



UNDERSTANDING RIBA THROUGH HADITH LITERATURE: AN EXAMINATION OF AL-BAQARAH 2:275

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ABSTRACT

The prohibition of riba constitutes a fundamental principle in Islamic teachings aimed at preserving justice and balance in economic activities. This study examines the interpretive relationship between Q.S. Al-Baqarah (2:275) and several authentic hadiths on riba in order to reconstruct a coherent textual framework. Through qualitative textual analysis of classical tafsir works and major hadith commentaries, the research explores how the Prophetic traditions function to elaborate the actors, mechanisms, and socio-economic consequences involved in riba practices. The findings indicate that the hadith literature operates as an epistemic extension of the Qur'anic prohibition, transforming a general theological warning into a structured legal-ethical system governing economic behavior. This study offers a theoretical contribution to hadith studies by emphasizing the hermeneutical role of hadith in the formation of Islamic economic norms, while also providing conceptual clarification for contemporary debates regarding the relevance of the prohibition of riba within modern financial systems.

Keywords: *Riba, Hadith, Qur'anic Tafsir, Islamic Economics*

A. INTRODUCTION

The practice of riba has become one of the most significant issues in Islamic economics and continues to receive serious attention from scholars and intellectuals. Literally, riba means "addition" or "increase," which generally appears in financial transactions in the form of interest or excessive and unjust profit. From an Islamic perspective, riba is prohibited because it is considered harmful to one of the parties involved and has the potential to create social and economic inequality. Therefore, a comprehensive understanding of the prohibition of riba is highly crucial, particularly in the context of the development of modern financial systems, which often still involve elements of riba in subtle or hidden forms.

Existing scholarship has generally approached the issue of *riba* from two principal perspectives. First, legalistic studies focus on the juristic classification of *riba*, particularly *riba al-nasī'ah* and *riba al-faḍl* within classical fiqh discourse. Second, contemporary Islamic finance literature examines the practical implications of the prohibition of *riba* within modern banking systems. While both approaches provide valuable contributions, they often treat Qur'anic exegesis and hadith narrations merely as supporting



textual evidence rather than as dynamic interpretive frameworks capable of shaping ethical economic paradigms. Consequently, the epistemological relationship between Qur'anic discourse and the Prophetic elaboration on *riba* has not been sufficiently examined within an integrated textual framework.

Based on Surah Al-Baqarah verse 275, scholars have clearly explained that *riba* is unlawful (haram). Before being absolutely prohibited, the prohibition of *riba* in the Qur'an was revealed gradually, similar to the gradual prohibition of *khamr* (intoxicants). These stages are reflected in several Qur'anic verses, including Surah An-Nisa verses 160–161, Surah Ar-Rum verse 39, Surah Ali Imran verse 130, and Surah Al-Baqarah verses 278–279 (Zuhri, 1996, p. 3). Surah Al-Baqarah verse 275 serves as one of the primary sources that explicitly explains the prohibition of *riba*. This verse emphasizes the distinction between lawful trade and prohibited *riba* practices. The interpretation of this verse is essential for understanding the rationale and scope of the prohibition of *riba* comprehensively. In addition, authentic hadiths narrated from Prophet Muhammad (peace be upon him) provide detailed explanations regarding the types of *riba* and their negative impacts on the social and economic life of the Muslim community.

Based on the mentioned background of the problem, an important scholarly question emerges that how do hadith narrations function not merely as supplementary texts, but as interpretive authorities that expand and operationalize the Qur'anic prohibition of *riba*, particularly as articulated in Q.S. al-Baqarah (2:275)?

This study employs a qualitative approach using a library research method to explore the interpretative meanings of the Qur'an and hadiths related to the prohibition of *riba*. The analysis is conducted by examining various classical and contemporary tafsir sources, as well as hadith commentaries written by scholars who are competent in the fields of Islamic economics and Islamic law. The objective is to obtain a holistic understanding of the concept of the prohibition of *riba*, as well as its relevance within the increasingly complex contemporary economic context.

