



AICIF

PROCEEDING 7TH ASEAN UNIVERSITIES

International Conference on Islamic Finance

Revival of Islamic Social Finance To Strengthen Economic
Development Towards A Global Industrial Revolution

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of Islamic Finance Educators

**PROCEEDING OF 7TH ASEAN UNIVERSITIES INTERNATIONAL
CONFERENCE ON ISLAMIC FINANCE (AICIF) 2019
“REVIVAL OF ISLAMIC SOCIAL FINANCE TO STRENGTHEN
ECONOMIC DEVELOPMENT TOWARDS A GLOBAL INDUSTRIAL
REVOLUTION”**

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“REVIVAL OF ISLAMIC SOCIAL FINANCE TO STRENGTHEN ECONOMIC
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PROF. DR. AMAL FATHULLAH ZARKASYI, M.A.
Rector of University of Darussalam Gontor

Assalamu'alaikum warahmatullahi wabarakaatuh

As the Rector of University of Darussalam Gontor, it is a great honour for us to welcome our distinguished guests from neighbourhood countries. Hence, I feel very grateful to Allah, I would like to thank you for your kind willingness to attend and participate in our 7th ASEAN Universities International Conference on Islamic Finance (AICIF) 2019.

The development of Islamic economics and finance not only concerns on commercial issues, but also social finance (such as zakah, infaq and waqf). Since the Prophet Muhammad Rasulullah period, Waqf has been developed and played a major role in the socioeconomic of Muslim. On his arrival at Madinah in the first year of Hijrah, he constructed a mosque known as Quba. Subsequently, the Prophet built a new mosque known as Masjid an-Nabawi due to the increasing number of people who converted to Islam. In addition, the example of waqf in practical level when the Prophet encouraged Utsman ibn 'Affan to buy Rumah well of water and finally he declared it as waqf to provide water for all citizens. Currently, this heritage has been extended to accommodate the need of society from across the world.

Based on the historical foundation, it would be extremely necessary supported by education and research related to Islamic social finance in an attempt to increase the welfare of the Ummah. Hopefully this conference will be one of the efforts in providing enlightenment and insight related to Islamic social finance and Islamic economics continues to grow worldwide, and provide benefits and prosperity for all mankind as well as the entire universe (rahmatan lil Alamein).

Therefore we all have a duty and responsibility to develop education and research related to Islamic economics. Let us pray to God for asking His assistance and guidance to carry out this duties and responsibilities together.

Finally, I congratulate all the faculty members in the Faculty of Syariah and Faculty of Economics & Management as well as all members of AICIF for organizing this conference. For the committees who have worked hard in preparing this conference, I suggested them to service all the guests very well. Make them feel like in their own homes. I would like to say good luck in joining the conference until completion. Thank you very much.

Wa'alaikumsalam warahmatullahi wabarakaatuh



INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

All praises due to Allah (swt), the Most Merciful, the Most Compassionate. May His peace and blessings be upon our beloved Prophet Muhammad (saw), his companions, descendants and all those who follow his steps.

On behalf of the IIUM Institute of Islamic Banking and Finance (IiBF), International Islamic University Malaysia, I would like to congratulate the University of Darussalam, UNIDA Gontor, for the successfully organizing and hosting the 7th ASEAN Universities International Conference on Islamic of Islamic Finance (AICIF 2019). IiBF, as the pioneering institution in organizing the AICIF, is indeed, very happy to note that the AICIF has already reached its 7th year of organization, with the consortium of universities joining the conference has increased to seven from only one when the IiBF first hosted it in Kuala Lumpur in 2013.

The theme of the conference “Revival of Islamic Social Finance to Strengthen Economic Development Towards A Global Industrial Revolution” highlights the remarkable contributions and guidance of our beloved Prophet Muhammad (saw) on his various efforts on social welfare and sustainable social development policies. These efforts have led to the remarkable economic development of Islamic societies, which needs to be emulated by our leaders today in the Islamic banking and finance industry. While there is a remarkable growth and expansion of the Islamic finance industry today, a pertinent issue to highlight is the role and contribution of Islamic finance in the achievement of socio-economic goals of the society. Islamic financial institutions need to continuously innovate and go beyond their traditional role in providing financing just to the bankable. Efforts should be intensified to expand their scope of services and aim to achieve better financial inclusion to all levels of the society.

The importance of technology in Islamic social finance could not be over-emphasized. Several important global cases borne out of the synergised approaches involving Islamic social finance with sustainable digital technology. The International Federation of Red Cross and Red Crescent Societies (IFRC) has recently developed an online blockchain technology application providing organizations and individuals with the ability to track and follow up their contributions in highly complex humanitarian settings. This has helped in providing transparency and laying a platform for increased trust between humanitarian organizations and those in Islamic social financing activities. This digital innovation has received universal acceptance and recognition and is the IFRC’s first foray into Islamic finance, advancing their cause to develop Islamic social finance strategies and fundraising tools in support of IFRC’s humanitarian aid programs.

Islamic social finance supported by mobilisation of digital technology has also brought about the effective distribution of zakat contributions from the Malaysian state of Perlis towards a relief project in Kenya. The project became successful and profitable as the cash value of the crop grown exceeded the value of the seeds purchased, which in turn allowed subsistence farmers to acquire a certain amount of disposable income that can be channelled towards other social impact areas focusing on food, healthcare, and education.

I would have to mention, however, that our goal of revitalizing and rejuvenating Islamic social finance and socially responsible finance may not be achieved without well-coordinated inter-countries synergy and cooperation. We are very much aware of the remarkable progress recorded in ASEAN, and especially Malaysia and Indonesia, in terms of Islamic banking and finance innovation and Islamic finance in general, which have proven to be veritable tools for social development of the Ummah. We hope that efforts are made for new inter-countries' cooperation within ASEAN and other destinations across the globe. It is high time that these vast experiences being shared to other parts of the world with more universities to join this consortium in efforts to remain abreast in the dynamic area of Islamic banking and finance.

Thank you. Wabillahi-tawfiq wal-hidayah, Wassalamu alaikum warahmatullahi wabarakatuh.

ASSOC. PROF. DR. SALINA KASSIM

Dean

IIUM Institute of Islamic Banking and Finance



STATE ISLAMIC UNIVERSITY SUNAN KALIJAGA YOGYAKARTA

Assalamualaikum Warahmatullah Wabarakatuh

Welcome to 7th AICIF 2019. We are very happy for the enthusiasm of all colleagues and participant to take part of the 7th ASEAN International Banking & Finance or 7th AICIF 2019. We are wholeheartedly grateful to University of Darusaalam Gontor Indonesia for organizing this event. AICIF has been held seven times in the Southeast Asia region. This event will took theme which highlighted the Revival of Islamic Social Finance to Strengthen Economic Development Toward a Global Industrial Revolution. We expect, this activity will increase the knowledge, abilities and role of stakeholders in facing the 4.0 industrial revolution. By strengthening the knowledge of Islamic social finance, hopefully it will be able to improve analytical skills to improve the welfare of Muslims. The challenges of Muslims today are very diverse, not only eradicating usury but also creating world welfare and hereafter. That's why, it is very important to understand Islamic social finance clearly.

Besides, we also looking for the academic result from this event such as increasing the transfer of knowledge of in Islamic economics, cooperation in the field of research, journal publications, guest lectures, student exchange and etc.

We also would like to thank all co-organizer who were invited to attend this conference and members of the procedural committee. We are deeply grateful for enthusiastic support from all units and individuals, and we appreciate all the participant who undertake preparation and reception services during the conference. We hope you granted benefit from the exchange of ideas and research at 7th AICIF 2019 through discussions with colleagues, participants and conference sessions and activities. We would like to take this opportunity to fulfill our success stepping stone as co-organizers. It is our sincere hope that this collaboration will continue in the future. May Allah SWT bless us and continue to guide us in all our efforts. Aamiin. Wassalamualaikum Warahmatullah Wabarakatuh

DR. H. SYAFIQ M. HANAFLI, S.Ag., M.Ag.
Dean of Faculty Islamic Economics and Business



SULTAN AGUNG ISLAMIC UNIVERSITY, SEMARANG INDONESIA

Assalamu'alaykum warahmatullahi wabarakatuh

A warmest word of welcome to the organizers and participants of the 7th Asian Conference on Islamic Finance (AICIF) 2019. Our honored to the main organizer of the 7th AICIF University of Darussalam (UNIDA) GONTOR, Indonesia.

