions can be explained; bias assessment, to identify potential discrimination; human oversight, to ensure human authority to review and correct automated decisions; and remediation, to provide a recovery mechanism when the system causes harm.

These four elements broaden the meaning of sharia compliance because digital systems are not only assessed based on technical accuracy, but also based on ethical and maqā.ṣid compliance. A non-transparent system can hinder access to justice, algorithmic bias can result in unequal treatment, and the absence of a corrective mechanism can exacerbate harm. Further implications lie in strengthening the sharia supervisory function. Sharia supervisory boards in the digital environment need to understand the technological aspects that influence transactions, although they do not necessarily need to possess technical programming expertise. Because digital risks exist at the intersection of norms, technology, and institutions, effective oversight requires collaboration between sharia experts, legal experts, technologists, auditors, and regulators. Thus, algorithmic accountability is not merely a technical principle of digital governance, but an instrument to ensure that technology use remains within the boundaries of justice, transparency, accountability, and welfare required by Islamic law.(Fudaili, 2025).

Research findings indicate that data has become a crucial object in the digital economy because information about user identity, preferences, behavior, location, transactions, and interactions can be used to generate economic value and influence decisions. This situation raises issues regarding access, use, security, and protection of personal data, which from an Islamic legal perspective are not simply understood as matters of property ownership but also relate to privacy, honor, security, and human dignity. Therefore, the use of data without a clear basis, excessively, or disproportionately can conflict with the principles of Islamic law.*ṣlaḥAh*although it does not always result in direct financial loss.

Therefore, data governance needs to be an integral part of digital sharia governance by ensuring that data acquisition, processing, security, sharing, and retention are conducted for legitimate, relevant, proportional, and accountable purposes. This approach also aligns with the data protection principles in Indonesian law, which emphasize the importance of controlling the processing of personal data. Within the framework of the maqā (law of the law),ṣid, every use of data must be assessed based on the benefits generated, potential harms, the necessity of its use, and the level of protection of individual rights and dignity. The principle of proportionality is important because economic value or increased efficiency does not in itself justify extensive data collection. If the additional benefits are relatively small while the risks to privacy and human dignity are high, data use should be limited or stopped. Thus, the relationship between maqāṣid al-sharī'ah, maṣlaḥah, and sadd al-dharā'i can be applied as a preventive basis to ensure that data management is not only formally legitimate, but also fair, safe, proportional, and protects human dignity.(Harahap, 2025)

One of the main contributions of this research is the reconstruction of sharia governance from a product-based approach to a technology lifecycle-based approach, so that sharia compliance is continuously evaluated from the time the technology is designed through its use and improvement. At the design stage, institutions need to identify the objectives, benefits, and potential risks of the technology to interests protected by sharia. The data acquisition stage ensures that data is obtained legally, relevantly, proportionally, and securely, while the algorithmic assessment tests for transparency, accuracy, bias, and potential discrimination. Next, the sharia and legal assessment assesses the system's compliance with sharia principles and positive law. The implementation stage ensures that the technology's use is under human oversight and has clear accountability mechanisms. Once the technology is deployed, continuous monitoring is required to detect system changes, usage patterns, and new risks, while remediation provides corrective action when losses or non-compliances occur. This approach shifts sharia supervision from a static to a dynamic model, as the suitability of a product at launch does not guarantee its suitability when the algorithm, data, or business model changes.

Therefore, sharia approval needs to be understood as part of a governance process that can be reviewed and updated based on technological changes and their impacts. This lifecycle model also operationalizes the principle of sadd al-dhara'i by prioritizing harm prevention from the design stage and throughout the technology's use, rather than only after harm has occurred. This preventative approach is crucial in the digital environment because system errors can be

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replicated quickly and have a wide impact on many users. Thus, lifecycle-based sharia governance enables sharia compliance to function as a preventive, continuous, and adaptive governance mechanism that maintains technology's compliance with sharia principles throughout its lifecycle.(Husna & Nasution, 2025).

