

Implementation of Sharia Principles in Murabahah Contracts at KCP Bank Muamalat

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Abstract

Purpose – The purpose of this research is to educate the form of contract used by Bank Muamalat KCP Kisaran. Specifically examining how the application of sharia principles to murabah financing contracts at Bank Muamalat KCP Kisaran.

Methodology - This research method is qualitative by processing data from sources of documentation, interviews, field observations, and literature which is carried out by descriptive analysis.

Findings - This study has the result that the form of the murabahah financing product contract at Bank Muamalat KCP Kisaran is based on the provisions of the Sharia Banking Law, Bank Indonesia, and the DSN-MUI Fatwa. Then, in the murabahah financing contract at Bank Muamalat Kota Kisaran, sharia principles are applied, including the absence of usury elements, no maisir, garar, haram, and unjust elements.

Keywords: Murabahah Agreement, Bank Muammalat, Financing Products

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1. INTRODUCTION

Bank Muamalat is a pioneer in the presence of Islamic Banks in Indonesia, marked by the establishment of Bank Muammalat in Indonesia on November 1, 1991 (Marlina, L., Rusydiana, A. S., Hidayat, P., & Firdaus, N, 2021). This bank was founded based on the idea of the Indonesian Ulema Council (MUI), ICMI, and Muslim entrepreneurs who have the support of the Indonesian government. After the issuance of the law governing the operational law of sharia banking, namely Law no. 21 of 2008. Thus, Islamic banks began to experience significant development, from year to year which has increased (Abduh, M., & Azmi Omar, M, 2012).

Islamic banks exist as a solution to economic problems, which saves existence and strengthens capital to encourage human existence, namely helping (Rusydiana, A. S., & Devi, A, 2013). In Islamic banking, there are several profit-sharing principles that are relevant to Islamic law. However, in fact Islamic Banking is not only about profit sharing. But also, Murabaha Bank, this is because Islamic Banks also want income such as Fixed Income where the profit level has been determined (Ryandono, M. N. H, 2020).

Indonesia has a sharia bank that appeared for the first time since the 90s, this is marked by the establishment of Bank Muamalat Indonesia. Bank Muamalat was the first to apply sharia principles to its bank operations (Wulandari, D., & Subagio, A, 2015).

Then, gradually Islamic banks can meet the needs of the community who want banking services that are in accordance with sharia principles and adhered to Islamic religious law, especially those relating to the prohibition of the practice of usury, non-productive speculative activities and similar to gambling, obscurity, and violation of the principle of fairness in transactions, as well as the obligation to distribute financing and investment in sharia-compliant business activities. (Ascarya & Yumanita, 2005)

In Law Number 21 of 2008 Article 1, Islamic Banking is a sharia business unit that includes institutions, business activities, and the process of conducting business activities. Sharia Bank is a bank that carries out business activities based on sharia principles which consists of Sharia Commercial Banks and Sharia People's Financing Banks.

Many people have the assumption that Sharia Banks are the same as Conventional Banks and the difference is only the Sharia label (Azzam, A., & Rettab, B, 2013). Therefore, many people are not well acquainted with the contracts used in Islamic banks. In particular, murabaha financing contracts for Islamic Bank products (Aprilianto, F, 2020).

Furthermore, the key to success in the business world is the excellent skills the company owners have in developing their business with a variety of creative and interesting ideas. According to (Ali & Kodrat, 2017), the key to business success is to avoid several failure factors in business, which are influenced by seven factors, namely economic factors, financial factors, experience factors, strategic factors, disaster factors, and environmental factors. fraud, and other factors (Arditi, D., Koksai, A., & Kale, S, 2000).

If viewed from the facts on the ground, a business will develop successfully if the company has expertise in the field of communication, namely convincing potential customers to buy the products we have (marketing skills) (Infante, A., & Mardikaningsih, R, 2022). Furthermore, the facts on the ground that the key to success is seen from how good the strategy is in getting customers/clients and developing their business.

