



Money laundering with particular reference to the banking deposit transactions

An Islamic perspective

An Islamic perspective

251

Mahmood Mohamed Sanusi

*Ahmad Ibrahim Kuliyah of Laws, International Islamic University Malaysia,
Kuala Lumpur, Malaysia*

Abstract

Purpose – The purpose of this paper is to explain the theoretical framework of money laundering and expanded to study it from the Islamic perspective. As money laundering sustain truly “global issues” and thus should be treated as such. The purpose is to examine the conception of money laundering under Islamic law in conjunction with the discussion of Islamic law of contract; the most common methods in money laundering involving numerous cash deposits at various bank branches, followed by the purchase of a secured bank instrument, such as cashiers’ check; how far is Islamic law able to provide rules, norms in protecting financial institutions, customers and the public from criminal activities?

Design/methodology/approach – The paper depended on primary data. The data were procured from the Holy *Quran*, Prophetic *Sunnah* which embodied all tenets of Islamic law, and in addition, from the books of the Classical Muslim scholars.

Findings – It has been revealed that Islam has initially taken great interest in the market condition, business conduct and economic system. Generally speaking Islam law prohibits all business conducts which compromise unjustified consumption, misappropriation of one’s wealth thus creating parasitical classes of people obtaining wealth and money being the root of all criminal activities; financial crimes and the concept of money laundering have been categorised as a division of Islamic criminal law which has been addressed via many provisions in the *Quran* and Prophet’s *Sunnah*; the prophet and his successors have developed the Institution of *Hisbah* to control malpractices and criminal activities. Moreover, Islamic law prescribes a set of principles, rules and measures to deal with acts that are most likely to affect the economic scenario.

Originality/value – This invaluable paper identifies the attitude of the Islamic law in monitoring and preventing the concept of money laundering, further distinguishing between illicit gains (*al-Kasb al Haram*) and lawful gains. Finally, this paper reviews the Islamic norms relating to confiscation and forfeiture of Ill-gotten wealth and property.

Keywords Money laundering, Islam, Criminal forfeiture, Savings banks

Paper type General review

Introduction

As the international financial system has expanded, so too has the abuse of the system. One of the abuses that have gained ground, due to the free trade of goods and services and the contemporary need for easy capital mobility, is the increase and spread of money laundering. This can be defined as the conversion of the monetary proceeds from criminal and illegal activities into legitimate funds to make it look like money that has been obtained legally.



Money laundering is a growing problem that affects most countries[1]. There are various economic, social and financial consequences of money laundering. It complicates government efforts to manage economic policy, and has an adverse impact on major macro-economic indicators, the exchange-rate and income distribution. The illicit funds laundered allow criminals to finance a range of additional business activities which encourages corruption, aggravates social ills and threatens the integrity of financial institutions.

This first step of money laundering involves the physical introduction of illegally obtained money into the legally established commercial financial system. Drug traffickers, arms smugglers and other criminal organisations use banks to launder their illicit money, so making it appear as the product of legitimate business. Most money laundering involves depositing the illegitimate money in a bank through the civil law deposit transactions. This is equivalent to the *al-wadi'ah* contracts in Islamic banks.

This paper will cover one of the most popular methods that money launderers use with the aim of hiding the true origin of their criminal proceeds, i.e. by depositing it in accounts in banking and financial institutions.

The following section of this paper will further examine the juristic literature of contracts in order to provide a clear conceptualization of the commercial contracts (*Fiqh al-mu'malat*) under Islamic Law.

The general theory of contracts under Islamic law

All Muslim jurists (*fuqaha'*) have agreed that contracts are legal formative causes (*asbab ja'liya shar'iya*) of their legal nature, effects and exigencies. The divine legislator (*Allah swt*) has made the effects and nature of contracts dependent on these letters, it being considered that contracts are "formative causes" created by him. Its effects are from Almighty God so that people may not treat each other unjustly through the commitments they establish and the conditions they stipulate. Almighty God has laid down contracts for people to achieve their aims through them. It is stipulated that the contracting parties must put a particular objective to be achieved in the contract[2].

In order to establish justice and to protect the interests of the contracting parties, exhortations abound in the *Qur'an and Sunnah* regarding honesty and good faith in commercial contracts. Muslim jurists have agreed that the intention and the motive (*niyya* or *qasd*) of the parties to the contract determine the legality or illegality of the contract. Ibn Qayyim, a Hanbali jurist, states that:

Islamic law and its rules specify that the intention and the motive behind contracts is an essential consideration and affects their validity. The formality of a legal act can be the same but the end result depends on the intention[3].

