

## CHAPTER FOUR

### FINDING AND ANALYSIS

#### A. The Profile of KSPPS Tamzis Bina Utama of Yogyakarta<sup>52</sup>

##### 1. The Establishment of KSPPS Tamzis Bina Utama

KSPPS Tamzis Bina Utama or Tamzis was established in Kertek, Wonosobo on July 22, 1992 which was originally an institution under the Kertek-Wonosobo Muhammadiyah Branch which was given the task of attracting and distributing Zakat directly, but was given Infaq and Shodaqoh (ZIS) or commonly called as *Baitul Maal*. The distribution is not given directly but given in the form of loans (*Qardhul Hasan*) so that more people get the benefits.

On November 14, 1994, Tamzis obtained the status of a legal entity with the number 12277/B.H/VI/XI/1994 from the Ministry of Cooperatives. Since its establishment, the Tamzis cooperative has experienced changes in the type of cooperative. Previously Tamzis was a KSPS (Sharia Savings and Financing Cooperative). Then, the Ministerial Regulation (PERMEN) namely the Minister of Cooperatives and Small and Medium Enterprises Regulation Number 91/Kep/M.KUKM/IX/2004 was issued concerning the Guidelines for Implementing Sharia Financial

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<sup>52</sup> Tamzis, "Sejarah Koperasi Simpan Pinjam dan Pembiayaan Syariah Tamzis Bina Utama", published on <http://www.tamzis.id/page/1-company-profil> accessed on August 3rd, 2019 at 5:35 AM.

Services Cooperative Business Activities (KJKS) which also affected the form of Tamzis to become KJKS.

A few years later, the Minister of Cooperatives and Small and Medium Enterprises Regulation Number 16/Perter/M.KUKM/IX/2015 concerning the Implementation of Savings and Loan Business and Sharia Financing by Cooperatives was issued. This Ministerial Regulation changed the status of KJKS to KSPPS (Sharia Savings and Financing Cooperative). Therefore, in the end, KJKS Tamzis changed its name into KSPPS Tamzis. The entire change in the type of cooperative was an effort by Tamzis to comply with government regulations in the field of cooperatives.

At present, Tamzis has opened branch offices in several areas, such as Yogyakarta, Jakarta, Bandung, Banyumas, Magelang, Klaten, Semarang, and so on. KSPPS Tamzis Bina Utama began entering the Yogyakarta area in 2000, precisely the Kotagede branch. Then around 2003, Tamzis opened a branch office in Godean. Usually, the cooperative will open a new branch within 1 or 2 years. In 2008, the Ahmad Dahlan branch office of Yogyakarta was opened. After that, Prambanan, Bantul and Sleman or Condongcatur branch offices were opened in 2004, 2007 and 2009.

**a. Vision:** To be a prominent and trustworthy cooperative for the welfare of the members

### **b. Missions**

- 1) Fostering the virtue of *akhlaq*
- 2) Encouraging and facilitating the members in developing their productive economic activities.
- 3) Developing good corporate governance and financial services based on members' needs and technology advancement.
- 4) Expanding benefits for the members to achieve the welfare of the prime family.
- 5) Collaborating with all parties to foster the prime society.

## **2. The Products of KSPPS Tamzis Bina Utama with Regards to Saving and Financing**

As a Sharia financial institution, KSPPS Tamzis Bina Utama acts as a commercial institution whose business activities are based on Sharia principles. Products created are always developed and adapted to market conditions and demands. Products from Tamzis are always growing every year, both savings and financing products. Broadly speaking, the products offered by Tamzis can be divided into 3 (three), namely:

### **a. Saving<sup>53</sup>**

#### **1) Simpanan Mutiara**

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<sup>53</sup> Based on the interview with Abdul Haris as the deputy manager of policy and control in KSPPS Tamzis Bina Utama of Yogyakarta on July 1<sup>st</sup>, 2019.

There are two types of savings products developed by Tamzis, one of them is Simpanan Mutiara, which means Pearl Saving. This kind of saving can be used for various daily needs, such as paying for taxes, water bill, and electricity bill. It can be used as deposits for Hajj and Umrah, qurban, long-term savings and educational deposits as well. For these savings products, the contract which is usually used is *Wadi'ah yad dhamanah*, where the Tamzis party has the right to use or channel funds that have been collected for productive business activities, for example, business financing to members. This saving can be collected at any time in all Tamzis branch offices Tamzis is also usually going to share profits with members whose funds have been used or channelled for an activity even though the *Wadi'ah* contract is not required for profit sharing. Therefore, the profit-sharing for the benefits that have been obtained is a form of kindness (*athaya'*) given by Tamzis to members but not an obligation.

