# A Conceptual Study on Sharīʿah Compliance on Risk Mitigation of MS 1900-Certified Companies

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**Abstract**
Essentially, *sharīʿah* is aimed at the realisation of benefits (*tahqīq al-masālih*) for all mankind in this worldly life and the Hereafter. The realisation can be achieved either through promoting what is good and beneficial (*jalb al-maslahah*); or preventing what is evil and harmful (*dafʿ al-mafsadah*). To achieve such an objective, man must abide by *sharīʿah* laws. Theoretically, practising Muslims will observe all *sharīʿah* requirements. Subsequently, this will result in quality performance in all aspects of life,

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be it spiritual, individual, social, intellectual and economic. Moreover, compliance to *sharīʿah* will not only result in quality performance but also will minimise the risk exposure of individuals and organisations. On the other hand, non-compliance with *sharīʿah* principles is a risk that could potentially give rise to negative effects on personal and institutional wellbeing. Using the analogy of positive relationship between *sharīʿah* compliance and risk mitigation, the article seeks to explore the relationship between the concept of *sharīʿah* compliance and risk mitigation. In order to make the analogy relevant with contemporary organisational management, the scope of study is narrowed down to the MS 1900-certified companies. This study is descriptive in nature involving review and analysis of academic works of other scholars and ISO documents.

## Introduction

It is firmly established that *sharīʿah* is aimed at the attainment of righteousness and goodness (*salāh*) in the world. Ibn Ashur (d. 1973) explains that what is meant by righteousness is setting aright the worldly conditions and social affairs of people. Corruption, on the other hand, is against the *sharīʿah* as it affects the welfare of the entire world.[1]

In the process of realising the above objective, the concept of *jalb al-maṣlaḥah* and *dafʿ al-mafsadah* (promoting man's wellbeing and preventing harm)[2] serves as the principal

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1. Muhammad al-Tahīr Ibn ʿAshūr, *Treatise on Maqāṣid al-Sharīʿah*, trans. Mohamed al-Tāhir al-Mesāwi (Petaling Jaya: Islamic Book Trust, 2006), 94.
2. Wahbah al-Zuhaily, *Usūl al-Fiqh al-Islāmī*, 1st ed. (Damshiq: Dār al-Fikr, 1986), vol. 2, p. 1017.

guideline put forward by Islam for everyman to follow. It is a well-encompassing concept and highly universal in nature that it can be applied to all aspects of the human life, including managerial and organisational life. For anyone who does righteous deeds and abides by His rules, Allāh has promised him a good life. This is evident in *sūrah al-Naḥl* as Allāh pledges to the effect: "Whoever works righteousness, man or woman, and has faith, verily, to him will We give a new Life, a life that is good and pure and We will bestow on such their reward according to the best of their actions."[3]

Therefore, arguably, if it is embedded in the management process, the concept will also generate positive result to any organisation. This is because adherence to the guidance prescribed by *sharīʿah* will not only result in quality performance, but will also reduce risk exposures of individuals and organisations to any possible vulnerability.

In order to create a slightly different focus over existing studies of the ISO 9001 and the MS 1900 which mainly associate compliance to the standards with improvement in efficiency, systemisation, customer satisfaction and profitability, this study attempts to examine whether adherence to Islamic principles will benefit the companies in their risk management process. In other words, as well as for the sake of relating the concept of *sharīʿah* compliance, the study seeks to analyse the effect of compliance to the standards on the risk mitigation aspects of the MS 1900-certified companies. The MS 1900-certified companies were chosen because obviously they have the criteria that match with the main research context, which is compliance with *sharīʿah* requirements in their day-to-day operations.

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3. *Al-Naḥl* (16): 97.

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### Organisation and Compliance to Quality Management Standards

In the context of institutions, whether they are global or local, profit-oriented or non-profit, a company or a voluntary body, compliance to the subscribed rules and regulations is a matter of course. On the other hand, and in reality, one of the common challenges faced by most organisations is the issue of non-compliance in their day-to-day business operations. To a certain extent, non-compliance may result in the downfall of the entire organisation. This is factual evidence beyond denial which can be observed from many corporate scandals that beset companies such as Enron and WorldCom; and the dissolution of the once one of the "Big-Five" accounting firms, Arthur Andersen.[4]

Knowing that rule violation will definitely jeopardise the survival of any institutions, companies with a clear vision and mission will take every effort to ensure that culture of rule compliance is internalised and becomes part of the organisation and its human capital behavioural goals. The process of internalisation can be in many ways. One of those is subscribing to industry standards certifications like the ISO 9001 standards. There are numerous studies on the benefits of the ISO 9001 in the literature. For example, Tari et al. examined 82 studies and managed to categorise those benefits under 13 headings.[5] All in all, the certification will not only improve efficiency and enhance organisational performance and profitability; but it can also indirectly lower the business risk and consequently lower the business cost to the organisations.[6]

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4. Anup Agrawal and Sahiba Chadha, "Corporate Governance and Accounting Scandals," *The Journal of Law & Economics* 48, no. 2 (October 2005): 371–372.

5. Juan Hose Tari, Jose Francisco Molina-Azorin & Inaki Heras, "Benefits of the ISO 9001 and ISO 14001 Standards: A Literature Review," *Journal of Industrial Engineering and Management* 5, no. 2 (2012): 296–322.

6. For example, Nield and Kozak had listed the benefits of the standards as operational benefits (improved operating systems, enhanced operating

In Malaysia, besides the ISO which is widely adopted by both commercial and non-commercial bodies, the Department of Standards Malaysia (DSM)—which is mandated by the government to function as the national standards body—with the cooperation of SIRIM Berhad[7] have also developed a series of halal standards which integrate some *sharīʿah* terms and requirements in the document. It is part of the initiatives put forward by the government to enable Islamic organisations in particular to compete in the market place on a level playing field, in terms of quality as other established competitors.

The Halal standards is of two major categories namely food and non-food.[8] The one that is of concern in this study is the non-food, which is the MS 1900: 2014 Sharīʿah-based Quality Management Systems—Requirements with Guidance (First Revision)—hereinafter referred to as MS 1900. Dubbed as the Islamic version of ISO 9001, the MS 1900 is aimed at improving efficiency and effectiveness in organisations as well as improving customer satisfaction. What makes it distinguished from its counterpart is that the MS 1900

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practices), marketing benefits (improved customer satisfaction, gained competitive edge, nationwide recognition) and human resource benefits (gained more committed work force, reduction in staff turnover); similar benefits observed by Casadesus and Gimenez as well as by Casadesus, Jimenez and Heras. See Kevin Nield and Metin Kozak, "Quality certification in the hospitality industry: Analyzing the benefits of ISO 9000," *The Cornell Hotel and Restaurant Administration Quarterly* 40, no.2 (1999): 40–45; see also Marti Casadesús and Gerusa Giménez, "The benefits of the implementation of the ISO 9000 standard: Empirical research in 288 Spanish companies," *The TQM Magazine* 12, no. 6 (2000): 432–441 & see Marti Casadesús, Gerusa Giménez & Inaki Heras, "Benefits of ISO 9000 implementation in Spanish industry," *European Business Review* 13, no. 6 (2001): 327–336, all of which are cited in Tari, Molina-Azorin & Heras, "Benefits,".

