

Conference Paper

Sharia Compliance: Case Study on Murabahah Product BMT ItQan

Juliana Juliana, Feby Syahril Qudsi, Disman Disman, and Ropi Marlina

Program Studi Ilmu Ekonomi dan Keuangan Islam, Fakultas Pendidikan Ekonomi dan Bisnis, Universitas Pendidikan Indonesia, STIE Muttaqien

Abstract

Background of this study the large number of Islamic financial institutions whose murabahah products are not yet fully compliant with shari'ah compliance, both the Al-Qur'an, Hadist and DSN-MUI fatwas. The purpose of this study was to obtain an overview and empirically prove how members' perceptions of shari'ah compliance with murabahah products at BMT ItQan. However, the research method used is descriptive quantitative with data collection techniques through questionnaires and interviews. The population in this study were 887 members of the ItQan BMT with a sample of 89 respondents and the object of this study was sharia compliance on murabahah products. The data analysis technique used is univariate analysis method (percentage score). The research findings show that members' perceptions of shari'ah compliance of murabahah products at the ItQan BMT are in a good category, although there are a number of indicators which are lacking, murabahah goods do not belong to ItQan BMT and the objects that are traded do not exist when signing the contract.

Keywords: Sharia Compliance, Murabaha, Fatwa of DSN-MUI

Corresponding Author:

Juliana Juliana
 julian@upi.edu

Received: 10 February 2019

Accepted: 14 March 2019

Published: 28 March 2019

Publishing services provided by
Knowledge E

© Juliana Juliana et al. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the ICIEBP Conference Committee.

In the development of the Islamic financial services industry, there are still many oriented and dependent on economic growth which are not necessarily in line with the welfare of the community (J Juliana, R Marlina, R Saadillah, S Mariam, 2018;120-131). BMT is one of the non-bank financial institutions that is still trying to consistently work together to work on the lower middle class segment.

In addition, BMTs are directly in touch with the community and have more targets to make a real contribution to the wheels of the middle to lower economy. In its operations BMT uses the principle of profit sharing, buying and selling (murabahah, ba'i bi tsaman ajil, istishna greetings) and rent (Ijarah) to the public. But the most dominant product in the BMT is Murabahah Products.

Murabahah continue to increase every year from 55% to 59%, thus dominating financing products in Islamic financial institutions. The rapid growth of murabahah products

 **OPEN ACCESS**

is inversely proportional to the practice of murabahah in the field carried out by Islamic banking, which is still criticized, so that standardized technical operational are needed as minimum standards as a reference for product implementation so that they can fulfill Sharia requirements and legislation and prudential principles. This phenomenon can be seen in Picture 1:

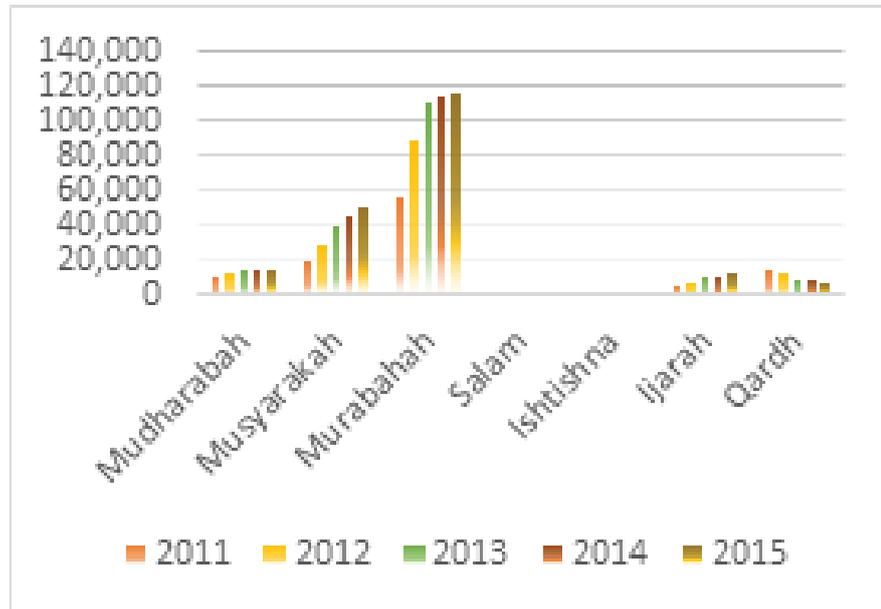


Figure 1: Composition of financing for Sharia Commercial Banks and Sharia Business Units (Source: www.ojk.go.id (data processed)).