Economic development in this digital age creates new challenges for Islamic finance especially Islamic social finance institutions in the ASEAN countries. The increase of market competition demanding the Islamic industry to innovate continuously so that it is able to serve customers and create maslahat. Financial technology (Fintech) is also part of the challenges that must be faced. In this case, the Islamic social finance industry must be able to answer the advancement of financial technology while maintaining applicable sharia principles. On this occasion, the 7th AICIF raised the theme of Revival of Islamic Social Finance to Strengthen Economic Development towards a Global Industrial Revolution. This theme is very urgent to be discussed today as in its system, Islamic finance is not only seen from a commercial point of view, but also a social point of view. Contemporary Muslim society in particular is an important subject that must be prepared to support this revival and make Islamic social finance as a milestone in the power of Islam in giving rahmat for everyone in today's era. 7th AICIF is part of an effort to push the Islamic social finance system achieving betterment. I am sure that with the collaboration of experts, researchers, academics and practitioners in this forum, various innovations will emerge. Issues from various national and cultural backgrounds relating to Islamic social finance will be discussed here. Thus, each other can exchange ideas and provide inspiration in order to form decisions and policies that are needed both for educational institutions and government as well as leaders of Islamic institutions. In addition, this forum is also an effort to strengthen good cooperation between various parties who have high concern in order to develop the Islamic social finance system.

Therefore, I do appreciate and thank you for significant contribution of many parties including the main organizer, co-organizers, support organizations and sponsors for the success of the 7th AICIF 2019. To all the speakers and participants, we wish you all the best for your perspective involvement. I hope that you will have pleasant and enjoyable learning experiences in the Forum. Finally, I wish that the participants will put to new journeys of learning, sharing, and growing for a common reason "to make our system, a better one".

We are really honored for your participation and we look forward to meet you again in 8th AICIF 2020. Terima Kasih

Wassalamu'alaykum warahmatullahi wabarakatuh

PROF. OLIVIA FACHRUNNISA, Ph.D
Dean of Faculty of Economics, UNISSULA
Indonesia



First of all, I would like to take this opportunity to welcome you all to the 7th ASEAN Universities International Conference on Islamic Finance (7th AICIF) and to extend out deepest gratitude to Universitas Darussalam Gontor, Indonesia for hosting this year's 7th AICIF held on 3rd and 4th December 2019.

Universiti Islam Sultan Sharif Ali (UNISSA), Brunei Darussalam, realized that this yearly conference served as an important platform with researchers, professionals coming in from all parts of the world in gaining further insights into the frontier of knowledge as well as understanding the broader scope of Islamic Finance.

I sincerely hoped that this conference will continue to play its role as an important platform for all stakeholders to meet and addressed issues related to Islamic Finance especially in this era of globalization where Islamic Finance industries have witnessed a significant growth over the past years. I also hope that this conference will be able to help in promoting and strengthening the networking and collaboration between researchers, academicians and professionals.

On behalf of UNISSA, I would like to extend my sincerest appreciation to the Main Organiser, Co-Organisers, sponsors and many thanks to everyone involved in organizing such a successful conference. To all participants and presenters attending this year's AICIF, I hope you will be able to benefit greatly from this conference and take part in strengthening the role of Islamic Finance so that it can contribute to a more sustainable and well-balanced economic growth in the society.

Sincerely,

DR ABDUL NASIR BIN HAJI ABDUL RANI

Dean

Faculty of Islamic Economics and Finance

Universiti Islam Sultan Sharif Ali, Brunei Darussalam



MINDANAO STATE UNIVERSITY PHILIPPINES

Assalamu Alaykom Warahmatullahi Wa Barakato.

My heartfelt congratulations to the organizers or people behind the 7th ASEAN International Conference on Islamic Finance (AICIF). People see only the finished product and are not likely to have an idea of the enormous behind-the-scene work that preparations for a grand activity like this entails.

The conference theme “Revival of Islamic Social Finance to Strengthen Economic Development Towards a Global Industry Revolution” cannot be more timely and auspicious. Hurting into a future of prodigious and rapid change, the Islamic world should take stock and determine how we are holding up, coping, and keeping apace with the challenges of a global industry revolution. Although Islamic Finance is anchored on principles and core values enshrined in the Holy Qur’an and the Sunnah, which are practically etched in stone, we recognize the fact that failure to adapt to present realities stands to leave us stranded and marooned on the shore, or lagging behind while the rest of the world eagerly sets sails or takes great strides in the march of progress.

On the other hand, the taking of stock seems crucial to ascertain how faithful we have been to the philosophical underpinnings of Islamic Finance, which means we go back to the primary sources. Much as we wish for seamless transitions or smooth passages from where we stand now to a global industry, for example, these do not come easy. In fact, there are issues and gray areas that I hope will be taken up in this Conference like the enforcement of zakah and how, and how it can help in alleviating poverty, the questions of profit, competition and control in business, and the line between halal and haram in investment (when does a halal investment become haram?).

It is my hope, too, that the Conference will be more productive of answers than of questions, and the discourses of the speakers bring greater enlightenment to the participants and all stakeholders.

Finally, the Mindanao State University looks forward to more collaborative efforts of this kind. Meaningful high-level discourse expected to ignite sparks can generate critical ideas for a more stable Islamic Finance and greater economic development.

My best wishes for the success of the Conference.

HABIB W. MACAAYONG
DPA President MSU System



Assalamu'alaikum Warahmatullah Wabarakatuh

It is a privilege for Tazkia University College of Islamic Economics to be co-hosted at the 7th ASEAN Universities International Conference on Islamic Finance that held on December 3rd & 4th 2019 at University of Darussalam Gontor. Tazkia University College of Islamic Economics is a pioneer of the development of Islamic economics and finance in Indonesia. Our joining in this event was a manifestation of our vision to become a world class university in 2025.

Tazkia University College of Islamic Economics has contributed to the development of Islamic Economics and Finance in Indonesia since 2 decades ago. We helped convert the 25 banks and conventional insurance to full fledged Islamic Banking. Besides that, Tazkia University College of Islamic Economics also empowers the grassroot by creating "Tazkia Islamic Village" located in Babakan Madang, Bogor Regency.

In the future, our joining in AICIF will contribute to strengthening Islamic Economic & Financial resilience in ASEAN through collaborative research, so that research is appropriate and supports the advancement of science in ASEAN moreover in the World.

We congratulate University of Darussalam Gontor as a Host from this conference and wish for the smooth running of this event so that the 7th AICIF theme is "Revival of Islamic Social Finance to Strengthen Economic Development Towards a Global Industry Revolution" can be achieved together.

Best Regards,

DR. MURNIATI MUKHLISIN M. ACC

RECTOR OF STEI TAZKIA

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TYPES OF CHICANERIES REGARDING MURABAHA CONTRACTS IN ISLAMIC BANKS: AN ANALYTICAL STUDY

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ABSTRACT

Due to the importance of the Murabaha contract, and its adoption by many Islamic banks as a result of low risk product, to the extent that the use of the Murabaha formula in some banks represents 80% of the total financing operations, and because this contract contains a variety of procedures starting with the purchase order, and closing by finalizing the Murabahah contract between the bank (buyer) and the client (purchase orderer) by setting up the premium payment agreement, many of the violations, and some types of the chicaneries, which may occur in collusion of the bank, and sometimes can be ascribed to the misconducts of some staffs contrary to the general policy of the bank, and there are part of the chicaneries attributed to the client, all these need to be highlighted, analyzed and their legitimacy from Shariah point of view must be clarified. We have been keen to absorb most of the current chicaneries mentioned by contemporary fatwas, recent academic research papers, and reports of the relevant banks, we have adopted the descriptive and analytical approach in the study, aiming to a new and quality study as specialized value added in this field.

القرآن الكريم ودوره في تنمية الإقتصاد

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ABSTRACT

الحمد لله الذي جعل الأموال قياما للناس في حياتهم الدينية والدينية أحمدته تعالى الرزاق ذو القوة المتين، والصلاة والسلام على المبعوث رحمة للعالمين القائل إن أطيب ما أكل الرجل من كسبه وإن ولده من كسبه صلى الله عليه وعلى آله وأصحابه والتابعين. وبعد فهذه المقالة تهدف إلى بيان عناية القرآن الكريم ودوره الفعّال في تنمية الإقتصاد، وقد عنونتها القرآن الكريم ودوره في تنمية الإقتصاد، وقد اخترت هذا الموضوع نظرا إلى التخلف الإقتصادي الطارئ على كثير من الدول لا سيما دولتي نيجيريا حيث تشكوا هذا التخلف وتبحث له عن الحلول، ولأن بعض الجهلة يظنون أن القرآن كتاب عبادة فحسب ولا علاقة له بالأمر الديني، فأردت أن أذكر بعض المباحث التي تعرض لها القرآن الكريم وهي لبنة متينة لبناء الإقتصاد وتنميته، وهي تلك الأمور التي اعتنى بها المسلمون في القرون المفضلة فقوي بها اقتصادهم وأغناهم الله بسببها من فضله.

