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Implementation of Halal Financing Principles (*Murabahah*) at BPR Al Ashri Jember

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Abstract: This essay aims to identify the application of syariah principles carried out by BPR, namely BPR Al Ashri Jember. The current issue is about legal financing products, namely murabaha financing, especially in Islamic financial institutions that deviate from syariah principles. This study uses exploratory research methods, using interviews to collect data from BPR Al Asri customers. The results of this study indicated that the murabahah contract process is viewed from 1. The legality of the purchased goods 2. the agreement on the amount of financing between the customer with the BPR 3. the purchase of goods by the BPR and the power of attorney for the customer if buying the goods themselves.4. the acquisition price of the goods 5. the agreement in determining margin acquisition 6. The report of goods specifications 7. down payment status when there is a cancellation of the purchase of goods 8. guarantee in murabahah financing. From the several things above, it can shows regarding the process of financing customers, indicating that BPR Al Asri has implemented murabahah financing based on syariah principles.

Keywords: *halal financing; sharia principles; murabahah*

A. INTRODUCTION

Nowadays developments show progress in economic activities, many financial institutions make it easy for humans to carry out trading activities. Because financial institutions provide easy access for their customers to get loans for business needs and personal item needs, the customer then pays installments along with interest. This of course does not agree with the Islamic view, because interest is usury and usury is an act that is hated by Allah SWT and must be avoided. The emergence of Islamic financial institutions provides fresh air for Muslims, especially in Indonesia. Among them are sharia business entities, sharia business units, sharia people's financing banks, and credit institutions and Baitul mal waattamwil or BMT. This financial institution strives for financial transaction activities to be free from usury practices and provide security for mankind to avoid major sins.

The emergence of Islamic banking and finance as an important research area has sparked important studies of various financial applications in Islamic finance such as Microfinance. According to Ihab el Bisri said that a number of studies have been carried out with the aim of identifying ways to expand the Islamic finance industry and expand the scope and scale of its operations. Based on this research, the role of financial institutions contributes a lot to the prosperity of society. Although some say the need for Islamic financial institutions to innovate again to get rid of the concept of usury interest (Solarin:2011), some have said the global halal

market is estimated to be worth US$ 580 billion per year and the halal food industry is set to grow at a rate of 7% per year (Khairul;2016). Thus it can be concluded that the concept of Islamic finance which was discovered in 1971 in Egypt has undergone significant developments in other countries (Rika;2009).

Furthermore, a designation was developed related to the superior products of these Islamic financial institutions, one of the most famous of which is halal financing. Halal is an Arabic term which means "permitted" or "permitted". The point here is what is permitted by syar`i (Yusuf;2007). As agreed by Burhanuddin that the requirements for halal are in accordance with Islamic law (Burhanuddin;2011). While financing is an English word that is in line with the meaning of financing. Related to the term financing itself, according to Muhammad, is the provision of money based on an agreement between the bank and other parties in terms of time and rewards or profit sharing according to the existing agreement. So, as a whole, halal financing is the provision of money from certain financial institutions that is permitted by syar`i. It is thus a sharia-compliant business sector that shares the same values, markets and principles (Mariatul;2014).

There are various types of Halal finance in banking applications. These types are classified into two types, namely direct finance and indirect finance. Direct finance includes musyarakah and mudarabah. While indirect finance includes murabaha, bai ajil, greetings, and istisna'a (Abdel;2010). Tubke classifies based on coAmong the several types of financing that are the main products of Islamic financial institutions, namely mudharabah financing, musyarakah financing, and murabahah financing, the most dominating is murabaha financing. Financing with murabaha contracts reached 56.8% of total financing in Islamic banking, while mudharabah and musyarakah financing only accounted for 22.1% and 14.1% of total existing financing. Then regarding the margin on murabahah financing which is determined based on the interest rate or interest rates in conventional financial institutions, not on a mutual agreement. According to Yosri Ahmad murabaha has played the most important role. Bank annual reports reveal that since the 1970s, murabaha has been continuously responsible for the use of around 80–90% of Islamic banking resources.

In addition, there are several researches that say that halal mudharabah financing does not meet sharia standards. Haitam in his research said that scholars in Indonesia from 10 provinces said that Islamic banks in Indonesia had not purely implemented Islamic Sharia. The practice of murabaha in Islamic banks also clearly violates sharia principles that have been explained by the MUI's National Sharia Council. It is also necessary to examine the practice of murabahah financing in BPRs or BMTs. In addition, on the other hand, mudharabah financing is also feared to cause non-performing finance (Suhardjono; 2003).