Surveys and research on community preferences conducted by Bank Indonesia in collaboration with the University research institute found that there were public doubts about sharia compliance by Islamic banks. Complaints that often arise are aspects of compliance with sharia principles (Sharia Compliance) (Mulazid, 2016: 38).

In addition to the problems described earlier, there are still many polemics around the problem of murabahah, although murabaha is the most frequently used instrument. According to Qardhawi (1987: 26) there are several criticisms of the practice of murabaha in Islamic Financial Institutions (IFI) also expressed by several scholars including;

1. This Murabahah is not buying and selling but rather hilah with the aim of taking usury,
2. Murabahah is a *ba'i 'inah* that is forbidden by Islam,
3. Murabahah is *ba'iatani fi bai'ah*,
4. Murabahah is *bai 'al-ma'dum*.

1. Literature Study

1.1. Sharia compliance

Sharia compliance is the fulfillment of all sharia principles in all activities carried out as a manifestation of the characteristics of sharia financial institutions. In Islamic banks, sharia compliance is at the core of the integrity and credibility of Islamic banks, so the obligation to carry out sharia compliance must be carried out thoroughly (kaffah) and consistently (istiqomah). (Ilhami H., 2009: 409-628)

Maswadeh (2014: 171) defines, "... Sharia compliant mean theological norms which are Islamic finance industry rests and distinguishes Islamic financial activity from conventional financial activity (Islamic compliance means theological norms in the Islamic financial industry that rely on Al- Quran and Hadith and distinguish Islamic activities from conventional financial activities) ”.

Sutedi (2009: 145) explains that the meaning of sharia compliance in Islamic banks in a truly conceptual way is the application of Islamic principles, sharia, and its tradition into financial and banking transactions and other related businesses. Arifin (2005: 2) presents consistently and makes sharia a framework for the systems and finances of Islamic banks in the allocation of resources, management, production, capital market activities, wealth distribution.

Based on the explanation above, Sharia compliance becomes a framework for a company to run its business based on sharia principles (Juliana, Firmasyah, Aneu, Habibah and Irfani; 2018), as well as being part of implementing a risk management framework and realizing a compliance culture in managing Islamic banking non-bank sharia financial institutions.

Sharia Compliance has international standards compiled and stipulated by the Islamic Financial Service Board (IFSB) where sharia compliance is part of governance or commonly referred to as corporate governance. (IFSB, 2009: 3) Compliance with sharia in bank operations should include products, systems, techniques, and corporate identity not only products (Hakim, 2002).

1.2. Murabahah

Syafi'i (1999) describes murabahah as buying and selling goods at the original price with the agreed-upon profit. Niazi (1990) mentions "murabaha is the resale of a thing for similar first price, with some addition for profit" (murabaha is the resale of something

similar to the first price, with the same addition to profit). Whereas according to Schacht (1982) defines, "murabaha is the resale with stated surcharge with represent the profit (murabaha is resale with the same price expressed by representing profit)". Sharia foundation and law regarding murabahah sale and purchase are in Al-Baqarah verse 275, in the Hadith of the Prophet narrated by Ibn Majah and Law no. 21 of 2008 concerning Islamic banking.

Pillars of buying and selling according to the number of scholars there are 4 harmonious in buying and selling, namely, sellers, buyers, sighat and goods that are accustomed. Whereas according to the Hanafi school, the pillars of buying and selling are consent and qabul which show the existence of exchanges or mutual giving activities which occupy the position of consent and qabul (Wirosa, 2005). The terms of murabahah sale and purchase according to (Ridwan, 2007) include; (1) the seller notifies the basic price to the prospective buyer. Because the price to be paid by the second buyer or customer is based on the capital of the BMT, (2) the first contract must be valid in accordance with the established rules, (3) the contract must be free of usury, (4) the seller must explain to the buyer if there is a defect after the goods purchase and (5) the seller must submit all matters relating to the purchase, for example, purchases are made in debt. In murabahah sale and purchase transactions, LKS acts as a seller, while customers as buyers. The selling price in murabahah is the purchase price of the LKS from the supplier plus profit. Both parties must agree on the selling price and term of payment. The selling price is stated in the sale and purchase contract and if agreed upon it cannot change during the validity of the contract.