مظاهر عناية الإسلام بالمعاملات الاقتصادية والمالية

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ABSTRACT

يسعى هذا البحث إلى دراسة موضوع مظاهر عناية الإسلام بالمعاملات المالية والاقتصادية؛ حيث يعتبر النظامي المالي والاقتصادي قاعدة كبرى في حياة الفرد والمجتمع، وقد اعتنى الإسلام بالمال والاقتصاد بشكل جيد؛ حيث وضع الإسلام العديد من الضوابط والسياسات والإجراءات المالية والاقتصادية لتسهيل تلك المعاملات. وقد وجدت العديد من النصوص في القرآن والسنة تحث على الكسب وتنمية الاقتصاد، وتحرم الجرائم الاقتصادية والمالية، وبيان العقوبات المقررة في حق كل من قام بارتكاب مثل تلك الجرائم

الوقف وأهمية تفعيله كأداة في التمويل الاجتماعي المعاصر

(دراسة تحليلية مقاصدية)

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ABSTRACT

قدّم الوقف للمجتمع الإسلامي على مرّ العصور خدماتٍ جليّة، وأسهم في تلبية احتياجاته في مختلف المجالات الدينية والعلمية والثقافية والاجتماعية . فمن المساجد إلى المدارس إلى المكتبات العلمية، إلى الخدمات الصحية من مشافي ودور رعاية للعجزة، إلى الخدمات الاجتماعية من رعاية للأيتام والأرامل، إلى حفر الآبار لتقديم مياه الشرب، إلى فتح الطرقات، إلى حماية الثغور وإعداد الجيوش. وكان الوقف يقوم بإدارة شؤون المجتمع، ويلبي معظم احتياجاته، وأما الدولة فكانت وظيفتها -في الغالب - تقتصر على الحفاظ على أمن البلد داخلياً وخارجياً، وجمع موارد بيت المال وتوزيعها على مستحقيها. غير أن الناظر في أحوال الأمة اليوم يجد إجحاماً كبيراً عن الوقف، وانحساراً لدوره، حتى كاد يقتصر على المساجد دون غيرها. ولقد أصبح كثير من الناس في مجتمعاتنا الإسلامية اليوم سلبين، ينتظرون من الدولة أن تقدم لهم جميع الخدمات وجميع مستلزمات الحياة، من غير أن تكون لهم أية مشاركة فاعلة، بخلاف الأمم المتحضرة، فإن أبناءها يسهمون في القيام بمختلف الأنشطة جنباً إلى جنب مع الدولة. وإن المسلمين اليوم بحاجة إلى إحياء ثقافة الوقف فيما بينهم أكثر من أي وقت مضى، ليعالجوا بذلك أزماتهم الاجتماعية الخطيرة كالبطالة والعنوسة والفقر والجهل والمرض. وهذه الورقة ستدرس الوقف كأداة في التمويل الاجتماعي وسبل إعادته إلى حياة الأمة وإحياء ثقافته من خلال ابتداع طرق جديدة لحشد الموارد، وطرح مجالات جديدة للوقف تستجيب لحاجات العصر في ضوء الواقع القائم، وفي ضوء مقاصد الشريعة واجتهادات فقهاءنا.

الكلمات المفتاحية: الوقف، التمويل الاجتماعي، مقاصد الشريعة، المجتمع

تحليل سلوكيات المستهلكين العناية بالبشرة المنتجات الخدمة في قانون

المستهلك وحماية الفتوى جمعية العلماء الإندونيسيين

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ABSTRACT

سلوك الاستهلاك تجاه خدمة منتجات العناية بالبشرة القانونية وفقاً لقانون حماية المستهلك و. جمعية العلماء الإندونيسيين لاختبار سلوك المستهلك تجاه منتجات خدمة العناية بالبشرة الحلال. كيف سلوك المستهلك تجاه منتجات خدمة العناية بالبشرة الحلال في قانون حماية المستهلك. يهدف هذا البحث إلى دراسة سلوك المستهلك تجاه منتجات خدمة العناية بالبشرة الحلال في قانون حماية المستهلك. سلوك المستهلك تجاه منتجات خدمة العناية بالبشرة الحلال في فتوى جمعية العلماء الإندونيسيين في استخدامها وفقاً للتعاليم الإسلامية، وهي محاولة بالتحقيق في سلوك المستهلك تجاه منتجات خدمة العناية بالبشرة الحلال في فتوى جمعية العلماء الإندونيسيين في استخدامها وفقاً للتعاليم الإسلامية. هذا البحث هو البحث النوعي الكمي. تم إجراء هذا البحث في موقع المستهلك للحصول على مصادر البيانات الأولية من خلال ثروة علمية من المجلات والكتب وأسئلة الملاحظة والوثائق، ولدعم هذا البحث البيانات الثانوية المستمدة من الكتب والمجلات والمصادر الأخرى المتعلقة بسلوك المستهلك تجاه خدمات العناية بالبشرة القانونية في قانون حماية المستهلك. في سلوك المستهلك تجاه منتجات خدمة العناية بالبشرة الحلال في قانون حماية المستهلك، أي سلوك المستهلك .

الكلمات المفتاحية: : الفتوى ، استهلاك السلوك ، خدمات المنتج ، قانوني

أسلمة أخلاقية العمل

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ABSTRACT

الأخلاق هي فرع من العلوم الفلسفية التي تناقش ما هو الحق والباطل. يهدف هذا البحث إلى تحديد مدى ممارسه المجتمع الإسلامي للأعمال التجارية باستخدام نظرية أسلمة أخلاقيات الاعمال ، وتأكيدا هنا في الخطاب الأخلاقي وخاصة في مجال الاعمال التجارية ، وأيضا لمعرفه مفهوم أخلاقيات الاعمال الغربية وعملية ثم تنطلق الاسلمة من عملية الاسلمة. يستخدم المفهوم الإسلامي عند سيد محمد النقوب العطاس. وتتمثل طريقه البحث المستخدمة في جمع البيانات الموجودة من دراسة المجلات والكتب وغيرها من المصادر ذات الصلة بالمشكلة. ونتائج البحث بضرورة أسلمة أخلاقيات الأعمال التجارية التي تستخدمها الجالية الاسلامية نفسها ، ويجب ان تستند جميعها إلى التوحيد أخلاق العمل التي اتخذت في الإسلام في العنصر الإلهي هي مهمة مثل الفعل الإنساني نفسه ، عندما يكون صحيحا انه يصبح الروح الرئيسية لكل سلوك الإنسان نتيجة والحزم والخلافة.

الكلمات المفتاحية: : الأسلمة، الأخلاق، الأعمال.

دور مؤسسات المالية الإسلامية في تحقيق أهداف التنمية المستدامة : البنك الإسلامي للتنمية نموذجا

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ABSTRACT

هدفت الورقة إلى دراسة علاقة التمويل الإسلامي بأهداف التنمية المستدامة من عدة محاور، حيث درس المحور الأول توافق مبادئ ومنتجات التمويل الإسلامي مع بعض أهداف التنمية المستدامة، وتم التقسيم إلى جزئين رئيسين: الأول الذي يمكن فيه استخدام التمويل الإسلامي لبعض المنتجات المحددة التي يمكن استخدامها لتمويل الأهداف والثاني الأهداف التي تحمل أوجه التشابه مع مبادئ التمويل الإسلامي، مثل الموازنة بين حظر تمويل بعض القطاعات مثل الأسلحة. أما المحور الثاني فدرس المسارات التي يمكن من خلالها للتمويل الإسلامي دعم الجهود الرامية إلى تحقيق أهداف التنمية المستدامة، وتم تحديد خمس مسارات: الاستقرار المالي، والإدماج المالي، والحد من مواطن الضعف، والأنشطة الاجتماعية والبيئية، وتمويل البنية التحتية. وأخيراً المحور الذي بحث في الجوانب الرئيسية التي تلعب فيها المؤسسات المالية الإسلامية دوراً أساسياً في تحقيق أهداف التنمية المستدامة، وذلك من عدة مناهج: منظور الاستقرار المالي والقدرة على الصمود، ومن منظور التمويل الشامل، ودور المؤسسات المالية الدولية في حل القضايا الاجتماعية والبيئية، تطوير البنية التحتية