7. SIRIM is a premier industrial research and technology organisation in Malaysia, wholly-owned by the Ministry of Finance Incorporated and is mandated as the machinery for research and technology development, and the national champion of quality. *See* http://www.sirim.my/index.php/about/about-us

8. Zainorni Mohd Janis. "Industry Standards Committee on Halal Standards (ISC I)" *Standards and Quality News* 11, no. 4 (July–August 2004): 10–11.

specifies the requirements for a *sharī'ah* compliance quality management system.

### Sharī'ah

The word "*sharī'ah*" originates from the root verb "*shara'a*" (شرع) which means "to start (something); heading (to somewhere); entering (somewhere); prescribe or direct (something to which the law or regulation applies)".[9] In Arabic, the word usually refers to "walking or heading to a watering area". As such, its derivatives, "*sharī'ah* (شريعة), *shirā'* (شراع) and *mashra'ah* (مشرعة)" refer to "a watery area". More interestingly about the word "*sharī'ah*" is that the Arab community does not name an area as *sharī'ah* unless the water in the place is always in abundance or that the water never dries up. In addition, the words "*sharī'ah* (شريعة)" and "*shirā'* (شراع)" can mean "the practice, customs, way of life, habits or norms and regulations".[10]

To the Arabic-speakers of the Middle East, the word "*sharī'ah*" is common to them and designates a prophetic religion in its totality, generating phrases such as *sharī'at Mūsa*, *sharī'at al-Masīh*, *sharī'at Majūs* (Majusi) or *sharī'atu-nā* (which means our religion and essentially referring to any monotheistic religion).[11] In the Qur'ān, the word "*sharī'ah*" appears only once in *sūrah al-Jāthiyah*, verse 18: "Then We put you, [O Muḥammad], on an ordained way [*sharī'atan*] concerning the matter [of religion]; so follow it and do not follow the inclinations of those who do not know."[12] In the verse, Allāh uses the word *sharī'ah* to show contradistinction with *hawā* (whimsical desire). 'Abdullāh Yūsūf 'Alī, a renowned Qur'ān translator explains that the word "*sharī'atan*" in the verse is best translated as "the right way of

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9.   Wahbah Al-Zuhaily, *Uṣūl al-Fiqh al-Islāmī*, 2:1017.
10.  Rohi Baalbaaki, *Al-Mawrid*, 10th ed. (Beirut : Dar El-'Ilm Lilmalayīn, 1997), 667, s.v. "shara'a".
11.  *The Encyclopaedia of Islam* (Leiden: Brill, 1997), vol. 9, p. 321, s.v. "*shārī'a*".
12.  *Al-Jāthiyah* (45): 18.

religion" which is primarily concerned with a set of values that are essential to Islām and the best manner of their protection.[13] His explanation on the term is also more comprehensive and more precise than referring *sharīʿah* as the legal provision or code of law. As a matter of fact, ʿAlī's explanation concurred with that of Ibn Manẓūr's description of the term *sharīʿah* as what Allāh has legislated and commanded man to obey such as *ṣawm, salah, hajj, zakāt* and all good deeds. [14]

In sum, in the Muslim discourse and also this discussion, "*sharīʿah*" refers to the rules and laws of life set by Allāh that must be adhered to and followed by humanity whose main sources are the Qurʾān and Sunnah.

### *Maṣlaḥah*

The word "*maṣlaḥah*" is derived from the root verb "*ṣalaḥa*" or "*ṣaluḥa*" (صلح) denoting something which is good, nice, or appropriate. In addition, the word is also used to mean to repair or improve. In general, the word "*maṣlaḥah*" gives meaning to welfare. As such, jurists or the *usuliyyūn* use the term "*maṣlaḥah*" to refer to general good or public interest.[16]

The antonyms of "*maṣlaḥah*" are "*mafsadah*" (مفسدة) and "*maḍarrah*" (مضرة which mean damage and harm). Anything that helps prevent harm or damage from occurring, or anything that helps stimulate human welfare is also regarded as *maṣlaḥah*. It has been generally agreed by the Muslim jurists that *maṣlaḥah* is the main objective of the *sharīʿah* (*maqāsid al-sharīʿah*). As stated earlier, the objective of the *sharīʿah* (*maqāsid al-sharīʿah*) that is revealed by Allāh to mankind is the realisation of *maṣlaḥah* or

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13. Mohammad Hashim Kamali, *Sharīʿah Law: An Introduction* (Oxford: One World Publications, 2008), 2.

14. Jamāl al-Din Muḥammad Ibn Manẓūr, *Lisān al-ʿArab,* 1st ed. (Beirut : Dar Ṣadir, 1990), vol. 8, p. 176, s.v. "sharīʿah".

15. *Al-Munjid fī al-Lūghah wa al-Aʿlām* (Beirut: Dār al-Mashriq, 1987), 432, s.v "ṣaluha/ṣalaha." *See* also Ibn Manẓūr, *Lisān al-ʿArab,* 2: 516, s.v. "saluha."

16. *The Encyclopaedia of Islam*, vol. 6, p.738, s.v. "maṣlaha".

goodness in their lives. In other words, *maṣlaḥah* is the primary objectives or goals of the divine revelations. This has been agreed upon by the scholars of *uṣūl* and *maqāṣid*. Therefore, unsurprisingly, scholars such as al-Juwayni (d. 478H/1185M), al-Ghazālī (d. 505 AH/1111 CE), Najm al-Dīn al-Tufi (d. 716 AH / 1316 CE) and al-Qarafi (d. 1285 AH /1868 CE) used the term "*al-maqāṣid*" and "*al-maṣāliḥ*" (plural for "*maṣlaḥah*") interchangeably to refer to the same concept.[17]

Najm al-Dīn al-Tufi, for instance, defined "*maṣlaḥah*" as "what fulfils the purpose of the legislator (Allāh)." According to al-Qarafi, a fundamental rule applies to the purpose (*maqṣid*) and it becomes a connector linking the *maṣlaḥah* with the *maqṣid*. The rule states: "A purpose (*maqṣid*) is not valid unless it leads to the fulfilment of some good (*maṣlaḥah*) or the avoidance of some mischief (*mafsadah*)."[18] The explanation rendered by al-Qarafi was concisely summarised by Ibn Qayyim (d. 751 H/1350 CE) when he asserted that the fundamental principles of *sharī'ah* revolve around *ḥikmah*, *maṣlaḥah*, *'adl* and *raḥmah*. Thus, anything that does not encapsulate these principles would lead to injustice, harm (*mafsadah*), futility or hardship, and therefore, cannot be regarded as *sharī'ah*.[19]

Perhaps the most often quoted definition of *maṣlaḥah* which serves as a primary reference for researchers is as was pointed out by al-Ghazālī. He, who was a student of al-Juwayni (and was actually much influenced by him) had explained that:

> *Maṣlaḥah* is an expression that originally refers to matters concerning the search of benefits or repelling harm. And this is not the meaning we mean here because the search for benefits and the prevention

17. Jasser Auda, *Maqasid al-Shariah as Philosophy of Islamic Law* (Petaling Jaya: Islamic Book Trust, 2010), 2.

18. Najmuddin al-Tufi, *Al-Ta'in fi Sharh Al-Arba'in* (Beirut: al-Rayyan, 1419 H), 239 in Auda, *Maqasid al-Shariah as Philosophy*, 2.