## **2) Simpanan Berjangka (*Ijabah*)**

The second product of saving is Simpanan Berjangka or *Ijabah*, which means saving with the time period or also known as deposits in conventional financial institutions. The contract which is usually used in this product is *Mudharabah mutlaqah*. There is an agreed profit ratio at the beginning of the agreement making. The time period for taking this deposit has been agreed upon by Tamzis and

members so that members who deposit funds may not take their deposits at any time outside the agreed time.

**b. Financing<sup>54</sup>**

After funds are collected from members in the form of savings and investments, then the funds are channelled to other members who need additional business capital, especially micro-businesses. Additional business capital can be in the form of money or business equipment.

**1) *Mudharabah***

*Mudharabah* is a financing between two parties, namely Tamzis with members where Tamzis acts as *sahibul maal* (fund owner) and member as *mudharib* (recipient of funds). Profit ratio (*nisbah*) agreed upon by both parties at the beginning of the agreement.

**2) *Murabahah***

*Murabahah* contract is a contract of sale and purchase of goods by stating the acquisition price and profit (margin) agreed upon by the seller and the buyer. This contract is one form of natural certainty contracts, because in *Murabahah* it is determined to have a number of required rate profits (profits to be earned). *Murabahah* is the sale and purchase of goods, where Tamzis as *sahibul maal* (fund owner) and member as *mudharib* (recipient of funds). In this financing activity, when

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<sup>54</sup> Based on the interview with Abdul Haris as the deputy manager of policy and control in KSPPS Tamzis Bina Utama of Yogyakarta on July 1st, 2019

a member needs an item, Tamzis will provide the items needed by the member. In this case, Tamzis takes advantage of the goods sold.

### **3) *Ijarah***

*Ijarah* means to rent. Tamzis acts as a party that helps members if members need goods to rent. So it can be said that Tamzis helps to rent out what is needed by these members. In the practice of *Ijarah*, Tamzis will take compensation for services that have been given or commonly referred to as *ujroh*.

### **4) *Kafalah***

In the *kafalah*, Tamzis is the guarantor at the responsibility of the members, so there is a delegation of dependents from the members given to Tamzis. In the *kafalah* contract, Tamzis will take compensation (*ujroh*) for the services given.

### **5) Portion of Hajj Financing**

In this financing, Tamzis uses two contracts, namely the *ijarah* contract and the *al qard* contract. Tamzis provides funds and helps members to take care of all kinds of administration relating to registration and arranging the portion of Hajj. This product is in the form of financing from Tamzis to members specifically to cover the lack of funds to register or obtain a portion of the pilgrimage. If the *ijarah* contract is used, then Tamzis may take advantage of the benefits (*ujroh*) for the services of the Hajj management for a member. On the other hand, the al

qard contract is a financing status that is in nature as a loan. Because of the nature of the loan, the lender must not take advantage of the borrower.

**B. The Sharia Compliance of the Products of *Wadi'ah* and *Murabahah* in**

**KSPPS Tamzis Bina Utama of Yogyakarta with Fatwa of DSN-MUI**

**1. The Compliance of *Wadi'ah* with Fatwa of DSN-MUI Number 02/DSN-MUI/IV/2000**

The National Sharia Council (DSN) has the function of researching and giving fatwa for products developed by Sharia financial institutions and can also give a warning to Sharia financial institutions if the institution concerned deviates from the established guidelines. This can be done if the National Sharia Council has received a report from the Sharia Supervisory Board at the relevant institution. If the Sharia financial institution ignores the warning given, the National Sharia Council may propose the competent authorities, such as Bank Indonesia and the Ministry of Finance, to impose sanctions so that the Sharia financial institution does not further develop actions that are not in accordance with Sharia.

**a. The Compliance of Aqd *Wadi'ah* with Fatwa DSN-MUI Number 02/DSN-MUI/IV/2000**

KSPPS has two main functions, namely funding and financing. These two functions are very closely related. This linkage is mainly

related to the plan of raising funds so as not to cause idle money on the one hand and financing plans to avoid a lack of funds or liquidity when needed on the other side.

The contract of *Wadi'ah* used by Sharia Financial Institutions is currently regulated in the Fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). In the Fatwa of the DSN MUI, the contract of *Wadi'ah* is a contract used in several activities or things in the Sharia Financial Institution. The contract of *Wadi'ah* is used in *Wadi'ah* Certificate of Bank Indonesia (SWBI), savings and certificate products. Each of these three matters has been arranged according to the serial number of the issuance of fatwa and has been regulated how the mechanism of its use.

In carrying out its business, KSPPS Tamzis Bina Utama considers the Fatwa of the National Sharia Council of the Indonesian Ulema Council. In implementing *Wadi'ah*, KSPPS Tamzis Bina Utama uses Fatwa of DSN-MUI Number 02/DSN-MUI/IV/2000 concerning Savings.