دور الوقف في مواجهة الثورة الصناعية الرابعة

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ABSTRACT

إن التطور السريع والحتمي للتكنولوجيا يمثل تحدياً للمجتمعات الإسلامية. أفسدت مرحلة التطور التكنولوجي التي دخلت في العصر الرابع، اشتهر باسم الثورة الصناعية الرابعة، جميع وسائل الراحة لخدمات الإنترنت على هواتفهم المحمولة، وذلك من أدوات النقل مثل سيارات الأجرة عبر الإنترنت إلى عملية الدفع عبر الإنترنت. وهذا من غير قصد يبني جدارا فاصلا بين الأشخاص القادرين وغير القادرين على التكيف مع ما أحدث في التطورات التكنولوجية. عديد من صغار التجار عاطلون عن العمل لأنهم غير قادرين على التنافس مع التجار المتداولين عبر الإنترنت، وعادة ما يكون سائقي سيارات الأجرة من العملاء هادئين وما إلى ذلك. لذلك يجب أن يكون التطوير التكنولوجي مصحوبا بالموارد البشرية كمطورين ومستخدمين الإلكتروني ليستخدمو التكنولوجيا وفقا لمقاصد الشريعة. وأحد الاستخدامات التي يوافق مقاصد الشريعة هو نظام التمويل الجماعي، خاصة في الوقف. في هذه الحالة، يمكن لمؤسسة الوقف تثقيف المجتمع الأوسع ودعوته ليوثق ماله عبر الإنترنت. بالطبع، هذه العملية تسمى مع البرنامج التي تم إعدادها بواسطة الأوقاف، بحيث تعرف الأوقاف تصرف الغلة من مال وقفه. بالإضافة إلى ذلك، من خلال تطبيق الأوقاف يمكن لمؤسسة الوقف أن تحسن فهم المجتمع بأن الوقف يجب أن تكون في شكل الأرض أو مبان، بحيث تتغير عقلية الناس من الوقف التي يصعب أن تصبح الوقف سهلة. وبالتالي فإن إمكانية الوقف في المجتمع الإندونيسي أكبر ويمكن تخصيصها لتحسين المستوى الاقتصادي ورفاهية الفقراء. يناقش هذه المقالة عن دور الوقف في مواجهة الثورة الصناعية الرابعة، حيث للوقف دورا مهما في تثبيط التأثير السلبي الناتج من الثورة الصناعية الرابعة، مع الأساليب المستخدمة هو الأسلوب المفاهيمية

الكلمات المفتاحية: الثورة الصناعية الرابعة، الوقف، التمويل الجماعي

ZAKAH EXECUTION AND ITS INFLUENCE ON THE RECIPIENTS AS PERCEIVED BY THE FIRE PERSONNEL OF LANA O DEL SUR

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ABSTRACT

This study investigated the extent of execution of Zakah and its contribution on its recipients. (1) The respondents of this study were the 100 Fire Personnel including the 12 Fire Marshals under the Bureau of Fire Protection of Lanao del Sur composed of 15 municipalities that have fire departments. Cross-sectional survey design was utilized and qualitative descriptive approach has been used in the interpretation of data. (2) Specifically, the study answered the following questions: 1. what is the profile of the respondents in terms of their personal data, 2. what are their practices in the execution of Zakah as perceived by the respondents in the aspects of its legal rulings, its purpose and recipients? And 3. what are the contributions of Zakah on its recipients as perceived by the respondents in the aspect of improving the life of the recipients and in alleviating poverty? (3) from the data gathered, a typical fire officer in Lanao del Sur belonged to the age range of 29-35 years old, male, married, bachelors' degree holder, ibtidai graduate, served for less than five years, with FO1 position, and a monthly net income of P29,668.00. It is concluded that the respondents agreed on all the indicators given in the purpose of Zakah, improving the life of the recipients and alleviating poverty. (4) moreover, it was disclosed that respondents agreed that Zakah is compulsory to Muslims who are financially capable. However, they were undecided whether Zakah to be paid after one year (Hawl) and reached (Nisab), if items for personal use are exempted from Zakah payment; and if Zakah is applicable only on people of the Islamic faith. As to the purpose of Zakah, the respondent agreed that giving Zakah is an act of worship, on the recipients of Zakah, respondents that they give it to the recipients. (4) From the findings it is recommended that massive information drives thru books, videos, lectures and strengthening Arabic teaching must be undertaken to name a few. Further studies on Zakah with broader scope must be conducted by future researchers.

Keywords: Zakah, Execution, Fire Personnel.

ESTABLISHING WAQF STUDENT HOUSE

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ABSTRACT

The purpose of this article is to highlight the importance of waqf in establishing student house. Nowadays, worthed boarding house is costly and this has prevented students from getting worthed boarding house. This paper offer an alternative solution to relieve such a situation, namely, through the application of waqf. The study suggests a concept to establish Waqf student house. The data was mainly collected using library research, all the data were analysed using the content analysis method. The findings show that waqf student house can help and support education in university. This article provides simulation scheme for establishing student house through waqf.

Keywords: *Economics, Monetary, Waqf, Student House*

SOCIAL ACTIVITIES EFFECT ON HOUSEHOLD ENTERPRISE, A DESCRIPTIVE ANALYSIS FORM EAST INDONESIA

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ABSTRACT

This research aims to explore empirically east Indonesian household enterprise on social activities and financial wealth. We explore various indicators for example if individual have borrowed money from financial institution, the number of community activities that they follow, joining rotating saving and credit association, and their income from non-farm and farm business. This research uses IFLS (Indonesian Family Life Survey) East that has wide range information on financial inclusion indicators and other socio-economics variables that are not provided by other almost-similar-type database in East Indonesia. We use descriptive statistic and ordinary least square to estimate how social activities affected on household income and expenditure. The findings that household who joining rotating saving and credit association will have higher expenditure and lower income. Most of Indonesian people joining social activities that related on their expenditure and income. More over this research leed people to know how to make informal financial market more efficient than before.

JEL Classification: D14, G21, G51

Keywords: *Informal, RSCA, expenditure, income, IFLSEAST*

AWARENESS OF MAIN OBJECTIVE OF ZAKAT TO ALLEVIATE POVERTY

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ABSTRACT

The main objective of Zakat is to help in fulfilling the basic needs of the poor and needy as well as to push the recipients out of poverty. Various programmes have been introduced and not focusing on tackling poverty issues, in fact policy makers are seeing what zakat can do in building the economy, empowering the implemented fiscal policy, on building infrastructure and reducing government expenditure. With all the attention given to how zakat can help the government outside the domain of poverty has lead severe consequences, the poor and needy would still trap in poverty cycle, amount received by the poor and needy unable to help them in dealing with daily needs and to some extent the main purpose of zakat to alleviate poverty will not be achieved if the funding is used inappropriately. The use of Zakat fund should be focused in tackling poverty issues and empowering the recipients to be free from the welfare system.

Keywords: Poverty; Policy; awareness; Zakat; welfare

ISSUES AND CHALLENGES IN FINANCING THE POOR: LESSONS LEARNED FROM ISLAMIC MICROFINANCE INSTITUTIONS

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ABSTRACT

Despite the potentially important role of Islamic microfinance in making Islamic finance an inclusive financial system, the industry is faced with a wide ranging of issues. By analysing the experiences of two major Islamic microfinance institutions (IMFIs), namely Baitul Maal Wa Tamwil (BMT) in Indonesia and Amanah Ikhtiar Malaysia (AIM) in Malaysia, this study aims to learn from their experiences of the issues facing them in financing the poor. The study offers an area of novelty by undertaking a comparative analysis between both institutions in efforts to understand the peculiarities facing each IMFI, unlike the earlier studies which are commonly focusing on a specific IMFI. By employing a thorough review of the available literature, the study finds that human resource and sustainability are the main issues facing both IMFIs. While human resource is the most important factor ensuring success of the microfinance institutions, structural issues such as reliance on subsidies could jeopardise their sustainability. Findings of this study contribute towards providing important inputs for sustainability of the IMFIs as well as enriching the literature in the area of Islamic microfinance institutions.