Operations of Murabahah Products in BMT currently use various norms taken from various existing laws and regulations, one of them according to DSN-MUI fatwas in regard to sharia contracts (Imaniyati, 2011) Based on Fatwa of National Sharia Council No. 04 / DSN / -MUI / IV / 2000, concerning murabahah, especially the first decision, it has been stipulated the general provisions of murabaha in sharia banking: (1) Banks and customers must carry out riba-free murabahah contracts, (2) Goods traded are not prohibited by Islamic sharia, (3) Banks finance part or all of the purchase price of goods that have agreed on their qualifications, (4) Banks buy goods that are needed by customers on behalf of their own banks, and these purchases must be legal and usury-free (5) Banks must convey all relating to the purchase, for example if the purchase is made in debt, (6) the Bank must tell honestly the selling price, purchase price, cost, along with the profits to the customer, (7) the customer pays the agreed price for a certain period of time agreed, (8) To prevent misuse or damage to the contract, the bank may enter into special agreements with customers, and (9) If the ban If you want to represent

customers to buy goods from third parties, the Murabahah sale and purchase contract must be done after the goods, in principle, belong to the bank.

The approach to this research problem can be visualized in Picture 3:



Figure 2: Approach to Research Problems (Source: data processed from various sources).

2. Research Methods

In this study using quantitative descriptive methods. As the object is sharia compliance murabahah products while the subjects are murabahah members of BMT ItQan in Bandung City with a population of 887 people. The determination of samples took the precision set at 10% of the population of 887 members of the murabahah product at the Padasuka branch of BMT ItQan and the results reached 88.7 rounded up to 89 people.

The data analysis technique used in this study is univariate analysis (percentage analysis of one variable score). The model used in analyzing the data to find out how the members' perceptions about sharia compliance murabahah products at BMT ItQan

Testing instruments using validity and reliability tests, while to analyze data, the criteria for interpretation of scores will be based on the answer score, which is calculated as follows:: (Riduwan & Sunarto, 2012)

Maximum Score Value=Max Score x Number of Items about x Number of Respondents

$$\text{Percentage} = \frac{\text{Total Score}}{\text{Maximum Score}} \times 100 \%$$

To determine the interpretation criteria for scores according to (Riduwan & Akdon, 2010), the method in picture 4:



Figure 3: Kriteria kategori interpretasi skor.

3. Research Result

The answer to the BMT ItQan member questionnaire regarding the members’ perceptions of shari’ah compliance with murabahah products at the ItQan BMT, entered into the total score reaching 11042, so it can be categorized as interpreting variable scores in Figure 4 into good categories because the results are 11042 at 68.9%. The following is a description of the calculation and interpretation criteria for scores based on the answers:

Maximum Score Value

= Max Score x Number of Items about x Number of Respondents

= 5x36x89 = 16020

$$\text{Percentage} = \frac{\text{Total Score}}{\text{Maximum Score}} \times 100\% = \frac{11042}{16020} \times 100\% = \mathbf{68,9\%}$$

3.1. Member’s perception of sharia compliance murabahah products at BMT ItQan

Graphs of members’ perceptions of shari’ah compliance with murabahah products per indicator are presented in Figure 5 below.

There are five indicators according to the DSN-MUI Fatwa and Wardah Yuspin (2015) to measure sharia compliance of murabahah products, among others: Free Maysir,



Figure 4: Criteria for score interpretation categories (Source: Research Results (data processed)).