He gives several examples as proof of preventing what is conclusive to unlawfulness even if they are permitted. He says that "All these examples show that a contract is not regarded as valid if the contracting party harbours ill intention[4]."

The issue of motive and intent is critical in contemporary legal contracts. As a religious system of law, *Shari'ah* has always been naturally concerned with the matter of individual conscience (*dhimma*). It is the subjective approach of seeking a genuine accord of wills which dominates the Islamic notion of mutual agreement rather than, for example, the more objective criteria of English law. Therefore, any contract or commercial dealing which is concluded merely to defraud or deceive constitutes lying and is a breach of trust (*khiyanah*).

Allah (s.w.t.) says:

Oh you who believe! Do not devour one another's property by unlawful ways, but let there be trade by mutual consent (al-Nisa 4:29-30).

Unlawful ways (*bi al-batil*) must be taken in a general sense, covering all unjust acts at all levels, including cheating, fraud, misrepresentation and exploitation of people on account of their ignorance. Any contract whose purpose is illegal and opposed to public order is also covered.

As mentioned earlier, the most common money laundering transaction aimed at concealing and/or changing the identity of illegally obtained money is by depositing moneys earned through illegal activities at various financial institutions and banks[5] (*al-wadi'ah* in Islamic banking). The major issues here are: "How does Islamic jurisprudence view the contract of *al wadi'ah*? (banking deposit)" and "How far does it insist on business ethics and moral principles?"

The contract of *al-wadi'ah* is generally defined by jurists as commission given by the owner to another to hold his property in safe custody[6]. A deposit is considered as a fiduciary contract (*uqud al-amanah*). According to the rules of Islamic jurisprudence (*Qawa'id Fiqhiyyah*) every contract must realise a lawful purpose (*qasd al-aqd*). If it cannot be realised, the contract is considered to be void[7].

As already mentioned, "what counts in contracts are the intentions and not the words[8]". From the foregoing, it seems obvious that money laundering through the bank deposit system is a bogus transaction. The launderer's intention is not the safe-custody of the money but is simply to take advantage of the facilities offered by the bank, so relieving them of the burden of carrying the money with them. As well as using this money to finance their lavish lifestyles, it also allows them to finance a range of additional illegal activities that can threaten the integrity of financial institutions as well as eroding public trust in the banking system.

The acquisition and accumulation of wealth is permitted if it is pursued through lawful means if the individual meets all of the intended obligations, such as paying zakah and such voluntary "taxes" as *sadaqah* and *kharaj*. Islamic law would overturn any contract involving fraud (*tadlis*, *taghrir*) and concealment of information. The *Qur'an*, the *Sunnah* and Islamic jurisprudence regards a contract as permitted so long as it is conducted honestly and in good faith.

In the case of contracts involving money laundering, there are many information-related problems and the act of cheating (*gish*) is present. The main purpose of disclosure of information and the material facts in the contract of *al-wadi'ah* are regarded as *uqud al-amanah*. This is to guarantee that each of the two contracting parties is safe from being misled or deceived by the other into consenting to something he would not otherwise have consented to.

Non-disclosure, known in Islamic law as *katman*, in a situation where it is required by law is regarded as lying or a breach of trust (*khiyanah*) and failure to disclose renders the contract void because it fails to fulfil the purpose for which it is concluded.

Conformity of the contract with regards to moral values

The moral force in Islam serves as a mechanism to curb any activity or behaviour of individuals, groups or institutions which significantly exploit society to gratify their own interests. The ultimate objective of *Shari'ah* is the protection of religion, life,

lineage, mind and property. This is agreed upon by all Muslim jurists. All the obligations and prohibitions of *Shar'iah* were ordained for the achievements of these ends, so that people can triumph both in this world and the next.

Islam as a way of life reveals a moral code of behaviour that has the potential to be advanced into the modern economic system. The economic system of Islam is not drawn in the light of numerical calculations and production capacities alone. Rather, it is drawn and conceived in the light of a comprehensive system of morals and divine principles on how people should carry out their economic affairs in terms their business conduct; consumption and production, wealth creation and distribution. Thus, any business deals should be concluded with frankness and honesty. Cheating, fraud, bribery, usury and making a profit through indecent and unlawful means such as prostitution, gambling, drugs and alcohol are harmful and therefore against the well-being of society.