The *Wadi'ah* principle applied in the product is usually the *Wadi'ah yad dhamanah*. *Wadi'ah yad dhamanah* is different from *Wadi'ah yad amanah*. In a *Wadi'ah yad amanah*, the fund or money cannot be used by the entrusted party. While in the case of *Wadi'ah yad dhamanah*, the party entrusted is responsible for the integrity of



the assets so that he can use the assets. Moreover, in Sharia savings and financing cooperatives usually provide incentives for deposit funds. The incentive is a form of reward from the cooperative to members because members have entrusted the cooperative to use the fund.

In the Fatwa of the National Sharia Council which regulates Sharia savings namely Fatwa Number 02/DSN-MUI/IV/2000, there are three provisions, namely:

- 1) The kinds of savings
- 2) General provisions of saving based on *Mudharabah* agreement
- 3) General provisions of saving based on *Wadi'ah* agreement

. It should be noted that the provision does not only apply for Islamic banks but also any Sharia financial institutions including the Sharia Cooperatives. Based on the first provision of the fatwa, it is explained that savings products that are justified or permitted in Sharia are savings based on the *Mudharabah* and *Wadi'ah* principles. Based on this fatwa, the author analyzed the *Wadi'ah* contract of KSPPS Tamzis Bina Utama with the third provision of Fatwa DSN-MUI Number 02/DSN-MUI/IV/2000 concerning the general provisions of saving based on *Wadi'ah* agreement. In the first point of the general provisions concerning *Wadi'ah*, it is mentioned that the funds or money deposited is in the form of saving. There is no compensation

required, except in the form of gifts (*athaya* ') which is voluntary from the Sharia financial institution.

Based on the analysis of the contract, KSPPS Tamzis Bina Utama has fulfilled the first point of the general provisions concerning *Wadi'ah* issued by the Fatwa because Simpanan Mutiara is one of the savings products available at KSPPS Tamzis Bina Utama and is a daily saving based on Management Operational Standards (MOS).

The second point on the Fatwa Number 02/DSN-MUI/IV/2000 stated that the funds can be taken at any time (on-call) or based on an agreement. In applying the contract of *Wadi'ah* in Simpanan Mutiara, the funds saved can be used by Tamzis and can be taken by members at any time based on the agreement of both parties. This deposit is a daily deposit, not a term deposit so that it can be taken at any time either directly to the cash office, or through marketing.

Then in the third point written there is no reward required, except in the form of incentive (*athaya* ') which is voluntary from the bank or Sharia financial institution. In savings based on the contract of *Wadi'ah*, according to the provisions of Fatwa of DSN-MUI No. 02/DSN-MUI/IV/2000 concerning Savings, in the case of such gifts, usually the Sharia financial institutions will give a bonus. Giving bonuses in *Wa'diah* is allowed but it should be noted that the bonus is not a conditional reward and is not mentioned at the beginning of the

contract. In the sense that when implementing a contract, the bonus may not be mentioned, included in the brochure and the amount is not set in nominal percentage in advance. In applying this *Wadi'ah* contract, the author analyzed that Simpanan Mutiara of KSPPS Tamzis Bina Utama is in accordance with the provisions in the Fatwa of DSN-MUI where KSPPS Tamzis Bina Utama will give a bonus or *athaya'* if there are benefits from financing using funds from the member.

**b. The Compliance of Operational Process of *Wadi'ah* Contract in KSPPS Tamzis Bina Utama of Yogyakarta with Fatwa DSN-MUI Number 02/DSN-MUI/IV/2000**

Abdul Haris as the deputy manager of policy and control said that Simpanan Mutiara is a product of saving that is in demand by members where KSPPS Tamzis Bina Utama provides personnel to serve members both to make deposits and withdrawals every day.<sup>55</sup>

In the process of registering a new account of Simpanan Mutiara, the terms and transactions are very easy. For this reason, the author explains the procedure of registering a new account of Simpanan Mutiara as follows:

- 1) New member submits a copy of the valid ID card (KTP) and a copy of the family card (KK) that is still valid, and then the

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<sup>55</sup> Interview with Abdul Haris as the deputy manager of policy and control of KSPPS Tamzis Bina Utama Yogyakarta on July 1<sup>st</sup> 2019

teller explains to the new member about the initial deposit, the final balance and so on.

- 2) The member fill out the form to open a new account;
- 3) The member includes a mandatory deposit of Rp. 10,000, - then for main savings of Rp. 10,000, - and voluntary savings of Rp. 10,000;
- 4) The member gives back the form that has been filled out to the teller;
- 5) Teller inputs the data to open a new account;
- 6) After all the process is completed, the saving book will be given to the members.