In the modern context, *riba* practices do not always appear explicitly in the form of interest; rather, they may emerge in various financial transactions such as loans, credit systems, and other financial products that are often difficult for the general public to identify. Modern financial systems still involve many financial institutions that apply interest-based mechanisms in lending processes. This situation poses a particular challenge for Muslims who strive to conduct their economic activities in accordance with Sharia principles



(Schmidinger, 2007). Interest-based financial practices not only have the potential to cause economic harm but may also widen social inequality. In many cases, borrowers become trapped in cycles of debt that are difficult to escape, thereby weakening their purchasing power and reducing their quality of life. Therefore, this study is important to provide a correct and comprehensive understanding of how Islam views *riba* and how Muslims can avoid it in daily life, particularly in economic and financial activities.

Accordingly, this article aspires to contribute meaningfully to ongoing efforts to bridge Qur'anic *tafsir* and hadith scholarship within contemporary Islamic economic discourse. The findings advance hadith studies at a theoretical level by demonstrating how Prophetic narrations operate not merely as supplementary proofs, but as epistemic extensions and interpretive elaborations of the Qur'an's economic ethics. In addition, this study offers conceptual clarification to current debates on the relevance of the prohibition of *riba* in modern financial systems, moving beyond purely juristic classifications toward a more integrated and textually coherent understanding grounded in both Qur'anic and Prophetic sources.

B. METHODOLOGY

This study adopts a qualitative textual approach grounded in library research, with the aim of attaining a systematic and in-depth understanding of the subject under investigation. The primary sources consist of Q.S. al-Baqarah (2:275) and selected authentic hadiths concerning the prohibition of *riba*, particularly those transmitted in Sahih al-Bukhari and Sahih Muslim. Secondary sources include major classical exegetical works such as Tafsir al-Qurthubi and Mafatih al-Ghayb, as well as authoritative hadith commentaries including Fath al-Bari and al-Minhaj Sharh Sahih Muslim, all of which are directly relevant to the thematic discussion of *riba*.

The analytical framework integrates thematic textual analysis with a comparative hermeneutical approach. In the first stage, the Qur'anic verse is examined through the interpretive corpus of classical mufasssirun in order to identify its normative construction, legal dimensions, and ethical underpinnings. In the second stage, the selected hadiths are analyzed both in terms of isnad authenticity and matn analysis, drawing upon the elaborations of recognized hadith authorities within the classical tradition. The third stage involves a comparative reading of the Qur'anic discourse and the Prophetic explication to trace patterns of taqyid (restriction), tafsil (specification), and tatbiq (legal-operational application) in relation to the prohibition of *riba*.

Conceptually, this study rejects the reduction of hadith to merely confirmatory textual evidence. Instead, it affirms hadith as an interpretive authority that functions epistemologically to extend and concretize Qur'anic



economic principles within normative, legal, and socio-ethical domains. Through this integrative textual approach, the research seeks to construct a systematic and coherent hermeneutical framework for understanding riba within the broader architecture of Islamic normative discourse.

C. RESULTS AND DISCUSSION

The phenomenon of riba constitutes one of the most critical issues that has not only attracted attention in the modern economic sphere but has also received serious emphasis within Islamic teachings since the earliest period of Islam. In Islamic jurisprudence, riba is regarded as an unjust form of transaction because it generates benefit for one party at the expense of another and contradicts the fundamental principle of justice in economic transactions. Therefore, the Qur'an explicitly condemns riba and associates it with severe divine punishment for those who engage in it. Recent scholarly developments further demonstrate that the discourse on riba continues to expand within contemporary academic literature. Bibliometric analyses of Scopus-indexed publications over the past three years indicate a steady growth of research on riba, particularly within the fields of Islamic finance, ethical economics, and Sharia governance, with keywords such as "Islamic finance," "riba," and "Islamic law" emerging as dominant themes (Titania mukti, 2025).