This is what makes the perception that the murabahah contract is the same as the conventional credit system, but the label is changed to a murabahah (buying and selling) contract (Baktiar, A., Aedy, H., Ode, L., & Adam, B, 2017). Based on this, the reason for the author to

conduct research and focus on murabahah contracts is to determine the type of contract and operational standards of financing products that apply sharia law in murabahah financing contracts at Bank Muamalat Kota Kisaran.

2. LITERATURE REVIEW

2.1. Principles of Islamic

Islamic banks have principles based on the Qur'an and Hadith. In regulating its institutional and operational activities, Islamic Banks have the following principles:

- 1) Fairness, namely controlling profit sharing on business activities and determining profit margins based on the agreement between the bank and the customer.
- 2) Togetherness, namely the arrangement between rights and obligations in conducting customer transactions with banks.
- 3) Halal, namely Islamic banks have halal products and services and have been based on the recommendations of the Sharia Advisory Board (DPS) and Bank Indonesia (Haryanto, 2013).

The existence of this regulation has the aim of establishing sharia banking regulations that guarantee the law for stakeholders and provide confidence to the wider community to use the services and products of Islamic banks, especially Bank Muamalat.

Operationally, Islamic banks follow Islamic rules and norms, as mentioned in the above definition, namely: 1) Avoiding interest (riba); 2) Avoiding unproductive speculative activities such as gambling (maysir); 3) Free from things that are not clear and doubtful (gharar); 4) Free from things that are damaged or invalid (bathil); and 5) Only finance non-haram (halal) business activities. (Ascarya & Yumanita, 2005)

2.2. Murabahah

Murabahah is a buying and selling principle that is often used in Islamic banks, this is because murabahah has a small risk for Islamic banks. There are also fundamental differences between murabahah and investment loans such as vehicles. In murabahah transactions, sharia rules are carried out in accordance with sharia provisions, where the bank is the seller and the customer is the buyer. So the customer is the one who receives the motorized vehicle based on the sale and purchase that has been made. Therefore, Murabahah is defined as taking profit based on an agreement between the bank and the customer.

The word Murabahah comes from ribhu (profit) which means buying and selling transactions. The bank mentions the amount of profit, the selling price given by the bank is the purchase price from the supplier plus profit (margin). So, both parties will agree on the selling price and payment term. In this sale and purchase contract, if an agreement has been entered into, it cannot be changed. Then the goods are handed over when the contract is completed and payment is made in installments. (Wahyu & Abdullah, 2015)

In general, complex murabahah schemes are used as collateral not only the object of the agreement, but also various other types of guarantees that can be accepted by positive law, in this study the mortgage granted by another party or in other words there is a guarantor. In addition to the function of guarantees to protect creditors, it is also necessary to know that the law must protect all parties, including the guarantor. The guarantor also has the right to be protected by law, especially if there is bad faith from one party that can cause harm to the other party. (see: <http://www.notary.ui.ac.id/index.php/home/article/view/1298>).

2.3. Application of Sharia Principles in Murabahah Financing The Murabahah

Concept in the Law and the DSN-MUI Fatwa allows the purchase of goods only, and carried out by means of wakalah. Such as attaching receipts and documents related to the purchase of the murabahah object. (Wahyu & Abdullah, 2015).

Murabahah financing is the selling price on the order, namely the purchase price plus the agreed profit margin. In the Qur'an this is called a sale and purchase contract that is carried out fairly and its stipulation does not harm one party to another. Murabahah contract is bai'al murabahah sale and purchase of goods at the price plus the agreed profit. So both parties do justice; according to sharia principles. (Andrianto & Firmansyah, 2019)

2.4. Bad Credit in the Banking World The

Determinant of non-performing financing that occurs in Islamic banks in Indonesia. Because capital has an influence on financing problems that occur in Islamic tires. However, Liquidity, Inflation, and Efficiency do not affect the non-performing financing of Islamic Banks in Indonesia (Destiana, 2018).

The factor that causes bad credit in providing financing at the bank is the bank who is not careful in analyzing the background of prospective customers. Therefore, the purpose and objectives of the credit payments that have been given are difficult to know clearly. Furthermore, because the debtor has a low level of education for customers who receive credit. Then, the next factor is the lack of open communication between the bank and the customer. So this is the cause of bad credit at the bank (Fernos, 2019).