Based on this, the researcher then wanted to follow up on the developing research report. This research tries to observe Halal Financing conducted by BPR Al AshriJember Regency. By taking a qualitative approach, this study seeks to analyze how murabahah financing is implemented in Islamic BPRs.

In order to complete the discussion, several sub sections that will be examined are 1. Are goods from murabahah financing activities carried out by BPRs with relatives halal according to Islamic law? 2. Does the BPR finance the entire agreed purchase price or only partially finance it? 3. Does the BPR buy the goods you need under the BPR's own name or by appointing you to buy the goods yourself? If appointing you, does the BPR provide power of attorney by letter as a representative to buy goods? 4. Does the BPR notify you of the actual price of the goods to be sold to you? 5. Was there an agreement with you on the margin of the selling price given by the BPR? 6. Were you given clear product specifications, the goods you wanted to buy? 7. If you cancel the purchase of the item. Does the BPR return all costs that have become your down payment when applying for financing or all down payments belong to the BPR? 8. Does the BPR ask you for a guarantee when you want to apply for financing at the BPR?

Mudharabah and Murabahah

Mudharabah financing is a form of buying and selling financing which is basically a sale with a certain profit (margin) added on top of the acquisition cost, where the repayment can be made in cash or installments (Yumanita:2005). Mudharabah is a financing agreement with the sale and purchase of goods at the original price with an additional agreed profit, where the seller must inform the price of the product he is buying and determine a profit level in addition (Syafii:2003).

The word mudharabah comes from dharb fi al-'ard, which means people who walk the earth to seek God's grace. Because of his work and travel, the mudharib is entitled to a portion of the business profits. When talking about mudharabah, jurists interpret it as participation in profit. Mudharabah is an agreement to participate in profits with the property capital of one partner and the expertise capital of the other partner. According to terminology, mudharabah is also called qiradh (Mervyn:2004).

Mudharabah is usually applied to fundraising and financing products. On the fundraising side, mudharabah is applied to: (1) term savings, namely savings intended for specific purposes, such as hajj savings, sacrificial savings, and so on; (2) ordinary deposits, special deposits (special investment), in which funds are deposited with specific customers for certain businesses, for example only murabahah or ijarah only. As for the financing side, mudharabah is applied to: working capital financing (trade and service working capital) and special investments, also called mudharabah muqayyadah (Erni:2011).

As Dimyauddin has quoted in his book, murabaha according to Ibn Rusy al Maliki is buying and selling of commodities in which the seller provides information to the buyer about the cost of goods purchased and the level of profit desired. Meanwhile, according to Anwar, murabaha is selling an item at a cost price plus mutually agreed profits to be paid at a specified time or paid in installments (Syafii:1991).

The same understanding was also given by Karim that the murabahah payment method can be made either in the form of a lump sum (all at once) or in the form of installments. Meanwhile, in the fatwa of the National Sharia Council (DSN) No. 04/DSN-MUI/IV/2000, murabaha is selling an item by confirming the purchase price to the buyer and the buyer pays it at a higher price as profit (Abdullah:2011).

The Islamic financial institution takes murabaha to provide its clients with shortterm financing to purchase goods even though the client may not have the cash to pay. Murabahah, as used in Islamic banking, is found mainly based on two elements, namely the first is the purchase price and the associated costs, and the second is an agreement based on mark-up (profit).

In view of the law, murabaha is part of buying and selling and this system dominates the products that exist in all Islamic banks. In Islam, buying and selling is a means of helping each other among human beings who are blessed by Allah SWT. Thus viewed from the aspect of Islamic law, the practice of murabaha is permissible according to the Al-Qur'an, Hadith, and ijma. scholars.. The arguments used as the legal basis for the implementation of murabaha financing include

اَلَّذِيْنَ يَأْكُلُوْنَ الرِّبٰوا لَا يَقُوْمُوْنَ اِلَّا كَمَا يَقُوْمُ الَّذِيْ
يَتَخَبَّطُهُ الشَّيْطٰنُ مِنَ الْمَسِّۗ ذٰلِكَ بِاَنَّهُمْ قَالُوْٓا اِنَّمَا الْبَيْعُ
مِثْلُ الرِّبٰواۘ وَاَحَلَّ اللّٰهُ الْبَيْعَ وَحَرَّمَ الرِّبٰواۗ فَمَنْ جَاۤءَهٗ
مَوْعِظَةٌ مِّنْ رَّبِّهٖ فَانْتَهٰى فَلَهٗ مَا سَلَفَۗ وَاَمْرُهٗٓ اِلَى اللّٰهِۗ
وَمَنْ عَادَ فَاُولٰۤىِٕكَ اَصْحٰبُ النَّارِ ۚ هُمْ فِيْهَا خٰلِدُوْنَ