Moreover, empirical findings suggest that avoidance of riba-based financial instruments positively correlates with improvements in individual well-being and socio economic stability, reinforcing the argument that the prohibition of riba is not merely a theological injunction but also a framework for sustainable and justice oriented economic practice (Setiawan. R. A, 2023). Accordingly, the contemporary academic landscape confirms that the Qur'anic and Prophetic condemnation of riba remains deeply significant in addressing structural inequality and ethical challenges within modern financial systems.

The primary textual foundation for this discussion is the statement of Allah (SWT) in Surah Al-Baqarah verse 275:

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ذُكِّبَتْ لَهُمْ قُلُوبُهُمْ فَأَلْفَوْا
إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا فَمَنْ جَاءَهُ مَوْعِظَةٌ مِنْ رَبِّهِ فَانْتَهَى فَلَهُ مَا سَلَفَ وَأَمْرُهُ
إِلَى اللَّهِ وَمَنْ عَادَ فَأُولَئِكَ أَصْحَابُ النَّارِ هُمْ فِيهَا خَالِدُونَ ٢٧٥

Translation:

"Those who consume riba will not stand [on the Day of Judgment] except like the standing of a person beaten by Satan into insanity. That is because they say, 'Trade is only like riba,' whereas Allah has permitted trade and forbidden riba. So whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah. But whoever returns [to



riba]—those are the companions of the Fire; they will abide therein eternally.” (Qur’an 2:275)

This verse illustrates that those who engage in riba will experience severe spiritual and psychological disturbance, as well as serious consequences in the Hereafter. Allah clearly distinguishes between lawful trade and prohibited riba due to the harmful and exploitative nature of riba-based transactions. Within the context of this verse, riba is not merely an economic issue but also a matter closely connected to faith and obedience to divine commandments.

Exegetical interpretations of this verse indicate that Allah (SWT) provides an opportunity for those who previously engaged in riba to repent after receiving divine admonition. However, those who persist in practicing riba are threatened with punishment in Hell, where they will remain eternally. This reflects the gravity of the prohibition of riba within Islamic teachings and demonstrates the seriousness of its legal, moral, and spiritual implications.

1. Definition of Riba

Linguistically, the term *riba* refers to addition (*al-ziyādah*), growth (*al-nuww*), increase (*al-irtifāʿ*), and elevation (*al-ʿuluw*). In general terms, riba denotes any increase, growth, or addition to the principal amount of a loan received by the lender as compensation for extending the repayment period or for allowing the borrower to utilize a portion of the capital for a specified period of time (Heri, 2003, p. 5).

From a terminological perspective, riba refers to a contractual agreement or transaction involving the exchange of specific goods or assets in which there is no certainty that the exchanged items are equal in value according to Islamic law (Sharia). This uncertainty may occur in direct exchanges or in transactions where one or both items are delivered at a later time. Therefore, riba contains elements of injustice and disproportionate excess value, which are prohibited in Islam because they may result in harm or unfairness toward one of the transacting parties.

In *Mughni al-Muhtaj*, riba is defined as a contractual exchange of specific goods in which it is not known whether the exchanged items are equal in value according to Sharia standards, whether the exchange occurs immediately at the time of the contract or involves deferment of one or both of the exchanged items. This definition highlights the fundamental concern of Islamic law regarding uncertainty and inequality in exchange transactions that may lead to unjust enrichment (Al-Sherbini, 1999, p. 22).

Islam strictly prohibits riba because it contradicts the fundamental principles of economic justice. Within the Islamic economic framework, profit



is only considered legitimate when it is generated through real contribution, such as labor, productive effort, entrepreneurship, or risk-bearing. Riba, however, provides guaranteed profit to one party without requiring effort or active participation, resulting in gain without a legitimate underlying cause. Consequently, riba is regarded as a form of injustice that has the potential to undermine the social and economic order of society.