2.5. The Key to Business Success

In a business, the key to success can be learned from the business aspects of Chinese entrepreneurs who apply the use of Guanxi (business network), Ganqing (respect and maintain deep emotional bonds/relationships), and Xinyong (network between - personal, relating to reputation). (Lestari, 2018). A Key to Success can be viewed from the failure factors of a business.

The first is the strategic factor. The strategic factor is one of the causes of the company's business failure because the meetings are held regularly so that the planning is not well structured. Other Factors, other finding factors are the lack of communication, coordination, and the performance of company members who are not good and not optimal so that it doesn't work well. This is one of the supporting factors for the failure of the implementation of the strategy factors and their implementation when executing the designed strategy. (Ali & Kodrat, 2017)

2.6. The Concept of Financing Risk

In understanding the concept of financing risk in Islamic banks, it is necessary to understand the business process of the Islamic bank financing scheme itself. By understanding business processes, apart from defining them more comprehensively, we will be able to identify risk points at each stage of the process and at the same time the triggering factors for these risks. Finally, it is hoped that the development of the risk mitigation system will be more directed, systematic and holistic (Nasution, 2018).

2.7. Marketing

Strategy The marketing strategy for fund raising products in Islamic Banks also has the effect of increasing market share. According to research (Harmoko, 2018), the strategy used in marketing for Islamic banking fund raising products such as current accounts, deposits, and savings is to identify in each market segment, to match the products created (there are). Because this will make it easier for Islamic banks to penetrate fund-raising products into market segments that match the characteristics of these products. So, this will automatically increase public interest in Islamic banking products.

2.8. Marketing Mix

The influence of Marketing Mix on customer or customer loyalty can be seen from the product, price, and place. Then, promotion has a negative effect on customer loyalty. Marketing Mix consists of product, price, place, and customer satisfaction. (Buchari, 2018)

2.9. Sharia

Marketing Sharia marketing must be based on the spirit of worship to Allah SWT. Then, try as much as possible for mutual welfare, namely a win-win solution. Furthermore, market participants must consider the implications and decisions in carrying out marketing strategies. Decisions must be based on Islamic norms. For example, Islamic law is sourced from the Al- Quran and Al-Hadith (Haryanto, 2013).

3. METHODOLOGY

This research was conducted using a qualitative method by processing data from sources of documentation, interviews, field observations, and literature which were carried out descriptively. The research location was conducted at Bank Muamlat KCP Kisaran. Using data sourced from field observations and information from practitioners at Bank Muamalat, and the official website of Bank Muamalat KCP Kisaran which was carried out individually and discussed.

Observations were made directly, the authors saw real facts in the field by doing an internship at the research location. The research interview was conducted with Mr. Faiz Asma Al Kayyis as who has a special position in financing at Bank Muamalat KCP Kisaran. Interviews were conducted with open-ended questions online through whatsapp media.

4. RESULTS AND DISCUSSION

4.1. Contracts and Operational Standards on Murabahah Financing Products at Bank Muamalat Kota Kisaran

In general, the forms of financing available at Islamic Banks consist of; Murabahah and Isthisna' Financing, Ijarah and IMBT Financing, and Mudharabah Financing. The Islamic bank financing system is to provide facilities for providing useful funds to meet needs. In accordance with its use, financing is also divided into two, namely, consumptive financing and productive financing. Islamic bank financing itself is diverse, starting from productive financing which has sharia working capital financing, gross working capital, and net working capital. Sharia investment

financing that aims to obtain rewards such as benefits and profits and has a period of time. Sharia consumer financing, syndicated financing, and letter of credit (L/C) financing. (Nasution, 2018)

The practice of murabahah in each Islamic bank is used for financing products at that bank. The Ministry of Sharia Banking and the Financial Services Authority (OJK) published a Murabahah Standard Book report which acknowledged that 60% of financing products at Islamic Banks depended on murabahah products. Murabahah is a sale and purchase agreement that takes place between the customer and the bank muamalat. The bank buys the product that is needed or desired by the customer, then sells it to the customer concerned at the acquisition price plus a profit margin that has been agreed between the bank and the customer.