19. Fauzi Bilthābit, *Fiqh Maqāṣid al-Sharī'ah fī Tanzīl al-Aḥkām aw Fiqh al-Ijtihād al-Tanzīlī* (Damshiq: Mu'assasat al-Risālah Nāshirūn, 2011), 217.

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of harm is the goals of human beings, and of course man's intended goodness materialise when they successfully achieve these goals. However, what we mean by *maslahah* is to safeguard the objective of *sharīʿah* which consists of five fundamentals: the protection of religion, life, intellect, progeny and property. Whatever ensures the protection of these five fundamentals is *maslahah*; and whatever goes against their protection is *mafsadah*; and hence, the effort to prevent harm is also considered as *maslahah*.[20]

Indeed, al-Ghazālī clearly shows the link between *maqāsid al-sharīʿah* and *maslahah* whereby the latter results in the search for benefits or the rejection of harm. By the end of the explanation, he reiterates that rejecting *mafsadah* (evil or harm) is actually a *maslahah*. In the same definition too, instead of using the conjunction "and", al-Ghazālī used the word "or" to describe what makes up *maslahah*. The definition implies that *maslahah* is achieved either through the means of promoting benefit or repelling harm. Had he used the word "and", then it would require both components to exist concurrently before any *maslahah* could be materialised.

## MS 1900

Basically, rule compliance is one of the inherent qualities of good governance. For example, in the corporate world, compliance with certain standards or industry requirements is a prerequisite for organisations to continue their survival and remain competitive in the years ahead.

The standards help organisations to produce products and services that have the best features and meet the customers' a priori expectations. With efficient planning, not only do they help improve productivity and quality, but they also help

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20. Abū Hāmid Muhammad ibn Muhammad al-Ghazāli, *Al-Mustasfā min ʿIlmi al-Usūl*, 1st Printing (Bulaq: al-Maṭbaʿah al Amīriyyah, n.d.), vol. 1, pp. 286–287.

businesses to reduce costs by decreasing waste and reducing procurement cost.[21] In other words, to be successful, it is vital for organisations to at least meet and perhaps even exceed customer expectations which can be achieved by applying standards to their business.[22]

In Malaysia, the government's vision to position the country as a global halal hub in 2002 had led to the development of various halal initiatives which included the establishment of the Industrial Standards Committee on Halal Standards or the ISC I. The establishment of the committee was approved by the Malaysian Standards and Accreditation Council (MSDAM) at a meeting held on 18 February 2003.[23] The committee is responsible for the development of halal standards in the country. Its scope includes the development of standards in the field of generic management systems; and food and non-food from an Islamic perspective.

The initial idea to introduce Islamic standards in Malaysia was first mooted by Tun Ahmad Sarji bin Abdul Hamid who is the former Chief Secretary to the Government of Malaysia cum Chairman of the Institute of Islamic Understanding Malaysia (IKIM), the post he helmed from 1992–2009. In his observation, poor governance is the main factor that caused the collapse of companies around the world. It is manifested through corruption, mismanagement and lack of accountability among leaders and employees.[24]

For Tun Ahmad Sarji, every problem remains a problem until we find the right solution. He is of the opinion that the

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21. International Organization for Standardization, *Economic Benefits of Standards* (Genève: ISO Central Secretariat, 2014), 9. https://www.iso.org/files/live/sites/isoorg/files/archive/pdf/en/ebs_case_studies_factsheets.pdf.

22. D. Keith Denton, *Quality Service* (Kuala Lumpur: S. Abdul Majeed & Co, 1994), 83.

23. Zainorni Mohd Janis. "Industry Standards Committee on Halal Standards (ISC I)". See note 10.

24. Muhammad Hisyam Mohamad, "Managing Quality and Risks with MS1900," *The Star* (5 September 2017).

best approach to address such a predicament lies in Islamic values and ethical principles. Once they are embedded in the standards and made compulsory for compliance by companies or institutions that have a serious stand on good governance and ethical conduct, the issue will resolve. This is possible because companies which subscribe to any standards are subjected to rigorous scrutiny and audit—both internally and externally—before they can be awarded the certification.[25]

In 2005, ISC I successfully introduced the MS 1900: 2005–Quality Management Systems-Requirements from Islamic Perspective.[26] The MS 1900: 2005 is essentially the Islamic version of ISO 9001 because it uses the former's framework as its basis. Even though there is already a well-recognised and well-established standards in place for quality management systems, the ISO 9001 however does not incorporate certain aspects of *shariʿah* which are a concern to the Muslim community. To address such a concern—and in addition to the existing ISO 9001 features—*shariʿah* requirements have been incorporated into MS 1900: 2005. This has enabled organisations to be managed in accordance with Islamic practices and principles.[27]

In the introduction page (page iv), all the above issues and concerns are dealt with by the Standards. This is clearly spelt out in the second paragraph of the page that the MS 1900 is developed with the aim of ensuring that organisations are managed in accordance with the *sharīʿah* principles and practice of the quality management system.[28]

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25. Ibid.
26. The letters "MS" that precede the title of the standards stand for "Malaysia Standard".
27. Department of Standards Malaysia, *MS 1900:2005 Quality Management Systems–Requirements from Islamic Perspectives* (Putrajaya: Department of Standards Malaysia, 2005).
28. Department of Standards Malaysia, *MS 1900: 2014 Sharīʿah-based Quality Management Systems–Requirements with Guidance* (First Revision) (Putrajaya: Department of Standards Malaysia, 2014), iv.

The specific objectives of the standards are as follows:[29]

1. To inculcate, enhance and practise *sharīʿah* requirements into an organisation's quality management systems that emphasises universal values;
2. To enhance the good governance and efficiency of the organisation which is consistent with the Islamic principles; and,
3. To provide confidence and enhance satisfaction among Muslims and other stakeholders of the organisation.