All these are prohibited due to being irreligious and immoral, as *Allah (s.w.t)* says in the *Qur'an*:

Woe to those who deal in fraud, those who, when they have to receive by measure from others, exact full measure, but when they have to give by measure or weight to others give less than due. Do they not think that they will be called to account on a Mighty Day, a day when mankind will stand before the Lord of the Worlds (83:1-6).

This verse of the *Qur'an* is meant to encourage people to adhere to justice and morality in all business transactions. The future for those who cheat is grim and they face an awful fate. According to the prophet (s.a.w.):

Anybody raised on unlawful provisions will be fuel for the fire of Hell on the Day of Judgement (Ahmed, 1/387).

There are numerous sayings (*hadith*) of the prophet (s.a.w.) which ask everyone to earn their livelihood in a lawful manner. If one earns his profit through unlawful means and then gives it as charity and *zakah*, it will not be acceptable to *Allah (s.w.t)*, and a sin will have been committed. The following *hadith* emphasises on this point:

Whosoever gathered unlawful riches and then gave out in charity, he will have no reward; on the contrary he will have to bear the burden of his evil deed (Ibn Habaan 3368).

In another *hadith*, the messenger of *Allah* says:

When a servant of Allah earns property in an unlawful manner and then gives it in charity, it will not be accepted of him. There will be no blessing in that he spends and that he leaves behind, but it becomes a provision for the fire of Hell. In reality, Allah does not wipe out evil with evil, but erases evil with good action. Undoubtedly, dirt does not clean dirt (Ahmed, Mishkat No 301).

Clearly, any profit earned in an unlawful manner will have no blessings from *Allah (s.w.t)*, and whatever property he leaves behind for his heirs will become a source of trouble both in this world and the next. Any property earned with evil continues to be affected by evil for generations to come. Property acquired by lawful means will have blessings which will be perpetuated to one's children.

It should be noted here that laundered money is revenue generated by organised crime. It comes from drug-trafficking, prostitution, kidnapping, corruption and smuggling. These illicit gains which are consequential to such operations which

transgress *Shari'ah* are considered to be *haram* since this form of gain without legitimate work is morally disapproved of and is deemed to be annulled and prohibited. Thus, mutual consent alone is not enough for a transaction to be permissible; it must also be morally and socially acceptable. This is based on the maxim that states: "Everything that leads to a forbidden (*haram*) thing is itself forbidden[9]." Therefore, one cannot be allowed to be at liberty to retain wealth obtained through immoral, illegal means and against the intended results stipulated by the divine legislator. This is also based on the *Quranic* verse "Do not enjoin each other in sin and transgression" (5:2).

Similarly, Islam condemns the unconditional possession of wealth which may result in endangering the interests of society or disturbing public order. A common principle in Islam is that the possession of wealth is considered lawful and complete only when it fulfils the legal conditions, the spirit of *shari'ah* is not neglected and there is no contradiction with the basic moral teachings of Islam.

Monitoring and prevention of illicit financial activities in line with transparency, accountability and disclosure

The real objective of an Islamic economy is the establishment of a just social order. The purpose is to see that justice is done to all participants in economic activities and that all members of society are protected against any injustices. Islam, which seeks to protect the rights of the individual, also seeks to protect the rights of society as a whole. Therefore, no individual may presume to override the rights of society while hiding behind evil activities, because material development with justice and stability is not possible without simultaneous moral and ethical development.

The rights and obligations of people are spelled out by *Shari'ah* to ensure that while all members of society are fulfilling their own needs, they do not infringe into anyone else's rights. This concept is incorporated in the institution of *al-hisbah*[10] which offers a framework of social morality and ethics which may also be relevant to monitor money-laundering activities.

It is a matter of vital importance for every nation to combat money-laundering activities and to ensure that monies earned from illegal activities are not passed through a country's financial system to benefit criminals, irrespective of where the original crime was committed[11]. In this context, Muslim societies must also enact suitable laws to meet the problem of money laundering operations. The assets of money-launderers must be frozen and suspicious transactions must be reported to the relevant government agencies. It is necessary for an Islamic financial institution to promote good and forbid evil, to be in line with the *maqasid shari'ah* and Islamic moral code of behaviour.

Islamic law has a different philosophy and different procedures to western secular law. Islam has a concept of monitoring business deals and promotes wider social and ethical concerns based on truth and justice. This concept is known as *al-hisbah*. Its main objective is to ensure right conduct and forbid unethical behaviour. *Al-hisbah* is a moral as well as a socio-economic institution. Its *raison d'être* lies in the *Qur'anic* command of *al-'Amr bil Ma'ruf wa al-nahy 'an al-Munkar*, that is, to ordain good and forbid evil[12]. *Hisbah* is an institution that has been practised by Muslim society since the early years of Islam.