Beyond its moral implications, the practice of riba also contributes to significant social inequality. Lenders continue to receive fixed returns without bearing financial risk, while borrowers face increasing financial burdens. Over time, this condition may widen the socioeconomic gap between the wealthy and the poor. For this reason, Islam not only prohibits riba but also encourages Muslims to avoid economic systems that promote exploitation and structural inequality.

In contemporary practice, riba is commonly found in the form of interest on monetary loans, including bank interest, credit card interest, and high-interest online lending services. Although these practices may be considered legally permissible under positive law, from a Sharia perspective, they are classified as riba because they involve unjustified additions to the principal debt. Such systems are often justified using terms such as “service fees” or “time compensation,” yet substantively they remain forms of riba that are prohibited in Islamic law.

With the development of digital economic systems such as trading platforms, foreign exchange (forex) markets, and cryptocurrency transactions, it has become increasingly important for Muslims to re-examine the essential concept of riba. Many contemporary economic practices may contain elements of riba, even when presented using modern financial terminology. Therefore, understanding riba through the primary sources of the Qur’an and Hadith, along with their classical and contemporary exegetical interpretations and scholarly commentaries, is essential for ensuring compliance with Islamic economic principles in the modern era.

2. Tafsir of Q.S. Al-Baqarah (2:275) and Scholarly Explanations

Verse 275 of Surah Al-Baqarah represents a central textual foundation in the discussion of the prohibition of riba in Islam. In this verse, Allah (SWT) emphasizes that those who habitually engage in riba will be in a state resembling a person possessed by Satan, unable to stand in a stable or normal condition due to psychological disturbance. This description serves as a metaphor for the spiritual and moral imbalance experienced by individuals who are involved in riba-based transactions.

Several classical exegetes, including Imam al-Qurthubi, explained that this parable illustrates the destructive effects of riba on human intellect and



moral consciousness. Individuals who become excessively attached to riba are portrayed as losing sound judgment due to their obsession with worldly profit. This interpretation indicates that riba not only damages the economic structure of society but also undermines personal moral integrity.

From the perspective of Fakhruddin al-Razi, the interpretation of this verse further indicates that riba constitutes a form of economic exploitation that eliminates justice in financial transactions. While trade is based on mutual consent and equitable exchange, riba generates profit without proportional risk (Al-Razi & Ibnu Ali, 2000, pp. 91–92). Therefore, Allah explicitly permits trade while prohibiting riba, as clearly stated in the following part of the verse:

"وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا"

"Padahal Allah telah menghalalkan jual beli dan mengharamkan riba."

This distinction confirms that human logic cannot be equated with divine law. In the past, some people equated riba with trade because both generate profit; however, this reasoning is directly refuted by Allah. In lawful trade, there are elements of fairness, transparency, and mutual willingness, whereas riba contains elements of exploitation, particularly toward financially vulnerable individuals.

Furthermore, Abd al-Rahman al-Sa'di explains in his tafsir that the threat of eternal punishment for those who engage in riba is not solely due to economic wrongdoing, but also because it represents disobedience to divine law. Therefore, Allah provides leniency for those who repent after receiving divine warning, while maintaining severe consequences for those who persist in such practices (Sa'di, 2002, p. 132).

From this perspective, Islam provides space for repentance while also acknowledging socio-economic realities. However, for those who continuously engage in riba, the threat of Hellfire represents a form of unavoidable divine justice. The phrase "هُم فِيهَا خَالِدُونَ" emphasizes the severity of the sin of riba in Islamic teachings.

From an economic perspective, this verse also forms the foundation for Islamic financial systems that seek to avoid riba-based mechanisms. Consequently, various Sharia-compliant financial instruments have been developed to provide more equitable economic alternatives. Financial contracts such as *murabahah*, *ijarah*, *mudarabah*, and *musharakah* demonstrate Islam's strong emphasis on balancing profitability with justice and ethical responsibility.