Nevertheless, all requirements of the standards are generic and meant to be applied to all organisations that produce or provide halal products and services. This also implies that MS 1900 is not applicable to organisations with core activities deemed non-permissible according to *sharīʿah* such as *riba*-based financial institutions, companies that are involved in gambling and gaming or manufactured in non-halal products or related products, for example, the selling of liquor and pork.[30]

In tandem with the revision made by the International Organization for Standardization on ISO 9001 in 2008, the DSM had decided to embark on several revisions on the standards. As a result, in 2014, the revised standards was introduced as the *MS 1900: 2014 Sharīʿah–based Quality Management Systems–Requirements with Guidance* (First Revision). Although the 2005 version was abrogated and replaced with the 2014, the former actually retains most of the contents of the latter. The following are five (5) major modifications made in the revision:[31]

1. A change of title from *MS 1900: 2005, Quality Management Systems–Requirements from Islamic Perspectives to*

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29. Ibid., iv.
30. Ibid., 1.
31. Ibid., iii.

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> *MS 1900: 2014, Sharīʿah-based Quality Management Systems–Requirements with Guidance* (First Revision).

2.   All *sharīʿah* elements and requirements that previously placed in text boxes were removed and incorporated into the text;
3.   An introduction of *sharīʿah* critical control point requirements within the organisation's processes and activities;
4.   An introduction of organisational value management; and,
5.   An introduction of an annex on guidance on the use of the standards.

The translation of MS 1900: 2014 was published by the Department of Standards Malaysia in 2015 and is known as *MS 1900: 2015 Sistem Pengurusan Kualiti Berasaskan Syariah–Keperluan dengan Panduan* (Semakan Pertama).[32] Based on information obtained from Mdm. Sharifah Faizah of the Marketing and Customer Experience Section of SIRIM QAS, as of December 2017, 33 establishments had been awarded with MS 1900: 2014.[33]

In an effort to enhance customer satisfaction, the MS 1900 emulates similar approach of the International Standards by promoting the adoption of a process approach when developing, implementing and improving the effectiveness of a quality management system. The only difference that distinguishes MS 1900 and ISO 9001 is that the former's approach emphasises the importance of understanding

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32.   However for this study, the author uses MS 1900: 2014 as the main reference. This is based on the advice given by Mdm. Hajah Hanida, senior auditor of SIRIM QAS International Sendirian Berhad—which is also the sole-appointed and authorised certification body of the MS 1900—when the author consulted her through telephone on 15 July 2015. Furthermore, in case of disputes, the authoritative version remains the English version, that is, MS 1900: 2014.

33.   The information is based on her e-mail received on 6 December 2017. Please refer to Appendix 1 for the full list.

and meeting *sharīʿah* requirements.[34] In addition, companies can apply the PDCA methodology—which is the operating principle of all ISO management systems standards—to all processes.[35] PDCA stands for Plan, Do, Check and Act.[36] By using the PDCA cycles, organisations can effectively manage and achieve continual improvement.

## MS 1900 and Risk Mitigation: A Literature Review

By nature, risk is an undesirable circumstance that is usually associated with new costs for the negative impact that it may have on individuals or institutions.[37] From an institutional perspective, it is a combination of the probability of an event and the impact of its consequences that can prevent value creation or erode existing value.[38]

The ISO Guide 73[39] defines risk as the effect of uncertainty on objectives.[40] The definition suggested by

34. Ibid., iv–v.

35. BSI Group, *ISO 9001–It's in Detail* (Milton Keynes: BSI Group), 5. https://www.bsigroup.com/Documents/iso-9001/resources/BSI-ISO-9001-implementation-guide.pdf. (accessed on 11 December 2017).

36. P Plan: Set the objectives of the systems and processes to deliver result ("what to do" and "how to do"); D Do: Implement and control what was planned; C Check: monitor and measure processes and results against policies, objectives and requirements and report results; A Act: take action to improve the performance of the processes. See www.iso.org/tc176/sc02/public.

37. Gary Cokins, "A Hunger for Risk." http://www.information-management.com/news/enterprise_performance_management_BI_risk_management-10019450-1.html?pg=2. (accessed on 25 April 2018).

38. Johnson & Johnson, "Framework for Enterprise Risk Management." https://www.jnj.com/_document?id=0000015a-678b-d85b-a1da-779f4cfe0000. (accessed on 10 April 2018).

39. ISO Guide 73 provides basic vocabulary to develop common understanding on risk management concepts and terms among organisations and functions, and across different applications and types.

40. Department of Standards Malaysia, *MS ISO Guide 73: 2010 Risk Management–Vocabulary* (Cyberjaya: Department of Standards Malaysia, 2010), 1.

the guide links risks to objective.[41] Therefore, the definition of risk can most easily be applied when the objectives of the organisation are comprehensive and fully stated. Risk management, on the other hand, is a coordinated process to direct and control an organisation with regard to risk.[42] The process entails five steps namely establishing the context, identifying the risk, analysing the risk, evaluating the risk and treating the risk.[43]

Nevertheless, it is important to note that risk management is not a one off exercise. The ISO 31000 clearly states that it should be an integral part of management, in that it should be embedded in the culture and practices of the organisation and tailored to the business process of the said organisation. In addition, communication and consultation with both internal and external parties should take place during all stages of the process.[44] Similarly, the management should also regularly monitor and review its risk treatment and implementation process. This is to ensure that the adopted controls are effective and efficient.

From an Islamic point of view, the definition of risk by the ISO guide is acceptable. Nevertheless, in terms of approach used to manage or mitigate risk—besides acknowledging risk management as a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, acting on and communicating risk issues—it is important for individuals or organisations to submit to Allāh upon making efforts and praying to Him for goodness (*ṣalāh*) in

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41. The Association of Insurance and Risk Managers, The Public Risk Management Association and The Institute of Risk Management, *A Structure Approach to Enterprise Risk Management (ERM) and the Requirements of ISO 31000* (London : AIRMIC, Alarm & IRM, 2010), 4.
42. Department of Standards Malaysia, *MS ISO 31000: 2010 Risk Management–Principles and Guidelines* (Cyberjaya: Department of Standards Malaysia, 2010), 2.
43. Ibid., 14.
44. Ibid., 13–14.

this world and the Hereafter.[45] Indeed, in Islam, it is necessary to include the concept of *tawakkul* as an additional step in the risk management process.

In Islam, *tawakkul* means to exhaust efforts towards achieving goals and then have a complete reliance on Allāh for the outcome. This principle is attested in several verses of the Qur'ān and prophetic traditions such as in *sūrah Ālī-ʿImrān*: "[Then] when you have decided on a course of action, put your trust in Allāh for He loves those who put their trust in Him. If Allāh helps you [believers], no one can overcome you. If He forsakes you, who else can help you? Believers should put their trust in Allāh."[46]

In a well-known ḥadīth on *tawakkul* which was narrated by Anas ibn Mālik, the Prophet Muḥammad once was asked by a Bedouin on which was better; to tie his camel first or leave it loose (untied) and rely upon Allāh. The Prophet then said to him, "Tie up your camel first then put your trust in Allāh SWT."[47]

Prior to the ISO 9001: 2015, the previous revision of the standards, ISO 9001: 2001 and ISO 9001: 2008, do not explicitly address risks and their vulnerability throughout the organisation's process approach. Since the basis of MS 1900: 2005 and MS 1900: 2014 is the ISO 9001: 2000 and ISO 9001: 2008 respectively, thus risk management is not a matter of interest that incentivises the Technical Committee on Management System from Islamic Perspectives of the ISC I to introduce MS 1900 to the public in 2005.