"Those who eat (take) usury cannot stand but are like the standing of a person who has been possessed by a devil because of (pressure) madness. Their situation is like that, is because they say (opinion), Indeed, buying and selling is the same as usury, even though Allah has made buying and selling lawful and usury forbidden. those who have come to take usury), then for him what he has taken first (before the prohibition comes); and his affairs (submitted) to Allah. people who return (take usury), then that person is the inhabitants of hell; they live in it". (QS. Al Baqarah: 275)

The verse above prohibits all forms of fraudulent transactions. Among the transactions that are categorized as false are those that contain interest (usury) as found in the conventional credit system because the contract used is debt. In contrast to murabaha, in this contract there is no element of interest, because it uses a sale and purchase contract. In addition, this paragraph requires that the validity of each murabaha transaction must be based on the principle of an agreement between the parties as outlined in an agreement that explains and understands all matters relating to the rights and obligations of each.

In addition to this argument, there is also a hadith narrated by Ibn Majah which is another argument for the permissibility of murabahah which is done on a due date basis. Even though the position of this hadith is weak, many scholars use this argument as a legal basis for murabaha contracts or sale and purchase contracts. Scholars state that the meaning of growing and getting better is in commerce. Especially in buying and selling that is done on a maturity or murabaha contract. By pointing to the existence of this blessing, this indicates the permissibility of buying and selling practices that are carried out on a maturity basis. Likewise with murabahah contracts

that are carried out on a maturity basis. In a sense, customers are given a period of time to make payments on commodity prices in accordance with the agreement.

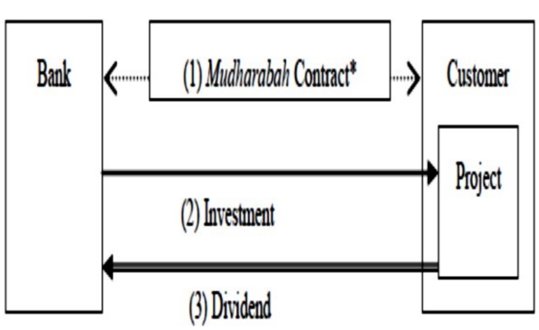
The conditions and pillars can be seen in Al Kasani's explanation. He explained that murabaha will be valid if it fulfills the following conditions:

1. Knowing the cost price (purchasing price), it is required that the purchase price must be known by the second buyer, because it is an absolute requirement for the validity of bai' murabahah.
2. There is a clear margin (profit) that the second seller wants, the profit

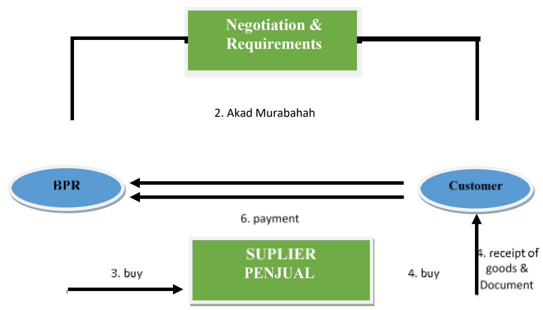
must be explained in nominal terms to the second buyer or by mentioning a percentage of the purchase price.

3. The capital used to buy the object of the transaction must be genuine goods, in the sense that it is available in the market, and it is better if it uses money.
4. The object of the transaction and means of payment used may not be ribawi goods.
5. The first sale and purchase contract must be valid.
6. Information that is mandatory and not notified in bai murabahah.

Meanwhile, according to jumhur ulama', the pillars and conditions contained in bai' murabahah are the same as the pillars and conditions contained in buying and selling, and they are identical to the pillars and conditions that must exist in the contract. According to Hanafiyah, there is only one pillar in buying and selling, namely sighat (qabul consent), while the other pillars are derivations of sighat. In a sense, sighat will not exist if there are not two parties to the transaction, for example the seller and the buyer. In making a contract, of course there is something that must be transacted, namely the object of the transaction. Some of the pillars and conditions above are then adopted in Islamic banking to become a halal finance mechanism. Related to the mechanism as shown below (Dimyauddin:2008):