JEL Classification: G2, N3, C91, D03

Keywords: *microfinance, sustainability, Baitul Maal Wa Tamwil (BMT), Amanah Ikhtiar Malaysia (AIM), Islamic finance*

A MODEL TO IMPROVE ISLAMIC COMMUNITY SOCIAL IDENTITY AND SMES PERFORMANCE

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ABSTRACT

The purpose of this study is to examine the role of community engagement in shaping community social identity and SMEs performance. Existing research has noted that community engagement takes a role to strengthen social identity and SMEs performance. However, there is lack of research which discuss SMEs community under LAZIS assistance. SMEs -LAZIS community is a community that has an orientation to support SMEs in order to achieve high performance. 103 SMEs under owners were involved in this research as respondents. Data was collected through questionnaire and interview. The data was analyzed using regression analysis. The result showed that community engagement improved Islamic social identity and SMEs performance. This research proved that the SMEs community created by LAZIS will support Islamic community social identity and SMEs performance. In the long term, this model will support Islamic Economics Growth.

Keywords : Islamic social identity, community engagement, SMEs performance

CRITICAL THINKING FRAMEWORK OF ZAKAT REGULATION TO SUPPORT TAX COMPLIANCES: COMPARISON OF INDONESIA AND MALAYSIA

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ABSTRACT

Indonesia and Malaysia have applied zakat regulation as an income tax deduction, but whether it has been effectively implemented or not, it has still a big question mark. This study aims to develop framework of zakat regulation to optimize zakat and tax compliances. Therefore, this study tries to deepen about how does the implementation of zakat regulation as an income tax deduction in Indonesia and Malaysia, and how does the response of people who are obliged to pay zakat and tax compliance with this regulation. The population in this study were academicians in the field of Islamic accounting and finance, Committee of Islamic Economic Society and Zakat management organization. Future research will include validating the proposal framework using an empirical data.

Keywords: Zakat regulation, zakat and tax compliance.

INCREASING THE ACCEPTANCE OF ZAKAT BASED ON ZAKAT LITERACY AND GOOD CORPORATE GOVERNANCE

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ABSTRACT

Indonesia as the muslim majority country, but there is still have a gap between zakat acceptance and zakat potential. This study aims to test and analyze increasing the acceptance of zakat based on zakat literacy and Good Corporate Governance. The population in this study is all muslim entrepreneurs in Semarang. Sampling technique using purposive sampling with the criteria of muslim entrepreneurs who are members of the business community, namely Indonesian Islamic Business Forum (65 samples), Indonesian Muslim Entrepreneurs Network (35 samples) in Semarang. Data analysis used descriptive analysis and Multiple Regression Analysis. The results show that a). The level of zakat literacy for muslim entrepreneurs in Semarang is still middle, 2).The zakat institution had implemented of Good Corporate Governance, 3). The zakat literacy of Semarang muslim entrepreneurs and the implementation of Good Corporate Governance (GCG) of zakat institutions had no effect on the acceptance of zakat, but the Information Communication and Technology (ICT) is able to strengthen the influence of zakat literacy on the acceptance of zakat.

Keywords: Muslim entrepreneurs, Zakat literacy, ICT, GCG, acceptance of zakat.

IMPACT OF WAKAF IN THE PEOPLE'S ECONOMIC WELFARE

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ABSTRACT

According to Law Number 41 of 2004 concerning endowments, "Waqf is a legal act of endowment to separate and or surrender a portion of his property to be used forever or for a certain period in accordance with his interests for the purposes of worship and or general welfare according to Sharia". Besides waqf is to hold the property given by God which is managed by an institution and it is highly recommended by the teachings of Islam because as a means of getting closer to God whose reward is carried out until the end of the life. The purpose of writing this paper is that we understand and study all the roles of waqf in the welfare of the people's economy, so there is no misunderstanding about waqf in the wider community because, waqf involves the livelihood of many people. Waqf has many advantages both for endowments in the form of endless rewards, for the recipients of the endowments because with Mauquf the burden and difficulties of his life are overcome, and also for Nadzir. The prosperity is not only willing but also waqif in context and non context.

Keywords: Wakaf, Wakif, Mauquf Dan Nadzir

THE INSTRUMENTATION OF SHADAQAH FUNDS AS A MEANS OF MOSQUE BASED COMMUNITY EMPOWERMENT

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ABSTRACT

The poverty rate in Indonesia is still quite high despite a downward trend. Various solutions have been made, including the presence of Islamic microfinance institutions to provide financing. However, this still leaves the problem, that the lower layers of society (the poorest of the poor) are also still excluded where there are still many members of the community who have not been able to obtain riba-free financial services. This article proposes the idea of empowering the poorest of the poor model using mosque-based shadaqah funds. The integration of da'wah through mosques and economic empowerment will increase the resilience of the community especially the poorest of the poor against the onslaught of apostasy efforts. Improving the quality of faith will increase the fighting spirit to improve economic and religious life. The involvement of religious leaders and the community around the mosque and rich people towards the fate of the poor is expected to help them to organize their lives at a better level. This empowerment model is based on the local community around the mosque so that the mosque is not only a center of worship but will also function as a center for community economic empowerment.

JEL Classification: G29, I31

Keywords: Shadaqah Fund, community empowerment, mosque.

ISLAMIC SOCIAL REPORTING DISCLOSURE : SHARIA ENTERPRISE THEORY (SET) PERSPECTIVE

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ABSTRACT

Islamic Financial Institution must operate on Islamic Shariah principles and disclose information for accountability and transparency by providing information with respect to all stakeholders (environment, Social, shareholders, employees, creditors, management, etc.) in accordance with the provisions of Allah SWT. The information disclosed can be both financial and non financial information such as corporate social responsibility of sharia banking to the environment. In accordance with the Sharia Enterprise theory, Islamic Social Reporting (ISR) aims to provide information on the implementation of corporate social responsibility as a parts of sharia accounting reports. The disclosure of social responsibility in Sharia banking or Islamic Social Reporting (ISR) which is a development of social responsibility in accordance with Sharia principles is very important to be developed and implemented in order to achieve Islamic accounting objectives, in achieving socio-economic justice through activities that positively impact the community. ISR disclosure relates to the horizontal accountability to the stakeholders, and vertical accountability to Allah swt.

Keywords: Islamic Social Reporting Disclosure, Company characteristics, social political influence

ACHIEVING ISLAMIC SOCIAL FINANCE GOALS THROUGH ZAKAT, WAQF, AND SADAQA IN SELECTED COUNTRIES: ISSUES AND CHALLENGES

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ABSTRACT

Islamic Social Finance is an important area of growth similar to Islamic Finance. However, there has been limited study to discover its potential as it is at its nascent stage. The purpose of this study is to investigate how Zakat, Waqf, and Sadaqa can contribute to the development of Islamic Social Finance. This study utilized content analysis to evaluate the issues and challenges of achieving Islamic Social finance goals from the secondary resources. The results would provide us an opportunity to further develop the potential of Islamic Social Finance in enhancing the society and wellbeing of the Ummah.

JEL Classification: A13, G18, G21 & G28

Keywords: *Islamic Social Finance, Zakat, Waqf, Sadaqa, and Ummah.*

SOCIAL ENTERPRISE AND WAQF: AN ALTERNATIVE SUSTAINABLE VEHICLE FOR ISLAMIC SOCIAL FINANCE

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ABSTRACT

Social Enterprise (SE) is a business entity which investment is driven by the need to create economic and social value for the community and environment. The sustainability and viability of SE implementation in Europe has propelled it to be an essential part of European economic model and key in promoting social cohesion and democracy. However, the growth of SE in jurisdictions that lead Islamic social finance is not much visible. Instead the presence of social vehicles namely waqf, zakat and sadaqa tend to be widely accepted, for example in Indonesia, Malaysia and Singapore. This paper aims to examine SE and highlights SE best practices that waqf establishments can emulate particularly from the aspect of sustainability and transparency. Comparative analysis is carried out on SE entity of Bangladesh Rural Advancement Committee and three waqf entities namely, Malaysia's Larkin Sentral Property Berhad, Singapore's Warees Investment Ptd Ltd and Indonesia's Pondok Modern Darussalam Gontor. The analysis shed light on their sustainable business model including their governance, transparency and social impact made. This paper adds value to the waqf sectors globally in the search for alternative sustainable and viable contemporary waqf model.