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45. Syahida Abdullah, "Risk Management via Takaful from a Perspective of Maqāṣid of Sharīʿah," *Procedia–Social and Behavioral Science* 65 (2012): 535–541.

46. See *Ālī ʿImrān* (3): 160–169.

47. Narrated by Imām al-Tirmidhī, Chapters on the Description of the Day of Judgment,and *Al-Riqāq*, and *Al-Waraʿ* from the Messenger of Allāh SAW, Hadith no 2517. See Imām Hāfiz Abū ʿEīsā Mohammad Ibn ʿEīsā At-Tirmidhī, *Jamiʿ At-Tirmidhī*, trans. Abu Khaliyl (Riyadh: Maktaba Dar-us-Salam, 2007), 4: 509.

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What matters to the committee is the emphasis on quality management system from the Islamic perspective. In this respect, organisational shared values—which are grounded in *tawḥīd* that provides harmonious linkages between worldly affairs and the Hereafter—play an important role in implementation of the *sharīʿah* compliance quality management system. Consequently, the effective implementation of such values should gear the organisation towards achieving higher productivity and profitability as well as improving employee and customer satisfaction.[48]

These benefits are also considered *maṣlaḥah* that are derived from the MS 1900 implementation. Nevertheless, when *maṣlaḥah* prevails or the intended benefits materialised, anything that can pose a threat or harm (*mafsadah*) to the organisation will also be addressed by the management. Unfortunately, the benefits of risk management which derived from *sharīʿah* rule compliance is not explicitly mentioned in the standards.

In view of the above, studies conducted by researchers between 2012 and 2015 only focused on the general overview of the standards, and strategies as well as challenges faced in the implementation of MS 1900 by organisations. A study by Khadijah Othman, for example, only gives a brief overview of the philosophy and values underpinning the Islamic quality management system which are also the core to the development of MS 1900.[49]

On the other hand, Siti Arni and Ilhaamie propose an implementation model of MS 1900. They hope that the model which constitutes three main components namely the implementation steps of ISO 9001, *sharīʿah* elements in MS 1900 requirements and MS 1900 could help managers to

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48. Department of Standards Malaysia, *MS 1 900: 2014 Sharīʿah-based Quality Management Systems-Requirements with Guidance* (First Revision), 25–26.
49. Khadijah Othman, "A Brief Overview on Islamic Compliance Quality Management System," *International Journal of Management Sciences and Business Research* 2, no. 12 (2013): 138–142.

implement the standards effectively in their organisations.[50] Ummi Salwa et al. who see the rising number of companies adopting MS 1900 from five in 2008 to 18 in 2012 use this development as a motivating factor to come up with a conceptual framework study on why and how business organisations craft strategy towards achieving the MS 1900.[51] They conclude that in addition to strengthening institutional working culture, companies can use the standards as part of their business strategy to capture and increase Muslim market share.[52] There are several strategies that could be adopted by potential applicant of MS 1900 in getting the standards. These include seeking support and authorisation from the top management; getting the organisation's internal commitment and cooperation as well as having a good rapport with the certification body.[53]

Other researchers such as Hasan et al.[54] and Hasliza et al.[55] investigate issues and challenges faced by institutions

50. Siti Arni Basir and Ilhaamie Abd. Ghani Azmi, "Malaysian Islamic Quality Management System MS 1900 from an Islamic Perspective: An Implementation Model," *Sharīʿah Journal* 19, no. 2 (2011): 85–106.

51. Ummi Salwa Ahmad Bustamam, Amir Shaharudin, Zainal Abidin Mohamed and Juwairiyah Aini Ahmad Bustamam, "Crafting Strategy Towards The Shariah Compliant Quality Standard: A Conceptual Framework" [paper presented at the 5th Islamic Banking, Accounting and Finance (IBAF) Conference, Faculty of Economics & Muamalat, Universiti Sains Islam Malaysia (USIM), 2–3 October 2012].

52. Arbain Sarion, Ummi Salwa Ahmad Bustamam and Amir Shaharudin, "Towards MS1900: 2014 Quality Management System from Islamic Perspective: A Case Study at MACS," *International Journal of Islamic and Civilizational Studies* 2, no.1 (2014): 8–17.

53. Ibid., 14.

54. Hasan Al-Banna Mohamed, Ab Mumin Ab. Ghani and Siti Arni Basir, "A Qualitative Study on the Challenges in Islamic Quality Management Systems (MS 1900: 2005): Implementation within Malaysia's Public Higher Education Institution (MPHEI)" (Proceedings of the International Conference on "Advances in Social Sciences, Economics and Management Study," Institute of Research Engineers and Doctors, 2014): 123–128.

55. Hasliza Mohamad Ali, Siti Arni Basir and Musaiyadah Ahmadun, "The Issue of Implementing Islamic Quality Management Systems MS 1900: 2005 Certification at the Department of Awqaf, Zakat and Haji," *Online Journal of Research in Islamic Studies* 2, no.1 (2015):14–28.

in the implementation of MS 1900 in Malaysia. Hasan et al. who conduct study in public and private tertiary institutions find issues related to attitude, heavy work load, lack of training and financial resources as the impediments of the MS 1900 implementation in the institutions which they studied. Meanwhile, Hasliza et al. identify problem in determining the scope of *sharīʿah* for certification, lack of staff and issues of commitment in maintaining MS 1900 certification as the implementation issues in their case study on Department of Awqaf, Zakat and Hajj (JAWHAR).

From a different perspective of analysis, the implementation issues faced by institutions which was highlighted by Hasliza et al. are also challenges for auditors in the process of auditing. For a particular company to be successful in the auditing process, four elements need to be addressed, namely: manpower, money, method and machineries. Lack of manpower or incompetent personnel, for example, could incur a company additional cost as it has to outsource expertise to fix problems or provide solutions before it could be certified with the MS 1900 scheme.[56]

In sum, risk is not the focal point of the above MS 1900 studies as most of them have been concerned with Islamic quality management per se rather than the risk itself. However, as aforementioned, this does not imply that MS 1900 disregards the importance of risk management in any organisations. As a matter of fact, the basic principles of MS 1900 are implicitly built upon the very foundation of *jalb al-maṣlaḥah wa dafʿ al-mafsadah* in promoting what is good and beneficial, and preventing what is evil and harmful.

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56. Ummi Salwa Ahmad Bustamam, Arbain Sarion dan Amir Sharudin, "The Implementation of MS1900: 2005: A Case Study at SIRIM Berhad" (Paper presented at the 7th Qualitative Research Conference, Shah Alam, 22–23 November 2013).