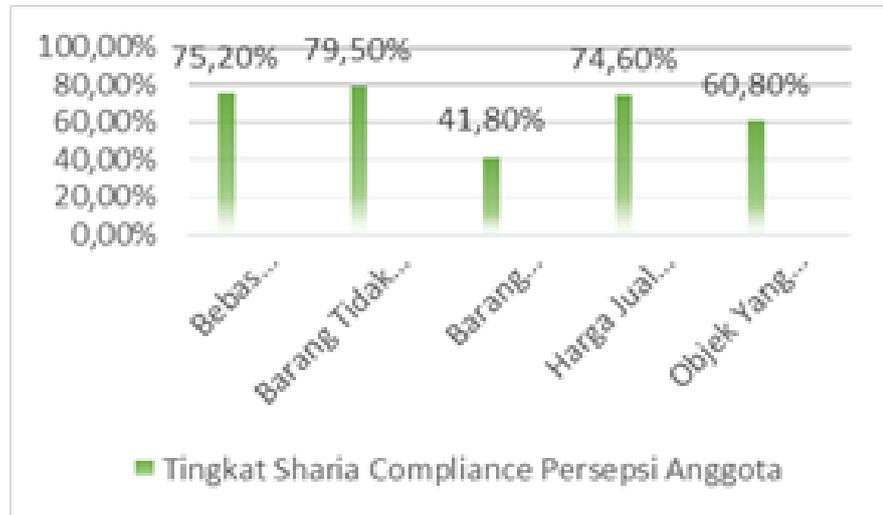


Figure 5: Per-Indicator Member Perception Sharia Compliance Level (Source: Research Results (data processed)).

Gharar, Riba, and Zhalim; Goods are not Haram; Murabahah goods belong to the full LKS; The selling price is clear and does not change during the contract period; and the traded object must be present when signing the contract.

Based on Figure 5 Indicators of goods are not forbidden to occupy the highest position of 79.50%, while the indicator of murabahah goods that are fully owned by the LKS has the lowest position of 41.80%. For more details, an explanation and description of the indicators on sharia compliance will be described below. Here’s the description:

Members’ perceptions indicate that the ItQan BMT in carrying out its economic activities is free from elements of usury, maysir, gharar, haram and zhalim. So that members’ understanding of murabahah products at BMT ItQan is a murabahah that has complied with sharia principles so that it can maintain trust and help its members in financing, which is caused by the structure of the ItQan BMT. As much as 75.2% of the percentage of members’ views on murabahah products that are free from elements of usury, maysir, gharar, haram and zhalim. Even though in reality the object of merchandise traded is unclear or gharar because BMT ItQan still uses murabahah bil wakalah.

Regarding the goods purchased by the applicant, it is certain that they are free from haram, as much as 79.5% of the members’ views on goods must be halal. The member has realized because the goods that he is supposed to use should be halal. Although from the facts in the field BMT does not provide goods but only gives funds, the BMT

does controlling what has been purchased by the applicant from the murabahah fund. So that members are free from misuse of purchases of goods including Haram. this indicator shows a high score in the good category, because members understand that the items used in the murabahah contract must not contain any illicit elements, but not only goods in the murabahah contract but the items that are used daily should not contain haram, according to the word of God in the letter An-Nisa verse 29.

The results showed a sufficient score. as much as 41.8% of the members' views on this indicator that the murabahah goods are fully owned by the LKS. Based on the facts in the field, ItTan BMT only gives funds not goods needed by members, BMT is not as a seller of goods to the applicant or as a buyer from a third party, but only shohibul maal (fund owner), the BMT only entrusts the funds thawed This is contrary to the core of the murabahah itself as stated in the DSN-MUI NO.04 / DSN / -MUI / IV / 2000 fatwa concerning the general provisions of murabaha in point d, which reads; "The bank buys goods needed by the customer on behalf of the bank itself, and this purchase must be legal and free of usury."

In this indicator, the results of the study show a good score. 74.6% percentage of members' views on this indicator that the selling price is clear and does not change the contract period. Based on the facts in the field, the price of goods or installments every week does not change or according to the agreement at the beginning of the contract and the applicant and BMT are already aware of the level of margin obtained by BMT and the price of goods that the applicant must pay each week. It should be when at the beginning of the murabahah contract, the two parties negotiate the margin and installments per week / month. The members' perceptions indicate that the ItQan BMT in carrying out its economic activities well explained that, the selling price of the ItQan BMT was clear and unchanged during the contract period.

Finally, the results of the study showed a good score. as much as 60.8% of the members' views on this indicator that the selling price is clear and does not change the contract period. Based on the facts in the field, ItTan BMT does not provide goods when the contract takes place, only is given funds to the applicant, where the goods traded and BMT become unclear or (gharar). Because the ItQan BMT uses the murabahah wal-wakalah pattern, but in fact, in murabaha there is no wakalah because wakalah is a separate contract with murabaha. The members' perceptions indicate that the ItQan BMT in carrying out its economic activities is not good because the items needed by the applicant are not available at the time the contract takes place. This is clearly a rule that violates the first provision of point 9 of the DSN fatwa Number 04 / DSN-MUI / IV /

2000 concerning the general provisions of murabahah stating that the control of goods in principle must belong to the BMT and all matters governing murabaha.