Maqā Compilation*ṣid-Based Digital Sharia Governance*(MDSG)

Based on the overall findings, this study proposes Maqā*ṣID-Based Digital Sharia*Governance (MDSG) as a governance model that integrates Islamic legal principles with the needs of digital technology regulation. MDSG does not replace the existing Sharia governance, but rather expands its objects, processes, and oversight indicators from products and contracts to data, algorithms, processes, decisions, impacts, and accountability. This model consists of six interconnected pillars: Sharia Integrity, which ensures the alignment of objectives, products, contracts, processes, and impacts with Sharia principles; Algorithmic Accountability, which regulates transparency, bias testing, human oversight, and correction of algorithmic decisions; Data Governance, which ensures data is obtained, processed, stored, and used lawfully, proportionally, securely, and respects privacy and human dignity; Transactional Justice, which applies the principles of justice and prohibits riba, gharar, maysir, tadlis, and exploitation in digital transactions; Institutional Accountability, which establishes clarity of responsibility between Sharia institutions, regulators, technology providers, and institutional managers; and Maqā*ṣid Impact Assessment*, which evaluates the benefits, risks, distribution of impacts, necessity, and proportionality of technology.

Operationally, the six pillars work through a series of Normative Foundation → Digital Risk Identification → Sharia and Legal Assessment → MaqāṣImpact Assessment → Governance Controls → Human Oversight → Continuous Monitoring → Remediation. This sequence demonstrates that sharia compliance is no longer understood as a one-time check upon product approval, but as a preventive, continuous, accountable, and impact-oriented governance process throughout the technology lifecycle. Thus, the MDSG offers a conceptual extension from product-based sharia compliance to governance that examines the relationship between norms, technology, institutions, processes, and impacts. This model places maqāṣid al-sharī'ah is not only a basis for legal assessment, but also a principle that guides the design, use, supervision, and evaluation of technology so that it remains within the limits of justice, benefit, protection, and accountability.(Wahyudi et al., 2026).

Recontextualizing sharia governance has epistemological implications because technological change requires Islamic law to not only identify the legal status of a technology but also understand its structure, processes, and impacts. This recontextualization does not change the basic principles of Islamic law, but rather changes the context of application, the object of regulation, and the governance mechanism. The principle of prohibiting usury (riba), gharar (gharar), maysir (maysir), fraud, injustice, and harm remains the normative basis, but the forms and mechanisms of risk emergence can change with technological developments. Gharar, for example, is not only related to the unclear object of a contract but can arise through limited digital

information, opaque systems, or algorithmic decisions that are difficult for users to understand. Similarly, exploitation occurs not only through contractual structures but can also arise through data usage, platform design, and algorithmic mechanisms that influence user behavior or access.

In your perspective*ṣūl al-fiqh*, this condition requires re-identification *ʿgod*, legal objectives, and relevant factual characteristics when social forms undergo change. Therefore, legal analysis needs to distinguish between relatively stable normative principles and contextual applications that can change according to the nature of technology. In this process, maqā*ṣid al-sharīʿah*It serves as a bridge between normative stability and changing contexts by providing a basis for assessing benefits, harms, justice, and interests to be protected. The epistemological implication is that Islamic law needs to move from a purely text-centered approach to one that integrates text, context, technology, risks, and impacts without losing its normative foundation. Thus, digitalization not only introduces new legal objects but also encourages the development of a more adaptive and systematic Islamic legal methodology capable of explaining how sharia principles are applied to ever-changing social and technological structures.(Yasin & Haq, 2026).