There are three (3) basic principles of MS 1900.[57] They are as follows:

1. Streamlining action and decision-making with the *maqāṣid al-sharī'ah*;
2. Adhering to the principles of *ḥalāl* and *ḥarām*; and,
3. Adopting Islamic value-based management.

The overall objective of *sharī'ah* (*maqāṣid al-sharī'ah*) is to set matters aright (*ṣalāḥ*) and remove corruption (*fasād*) in all kinds of human activities.[58] The term is interchangeably referred to or may be simply described as protection of *maṣāliḥ* of the people. Muslim scholars such as al-Ghazālī and al-Shāṭibī have classified the core objectives of *sharī'ah* into five categories namely *ḥifẓ al-dīn* (protection of religion); *ḥifẓ al-nafs* (protection of life); *ḥifẓ al-nasl* (protection of progeny); *ḥifẓ al-'aql* (protection of intellect) and *ḥifẓ al-māl* (protection of property).

Within this scope, *sharī'ah* deals with the protection of *maṣaliḥ* either in a positive or preventive manner. As to when to preserve the existing *maṣaliḥ*, *sharī'ah* adopts measures to support their bases. However, when it wants to prevent the extinction of *maṣaliḥ*, *sharī'ah* will adopt measures to remove any elements which actually or could potentially interrupt or disrupt the realisation of public interest.[59] For any organisation to be MS 1900 certified, it must ensure that the objectives of the *sharī'ah* or *maṣlahah* are its main reference or the baseline for any decision making or action taking. The realisation of the objectives of the *sharī'ah* would become much easier with the

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57. Hanida Ghazali, "MS 1900: 2014 Shariah-based Quality Management Systems—Requirements with Guidance (First Revision) & Shariah Principles" (Slides presentation at the Seminar on MS1900: 2014 *Sharī'ah*-based Quality Management Systems Certification, Kuala Lumpur, 23 August 2017). *See also* Siti Arni Basir and Ilhaamie Abd. Ghani Azmi, "Malaysian Islamic Quality Management System MS 1900 from an Islamic Perspective: An Implementation Model."

58. Ibn Ashur, *Treatise on Maqāṣid al-Sharī'ah*, 87.

59. Muhammad Khalid Masud, *Islamic Legal Philosophy* (Islamabad: Islamic Research Institute, 1984), 225–226.

second and third principles of MS 1900 in place and applied to all processes in an organisation.

The principle of *ḥalāl* (the lawful) and *ḥarām* (unlawful or prohibited) is basically part of Islamic legal system or *sharīʿah* whose primary objective is to ensure the welfare of mankind (*taḥqīq maṣaliḥ al-nās*).[60] It is the right of Allāh to legalise or prohibit; to place obligations and responsibilities upon His creation as He sees fit. He makes thing *ḥalāl* and *ḥarām* for a reason that is to secure the well-being and dignity of human beings. Obviously, He has neither permitted anything except what is pure and beneficial; nor has he prohibited anything except what is impure and harmful.[61]

In the context of organisation, the principle of *ḥalāl* and *ḥarām* serves as a parameter of what the organisation could produce or offer to customers. Similarly, it also serves as guidance to the management and employees on how to behave and act according to Islamic law in the day-to-day operational and administrative assignments.

At this juncture, Islamic value-based management plays a pivotal role in the entire process which influences staff—from top management to the grass roots level—to behave Islamically in all fields of operations. In Islām, values and ethics are discussed under *akhlāq* which is one of the three basic components of Islām besides *ʿaqīdah* and *sharīʿah*. As such, Islamic value system is capable of directing Muslims towards the right path in the rightful manner because its foundation is *tawḥīd* and its source is *waḥy* (divine revelation).[62] *Tawḥīd* implies that everything in the universe is created by Allāh with

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60. Yusuf al-Qaradawi, *The Lawful and The Prohibited in Islam (al-Halāl wa al-Harām fī al-Islām)*, trans. Kamal el-Helbawy, M. Moinuddin Siddiqui and Syed Shukry (Indiana: American Trust Publications), 6.

61. Ibid., 24–25.

62. Amal Hayati Ishak, Muhamad Rahimi Osman and Ghafarullahhuddin Din, "Conceptualising Organisational Effectiveness in Light of Islamic Value System," *International Journal of Social Science and Humanity* 3, no. 6 (November 2013): 532–537. See also Syed Othman Alhabshi, "Islamic Values: Its Universal Nature and Applicability," in *Islamic Values and Management*, ed. Syed Othman Alhabshi and Aidit Haji Ghazali (Kuala Lumpur: IKIM, 1994), 7–8.

a purpose. Such a purpose gives meaning and significance to the existence of the universe of which human beings are a part of. Thus, *tawḥid* guides man in his life so that he will live in accordance with the purpose he was created for.

In MS 1900, it is the responsibility of the management to establish, implement, monitor and measure its organisational values. Since the core of the worldview of Islām is *tawḥīd*, all organisational values and behaviour must correspond to the moral values of the Qur'ān. Organisational values are a collection of *akhlāq maḥmūdah* (positive values) which mould excellent Muslim characters in an organisation that bind employees of all levels to strive towards achieving the underlined goals of the establishment.[63]

Therefore, any institution aiming at attaining MS 1900 certification should ensure that positive values such as *ʿadl* (justice), *ukhūwwah* (brotherhood), *itqān* (conscientiousness and knowledgeable in all endeavours), *iḥsān* (perfection or excellence), *ikhlāṣ* (sincerity) and others be promoted and instilled into the minds of individual member of the organisation. These positive values will not only drive them to perform tasks dutifully and diligently, but also provide strong abstention from committing sins and forbidden acts such as exploitation, corruption, selfishness or any dishonest practices at the workplace.

In sum, risk is inherent in all aspects of a quality management system as it could exist in all systems, processes and functions.[64] However, Islamic risk management is not merely about managing or mitigating risks or uncertainties; but it is more on how to manage them effectively with reference to the *sharīʿah* principles by means of providing protection and warding off harms.

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63. See Department of Standards Malaysia, *MS 1900: 2014 Sharīʿah-based Quality Management Systems*. See also Amal Hayati Ishak, Muhamad Rahimi Osman and Ghafarullahhuddin Din.

64. International Organisation for Standardisation, "Risk-Based Thinking in ISO 9001: 2015," www.iso.org/tc176/sc02/public. (accessed on 11 December 2017).

By complying with the MS 1900, which adopts *sharīʿah* value and principles, the organisation is striking two birds with one stone. Not only does it gain organisational efficiency and effectiveness, but it also eliminates risk or harm that could jeopardise its organisational mission and vision. It is also one of the many approaches to ensure the fulfilment of individual or organisational goals and mission which ultimately should result in the attainment of *saʿādah* (happiness) in this world and the Hereafter.[65]

## Conceptual Framework

The focus of the study is on the concept of rule compliance which has many beneficial effects on the organisational performance including lowering business risk. The analysis of the concepts will be based on Islamic worldview in which all activities toward achieving *maṣlaḥah* or *maqāṣid al-sharīʿah* must be within the *tawḥid* framework.[66]

The main document used for the analysis of the study is MS 1900. Even though it contains eight sections namely scope (section 1), normative references (section 2), terms and conditions (section 3), quality management system (section 4), management responsibility (section 5), resource management (section 6), product realisation (section 7) and measurement, analysis and improvement (section 8), the analysis of the Islamic risk management practice in companies surveyed will be narrowed down to section 6, which is "resource management" only.