The *Muhtasib*, the active official of *al-hisbah*, is responsible for the maintenance of public morality and economic ethics. His role would be to check on community affairs

and behaviour in the market, such as accuracy and honesty in business transactions and to ensure that there is no arbitrary market manipulation. He had to prevent any business activity that could damage community interests. The post is vested with wide powers to reprimand and penalise deviant behaviour. As such he enjoyed moral, as well as legal, authority.

The classical economic duties of the *muhtasib* can be expanded to include duties relating to corporate affairs, such as banking. He could monitor financial institutions performance to ensure that operations are on a strictly ethical basis. He might be able to provide advice on the healthy economic activities that need to be observed.

The debate on banking and corporate accountability and transparency needs to start with moral values, not standards and be based on responsibilities, not rules. The duties of the *muhtasib* under the *al-hisbah* concept should be properly regulated to realise the objectives of *Shari'ah (maqasid)*, two of the most important being human well-being and social-economic justice.

The concept of *al-Hisbah* can be further expanded to include all staff in a financial institution through the concept of *Hisbah Testimony*, which can be defined as "individuals volunteering to disclose information that he considers important without being asked for it and without a charge being first framed". The main purpose behind this concept is the need for social consciousness and responsibility to block the means to evil acts.

A *hisbah* witness is defined by the Muslim jurists as a witness who volunteers his testimony without being asked for it or without it being preceded by a charge. The purpose of the testimony is purely for *Allah (S.W.T)* and public interests[13]. Thus, any suspicious activity or transactions which could reflect involvement in legal violations should be reported in order to combat such criminal activities.

Islam advocates that an individual must behave ethically within his area of responsibility. To deny information to an interested authority may make possible evil acts which *Shari'ah* prohibits. Moreover, a Muslim should prevent any act against morality and must also be vigilant against any future threats to public interest. This is inline with the legal maxim states that: "Something without which an obligation cannot be discharged is also an obligation[14]."

Disclosure is seen as a duty upon every individual as a safeguard against misconduct. Therefore, it is essential that every member of staff within a financial institution is alerted to the possibility of money-laundering activities, so as to prevent these acts before they actually materialise. Any act that results from, or is likely to lead to, an evil act is unlawful and must be blocked (*sadd al-Dharai*). Those who fail to observe such a responsibility must be advised by the respective authorities that this is a major criterion for Islamic compliance purposes.

The prophet (s.a.w.) condemned unethical behaviour and urged all Muslims to voluntarily disclose any activity considered harmful to other people and against the general well-being of society:

Jabir b. 'Abd Allah reported the Prophet (s.a.w.) as saying: "Meetings are confidential except three; those for the purpose of shedding blood unlawfully, or for committing fornication, or for acquiring property unjustly" (*Abu Dawud, no. 4851*).

Therefore, it is permissible to disclose an act as long as one intends to forbid evil acts or to correct a wrongdoer to make the people aware of these acts so that people become cautious about them and their religious and worldly life may remain safe:

Ibn Mas'ud said, "We have been prohibited from spying on another and finding faults with them. But we can take to task only and only if the sin is overt" (*Abu Dawud, Riyad-us-Saliheen No.1572*).

Another *hadith* stresses on the importance of removing evil acts from society and to maintain what is right and fight what is wrong:

Abu Said al Khudri reported the Prophet (s.a.w.) as saying: "Whosoever of you sees an evil action, let him change it with his hands; if he is not able to do so, then with his tongue; and if he is not able to do so, then with his heart – and that is the weakest of faith" (*Muslim, forty hadith, Al-Nawawi, no. 34*).

The *hadith* clearly shows that actual prevention of wrongful acts is an important Islamic principle and value. Therefore, every Muslim individual is ordered to strive to achieve this principle to the best level of his or her ability. The well-being of society requires the discipline of a moral code rooted in sound principles which are the fundamentals of Islam.

Confiscating the illicit monetary proceeds from money laundering activity under Islamic law

Any activity or behaviour by individuals, groups or institutions which has a corrupting influence and significantly threatens the interests of society should be considered as a national issue to be treated with the utmost concern. It is the duty of the state to keep illegal economic activity under control, to intervene, to guide and regulate and to prevent all forms of *zulm* (injustice and exploitation). The state must ensure that people use their wealth in a lawful way, without endangering society and maintaining healthy environment in the financial system to save people from hardship.