An interview with a member of Tamzis was conducted to analyze the compliance of the operational process of *Wadi'ah* contract with the Fatwa of DSN-MUI number 02/DSN-MUI/IV/2000. This interview was conducted with a seller of Batik shop at Beringharjo Market named Komsatun.<sup>56</sup>

“I have become a member of Tamzis for quite a long time. I have a saving account there. It is Simpanan Mutiara. I can take the money from my saving whenever I need it if I have to buy something so it is not complicated at all. There is also no interest (*riba*) in this saving. So far, I never had any obstacles with Tamzis. Everything goes well.”

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<sup>56</sup> Interview with Komsatun, a member of KSPPS Tamzis Bina Utama Yogyakarta on July 12<sup>th</sup>, 2019

Based on this interview, the operational process of *Wadi'ah* contract in KSPPS Tamzis Bina Utama is in accordance because as stated by Komsatun that Simpanan Mutiara is a saving product that can also be taken at anytime whenever she needs it and there is no interest or *riba* from it. These three points are compliant with the general provisions of saving based on *Wadi'ah* contained in the Fatwa number 02/DSN-MUI/IV/2000 which states these following matters:

1. The funds or money deposited is in the form of saving
2. That the funds can be taken at any time (on-call) or based on an agreement
3. There is no reward required, except in the form of incentive (*'athaya*) which is voluntary from the bank or Sharia financial institution.

On another interview conducted with Abdul Haris as the deputy manager of policy and control of KSPPS Tamzis Bina Utama, he explained about the problem that occurs in the operational process of *Wadi'ah* contract.<sup>57</sup>

“In the form of *Wadi'ah* contract, we know that there is no profit sharing like in *Mudharabah*. There is only *'athaya* or usually known as incentive or reward which is given to the members because they have entrusted us to use their funds. We always explain that to the members who apply for Simpanan Mutiara because it uses *Wadi'ah* contract. But, some people might see it differently. Some members

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<sup>57</sup> Interview with Abdul Haris as the deputy manager of policy and control of KSPPS Tamzis Bina Utama Yogyakarta on July 1<sup>st</sup>, 2019

think that the reward given is some kind of *riba*, so these members often reject the '*athaya*' or reward from us. Even so, it does not harm any party because actually '*athaya*' is not compulsory to be given to members since there is no agreement on that. It is different with profit ratio in *Mudharabah*.”

Based on this interview, sometimes an obstacle is faced by Tamzis and also members. In the provisions of the *Wadi'ah* contract, it is clearly not written about the existence of profit sharing or the required bonus. Giving bonuses or '*athaya*' from the cooperative to the fund owner for the benefits obtained from the financing process is a voluntary gift from Tamzis and is not a practice of giving *riba* in disguise. However, in reality, there are some members who consider that giving bonuses is a practice of *riba* and of course, *riba* is something that is forbidden in Islam.

Therefore, sometimes members refuse to be given a bonus or '*athaya*' by Tamzis because they think that they will receive *riba*. Even so, the rejection of '*athaya*' is considered not to harm any party either from the members or from Tamzis.

“.....yes of course, obstacles will always be there. We have ever faced some problems with the members but those can be solved easily. If there is a dispute or problem occurs in the middle of the contract, we always conduct a *musyawarah* first. *Musyawarah* is held to seek for the solutions that we need. If it does not work, then the dispute settlement will be done in the Sharia Arbitration Board or Religious Court in accordance with the procedure that is written in the Fatwa.”

Abdul Haris stated that sometimes there are disputes that occur amidst the operational process of the contract. The first thing to do

when a dispute occurs is to hold a *musyawarah* or discussion to find the right solution. However, if there is no solution from the discussion, then the dispute will be resolved through Sharia Arbitration Board or Religious Court. This operational system is in accordance with the aqd of *Wadi'ah* of KSPPS Tamzis Bina Utama and the provisions of the Fatwa of DSN-MUI Number 02/DSN-MUI/IV/2000.

## **2. The Compliance of *Murabahah* with Fatwa of DSN-MUI Number 04/DSN-MUI/IV/2000**

### **a. The Compliance of *Murabahah* Contract with Fatwa of DSN-MUI Number 04/DSN-MUI/IV/2000**

*Murabahah* financing is an activity to meet business needs as well as for individual members. The funding provided can be used as working capital for personal gain. With the existence of *Murabahah* financing, it provides convenience for members of cooperatives to obtain additional capital. So that it can be mutually beneficial between members and the cooperative. Thus, it can be stated that the essence of *Murabahah* transaction freedom is related to the willingness to freedom of choice between carrying out transactions or not considering whether there is an element of mutual benefit and vice versa. This freedom can prevent a person from vanity and dzalim actions in economic activities, which lead to unilateral or both parties' losses. Therefore, freedom in the Islamic economy is not limited because it is limited by the freedom

of others. This restriction of absolute freedom is in order to safeguard the rights of others. This absolute limitation is in order to protect the rights of others, which must also be considered.<sup>58</sup>