Examples of the application of murabahah at Bank Muamalat Kota can be found in mortgage financing products. Murabaha, the price and profit are agreed upon by the seller and the buyer. Therefore, the types and quantities of products are described in detail. Products sold by banks to customers must be owned directly by the bank, then the products provided after the sale and purchase agreement and payments are made in installments or even all at once.

So, the price element in the murabahah contract that has been determined by the bank to the customer includes the cost of goods and profit (margin). The amount of the selling price is clearly informed by the bank to the customer. In addition, the total selling price that must be paid by the customer to the bank is fixed and does not change, whether the customer pays in full or in installments.

In addition, murabahah contracts at Bank Muamalat Kota Kisaran are found in banking products such as: Multipurpose Financing, Mortgages, Investments, and education. Murabaha financing contracts and products at Bank Muamalat Syariah apply sharia principles, including buying and selling houses. Bank Muamalat Kota Kisaran has a home murabahah financing product, where customers can buy a house with a 10% down payment and 15-year fixed installments with the Muamalat iB KPR. The sale and purchase contract that this bank applies is murabaha, where the bank acts as ba'i (seller) and the customer as musytari (buyer).

In addition, this contract must have objects or goods (mabi') and a clear price (tsaman) as well as the existence of *ijab qabul* (sighat). Financing in murabahah contracts does not use cash payments, but payments are made in installments. Therefore, bank muamalat applies the precautionary principle in providing financing to customers or prospective buyers. Bank Muamalat Kota Kisaran provides several conveniences including a fast, flexible financing approval process with repayment without being penalized, easy terms, fixed installments for 15 years, and financing in accordance with sharia aspects.

Murabaha financing products are products that customers want to own or buy. Where the bank acts as a mediator between parties who have an interest, namely customers and developers. So, the bank provides alternative financing assistance by buying the goods desired by the customer first to the developer. Then the bank then sells to the customer, and the customer buys in installments to the bank. So the murabahah financing product at the bank is a superior product that helps customers get the desired item without thinking about how to get the cost to buy the item. (Prabowo, 2009)

In murabahah contracts, the products that can be traded by the bank are products that are halal in accordance with sharia principles, useful, can be delivered or clear goods, and are the full property of the contracting party. Murabahah contracts have two forms, namely simple murabahah and murabahah to the customer.

Based on the Fatwa of the MUI DSN regarding the murabahah sale and purchase agreement, the sale and purchase agreement can be made verbally, in writing, by gesture, and by deed or

action. In practice, murabaha financing in muamalat banks and other Islamic banks. First, the bank and the customer determine the choice of what product to buy and the customer conveys what the purpose of buying the product is by completing the bank's requirements. Then, the bank and the customer negotiate the product being traded. In practice, the bank gives the power to issue a companion contract, namely the wakalah contract (see: <http://www.notary.ui.ac.id/index.php/home/article/view/1298>).

Bank Mmuamalat Kota Kisaran has implemented sharia principles in accordance with Law Number 21 of 2008 concerning Islamic banking, which is stated in Article 2 of which states that business activities based on sharia are:

- a. Does not apply Riba,
- b. Maisir transactions do not exist, because this transaction only depends on one uncertain situation
- c. The object of the financing product at Bank Muamalat is clear and its existence is known
- d. Transactions of goods traded are halal or in accordance with Islamic law e. The transactions carried out are fair

Financing products with murabahah contracts at Bank Muamalat Kota Kisaran include KPR IB HIJRAH. This IB HIJRAH KPR is used for Take Over KPR facilities from other banks, such as purchasing property units, renovations, and other consumptive purposes. Then the financing product at Bank Muamalat Kota Kisaran is Multipurpose Hijrah.

Multipurpose Hijrah is a special facility for selected company employees to fulfill consumptive needs. Such as applying for mortgage and multipurpose financing in accordance with sharia principles with flexible installments. Multipurpose Hijrah can also be biased to customers who want to have a dream home.