Illegal earnings are forbidden by Islam. Earnings that are blessed in Islam are recognised as legal earnings. Earnings through unlawful means are always considered as unlawful earnings by *Allah* (s.w.t.). The Prophet said "Allah the Almighty is good and accepts only that which is good" (*Muslim, forty hadith, al-Nawawi no. 10*).

Ibn al-Qayyim illustrates Islamic principles as follows:

The basis of the *Shari'ah* is the wisdom and welfare of the people in this world as well as the Hereafter. This welfare lies in complete justice, mercy, well-being and wisdom. Anything that departs from justice to oppression, from mercy to harshness, from welfare to misery and from wisdom to folly, has nothing to do with the *Shari'ah*[15].

Accordingly, Muslim scholars, both past and present, advocate that since the government is the guardian of the peoples' interest (*al-wali al-'amm*), the government's main duty is to intervene to prevent any act leading to "disorder on the earth". It must act within the limits of Islam and in accordance with the legal maxim in *Shari'ah* which stipulates that "Damage must be averted as far as possible" (*Art31.Majallah el-Ahkan al-Adiya*).

The ordaining of what is fit and the proscription of the improper is completed by means of legal punishment. The implementation of these rules is then entrusted to the external force of the political authority Uthman Ibn Affan quoted that "God curbs through the ruling power what he does not curb through the *Qur'an*[16]."

The government has the important function of undertaking fresh legislation to regulate and guide the economic system, commercial and financial activities in order to ensure justice and protect the interests of the society. As legal maxim states:

“The action so taken by the government should aim at achieving public interest and general welfare[17]”.

In laying down these principles, Islam gives the ruling power (state, ruler), the authority to confiscate and make subject to forfeiture any property and wealth which is derived from, or involved in, money-laundering activities. This is with the aim of preventing the money launderers from using the illicit funds to finance a range of additional criminal activities. In addition it will serve as a strong deterrent against commission any other acts of illegal activities and *Shari'ah* violations.

It can be seen from the foregoing discussion that confiscation of the monetary proceeds of money laundering activity is allowed in Islamic law under the concept of “financial punishment”. Furthermore, with the ever increasing corruption in many countries at the present time (*fasad al-zaman*), the use of financial punishment by forfeiture of property derived from money-laundering activities seems to be an effective deterrent to the launderer as it will cause him so much financial pain so much so that he will refrain from further harming the public interest.

To what extent does Islam allow the utilisation of forfeited funds?

According to Islamic law, any earnings resulting from illegal activities or even usury related transactions as easily available under the conventional banking, accounting systems is considered unlawful property (*mal kabith*) and every transaction concluding using such earnings will be rendered invalid. Also whoever sells an unlawful object in exchange for cash (*'ayn*), whatever he obtains from that transaction is unlawful, and the object will still be considered to be unlawful if the recipient knows about how it was originally obtained[18]. *Shari'ah* has drawn clear distinction between lawful earnings and unlawful earnings.

The *Qur'an* has explicitly forbidden earnings property by unlawful means. *Allah* (s.w.t.):

Say “Not equal are things that are bad (*Kabith*) and things are good, even though abundance of the bad, May dazzle thee; So fear God, O ye that understand; that (so) ye may proper” (*Ma'ida: 103*).

There is no disagreement among the Muslim jurists that any unlawful earnings should be confiscated by the ruling power. The ruler must act in the public interest to protect the five basic aspects of human life – religion, life, lineage, mind and property. Any transgression against one or more of them is unlawful and, if necessary, punishable. Moreover, the rulers' power to determine offences and their punishment is based not only on juristic reasoning (*ijtihad*), but also on the general commands which prohibit transgressions and corruption.

Accordingly, the jurists, when dealing with cases of unlawful earnings, are of the opinion that for the sake of public interest (*maslahah*) any assets acquired by unlawful means should either be spent immediately on charitable activities or should be vested with the *Bayt al-Mal*[19]. Either way, this money should be spent for the welfare of the Muslims until nothing is left. Certainly it should never be returned to those money launderers.