Thus, this verse does not merely contain legal rulings but also provides moral and social guidance that remains highly relevant to modern society. The



primary contemporary challenge lies in implementing these values in practical economic life, particularly amid the global dominance of conventional financial systems that continue to incorporate interest-based mechanisms.

3. Hadiths on the Prohibition of Riba and the Prophetic Explanation

Hadith serves as an explanatory source of the Qur'an and constitutes an authoritative foundation of Islamic law in elaborating the meanings of legal verses, including those related to the prohibition of riba. In this context, Prophet Muhammad not only reiterated the Qur'anic prohibition of riba but also provided detailed explanations regarding all parties involved in riba transactions and their social and spiritual consequences within Muslim society. His explanations, conveyed through hadith literature, provide practical and social dimensions of the legal ruling, thereby assisting Muslims in avoiding violations that may arise due to lack of knowledge.

One of the most widely cited hadiths used by the majority of jurists (fuqaha) in explaining the scope of the prohibition of riba is the narration reported by Jabir ibn Abdillah. The narration states:

عَنْ جَابِرٍ، قَالَ: لَعَنَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ أَكِلَ الرَّبَا وَمُوكِلَهُ، وَكَاتِبَهُ، وَشَاهِدَيْهِ، وَقَالَ: هُمْ سَوَاءٌ

Translation:

“From Jabir: The Messenger of Allah cursed the one who consumes riba, the one who gives it, the one who records it, and its two witnesses. He said: ‘They are all equal (in sin) (bin Syaraf al-Nawawi, 1996).’” (Narrated by Imam Muslim, no. 1598)

In his commentary on Sahih Muslim, Imam al-Nawawi explains that the curse mentioned in this hadith serves as a strong affirmation of the prohibition of riba in Islam. According to him, the inclusion of all parties—the consumer, the provider, the scribe, and the witnesses under the same moral condemnation demonstrates that riba is a systemic practice that endangers society collectively. He further emphasizes that although these parties perform different roles, they all contribute to the continuation of riba-based transactions.

This explanation is further reinforced by Imam al-Qurthubi in his tafsir *Al-Jami' li Ahkam al-Qur'an*, where he states that the prohibition of riba in Islam does not only target the unlawful gain itself but also the processes and systems that sustain it. In his view, the involvement of witnesses and scribes reflects administrative support for invalid transactions. Therefore, moral and legal responsibility is shared by all participating parties.

Another dimension of this hadith highlights the importance of social responsibility in Islam. When an individual is involved in riba practices, the sin is not limited to the primary actor alone; rather, anyone who facilitates,



records, or witnesses the transaction is considered complicit in the harm produced. Therefore, Islam does not merely prohibit riba but also promotes collective social awareness to reject riba in all its forms.

A second major hadith relevant to this discussion is narrated by Abu Hurairah, in which the Prophet said:

عَنْ أَبِي هُرَيْرَةَ، قَالَ: قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ: "اجْتَنِبُوا السَّبْعَ الْمُوبِقَاتِ"، قَالُوا: يَا رَسُولَ اللَّهِ، وَمَا هُنَّ؟ قَالَ: "الشِّرْكَ بِاللَّهِ، وَالسِّحْرُ، وَقَتْلُ النَّفْسِ الَّتِي حَرَّمَ اللَّهُ إِلَّا بِالْحَقِّ، وَأَكْلُ الرِّبَا، وَأَكْلُ مَالِ الْيَتِيمِ، وَالتَّوَلَّى يَوْمَ الرَّحْفِ، وَقَدْفُ الْمُحْصَنَاتِ الْعَافِيَاتِ الْمُؤْمِنَاتِ."