Keywords: social enterprise, waqf, Larkin Sentral, Warees Investment, Pondok Modern Darussalam Gontor

WAQF PRACTICES AND ITS SUSTAINABILITY: THE CASE OF UNIVERSITI SAINS ISLAM MALAYSIA

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ABSTRACT

Waqf practices in the higher education has been adopted in the past centuries by well-known Islamic universities in the world for educational financial sustainability. In Malaysia, for the past few years, some of the government higher educational institutions have implemented the waqf system under the Malaysia Higher Education Blueprint 2015-2025 (MEB) to ensure the universities long-term sustainable funds. But before the MEB was implemented, the Universiti Sains Islam Malaysia (USIM) has developed its own Waqf Center in 2013 as a sustainable funding for the university's programmes and activities. The USIM Waqf and Zakat Centre (PWZ) has been well-developed through its Cash Waqf, Site Waqf and Education Waqf programmes. The objectives of this paper will explore the sustainability of the University waqf programmes and activities to the students and other target group of beneficiaries. For this purpose, analysis of the waqf implementation in other higher educational institutions in the Southeast Asia region will be undertaken. In this study, the data collection will include observation, interview and library documents and texts. The result of the research will analyse the impressive sustainability programmes and activities (students' residential college, health specialist clinic, mosques, hospital and mobile clinic.) that have been implemented by USIM as mutawalli. The paper forms a part of an ongoing research on the importance of waqf in enhancing the universities income generation.

Keywords: Waqf practices, USIM Pusat Waqf dan Zakat, Sustainability

A REVIEW OF ZAKAT PRACTICES OF ISLAMIC FINANCIAL INSTITUTIONS IN MALAYSIA

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ABSTRACT

The practice of Islamic social finance components needs to be strengthened for the revival of Islamic social finance in the contemporary time. In this regard, zakat as the most important component and Islamic financial institutions (IFIs) as the payers of zakat deserves an immediate attention. The research has examined the financial reporting disclosures of 16 Islamic banks and 10 *takaful* operators. The research found that the IFIs in Malaysia have adopted a diverse range of zakat calculation methodologies, the applicable zakat rates are different, application of 2.5% lunar rate for solar calendar year, application of 2.5% in statement of profit or loss approaches, a mixed understanding of zakat on business or on shareholders, some do not pay zakat, and overall there is a lack of disclosures on zakat policy. Based on the above observations of financial reporting disclosures as well as discussions with market observers, the study has identified and elaborated on 11 related issues. The recommendations put forward by this research opens the avenue for further discussion among the industry players, regulators and academia. Further research needs to be conducted in addressing each of the identified issues.

JEL Classification: G21, G22, M41

Keywords: *Zakat, IFIs, Malaysia, Islamic bank, takaful*

PROFILING THE COMPETENCY OF NAZHIR WAQF: A CONCEPTUAL PAPER

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ABSTRACT

Nazhir (trustee) is the main role player in the waqf asset management system. Their job is quite challenging since they ought to keep the trustworthiness of the waqf. On the other hand, managing the asset of waqf is a complex job. This reality leads to the idea that the waqf asset management should not merely rely on trust, but also on the capability of the nazhir. Thus, nazhir waqf should master a set of competency so that they could carry out their job well. Following this notion, study on what kind of competency should be owned by nazhir waqf is lacking so far. Therefore, the current study attempted to address such an issue. Using qualitative methods, literatures and documents related to the topic were adopted to analyze the contents found. As the result, four main competencies of nazhir waqf are proposed, namely compliance, entrepreneurship, economic and interpersonal (CEEI). As the part of implications, the CEEI could be used by waqf institutions as the basis of recruitment and selection, as well as nazhir performance management. Furthermore, the proposed competency profile is expected contribute to the body of knowledge of human resource management in waqf institutions. Eventually, as a conceptual paper in nature, it needs further studies to validate the concept.

Keywords: waqf, profile, competency, nazhir waqf

KAMISEDEKAH: AN INNOVATION PROGRAM IN ISLAMIC SOCIAL FINANCE INSTRUMENTS

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ABSTRACT

KamiSedekah is a *tabarru* fundraising program which is held by the entire family of the Faculty of Islamic Economics and Business (FEBI) UIN Sultan Maulana Hasanuddin Banten every Thursday. *KamiSedekah* program has been started since November of 2017 and has already raised IDR 52,365,500.00. To collect this *tabarru* funds through representatives of each class in every department (Islamic Economics, Islamic Banking, Islamic Insurance), with a minimum *tabarru* of IDR2,000.00 and the contributors will be given a small certificate based on the amount given. The purpose of this program is to help the students in defaulting of tuition fee, people affected by the disaster, also helps other social and religious activities. The existence of this program has brought many benefits, including the provision of tuition assistance, purchase of sacrificial animals, social services program, mass circumcision and donations to parties affected by the tsunami disaster in Banten.

Keywords: KamiSedekah, Tabarru, Innovation Program, Islamic Social Finance.

ZAKAT COMMUNITY DEVELOPMENT AS THE KEY OF PRESSING POVERTY NUMBERS IN BANYUASIN REGENCY, SOUTH SUMATERA (MAQASHID SYARI'AH APPROACH)

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ABSTRACT

This research aimed to analyze how the effectivity of the zakat on South Sumatra to the mustahik zakat community development through Maqashid Syari'ah approachment, the method used in this research was mixed methodology by using data analyze inquiries closed which was distributed to respondent with five alternative answers. The result of this research was concluded that, from ZCD program established by BAZNAS indeed having great contribution to elevate prosperity and detracts poverty number in Banyuasin has not significant yet, this is because of lack of technics supervision and guidance from BAZNAS side in realizing the program. Meanwhile, through Maqashid Syari'ah approachment indeed there was an alteration however it is not significant yet, because Teluk Payo society still prioritize how do a living than worhis regularly.

Keywords; Zakat Community Development, Poverty Numbers, Maqashid Syari'ah.

EXPLORING POLICY FORMULATION IN INDONESIAN WAQF SECTOR: AN ORGANIZATIONAL LEGITIMACY PERSPECTIVE

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ABSTRACT

The policies promulgated by waqf authority applies to relevant stakeholders, such as registered waqf managers/institutions (muttawalis), waqf founders (waqifs), and waqf beneficiaries (mauquf alayhs). In consequence, these policies may directly or indirectly influence the waqf activity, waqf management, and waqf development in the country. Due to this pertinent policy role, it is important to assess the policy making process by the waqf authority. Waqf authority needs to acknowledge the perceptions of their immediate stakeholders to evaluate their stance and to develop strategies in garnering organizational legitimacy. This study aims to explore perceptions of immediate stakeholders towards policy and policy formulation process in waqf sector. To this end, three Focus Group Discussions with 10 key informants from 4 different institutions in Indonesia are conducted. Data is analysed using thematic analysis. It is expected that current study can offer practical contributions by identifying main themes for evaluation for the waqf authority by accommodating views of practitioners in the field as their immediate stakeholders.

Keywords: Policy Formulation, Organizational Legitimacy, Perceptions, Waqf

EFFORTS TO FULFILL SHARIA HOUSE OWNERSHIP; BANKLESS SOCIAL SYSTEM (STUDY ON 2 SHARIA HOUSING IN BOGOR, INDONESIA)

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ABSTRACT

The purpose of this study is to find out the efforts to fulfill sharia house ownership in the social system without a banking intermediation system. By using phenomenological qualitative research methods, the results of the study show that the effort to fulfill sharia house ownership is by social interaction between the producers and consumers. On the producer side, there is initiation and implementation of joint financing between investors by forming a community of sharia property developers. In this community, there is also a supervision system for the mechanism of fulfilling house ownership. On the consumer side, there is an exciting finding. The dimension of religiosity is more important than the economic aspect.

JEL Classification:

Keywords: Sharia House Ownership, Social System, Religiosity Demension, Economic Dimension.

THE INFLUENCING OF WAQF UNDERSTANDING THROUGH INTERNATIONAL CENTER FOR AWQAF STUDIES INDONESIA

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ABSTRACT

Waqf has an important role in improving social life, the country's economy, welfare, zero hunger, education and others as stated in the Sustainable Development Goals that adopted by all United Nations Member States in 2015. However, there are still many Muslims who do not know the definition and function of waqf itself, even though Indonesia was known with Muslim Country Population (WCP), it still has constraints in the economy and welfare of its population. The aims of this research is to introduce waqf to the people of Indonesia till waqf becomes one of the understandings that is accepted and implemented easily and well. This research uses descriptive qualitative method with case study in the International Center for Awqaf Studies (ICAST), University of Darussalam Gontor-East Java-Indonesia. The conclusion of this research is ICAST in disseminating waqf understanding to many levels of society with several programs, such as the establishment of master in waqf economics, research and publications, nazir waqf certification, seminars and workshops.