The MDSG model has direct implications for regulators, sharia institutions, the digital industry, and academics. For regulators, governance of the sharia digital economy and services needs to move from legal compliance to integrated digital governance by incorporating algorithmic audits, data protection, transparency of automated decisions, complaint mechanisms, and loss recovery. For sharia institutions, particularly sharia supervisory boards, oversight needs to expand from reviewing contracts and products to evaluating data, algorithms, processes, and the impact of technology, which requires collaboration with technologists, data scientists, auditors, and legal experts. For the sharia digital industry, sharia-by-design principles need to be applied from the design stage by integrating sharia compliance, data protection, fairness, transparency, and risk prevention into the technology architecture, rather than simply making corrections after the system is operational. For academics, this model opens up space for the development of interdisciplinary studies that connect Islamic law, maqā (objectives) and the principles of sharia.*ṣid al-sharīʿah*, digital governance, artificial intelligence, and data regulation. Thus, implementing the MDSGs requires institutional change from sectoral and reactive oversight to integrated, preventative, collaborative, and sustainable governance.(Bahtiar et al., 2025).

The theoretical contribution of this research lies in three main aspects. First, the research shifts the position of maqā*ṣid al-sharīʿah*From normative justification to governance mechanisms that can be used to identify interests to be protected, assess risks, determine intervention limits, and evaluate the impact of technology. Second, the research develops the concept of Digital Sharia Governance by expanding sharia compliance from products and contracts to data, algorithms, processes, institutions, decisions, and impacts. Third, the research offers Maqā (Islamic Law)ṣid Impact Assessment as an instrument to operationalize maqāṣid in technology evaluation based on benefits, harms, distribution of impacts, needs, and accountability. However, the MDSG model remains normative-conceptual in nature, so empirical validation is needed to test its application in Islamic finance, fintech, zakat, waqf, and other digital platforms.

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Future research could utilize case studies, interviews with sharia supervisory boards and regulators, comparative empirical research, and the development of quantitative indicators to test the effectiveness of the six pillars of the MDSGs in different institutional contexts. Thus, recontextualizing Islamic law in the digital era does not stop at adapting fatwas to new technologies, but requires changing the way Islamic law operates in the digital space, namely by being present from the design stage, overseeing processes, evaluating risks, ensuring accountability, and assessing impacts. This approach allows Islamic law to maintain its normative integrity while enhancing its methodological and institutional capacity to respond to the complexities of contemporary technology.(Basri, 2025).

CONCLUSION

Digital transformation has transformed the nature of the objects and mechanisms for implementing Islamic law. These changes have not only given rise to new forms of transactions but also introduced data, algorithms, artificial intelligence, digital platforms, and automated decision-making as elements with legal and ethical consequences. This situation demonstrates that an Islamic legal approach solely oriented toward contracts and products is no longer sufficient to address the complexities of digital governance. This research demonstrates that conventional sharia compliance models have limitations in terms of objects, processes, transparency, and accountability. Compliance with contracts or products does not automatically guarantee that the entire digital system meets the principles of justice and welfare. Risks such as data exploitation, algorithmic bias, opaque automated decisions, digital fraud, and technological exclusion require broader and more sustainable oversight mechanisms.

This research offers Maqāṣid*-Based Digital Sharia Governance*(MDSG) as a conceptual framework for recontextualizing Islamic law in the digital environment. The MDSG integrates six key dimensions: sharia integrity, algorithmic accountability, data governance, transactional justice, institutional accountability, and maqāṣ*ID impact assessment*. The framework expands the compliance orientation from products and contracts to data, processes, systems, decisions, and impacts. Theoretically, this research places maqāṣid al-sharī'ah serves not only as a basis for legal legitimacy but also as a governance instrument that can be used to identify risks, assess benefits, control harms, and evaluate the impact of technology. Practically, this framework can serve as a basis for regulators, Islamic financial institutions, Islamic supervisory boards, and the digital industry in developing sharia-by-design and continuous sharia governance mechanisms. This research is normative-conceptual in nature and therefore has not empirically tested the MDSGs. Future research needs to test their application through case studies and comparative research on Islamic fintech, Islamic financial institutions, zakat, waqf, and digital platforms. Empirical validation is essential for measuring the effectiveness of each dimension of the MDSGs and developing operational indicators that can be used in digital sharia governance practices.

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