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65. Ahmad Mazlan Zulkifli, Badrul Hisham Abd Rahman, Nasser Yassin and Jamil Ramly, *Basic Takaful Practices-Entry Level for Practitioners* (Kuala Lumpur: IBFIM, 2012), 25.
66. Nazim Zaman and Mehmet Asutay, "Divergence between Aspirations and Realities of Islamic Economics: A Political Economy Approach to Bridging the Divide," *IIUM Journal of Economics and Management* 17, no. 1 (2009): 73–96.

The section consists of four (4) sub-categories namely:

1.    provision of resources;
2.    human resources;
3.    infrastructure; and,
4.    work environment.

The basic definition of organisational resource management refers to a management system that takes optimum use of available resources—equipment, procedure, people and monetary—to achieve organisational goals and enhance the efficiency and value of operation.[67] The selection of section 6 of the standard is based on the ground that it is highly suitable for measuring operational risk that involves all stakeholders of an organisation including the board, management, staff, partners and clients. Besides, it also takes into account the physical dimension of an organisation as well as the psychological aspect of human beings who operate the industry itself. In addition, matters related to customer satisfaction and quality of products and services that are the major concern to MS 1900 would not be achieved if organisational resources are not properly and effectively managed. This comprehensive scope does not exist in the rest of MS 1900 sections. In the MS 1900, the foremost it mentions with regard to resource management is that organisations should ensure all resources—human resources, infrastructure covering buildings, machineries and equipment; and financial capital—in the organisational activities are obtained through halal sources.[68] Besides the explicit understanding of the requirement, it implies that anything acquired, deployed, decided or

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67. Christine Hill, "Organizational Resource Management," http://serviceelements.com/news/organizational-resource-management/. (accessed on 19 December 2017).
68.   Department of Standards Malaysia, *MS 1900: 2014 Sharīʿah-based Quality Management Systems*, 27.

determined which is contradictory to *sharī'ah* and Islamic values should be avoided or eliminated because of the inherent risks and potential harms which might result from being non-compliant to *sharī'ah* principles.

The details of the items researched and their potential risks are as per Table 1.

Table 1: Potential Risks in Resource Management[69]

| Item | Description | Risks Issues |
|------|-------------|--------------|
| Provision of Resources | Provision of resources means acquiring and deploying resources that have been identified —with the right quantity and quality—as being needed.[70] Resources may include personnel, infrastructure, process equipment, work environment, information and financial resources which are required for implementing, maintaining and improving the quality management system and for addressing customer satisfaction. | Wastage, inefficient allocation or utilisation of resources, *halal*ness of resources, disruption of resource supply. |
| Human Resources | Human resources refer to the people that staff and operate an organisation. | Malpractices, competency issues, high staff turnover, psychosocial risk, safety and health risk, skills shortages, industrial disputes, |

69. The potential risks are deduced from the MS 1900 requirements for each individual category from section 6.1, 6.2, 6.3 and 6.4 of the Standards.
70. David Hoyle, *ISO 9000 Quality System Handbook*, 4th ed. (Oxford: Butterworth-Heinemann, 2001), 307.

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|---|---|---|
| | | high absenteeism, employee disengagement.[71] |
| Infrastructure | The term infrastructure refers to the entire system of facilities, equipment, and services that an organisation needs in order to function. It includes buildings, workspace and associated utilities; process equipment (both hardware and software) and supporting services (such as transport and communication).[73] | Availability of Muslim-friendly facility, adequacy of process equipment and supporting services.[72] |
| Work Environment | The work environment of an organisation is a combination of human and physical factors. These factors influence motivation, satisfaction and performance of people, potentially enhancing the performance of the organisation.[75] | Non-discriminatory practices, freedom to perform religious obligations, working conditions.[74] |

71. Marius Meyer, Gert Roodt, and Micheal Robbins,"Human resources risk management: Governing people risks for improved performance," *SA Journal of Human Resource Management* 9, no. 1 (2011): 1–12. See also Department of Standards Malaysia, *MS 1900: 2014 Sharīʿah-based Quality Management Systems Requirements with Guidance* (First Revision), 10.

72. Ibid.

73. Department of Standards Malaysia, *MS 1900: 2014 Sharīʿah-based Quality Management Systems Requirements with Guidance* (First Revision), 11.

74. Ibid.

75. Quality Digest, "ISO 9001: 2000 Management Auditing," https://www.qualitydigest.com/april00/html/iso2k.html. (accessed on September 2017).

The bottom line is, every risk stemming out from each item is actually the result of *sharīʿah* non-compliance event or incident that fails to conform to *sharīʿah* principles or Islamic teachings.

In Islām, man can only attain *al-falāḥ* or real success through rule compliance. In the case of MS 1900, the concept of rule compliance is embedded and codified in its guidelines and requirements.

It is reckoned that the concept of rule compliance is deemed important for organisations. This argument is supported by the evidence of the success story of Japanese corporations which have remarkably made their products and services household names across the world. Standards by their nature give state of the art specifications for products, services and good practice. Compliance to the standards thus helps companies to minimise error and increase productivity. Such is the Japanese practise—besides their *kaizen* culture of constant and continuous improvement—to remain competitive in the marketplace.[76]

In addition, compliance to *sharīʿah* can also address wrongful acts which are a common issue faced by organisations across the industries. In other words, compliance to the teachings of the Qurʾān and Ḥadīth will eliminate human errors in operational risks which are also the dominant issues deliberated on in risk management framework.[77]

## Conclusion

The Qurʾān makes it clear that the wellbeing of a society depends on the degree of Allāh's blessings. The reward for such compliance is stated in *sūrah al-Sajadah*, verse 17: "Now no person knows what delights of the eye are kept hidden (in reserve) for them—as a reward for their (good) deeds."[78] The

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76. Muhammad Hisyam Mohamad, "Managing Quality and Risks with MS1900," *The Star* (5 September 2017).

77. Ibid.

78. *Al-Sajadah* (32): 17.

verse markedly indicates that for being compliant with His commandments, Allāh has in store for us incentives which are beyond our comprehension that could be enjoyed in this mortal life or the life to come.