Translation:

“Avoid the seven destructive sins.” The companions asked: “What are they, O Messenger of Allah?” He replied: “Associating partners with Allah, practicing magic, killing a soul which Allah has forbidden except by right, consuming riba, consuming the property of orphans, fleeing from the battlefield, and falsely accusing chaste believing women (al-Naysāburī & al-Qushayrī, 1991).” (Narrated by Imam al-Bukhari no. 2766 and Imam Muslim no. 89)

In *Fath al-Bari*, Ibn Hajar al-Asqalani explains that the inclusion of riba among the seven major destructive sins indicates not only a moral warning but also a classification of sins that lead to spiritual and social destruction. He further explains that riba contributes to social inequality, economic disparity, and the exploitation of weaker parties by stronger ones, which contradicts the Islamic principle of justice (al-Asqalani, 1990, pp. 330–332).

Contemporary scholars such as Wahbah al-Zuhayli also interpret this hadith within the framework of the modern economic system. In his work *Al-Fiqh al-Islami wa Adillatuhu*, he argues that riba represents a form of modern economic subjugation embedded within capitalist financial structures. Accordingly, he emphasizes that Islamic financial systems must be designed to be free from riba while prioritizing justice, partnership, and ethical economic practices.

Taken together, these two hadiths comprehensively demonstrate that the prohibition of riba in Islam is not merely a ritual or theological command but also a mechanism intended to protect society from the harmful consequences of unjust economic systems. Based on these prophetic teachings, Islamic financial systems are designed to provide more equitable, sustainable, and ethically grounded economic alternatives. In the modern era, Muslims are therefore encouraged to critically evaluate contemporary financial transactions in order to avoid hidden forms of riba, particularly in loan systems, bank interest mechanisms, and other conventional financial instruments.



4. The Relevance of the Prohibition of Riba in the Context of the Modern Economy

The prohibition of riba as emphasized in the Qur'an and the traditions of the Prophet Muhammad (peace be upon him) carries universal values that are not limited by time or place. Although it emerged in the early period of Islam, this principle remains relevant and has become increasingly urgent to consider within the global economic system, which tends to practice interest in various forms. In contemporary systems, riba is not limited to monetary loans but has penetrated various investment and financing schemes, including fintech services, credit cards, and online investment instruments.

In the context of the contemporary economy, riba appears in the form of bank interest, installment payments with fixed or floating interest rates, and exploitative late payment penalties. Such systems often trap individuals in prolonged debt without considering their financial conditions. This practice fundamentally contradicts the values of justice upheld in Islam, as it benefits one party without risk while the other bears the burden of loss entirely.

One of the most visible forms of modern riba-based economic practice is high-interest online lending services, which are currently widespread. Many people are attracted by the ease of access but eventually become trapped in compounding interest systems that multiply debt. This represents a contemporary manifestation of pre-Islamic riba practices that were prohibited in Islam, as criticized in Surah Al-Baqarah verse 275 and the prophetic traditions.

Furthermore, online trading practices, particularly in forex and binary options, are often criticized because they involve excessive speculation (gharar) and potential elements of riba. In some cases, these systems utilize leverage and swap mechanisms (overnight interest), which may contain hidden forms of riba. Although not all types of trading are prohibited, when modern financial instruments contain uncertainty and one-sided profit structures, Islamic principles reject them.

Yusuf al-Qaradawi, in his work *Fawa'id al-Bunuk Hiya al-Riba al-Haram*, emphasized that bank interest constitutes a form of riba that is clearly prohibited in Islamic law. He asserted that any increase in value over a loan that is guaranteed without risk and without productive effort constitutes riba. This fatwa has become a foundation for many Islamic financial institutions to develop systems that are interest-free and socially just (Al-Qaradawi, 2001, pp. 45–50).

The implementation of Islamic financial systems serves as a response to the dominance of interest-based systems. Financial institutions such as Islamic banks, Islamic cooperatives, and sharia-based fintech platforms have



offered various products such as mudarabah, musharakah, and qard al-hasan, which are free from riba and based on profit-and-loss sharing principles. This system encourages active participation of both parties in profit and risk.

The development of Islamic investment instruments such as sukuk, sharia mutual funds, and halal crowdfunding has also become a healthy alternative in addressing interest-based investment temptations. These systems ensure transparency and justice while avoiding gharar (uncertainty) and maysir (gambling), which are commonly found in conventional systems. These innovations demonstrate that Islamic economics is not outdated but rather a solution for the future.