As for the mechanism for its implementation in financial institutions such as BPR, as discussed in the explanation above. It can be explained that into six classification processes. Those are the first, the negotiation process carried out by the BPR with the customer. Second, is the contract process. Third, the BPR buys from the seller. Fourth, the delivery made by the seller to the customer. Fifth, accept goods that are made by sellers and customers too. Sixth, the customer payment process has just been carried out at the BPR. In simple terms, the researcher describes this explanation as follows:



B. MATERIALS AND METHODS

The type of research used in this research is exploratory research. This research was conducted to investigate the application of murabahah financing practices that comply with sharia principles at BPR Ashri, Jember Regency. The data collection method used in this research is to conduct in-depth interviews in the case of murabahah financing which refers to sharia principles established by the DSN MUI. To achieve good interview results, of course, the respondents who will be interviewed are determined in advance, as Spredley said (James:1979). Respondents in this study were customers of BPR Asri, Jember Regency, who used murabahah financing to purchase goods or finance for business capital. A total of ten (10) customers were used as respondents in this study.

In addition, researchers will also use participatory observation. Researchers speak their language, joke with them, engage with them and are equally involved in the same experience. Observations in this study focused on a social situation, namely; description of the condition of the place and space of a social situation, in this case the pesantren environment mentioned earlier. Observations that will be carried out are researchers starting with descriptive observations and focused observations and selective observations and so on, until the expected data is obtained, namely to be part of the answer to the problem that has been formulated (Sugiyono:2014).

Meanwhile, related data sources in this study are the symptoms as they are in the form of words, behavior, and opinions from parties involved in the research object. This is as conveyed by Nasution. He said that the source of data in qualitative research is words (non-verbal data), and actions (verbal data) the rest is additional data such as documents and others. It was further explained that the words and actions of the people observed or interviewed were the main source of data recorded through written notes or through tape recorders, taking photographs, or films. The steps used in this mini research are as usual. This includes first, practice identification. Second, interviewing customers and thirdly drawing conclusions.

C. RESULT AND DISCUSSION

In this section the researcher will describe the results of interviews with customers. The reference for researchers here in finding out the sharia principles used by BPRs in murabaha financing is based on the DSN MUI fatwa regarding financing provisions that have been prepared by researchers and then submitted to BPR customers. There are eight important questions that researchers ask BPR customers that researchers have described in the research methods section and the findings that researchers have are as follows:

1. Purchase goods halal

In explaining this finding, first, interviews were conducted with a customer named Pak Shaleh. he said,

"Yes, the goods that are traded are halal according to Islamic law. The goods I buy are usually motorized vehicles, TVs, cellphones, and other electronic devices. Sometimes if I want to buy a motorbike at a dealer directly, now I can't have to go through credit with other financial institutions. That's what sometimes makes me lose, because the interest is high. If I calculate the installment price until it's paid off, it's almost twice the price of the motorbike, so I better take the goods through the BPR, sis, it's safer and more comfortable.”

Meanwhile, business actors who use murabahah financing, one of whom is Pak Jarot, 40 years old, answered,

> "Yes, this is lawful according to Islamic law, I usually use this financing for wholesale which I then sell back to the public, sir, I use this financing usually because the demand for purchases at my stall is high, while fortunately I only take a little, so I can't add wholesale so I just proposed financing to the BPR.”

Based on the respondents' answers, it shows that BPRs trade goods that are halal according to sharia and customers also buy halal goods according to sharia.

Agreement on the amount of financing between the customer and the BPR.

"When I buy goods in the form of personal items I feel that the BPR is financing in its entirety and some depend on the down payment that I have, sometimes it's like this, when I have that much money while my child demands to buy a cell phone, I just run to the BPR, I have so much money, so the rest will be added to by the BPR" said "Ms. Siti, 45 years old".

Then for business actors who have businesses such as market traders provide answers, "Yes, I feel fully funded, but for business actors such as breeders, electronic equipment businesses, and materials, I have a different answer than "Mr. Kasan, 38 years old," namely, "I feel that this financing is insufficient for my business capital needs, sir, maybe the availability of funds from BPRs that are minimal, so the financing given to me is not much."

The respondents' answers indicate that the BPR has fully financed buying and selling activities. However, for the financing of merchandise, there are still business actors who feel they are less like building shop business actors, this also adjusts the ability of BPRs to finance.

2. Purchase of goods by the BPR

and a power of attorney for the customer if buying the goods themselves.