According to several books of *fiqh*, *Murabahah* is one of the forms of trustworthy sale and purchase. Buying and selling here is different from buying and selling of *musawamah* (bargaining). *Murabahah* is carried out between the seller and the buyer based on the price of the item, the original price of the seller's purchase that is known to the buyer and the profit to the seller must be notified to the buyer.<sup>59</sup>

*Murabahah* financing is one of the financing transactions based on Sharia principles. The definition of *Murabahah* financing according to the Fatwa of National Sharia Council of MUI (DSN-MUI) is to sell an item by emphasizing its purchase price to the buyer, and the buyer pays it at a higher price as profit.<sup>60</sup>

The above definition is appropriate in Islamic economics where *Murabahah* basically means sales. One thing that distinguishes it from the other ways of selling is that the seller in *Murabahah* clearly tells the buyer what the principal value of the item is and how much

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<sup>58</sup> Idris and Titik Triwulan Tutik, 2008, *Prinsip-Prinsip Ekonomi Islam*, Jakarta, Lintas Pustaka Publisher, ed. 1, p.75.

<sup>59</sup> Lukman Hakim, *Prinsip-Prinsip Ekonomi Islam*, Jakarta: Erlangga, 2012, p. 116-117

<sup>60</sup> Fatwa *Dewan Syari'ah Nasional* MUI concerning *Murabahah* number 04/DSN-MUI/IV/2000



profit is charged to that value.<sup>61</sup> The advantage is in the form of a lump sum or based on percentage.<sup>62</sup>

In the practice of *Murabahah* in KSPPS Tamzis Bina Utama of Yogyakarta according to what is written in the contract article 1 paragraph 1, what is meant by *Murabahah* is buying and selling between members as the buyer and Tamzis as the seller and supplier of goods stated in the sale contract clearly and in detail regarding the goods, the purchase price of Tamzis and the selling price of Tamzis to the members so that it includes the profit/margin obtained by Tamzis and the approval of members to pay the selling price of Tamzis formally, both in installments or cash. Therefore, it can be said that Tamzis has implemented *Murabahah* in accordance with the provisions written in the Fatwa of DSN-MUI Number 04/DSN-MUI/IV/2000.

The contract is carried out by Tamzis with members. In the first stage, the members must make an application for an item to Tamzis, and Tamzis must provide the goods by ordering it to the partner or supplier, if the partner/supplier has the goods needed by the members then the contract and handover of the goods must be mentioned clearly. The contract must be clearly explained to the

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<sup>61</sup> Muhammad Farid, 2013, "*Murabahah* dalam Perspektif Fikih Empat Mazhab", *Jurnal Pengembangan Ilmu Keislaman* Vol. 8 No. 1, Lumajang, Sekolah Tinggi Ilmu Syariah (STIS), p.16.

<sup>62</sup> Adrian Sutedi, 2009, *Perbankan Syariah 1<sup>st</sup> edition*, Bogor: Ghalia Indonesia, p. 95

members to make the members understand deeply about the contents of the contract. Moreover, the contract must clearly states the method of buying and selling whether it is done by credit or cash. In the contract, Tamzis promised and bound itself to sell goods ordered by members and hand them over to members, and members also promised and bound themselves to buy and receive goods and pay the price to Tamzis. In the contract, Tamzis stated in detail the purchase price, profit margin and selling price to its members.

For example, in the contract, it is stated that the member will buy one motorcycle for Rp. 24,040,000,-. The price of the contract must be stated, for example the price of goods Rp. 24,040,000,-. Then, the down payment is also mentioned, which is Rp.5,000,000,- then the acquisition price is Rp. 19,040,000,-. And then the profit margin is also mentioned, which is Rp. 10,281,000,-. Finally, the selling price is Rp. 29,321,000,- and the installments shall be paid within 36 months or three years.

The amount of financing for the item that is bought by Tamzis as ordered by the member is as follows:

Table 4.1.Selling price in *Murabahah* contract

Price of the item	Rp 24,040,000.-
Down payment	Rp 5,000,000.-

Acquisition price	Rp 19,040,000.-
Profit margin	Rp 10,281,600.-
<b>Selling price : Rp 29,321,600</b>	

According to the Fatwa of the National Sharia Council Number 04/DSN-MUI/IV/2000 concerning *Murabahah*, it does not implicitly mention the definition of Sharia principles, however, in the provisions, it states that goods traded in *Murabahah* financing contracts are not prohibited by Islamic law. This means that in conducting *Murabahah* financing contract transactions may not conflict with Sharia principles that have been determined in the applicable laws and regulations.<sup>63</sup>