Murabahah contract financing products, such as the Multipurpose Hijrah, have the advantages of calming because they are based on sharia principles, fixed installments until the end of the financing in accordance with the murabahah contract agreement, and are easy to accrue for financing product submissions.

In particular, multipurpose financing products do not need to require collateral, are not required to use a down payment, and the financing period is up to 8 years. Specifically for mortgage financing products, the advantages at Bank Muamalat are that the installments are lighter, the down payment starts from 5%, the financing ceiling is bigger, the maximum financing period is 15 years, and you can submit an application by a husband and wife whose income is joint income.

DSN Fatwa No.04/DSN-MUI/IV/2000 concerning formal murabahah financing, has several provisions that are in accordance with the DSN-MUI fatwa, but there are still some provisions implemented by Bank Muamalat KCP Kisaran that are not in accordance with the provisions laid down. it is in the DSN-MUI fatwa on murabaha. To analyze whether murabahah financing at Bank Muamalat KCP Kisaran is in accordance with the DSN-MUI fatwa regarding murabahah, it can be analyzed as follows:

- a) The practice of guaranteeing Bank Muamalat KCP Kisaran requires every customer who applies for murabahah financing to submit or be accompanied by a guarantee. This means that the guarantee is not something that is absolute for a murabaha financing. This practice is permitted by the DSN-MUI fatwa No. 04/DSN-MUI/IV/2000 regarding murabahah.
- b) Debt in murabahah, as stated in the DSN-MUI fatwa No. 04/DSN MUI/IV/2000 regarding murabahah. According to Bank Muamalat KCP Kisaran that if a member resells the goods

that are the object of the murabahah sale and purchase while the murabahah financing has not been completed then this will not affect the financing installments to Bank Muamalat.

- c) For customers who experience bankruptcy in murabahah, Bank Muamalat KCP Kisaran provides concessions in the form of rescheduling or rescheduling of financing or until the customer is able to repay the financing. This is in accordance with DSN-MUI NO. 04/DSN-MUI/IV/2000 regarding murabahah.
- d) According to Bank Muamalat KCP Kisaran, every customer who applies for this is not required to submit a down payment, an advance is not something that is absolute in murabahah financing. This practice is permitted by the DSN-MUI fatwa No. 13/DSN-MUI/IV/2000 concerning advances in murabaha.

Murabahah financing at Bank Muamalat KCP The range is in accordance with the facts on the ground and murabahah financing at this bank is in accordance with the MUI Fatwa. When viewed from previous research (Wahyu & Abdullah, 2015), the most dominant financing that customers submit to bank Muamalat in the city of Parepare is in consumptive activities such as the Muamalat iB mortgage financing product for the purpose of home or apartment ownership (indent or ready stock), shop houses , construction and renovation in the form of murabahah bil wakalah, namely bank Muamalat only as a provider of funds, so the contract that applies in this case is said to be ilzam al-wa'id bi al-syira' obligation to promise to buy.

5. CONCLUSION

Bank Muamalat Kota Kisaran has implemented sharia principles for financing products with murabahah contracts. Financing products based on murabahah contracts at Bank Muamalat Kota Kisaran include KPR IB HIJRAH. This IB HIJRAH KPR is used for Take Over KPR facilities from other banks, such as purchasing property units, renovations, and other consumptive purposes. Then the financing product at Bank Muamalat Kota Kisaran is Multipurpose Hijrah.

Multipurpose Hijrah is a special facility for selected company employees to fulfill consumptive needs. Such as applying for mortgage and multipurpose financing in accordance with sharia principles with flexible installments. Multipurpose Hijrah can also fulfill the wishes of customers who have a dream home without worrying about the amount of installments and initial down payment.

Sharia principles on products with murabahah contracts at Bank Muamalat Kota Range, do not have elements of usury, are fair, avoid maisir, clear objects or goods, sale and purchase transactions of halal goods, and transactions are fair. This study has limited data, because at the time of conducting research the data obtained were still few that the bank provided to researchers. Therefore, the researcher recommends researching more fully and clearly regarding murabahah financing at muamalat banks.

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