Concluding remarks

It appears from the above discussion that the *Shar'iah* is able to provide rules and principles that serve as a means to establish and maintain a just economic system cum

social order. While Islam recognises freedom, this freedom is however not absolute. There is no freedom to destroy or weaken the society's valuable framework or even to harm others. The Islamic concept of moral values, socio-economic justice, institution of *hisba* and other related principles which have been earlier discussed in this paper should be treated seriously when dealing with any illegal activities such as money laundering. Both the supervisory and control functions of the state are viewed as permanent features of the socio-economic system, the state has an important role of legislating fresh legislation and guide the socio-economic system in affairs left unregulated by the *Shar'iah*, to guarantee the fulfilment of the economic objective, maintaining the social order[20] and eradication of all kinds of *Zulm* or injustice which Islam frowns upon and condemns.

Notes

1. International Monetary Fund (IMF) estimates the value of money laundering to be between two and five per cent of the world's GDP. See New Straits Times, 6 February 2002.
2. Al-Bazdawi, Kashf al-Asrar, Vol. 4, p. 1291; Al-Ghazzali, Vol. 1, p. 92; Ibn Taymiya, Fatawa al-Kubra, Vol. 3, p. 335; Al-Shatibi, Al-Muwafaqat, Vol. 1, pp. 131-32.
3. Ibn Qayyim al-Jawziyyah, I'lam al muwaqqi'in, Vol. 3, pp. 98-99.
4. Ibn Qayyim al-Jawziyyah, I'lam al muwaqqi'in, Vol. 3, p. 96.
5. One of the traditional methods in money laundering is structured transaction. This method, also known as "smurfing", remains the most common form of money laundering, involving numerous deposits of cash at various branches of one bank, followed with the purchase of a secured bank instrument, such as a cashier's check.
6. Ali Khafil, Ahkim al-Mu'amalat al Shariah, pp. 318-20.
7. 'Izz al-Din ibn 'Abd al-Salam, Qawaid al-Ahkam Fi Islah al Anam, Vol. 1, pp. 235-336.
8. Art No.3, Majallah el-Ahkan al-Adliya. This legal maxim is a rephrasing of the famous *hadith* that states "acts are valued in accordance with their underlying intention". This is a comprehensive legal maxim that contains implications on various areas in Islamic jurisprudence including devotional matters, commercial transactions and criminal acts.
9. Qarafi, Furuq, Vol. 2, p. 33., Ibn Qayyim al-Jawziyyah, I'lam al muwaqqi'in, Vol. 3, p. 135.
10. Abdul Karim Zaidan, Nazim al-Qada Fi al-Shar'iah al-Islamiyyah, pp. 166-170.
11. In support of the International effort against money laundering the United Nations issued what has been termed "The Vienna Convention in 1988" urging the globalization of laws to categorize money laundering as a serious criminal offence.
12. Ibn al-Ikhwa, Ahkam al-hisbah, pp. 10-11. Islam has, since its beginning, taken interest in the market condition and economic system. The prophet (S.A.W.) and his successors have developed an institution of Hisba, it was a department of inspection which was responsible for stopping adulteration, under weighing, unlawful transactions and professions, controlling malpractices in both trade and commerce, preventing debasement and dishonesty in the minting of coins to save the general public from being degraded and its harmful effects. Furthermore, to intervene and prevent forbidden acts that *Allah* (S.W.T.) and his Messenger (S.A.W.) have condemned.
13. Abdul Karim Zaidan Nizam al-Qada Fi al-Shari'ah al Islamiyyah, pp. 166-170
14. Al-Shatibi, Al-Muwafaqat, Vol. 2, p. 294.
15. Ibn Qayyim al-Jawziyyah I'lam al muwaqqi'in, Vol. 3, p. 1.

16. For further details see Yusuf ibn Abdullah Abd al-Barr, *al-Tamid Lima fi Mawatta mina al-Asanid*, Vol. 1, p. 118; Ibn Rushd, *al-Bayan wa al-Tahsil*, Vol. 17, p. 59.
17. Art 58 *Majallah el-Ahkan al-Adliya*.
18. Ibn Taymiya. *Al-hisba fi Islam*, p. 44.
19. Abu Ja'far al-Da'udi, *Kitab al-Amwal*, p. 102. Ibn Taymiya, *Fatawa al-Kubra*, Vol. 29, pp. 321-25 and p. 275. Abu Ja'far, *al-Amuwal*, p. 190.
20. Malaysia, in line with being a member of the APG has enacted the Anti-Money Laundering Act 2001 (AMLA) which came into force on 15 January 2002, it provides, for the prevention, detection, investigation and prosecution of money laundering and forfeiture of property derived from, or involved in, money-laundering activities.

Corresponding author

Mahmood Mohamed Sanusi can be contacted at: mahmood@iiu.edu.my

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.