*Murabahah* as financing certainly has a special rule so that the transaction does not come out of Sharia principles.<sup>64</sup> Therefore, the author analyzed the compliance of the articles in the *Murabahah* contract of Tamzis with the fatwa of DSN-MUI on *Murabahah* number 04/DSN-MUI/IV/2000. In analyzing the compliance of the contract with the fatwa, the author analyzed it by mentioning the provision in the fatwa first and then followed by the analysis towards the contract of *Murabahah* in KSPPS Tamzis Bina Utama. It should be

<sup>63</sup>Ani Yunita. 2015, "Kajian Akad Pembiayaan *Murabahah* Terhadap Penerapan Prinsip Syariah Pada Bank Syariah Indonesia" *Jurnal Media Hukum*, Vol. 22 No.1, Yogyakarta, Universitas Muhammadiyah Yogyakarta, p.9.

<sup>64</sup> Lukman Haryoso, 2017, "Penerapan Prinsip Pembiayaan Syariah (*Murabahah*) pada BMT Bina Usaha di Kabupaten Semarang", *Jurnal Law and Justice*, Vol. 2 No. 1, Semarang, Universitas Islam Sultan Agung, p.25.

noted that the provision does not only apply for Islamic banks but also any Sharia financial institutions including the Sharia Cooperatives.

The analysis is as follows:

**1) First provision: General provisions of *Murabahah* in Islamic banks**

The content of the first provision:

- a) Banks and customers must enter into a *Murabahah* contract that is free from *riba*.

In accordance with the first provision, Tamzis has applied the concept as stipulated in point (a) of the Fatwa of DSN-MUI because Tamzis does not give fine or *ta'zir* to members if they are late in paying the installment since fine is regarded as *riba* that is prohibited.

- b) Goods traded are not forbidden by Islamic sharia.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (b). The compliance can be proven by the provisions of Tamzis which stated that the goods are not haram in accordance with Sharia, for example the purchase of a motorcycle.

- c) The bank finances the whole or part purchase price of goods which qualification has been agreed on.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (c). The compliance can be proven by the provisions where Tamzis provides bailouts to members to purchase an item in accordance with the initial agreement.

- d) The bank buys goods that customers need on behalf of the bank itself, and these purchases must be legal and free of *riba*.

Tamzis has applied the concept of the provisions of the Fatwa in point (d). The compliance can be proven by the provisions of Tamzis to buy goods that are legal and free of usury or *riba* to be traded to members.

- e) The bank must explain all matters relating to the purchase, for example, if the purchase is made in debt.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (e). The compliance can be proven from the provision, which stated that Tamzis notifies the member if the item was purchased in debt to the seller.

- f) The bank sells the item to the customer (the buyer) at a selling price worth the purchase price plus profits. In this matter, the Bank must honestly notify the purchase price of goods to the customer along with the costs required.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (f). The compliance can be proven by the

provision that Tamzis made an agreement to members. For example, the item sold is motorcycle. Tamzis sells the motorcycle to the member by telling the real price of the motorcycle and the profit taken by Tamzis.

- g) The customer pays the agreed price for the goods within the agreed period of time.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (g). The compliance can be proven by the provisions where Tamzis provides a time period agreed by the members. The agreed time period cannot be changed by members.

- h) To prevent the occurrence of misuse or damage to the contract, the bank may enter into a special agreement with the customer.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (h). The compliance can be proven by the provision that Tamzis can also make an agreement to members if the contract is misused.

- i) If the bank wants to represent the customer to buy goods from a third party, *Murabahah* sale and purchase agreement must be done after the goods, in principle, become the property of the bank.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (i). The compliance can be proven by the provisions where Tamzis remains the intermediary of the sale and purchase agreement eventhough the members buy the motorcycle directly to the party at the motorcycle dealer. The motorcycle must legitimately belong to Tamzis first, after that the members may own it.

**2) Second provision: *Murabahah* provisions on customer**

The content of the second provision:

- a) The customer submits an application and promises to purchase goods or assets to the bank.

In accordance with the second provision, Tamzis has applied the concept as stated in point (a) of the Fatwa of DSN-MUI. It can be seen that members must follow the submission procedure from Tamzis. The partner must fill out the submission form, attach a photocopy of identity card (KTP), photocopy of family card (KK), photocopy of collateral, and then the member makes an agreement to Tamzis.

- b) If the bank accepts the request, it must first purchase the assets it has ordered legally with the merchant.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (b). The compliance can be proven by the

provisions of the Murabahah contract of Tamzis. Before the Murābahah contract is agreed upon, Tamzis must first purchase the goods from the supplier of the goods.

- c) The bank then offers the asset to the customer, and the customer must receive (buy) it in accordance with the promise that has been agreed upon because it is legally binding; then both parties must make a sale and purchase contract.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (c). The compliance can be proven by the provisions where Tamzis offers the goods to members. Then the member must buy the item according to the contract of Tamzis.