Keywords: Influencing, Waqf Understanding, and ICAST

A CONCEPT OF ZAKAT IN ISLAMIC ECONOMIC PERSPECTIVE (HISTORICAL STUDY)

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ABSTRACT

This study seeks to explain the concept of zakat in a review of Islamic economic perspective seen from a historical study. In this study using a type of qualitative research with a literature study approach. The results of this study explain that zakat has taken root in the heart of Muslim society is a great potential in building the economy of the people. All parties starting from the obligatory zakat (muzakki), who receive zakat (mustahik), the government as the zakat manager and the ulama as religious experts the community to maximize their respective functions in the management of zakat. By referring to a good zakat management system, it is expected to be able to build economic growth and equitable economic growth to achieve a welfare. This is intended so that zakat is able to prevent the practice of usury, show economic cooperation, there is social security and most importantly can lift the people's economy is weak.

Keywords: Zakat, Equity, Economic Growth

ROLE OF FAY 'IN BUILDING THE ISLAMIC PUBLIC FINANCE (SHARIA ECONOMIC HISTORICAL STUDY)

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ABSTRACT

Islamic teaching has its own uniqueness and is a system of life (way of life) that summarizes the teachings of the Shumul (Universal), and does not focus on just one aspect such as worship, but regulates all aspects of human life which includes economic and political aspects. Public financial resources are an important object in the country, the development of public finance in a country can be started from micro resources in that country. Judging from the teachings of Islam there are several financial resources that can be used as a source of public finance, among which there are resources: Zakat, Jizyah, Kharaj, Ghanimah, Fay', and Ushr. Then the debate arose in understanding fay 'and ghanimah, the opinion emerged that both of them were the same thing and some argued that they were different. In this paper qualitative methods that are library research are used to find the data needed through books and other literature. The purpose of writing this paper is to know the concept of fay 'in the study of Sharia Economic Law and its differences with ghanimah. And it is expected that this discussion will contribute in the field of HES study.

Keywords: Public Finance, Fay', Ghanimah, Sharia Economic Law

ANALYSIS ON STRATEGIES IN OPTIMIZATION ZAKAT AS DEDUCTION OF TAXABLE INCOME AT BAZNAS YOGYAKARTA

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ABSTRACT

Nowadays, Indonesia muslims are facing double financial responsibility in the form of tax and zakat. This indicates that muslims have to pay both tax and zakat at the same time. The condition pushed the Indonesian government to issue a regulation in an attempt to reduce that financial duties. For this purpose, the government have been applying zakat on income as a deductive calculation for tax on income. Recently, it is argued that this policy is not affective yet to achieve its goals. Therefore, a study on the evaluation of this policy is extremerey required, this study aims to analyze the reasons behind the lack of appreciation of zakat as a deduction of taxable income and to explore the strategies implemented by BAZNAS in an attempt to optimizing the policy. The method used in this research is qualitative descriptive by data collection techniques consist of interviews, questionnaires, and documentation. The number of respondents in this study amounted to 88 muzakki who implemented zakat as deduction of income taxable. In conclusion, there are three reasons behind the lack of participation of zakat as deductive taxable income. First, the knowledge related to the tax deduction. Second, the service provided by the tax officer. Third, the insignificant deduction with the score 277, 293, 299 respectively. Regarding the strategies applied by BAZNAS in optimization the implementation of the policy are based on three stages, planning, implementation, and evaluation strategies.

Keywords: Zakat on Income, Taxable Income (PKP), Strategy

ENHANCING STRATEGY FOR ISLAMIC MICRO FINANCIAL INCLUSION IN INDONESIA

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ABSTRACT

This study aimed at analyzing and identifying the core problems of BMT in enhancing the financial inclusion to access microbusinesses. The method used was the Analytic Network Process (ANP) which required the targeted respondents were experts from four areas of expertise, Islamic economists, regulators, BMT practitioners and microbusiness practitioners. The results of data processing revealed that the priority problems were the weak quality of human resources, the weak supervision and guidance of regulators and the inability of micro businesses to provide guarantees. Furthermore, priority solutions were strengthening BMT institutional capacity, improvement of effective & efficient guidance and supervision systems as well as coaching and procurement of associations for micro businesses. Finally, the strategy in optimizing the improvement of BMT financial inclusion programs is the optimization of human resources, optimizing the role of government, improving the technological system and strengthening socialization & communication.

Keyword : BMT, Financial Inclusion, microbusiness, ANP

INVESTIGATING THE LEVEL OF INTEREST TO LEARN ISLAMIC ECONOMIC PRINCIPLES IN LANA O DEL SUR

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ABSTRACT

The Islamic Economics principle has been known to display an encouraging progress that draws countless financiers and traders globally to have interest engaging in Islamic transaction ideas. This study was intended to determine the level of interest on the Islamic Economics principle as perceived by the Islamic Studies graduates from various Madrasa (Madaris), private institutions and the King Faisal Center for Islamic, Arabic and Asian Studies, Mindanao State University-Main Campus in the province of Lanao del Sur, Philippines. A total of 200 respondents is chosen for the purpose of this study. This study found that the level of understanding of the respondents is relatively insufficient and limited information about the factual concept of Islamic Economics. In the face of the lowly familiarity of the respondents towards Islamic Economics, these inquiries also establish that they were fascinated to be educated and expressive about it. This paper recommends that all institution offering the Islamic Studies course related should integrate into their curriculum the principle of Islamic Economics or a mandatory seminar to their students in order to uplift the level of interest of their students towards Islamic Economics and be an imminent Islamic banker of the Philippines in the future to gratify the demand of the Islamic finance industry.

Keywords: Islamic Economics, Islamic Finance, Islamic Studies Students, Madrasah, Islamic community

HOUSEHOLD SAVINGS, INDEBTEDNESS, AND ECONOMIC GROWTH: HOW ISLAMIC ECONOMIC IMPLEMENTED IN OECD COUNTRIES

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ABSTRACT

The concept of Islam does not only talk about worship, faith and good deeds. But Islam is a complete and perfect teaching of life. Included in terms of economics and Islamic finance provide solutions. Household resilience in developed countries such as in the OECD Countries is in a maintained condition. This is indicated by the improved ability to pay household debt, and household credit risk is relatively stable. However, in developed countries, consumption is very high so that stable financial conditions and low credit risk may not necessarily be a driving factor for saving behavior in households. The motivation of this research is to prove empirically the relationship between Household Savings and Indebtedness to Economic Growth. This research is a development from previous study. This study was conducted to help monetary authorities in developing countries to developed countries as a consideration in an effort to increase household savings). The data used are annual time series data from 2009 to 2018. The analytical method used is the Vector Error Correction Model. Johansen Cointegration test results show there is a long-term relationship between the variables analyzed. Overall, the results of this study are that Liabilities and Longterm Loans have a positive relationship with State GDP, whereas household savings show a negative relationship to GDP. The recommendation given is the existence of a debt and mortgages policy so that household saving can be stable. This is due to the importance of household economic resilience in the context of increasing the economic resilience of a country.

Keywords: *GDP, household indebtedness, household savings, Vector Error Correction Model.*

ISLAMIC POLITICAL ECONOMY AND SUSTAINABLE SOCIAL DEVELOPMENT POLICIES: AN ANALYTICAL STUDY

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ABSTRACT

In the contemporary economic societies, the world is witnessing a vibrant transformation from vague economy to an economic reality; the emergence of the Islamic economic system has been in trial for almost five decades. The current achievements of Islamic banking and finance industry were believed to have realized through the accelerated efforts of governments across the globe and their enthusiasm and compassion towards the development of Islamic Financial industry. It was argued that the Islamic economic system has all the potentials to becoming the world prevailing system due its reliance on justice, fairness, socio-economic reality and sustainable development. This might be achieved through the realization of the Islamic social policies and its possible implementations across the globe. The Islamic political economy has all in need to sharpen the socio-economic development of the contemporary societies towards a sustainable economic development around the world and has the strong mechanisms for social support and achievements. However, this prediction has to do with the return of the Islamic political economy that had tremendous impacts in the development of Islamic empires and its renowned social impact projects, innovations and proper reactions to economic problems and social welfare. This paper aimed at analyzing the economic ideas and policies introduced by Islamic leaders to solving economic problems, and analyses the social policies that made the Islamic societies a unique society with proper economic policies for sustainable social developments. For instance, the Prophet peace be upon him prioritizes borrowing than taxation in his policies, he borrowed armored dresses from Safwan bin umayyah, for the battle of *Hunain*, this exercise shows that a nation can borrow from the wealthy individuals within the society for the bailout in a critical need, despite that the number of the Muslim army was around twelve thousand troops participated in the battle of *Hunain*, some scholars argued that taxation could be imposed on this large number of troops to solve the problem. However, the prophetic exercise showcases the idea of sustainability by addressing the economic issue with the least possible option and prioritizes public relieve in the event of critical situation. Likewise, the prophetic policy in dealing with the situation in *khaibar* where the prophet divides the land into two and asked the people of khaibar to work on one part indicates the idea of sustainable agricultural produce in the nation, where Muslims learned the agricultural skills from their counterpart in khaibar, this is to make sure that the agricultural sustainability is achieved. The paper also addresses some key policies introduced by Umar bin Khattab and other significant policies introduced by Muslims leaders for a sustainable social-economic development.