4. Conclusion

Based on the results of the study, the members' perceptions of shariah compliance of murabahah products at the ItQan BMT are illustrated by how much the score obtained for BMT ItQan that did not meet the sharia compliance indicator stated in the previous questionnaire. Members' perceptions of sharia compliance of murabahah products at ItQan BMT are in a good category. This can be seen from the obedience of BMT ItQan to shari'ah compliance, especially murabahah products in the free category of maysir, gharar, usury and zhalim, the categories of goods that are not haram and the selling price is clear and does not change during the contract. This all indicates that members understand the importance of murabahah products that adhere to sharia compliance. Even so, there are several indicators that BMT cannot meet in murabahah products in compliance with sharia compliance.

References

- [1] Arifin. (2005). *Akuntan dalam Menegakkan Prinsip Good Corporate Governance pada Perusahaan di Indonesia (Tinjauan Perspektif Teori Keagenan)*. Semarang: Fakultas Ekonomi Universitas Diponegoro.
- [2] Ilhami, H. (2009, oktober). *Pertanggungjawaban Dewan Pengurus Syariah sebagai Otoritas Pengawas Kepatuhan bagi Bank Syariah*. Diambil Kembali dari Mimbar Hukum: Mimbar.Hukum.UGM.Ac.Idsc
- [3] Imaniyati, S. (2011). Perlindungan Hukum Terhadap Konsumen Dalam Sengketa Klaim Asuransi. *Jurnal Bisnis*, 30.
- [4] J. Juliana, R Marlina, R Saadillah, S Mariam. (2018). Pertumbuhan dan Pemerataan Ekonomi Perspektif Politik Ekonomi Islam. *AMWALUNA: Jurnal Ekonomi dan Keuangan Syariah* 2 (2), 120-131
- [5] J. Juliana, F.Firmansyah, Cahyaneu A., Moslem H, & Fauziyah I. (2018) Shari'a Compliance To Improve The Competitiveness Of The Industry Of Hijab. *Proceeding of the 1st International Conference on Islamic Economics, Business, and Philantrophy*, Bandung, SCITEPRESS.
- [6] Maswadeh, S. N. (2014). A Compliance of Islamic Banks with the Principles of Islamic Finance (shariah): An Empirical Survey of the Jordanian Business Firms. *International*

Journal of Accounting and Financing Reporting, 171.

- [7] Mulazid, A. S. (2016). Pelaksanaan Sharia Compliance Pada Bank Syariah (Studi Kasus Pada Bank Syariah Mandiri Jakarta). *Madania*, 38.
- [8] Niazi, A. K. (1990). *Islamic Law of Contract*. Lahore: Singh Trust Library.
- [9] Riduwan, & Akdon. (2010). *Rumu dan Data dalam Analisis Statistika*. Bandung: Alfabeta.
- [10] Riduwan, & Sunarto. (2012). *Pengantar Statistika: Untuk Penelitian Pendidikan, Sosial, Ekonomi, Komunikasi dan Bisnis*. Bandung: Alfabeta.
- [11] Ridwan, M. (2007). *Konstruksi Bank Syariah di Indonesia*. Yogyakarta: Pustaka SM.
- [12] Saidi, Z. (2015). *Tidak Syariahnya Bank Syariah*. Yogyakarta: Delokomotif.
- [13] Schacht, J. (1982). *An Introduction to Islamic Law*. Oxford: Clarendon Press.
- [14] Sutedi, A. (2009). *Perbankan Syariah Tinjauan dan Beberapa Segi Hukum*. Bogor: Ghalia Indonesia.
- [15] Syafi'i, A. (1999). *Bank Syariah Suatu Pengenalan Umum*. Jakarta: Tazkia Institue.
- [16] Wiroso. (2005). *Jual Beli Murabahah*. Yogyakarta: UII Press.
- [17] Yuspin, W. (2015). Penerapan Prinsip Syariah dalam Pelaksanaan Akad Murabahah. *Jurnal Ilmu Hukum*.