- d) In buying and selling, banks are allowed to ask customers to pay down payment when signing the initial order agreement.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (d). The compliance can be proven by the provisions when making an agreement, Tamzis is allowed to ask for advance payments to members. But if Tamzis does not ask, it is also permissible.

- e) If the customer refuses to buy the item, the bank's real costs must be paid from the down payment.



Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (e). The compliance can be proven by the provisions if the goods are desired by the members, then the members may not cancel the items ordered, because it will harm Tamzis and members must pay according to the initial agreement.

- f) If the down payment value is less than the loss that must be borne by the bank, the bank can request the rest of the losses from the customer.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (f). The suitability can be proven by the provisions if the initial agreement on the cost of losses suffered by Tamzis is taken from the members' down payment, but it turns out that the down payment is not enough to cover the losses suffered by Tamzis, then the member is obliged to pay instalments from the loss.

- g) If the contract uses the *urbun* contract as an alternative of the down payment, therefore:

(1) If the customer decides to buy the item, she/he only has to pay the remaining price.

(2) If the customer cancels a purchase, the down payment becomes the property of the bank for a maximum of the

loss incurred by the bank due to the cancellation; and if the down payment is insufficient, the customer must pay the shortfall.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (g). This suitability can be proven by the provision that the down payment given by members is not to make fun of the Tamzis party with the origin of the cancelled goods, but members must pay according to the initial agreement or if Tamzis suffered a loss then the member must continue to pay.

### **3) Third provision: collateral in *Murabahah***

The content of the third provision:

- a) Collateral in *Murabahah* is allowed so that customers are serious about their orders.

In accordance with the third provision, Tamzis has applied the concept as stated in point (a) of Fatwa of DSN-MUI. It can be seen that giving guarantees is allowed by Tamzis

- b) Banks can ask customers to provide collateral that can behold.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (b). For example, Tamzis may receive

collateral in the form of goods, for example, motorcycles by the members.

#### **4) Fourth provision: debt in *Murabahah***

The content of the fourth provision:

- a) In principle, settlement of customer's debts in *Murabahah* transactions has nothing to do with other transactions made by customers with third parties on the goods. If the customer resells the item with profit or loss, she/he is still obliged to settle the debt to the bank.

In accordance with the fourth provision, Tamzis has applied the concept as stated in point (a) of the Fatwa of DSN-MUI. This can be seen that members still have an obligation to pay instalments to Tamzis for goods that have been ordered, even though the goods will be sold to other parties.

- b) If the customer sells the item before the instalment period ends, she/he is not required to immediately pay off all installments.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (b). The compliance can be proven by the provisions of members not obliged to pay as long as the partner sells the item to others with a time period agreed with Tamzis.

- c) If the sale of the item causes loss, the customer must still settle the debt according to the initial agreement. She/he must not slow down the instalment payment or ask for the loss to be calculated.

Tamzis has applied the concept of Fatwa of DSN-MUI provisions in point (c). It can be proven by the provisions of members must continue to pay for instalment in accordance with an agreed period of time by both parties despite losses.

**5) Fifth provision: delay of payment in *Murabahah***

The content of the fifth provision:

- a) Customers who have the capability to pay are not justified in delaying the settlement of the debt.

In accordance with the fifth provision, Tamzis has applied the provision in point (a) of the Fatwa of DSN-MUI. This can be seen that members who delay payment are included in the problematic category. In this case, Tamzis keep the members who delay payment.

- b) If the customer delays the payment intentionally, or if one party does not fulfil its obligations, then the settlement is done through the Shari'ah Arbitration Body after no agreement has been reached through *musyawarah*.

Tamzis has applied the concept of the Fatwa of DSN-MUI provisions in point (b). It can be proven by the provision that members are not allowed to delay payment of the agreed installments.

**6) Sixth provision: bankruptcy in *Murabahah***

The content of the sixth provision:

- a) If a customer has been declared as bankrupt and has failed to settle his debt, the bank must defer the debt bill until she/he is able to pay, or by agreement.

In accordance with the sixth provision of Fatwa of DSN-MUI concerning *Murabahah* contract, Tamzis has applied the concept which can be seen that Tamzis provides treatment to bankrupt parties as well as handling those who delay payment

From the result of the analysis of the contract, the *Murabahah* financing products for the members of KSPPS Tamzis Bina Utama are in accordance with the Islamic Shari'ah, since it has been explained that KSPPS Tamzis Bina Utama is in accordance with the Sharia because it uses a sale and purchase contract, in Islamic contract buying and selling is allowed as long as both parties are agreed to the contract. KSPPS Tamzis Bina Utama first explains what products are taken by the customer, and stated what the selling price is determined by KSPPS

Tamzis Bina Utama from the original selling price of the item. If the member has been explained clearly and understands the contract, therefore the following procedure can be conducted, which is the financing process.