In *sūrah al-Aʿrāf*, verse 96, Allāh says: "If the people of the towns had but believed and God-conscious, We should indeed have opened out to them (All kinds of) blessings from heaven and earth; but they rejected (the truth), and We brought them to book for their misdeeds." Basically, the verse explains about two different scenarios which can bring two different results to a society. On the one hand, the concept of *barakah* awaits a particular group of people (*ahl al-qurā*) if they are rule-compliant and constantly abide by the laws prescribed by Allāh. On the other hand, Allāh forewarns of the adverse consequences to those who reject His rules.

Thus, rule compliance in *sharīʿah* is a platform in which man can seek and attain the pleasure of Allāh. At the same time, it serves to negate evil elements. Thus, the effects of rule compliance with Divine promises of blessings from our total submission to His Will and heeding His Commands by doing good and refraining from evil deeds, will also generate positive results in any organisation or institution if such incentives are embedded in the management process. Notably, adherence to *sharīʿah* guidance will not only result in quality performance, but it will also reduce risk exposures of individuals and organisations to any possible vulnerability such as unsatisfactory performance or corrupt practices.

Verse 96 also mentions about the term *barakah* which means blessing. It is an incentive system in Islām which induces an individual to follow the path of proper conduct underlined by the religion. This notion refers to "an invisible but material" blessing whose result can be observed by any believer who engages in righteous conducts.[79]

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79. Zamir Iqbal and Abbas Mirakhor, *An Introduction to Islamic Finance,* 2nd ed. (Singapore: John Wiley & Sons, 2011), 52.

In an economic context, it refers to an imperceptible and invisible increase in resources by the will of Allāh. It is an incentive structure and a kind of built-in mechanism for increasing the resources of which Allāh has guaranteed the rule-compliant society.[80] In normal circumstances, the law of increase works quantitatively. For instance, if we increase one factor of production, we can quantitatively assume that it will contribute to a certain level of increment in productivity. However, in the concept of *barakah*, the law of increase seems to work qualitatively, and in some cases, it makes apparently inadequate resources suffice man's needs.

As such, the concept as expounded by Iqbal, Mirakhor and Khan, establishes a positive correlation between the system of conduct and prosperity and the converse of the concept also holds true. Indeed, unrighteous conduct will rob its holder of its *barakah*. This applies not only to individuals, but also to the community as a whole.

In the case of MS 1900, the concept of rule compliance is adopted and utilised to ensure organisations abide by Islamic values and *sharī'ah* requirements. Abiding by the principles derived from the Qur'ān and the Sunnah will definitely drive any institution toward business excellence and create a better risk management culture in its working environment. In view of this rule too, it is expected that MS 1900 certification will have positive impacts on the organisations' overall risks.

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80. Muhammad Akram Khan, *Islamic Economics and Finance–A Glossary*, 2nd ed. (London: Routledge, 2003), 33.

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## Appendix 1

List of MS 1900-certified Companies as of December 2017

1.  Hospital Pakar Annur Hasanah Sdn. Bhd. (09 April 2018)
    Annur Hasanah Specialist Hospital Sdn. Bhd.
2.  Jabatan Agama Islam Melaka (09 November 2020)
    Melaka Islamic Religious Department
3.  Jabatan Hal Ehwal Agama Islam Pulau Pinang (13 August 2018)
    Pulau Pinang Islamic Religious Affairs Department
4.  Jabatan Kehakiman Syariah Negeri Sembilan (18 November 2018)
    Negeri Sembilan Shariah Courts Department
5.  Jabatan Kehakiman Syariah Perak (04 July 2019)
    Perak Shariah Courts Department
6.  Jabatan Kehakiman Syariah Selangor (23 June 2019)
    Selangor Shariah Courts Department
7.  Darul Quran, Jabatan Kemajuan Islam Malaysia (25 June 2020)
    Darul Quran, Department of Islamic Development Malaysia
8.  Juwara Resources & Trading (M) Sdn. Bhd. (16 November 20)
9.  Kementerian Kesejahteraan Bandar, Perumahan Dan Kerajaan Tempatan (12 September 2019)
    Ministry of Urban Wellbeing, Housing and Local Government
10. Kolej Islam Pahang Sultan Ahmad Shah (KIPSAS) (09 July 2020)
    Sultan Ahmad Shah Islamic College Pahang
11. Kolej Komuniti Gerik–Kementerian Pendidikan Malaysia (13 January 2020)
    Gerik Community College–Ministry of Education Malaysia

12.   Lembaga Urus Air Selangor (LUAS)  (19 March 2018)
      Selangor Water Management Board
13.   Mahkamah Syariah Negeri Melaka (04 May 2020)
      Melaka State Shariah Courts
14.   Majlis Agama Islam Melaka (22 April 2019)
      Melaka Islamic Religious Council
15.   Majlis Agama Islam Selangor (09 November 2020)
      Selangor Islamic Religious Council
16.   Malaysia Airports Consultancy Services Sdn. Bhd. (24
      May 2019)
      Perkhidmatan   Perundingan   Lapangan   Terbang
      Malaysia Sdn. Bhd
17.   Malaysian Electronic Payment System Sdn. Bhd. (22
      December 2020)
      Sistem Pembayaran Elektronik Malaysia Sdn. Bhd.
18.   Natural Wellness Holdings (M) Sdn. Bhd. (24 April
      2020)
19.   Bahagian Pengurusan Sumber Manusia, Pejabat
      Setiausaha Kerajaan Selangor Darul Ehsan (22
      December 2020)
      Department of Human Resource Management,
      Office of the Secretary to the Selangor Darul Ehsan
      Government
20.   PNB Darby Park Executive Suites (09 October 2020)
      Suite Eksekutif PNB Darby Park
21.   PNB Ilham Resort (ILHAM) (28 October 2020)
22.   Hotel Perdana Kota Bharu (05 November 2018)
      Perdana Hotel Kota Bharu
23.   Politeknik Metro Johor Bahru (21 October 2018)
      Johor Bahru Metro Polytechnic
24.   Pusat Kutipan Zakat Pahang  (16 June 2019)
      Pahang Zakat Collection Centre
25.   Pusat Zakat Melaka (22 October 2020)
      Melaka Zakat Centre
26.   QSR Stores Sdn. Bhd. (18 November 2019)
27.   Royce Pharma Manufacturing Sdn. Bhd.  (17 January
      2019)

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28. Tabung Baitulmal Sarawak  (08 November 2018)
    Sarawak  Baitulmal Fund
29. Takaful Ikhlas Sdn. Bhd. (14 August 2020)
30. Universiti Tenaga Nasional (19 June 2018)
    Tenaga Nasional University
31. Upstream Downstream Services Sdn. Bhd. (28 May 2018)
32. Jabatan Pembangunan dan Pengurusan Fasiliti, Universiti Sains Islam Malaysia (25 March 2019)
    Department of Facilities Development and Management, Islamic Science University Malaysia
33. USM Tissue Bank, School Of Medical Sciences, Health Campus, Science University Malaysia (22 April 2019)
    Bank Tisu USM, Sekolah Sains Perubatan, Kampus Kesihatan, Universiti Sains Malaysia

(Note: Dates in brackets indicate certification expiry).