On a broader global scale, international institutions have begun to consider Islamic financial systems because they have proven to be more resilient during financial crises. During the global financial crisis of 2008, many Islamic banks remained relatively stable because they were not involved in interest-based practices and speculative derivative instruments. This indicates that the prohibition of riba is not merely a moral norm but also a rational economic protection strategy (Hasan & Dridi, 2011).

Riba not only contributes to economic inequality but also to instability in the global financial system. Developing countries are often trapped in high-interest foreign debt, which worsens deficits and poverty. In this regard, Islam offers solutions by eliminating riba and promoting productive, collaborative, and justice-based financial instruments.

Young Muslim generations and university students, especially startup entrepreneurs, need to understand the essence of the prohibition of riba and seek investment and financing alternatives that comply with sharia principles. Islamic financial education must be strengthened so that Muslims are not easily tempted by promises of quick profits from unlawful and exploitative schemes. This awareness is essential so that the spirit of economic transformation can bring both worldly and spiritual benefits.

In conclusion, the prohibition of riba originating from divine revelation is not merely spiritual in nature but also provides concrete solutions to inequality, exploitation, and economic instability. In an increasingly complex world filled with financial innovations, sharia principles remain an ethical and moral compass in building an economic system that is just, sustainable, and free from modern economic exploitation.

D. CONCLUSION

The prohibition of riba represents a foundational normative framework within Islamic economic thought, firmly established through explicit textual



evidence in both the Qur'an and the Prophetic traditions. Qur'an Surah Al-Baqarah (2:275) articulates a strong theological and moral condemnation of riba, portraying it as a practice that fundamentally contradicts the principles of economic justice and ethical financial conduct. The severe warning directed toward those who engage in riba reflects its broader implications, not only as a legal prohibition but also as a mechanism to preserve social balance and economic fairness. Moreover, authentic Prophetic traditions further reinforce this prohibition by illustrating that riba is inherently exploitative and capable of generating structural harm within society.

A critical analysis of the hadith corpus demonstrates that the Prophet Muhammad (peace be upon him) provided not only a general prohibition of riba but also a detailed classification of its various forms as manifested in economic transactions. The scholarly contributions of classical authorities such as Imam al-Nawawi and Ibn Hajar provide an extensive hermeneutical framework for understanding these narrations. Their commentaries emphasize that the ultimate objective of the prohibition of riba lies in safeguarding society from economic injustice, financial exploitation, and systemic marginalization of vulnerable groups. In this regard, the ethical philosophy underlying the prohibition of riba reflects a broader Islamic economic vision centered on fairness, transparency, and social responsibility. Consequently, this normative principle maintains strong relevance within contemporary economic discourse.

Within the modern financial landscape, the persistence of interest-based financial mechanisms, high-interest digital lending systems, and speculative financial instruments underscores the urgency of re-engaging with Sharia-based economic principles. The prohibition of riba should not be understood solely as a ritual or doctrinal matter, but rather as a structural foundation for developing a sustainable and equitable economic order. Interest-based financial systems not only risk perpetuating wealth concentration but may also intensify socioeconomic disparities and long-term financial vulnerability among borrowers. Therefore, strengthening collective awareness among Muslims to avoid riba-based financial practices is essential, alongside promoting the development and implementation of Sharia-compliant financial alternatives.

In conclusion, the Islamic prohibition of riba serves as a comprehensive ethical, legal, and socio-economic framework aimed at establishing justice, stability, and shared prosperity. The findings of this study reaffirm that adherence to Sharia principles in financial practices is not only a matter of religious obligation but also a strategic approach to fostering inclusive and sustainable economic development. Accordingly, this study contributes to the



advancement of Islamic economic scholarship while offering practical insights for academics, financial practitioners, and policymakers in designing economic systems that are consistent with Sharia values and responsive to contemporary financial challenges.

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