**b. The Compliance of Operational Process of *Murabahah* Contract in KSPPS Tamzis Bina Utama of Yogyakarta with Fatwa of DSN-MUI Number 04/DSN-MUI/IV/2000**

KSPPS Tamzis Bina Utama has several financing products that can help the community in venture capital, purchasing goods, or paying off debt. One of KSSPS Tamzis Bina Utama's financing products is *Murabahah* financing. *Murabahah* financing helps people who want to buy goods but do not have or lack of funds. KSPPS Tamzis Bina Utama financing distribution has a regulation in carrying out its operational activities, one of which is to carry out procedures in accordance with existing standard operating procedure (SOP).

One of the requirements to apply for financing is to become a member of the KSPPS Tamzis Bina Utama first, the requirements to become a member, namely:

- 1) Fill out the membership form;
- 2) Submit a valid identity such as ID card (KTP), Family Card, and Marriage Certificate if already married;
- 3) Fill out the membership book;

- 4) Pay the principal savings obligation of Rp 10,000.

Then, after becoming a member of KSPPS Tamzis Bina Utama, the member can apply for *Murabahah* financing to KSPPS Tamzis Bina Utama by filling out the form provided at KSPPS Tamzis Bina Utama.

In this research, an interview with a member of Tamzis was conducted to analyze the compliance of the operational process of *Murabahah* contract. In this interview, a respondent who works as an employee of Batik shop at Beringharjo Market named Murjiani, stated:<sup>65</sup>

“I have become a member of Tamzis since 2016. I use *Murabahah* contract. Before being financed by Tamzis, I had to fill out the financing form and explained what the fund is used for. During my contract with Tamzis, I have never experienced any problems or difficulties at all. I personally feel that Tamzis gives a good service to the members including myself. I understand the contract well because Tamzis has explained it to me and I always pay my installment routinely based on the agreed time in the contract. So, I think the operational process is good and compliant with the contract that we have agreed upon.”

Based on this interview, it can be seen that the member is quite satisfied with the service and product offered by Tamzis. The member stated that she submitted an application to purchase goods to Tamzis. This is compliant to the second provision of Fatwa of DSN-MUI point (a) which reads, “The customer submits an application and promises to

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<sup>65</sup> Interview with Murjiani, a member KSPPS Tamzis Bina Utama Yogyakarta on July 12<sup>th</sup>, 2019

purchase goods or assets to the bank”. The member also explained that she always pay the installment based on the agreed date in the contract. This shows a similarity as written in the first provision of Fatwa of DSN-MUI point (g) which reads, “The customer pays the agreed price for the goods within the agreed period of time.”

Another interview is conducted with the manager of Tamzis, Abdul Haris. He explained about the obstacles in the operational process of Tamzis.<sup>66</sup>

“Usually the members tend to misunderstand about the products. They think that *Murabahah* is the same with *Mudharabah* when in fact, both are very different. We always explain about the contract first at the beginning of the agreement-making. But, they (the members) sometimes misunderstand. So, that is why it can be a problem.”

Based on this interview, there was an obstacle that so far has been experienced by KSPPS Tamzis Bina Utama in running the *Murabahah* financing products. That is the difficulty of providing an explanation of the contracts and guidelines in Tamzis. Sometimes, members mistakenly understand the meaning of the *Murabahah* contract with the *Mudharabah* financing contract. This certainly becomes an obstacle in the middle of the operational process of *Murabahah* contract.

“.....if the dispute occurs, the first thing that we will do is conducting *musyawarah* with the member. We try to give an explanation about our

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<sup>66</sup> Interview with Abdul Haris as the deputy manager of policy and control of KSPPS Tamzis Bina Utama Yogyakarta on July 1<sup>st</sup>, 2019



contract and ask which point of the contract that confuses the member. After that, we seek for the solutions. So, every party will not be disadvantaged. But, if this method of problem solving does not give any solutions, then we will bring the dispute to the Sharia Arbitration Board. The dispute will be settled there just in case it cannot be solved through discussion or *musyawarah*.”

When a dispute between the members and Tamzis occurs, there will be a solution to the dispute where Tamzis will conduct a discussion or *musyawarah* with members and provide further explanation of the agreed contract so that the contract can be continued and no party is harmed. If there is no agreement reached through discussion, the dispute settlement will be carried out through the Sharia Arbitration Board. Overall, the operational process of *Murabahah* contract in KSPPS Tamzis Bina Utama of Yogyakarta has been compliant with the Fatwa of DSN-MUI since the procedures of the making of the contract and also dispute settlement performed by Tamzis are in accordance with the provisions as stated in the Fatwa of DSN-MUI number 04/DSN-MUI/IV/2000.