One of the respondents said,

Yes, I feel that the BPR bought the goods on behalf of the BPR itself and then resold it to me, while for business actors they also answered "The BPR gave me a power of attorney to purchase the goods I need, and the BPR asked for a purchase receipt as proof of the purchase that I have purchased." ".

The respondent's answers indicate that for buying and selling activities, the BPR buys the goods under the name of the BPR itself, when giving power of attorney it is only for business actors who wish to buy merchandise by providing a power of attorney and the said business actor is required to attach a note to the BPR. Acquisition of Goods acquisition price One of the respondents said,

Yes, the BPR notifies the actual price of the goods to be sold to my members, sometimes the BPR also gives me suggestions so that I don't buy the wrong one later, if the price turns out to be expensive and I'm not notified I will also be bothered later on, the main installment is afraid that it will be too big."

The respondent's answer shows that in this case the BPR has notified the price of the goods acquired to the customer. Agreement in determining the acquisition of margin Mrs. Jenah, one of the informants said,

Yes, there must be an agreement in determining the margin of this sale and purchase. But usually the margin that the BPR wants to take is first offered, sometimes there is a bargain with me, usually it is also based on my ability as a customer to pay the margin, if there is a mutual agreement like this, it is equally profitable, unlike the others that have been predetermined. which sometimes makes it hard".

The respondents' answers indicate that BPRs offer benefits that BPRs want to take, but BPRs also ask for willingness from customers until a mutual agreement is reached. But what is most clear is that the profits taken by the BPR are not detrimental to the BPR it self Notification of goods specifications. Muhammad Saleh said:

Yes, when I agreed to purchase the goods, the BPR gave me clear specifications of the goods, very complete, when the BPR told me the shape of the goods, yes, maybe because I often carry out buying and selling activities, so when I tell you the specifications, it's very clear.

The respondent's answer shows that in this case the BPR always conveys specific things regarding the goods to be sold.

The status of the down payment when there is a cancellation of the purchase of goods Daryono said,

> "That until now I have never canceled a purchase of goods. However, at the beginning of the agreement the BPR had informed me that in the future when the goods were to be sent to me, but I asked for a cancellation, the BPR would return the entire cost that had become my down payment after deducting the costs incurred by the BPR in obtaining the goods.

The respondents' answers indicate that in this case the BPR does not take all of the down payment, but only the real costs incurred by the BPR. So the down payment is returned to the customer after deducting fees. Guarantee in murabaha financing. In Harianto's presentation it was said,

"Yes, BPRs ask for guarantees that have legal force, such as motor vehicle BPKBs, car vehicle BPKBs, and land certificates. If I don't give up the guarantee, I can't get the item I want."

The respondents' answers indicate that BPRs ask customers for guarantees as a tool for the customer's seriousness in this activity. Then the BPR asks for a guarantee like this as an alternative or tool that can be claimed if one day there is a risk of problematic financing, so this guarantee can be used to reduce risks that can occur.

The above is the result of the findings of this study which was conducted on ten customers at BPR Ashri. From the results of the interview, it was found that the BPR had carried out financing activities with reference to sharia principles. In this discovery can be known aboutthe process of financing to customers. However, what is still important, especially business actors, feel that the financing provided for business capital is still insufficient.

D. CONCLUSION

Murabahah is a buying and selling activity between a buyer (customer) and a seller (BPR), in which the BPR finances the whole or part of the goods to be purchased by the customer by adding profits through an agreement between the two parties from the acquisition of the price of the goods. A growing issue related to murabaha financing is deviating from sharia principles. In research conducted at BPR Al AshriJember it was found that this BPR had carried out murabahah financing activities with reference to sharia principles issued by the DSN MUI. However, what is still an important point, especially business actors, feel that the murabahah financing provided for business capital is still not optimal, business actors hope that the financing provided can be sufficient so that business continuity can provide maximum achievement.

In fact, the provision of murabahah financing to business actors is not quiteright, the financing for business activities should be mudharabah and musyarakah financing. From a brief discussion with BPRs it was explained that BPRs have difficulties when using mudharabah and musyarakah contracts, many of the customers do not understand all financing including murabahah financing, they only think that the financing system at BPRs is more profitable than the credit system at conventional banks. BPRs also feel hesitant in implementing mudharabah and musyarakah contracts because they are too difficult and they are afraid of deviating from sharia principles. Therefore, BPRs should maintain murabahah financing practices that are already running inaccordance with sharia principles, not to deviate from existing provisions. more than that, other less optimal financing should be made more effort, by providing a broader understanding to customers who are members of the BPR.

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