Keywords: *Islamic Political economy, Social Policies, Sustainable development.*

ENERGIZING INTELLECTUAL CONCEPT : ON THE PERSONALITY ULUL ALBAB SOLUTION TO ECONOMIC CRISIS

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ABSTRACT

Integration of the resource-based theory and intellectual capital theory dimensions that have been discussed comprehensively can be integrated into a new concept of research models. The new concept (Noverty) in this study is **Energizing Intellectuals**. Ulul Albab's Energizing Intellectual-value can be seen from the ability to exploit knowledge, build structures, adapt to technological developments, and have cognitive value and high commitment value in organization. **Structure**. Focus on the ability of individuals in influencing policies and individual to do right things with values a. Self-fortify from bad thing, b. Feeling shame in doing actions that are against the law, c. Be able to avoid things that can harm the organization, d. Active in achieving organizational goals, e. Put forward the rules at work. **Cognitive** Focus on the ability of resources in changing the individual's behavior, with values a. Doing activities with the intention of Allah SWT, b. Keeping the rights of God and humans, c. Prioritizing the heart and greatness of Allah SWT. **Technology Adaptation** Focus on the individual's behaviour in adapting the use of technology in work, with values a. Exploration Behavior in Innovation, b. Exploitation Behavior, c. Exploration to facilitate the work, d. Avoidance the use of technology. **Exploitation of Knowledge** Focus on the individual's ability to improve their knowledge and ability by exploring both internally and externally with values a. Knowledge in exploring organizational regulation, b. Knowledge of organizational management, c. Knowledge of organizational vision. **Level of Commitment** Focus on individual commitment in advancing the organization and commitment to put forward norms in the Ulul Albab concept, with values a. Commitment in completing tasks, b. Commitment in maintaining good communication with relation, c. Commitment to contribute in organization

Keywords: Energizing Intellectual, Ulul Albab Personality

IMPACT OF ISLAMIC RELIGIOUS REVENUES ON ECONOMIC DEVELOPMENT ACROSS STATES IN MALAYSIA

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ABSTRACT

The constitution makes a provision that they can expand the definition of Islamic finance for economic development agenda (e.g CBA and Federal Constitution). The definition also covers Islamic religious revenue. This study will present an empirical evidence on the effect of Islamic religious revenues on economic development. The results will examine the relationship between Islamic religious revenues and gross domestic product to substantiate whether the Islamic wealth's hypothesis holds trues in the Malaysia context. The study covers the period from 1991 to 2017 and use panel data estimation to check the relationship among the variables. The results suggest that there exists a positive relationship between Islamic religious revenues and economic development. Hence, this study finds strong evidence for Islamic wealth's hypothesis as well.

JEL Classifications: H52; C22; O23; E62;

Keywords: *Islamic religious revenues; economic development; wealth hypothesis; panel data analysis*

THE INFLUENCE OF ISLAMIC ECONOMIC LITERACY ON THE PURCHASING POWER OF UNIDA'S STUDENTS IN UNIT USAHA UNIDA (U3)

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ABSTRACT

Literacy will affect attitude and way of thinking of someone including their economic activities such as purchasing power on a product. Especially, pesantren universities such as UNIDA Gontor which have economic independence. Islamic economic literacy are carried out both in practice and curriculum. However, does the literacy attempted affect the purchasing power of students in UNIDA Business Units or U3? This study aims to seek the effect of Islamic economic literacy at UNIDA on the purchasing power of UNIDA students at U3. The method used in this research is quantitative analysis with multiple regression analysis. Data collection was carried out using a questionnaire and then tested with SPSS 20 through 222 samples. The results of this study were that the halal of the product, product quality, elements of *syubhat*, *tabzir* and *isyraf* elements significantly and positively influenced the purchasing power of UNIDA students in U3 either simultaneously or partially. Based on the results of the regression test, it was found that the variables of halal product, product quality, elements of *syubhat* or doubt, *tabzir* and *isyraf* had a strong influence on the purchasing power of UNIDA students in U3, which about 69.1%.

Keywords: *Purchasing Power, Islamic Economic Literacy, U3*

POTENTIAL OF SHARIA FINANCIAL INSTITUTIONS IN SUPPORTING INDONESIA'S ECONOMIC GROWTH

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ABSTRACT

Basically, Islamic financial institutions have existed since the time of the Prophet SAW, but their development and inauguration have been initiated today. The existence of this institution is intended to restore the community's economic system to what has been regulated by religion with all its orders and prohibitions. The type of development is increasingly becoming an alternative to every conventional economic transaction. Islamic financial institutions in the community's view are positive enough to avoid conventional economic systems, but there are also those who think negatively due to cases experienced by a number of Islamic financial institutions. The potential possessed by Islamic finance institutions is quite large both from macro and micro economies, especially for national development through poverty reduction and gap reduction.

Keywords: Islamic financial institutions, alternatives, economy.

DEFINITION OF ISLAMIC MUTUAL FUNDS AS AN INDICATOR OF THE ECONOMY OF THE UMMAH

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ABSTRACT

Islamic mutual funds which are also often referred to as Islamic Investment Fund or Syariah Mutual Fund are intermediary institutions that help surplus units to place funds for further reinvestment. In addition to providing convenience for prospective investors to invest in the capital market, the establishment of the Islamic Investment Fund or Syariah Mutual Fund also aims to meet the needs of groups of investors who want the benefits of clean and religiously responsible sources and mechanisms of investment and do not conflict with the principles sharia. But the problem in this study is what is the definition of Islamic mutual funds? What are the economic indicators of Islam? And what is the role and function of Islamic mutual funds on people's economic indicators? The method used in writing this essay is a normative legal research method. By collecting data in library studies (library research). The author uses a library research / library reseach. In this case legal research is carried out by means of library research or referred to as normative research. Based on the results of the study, it was found that the definition of Mutual Funds comes from two vocabulary words, namely "mutual" which means maintaining or maintaining, and "funds" which means (collecting) money. So that when combined, mutual funds are defined as collections that are managed (together for interest). And in other terms, Islamic mutual funds are mutual funds that have management and investment policies that refer to Islamic law, for example not investing in managing company stocks or bonds or products that are contrary to Islamic law. The indicators that we generally know are the number of Gross Domestic Product (GDP), the number of poor people, the number of unemployed, the inflation rate, interest rates, and others. This indicator is important to know how big a country's economic growth is. National sharia mutual fund assets are projected to grow above 10% to around Rp 2.08 trillion. This number is projected to continue to increase with the increasing number of investors who are now beginning to see investments in Islamic mutual funds that are considered more profitable. And In general, the function of Islamic mutual funds is not much different from the functions of the capital market. The capital market has an important position in the economy of a country, as well as mutual funds. Islamic mutual funds have two functions, namely: Economic function, and financial functions.

Keys Word : Investment, Fund, GDP, Mutual Fund, Capital Market

DISTRIBUTION AND COLLECTION'S ETHICS OF KHARRAJ FOR ISLAMIC PUBLIC FINANCE (A HISTORICAL STUDY OF LAND TAX FROM THE ROMAN EMPIRE TO THE ABBASID ERA)

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ABSTRACT

During the Islamic Khilafah, the Kharraj provisions were rearranged in order to increase productivity and decrease a poverty level. Some system variations have been implemented in golden islamic era such as misahah of Umar bin Khattab, muqasamah of Harun al-Rashid, and the combination of both according to Imam Al-Mawardi's proposal. The fair provision of kharraj is one of the factors to ease Islamic expansions, especially in Egypt and also the Islamization of all extended areas. The provisions of the kharraj which are not clearly written in the Qur'an and Al-Hadith require the policy makers to analyze the basic concept of the kharraj itself. The purpose of this study is to uncover the basic concept of kharraj which is used for land taxation with a historical approach from times that intersect with Islam such as the Roman and Sasanian empire to the prophet and Caliphate era. This study uses an inductive approach by explaining phenomena occurred from the Roman Empire until the Abassid state was then concluded to be a specific statement. The data from this literature study was taken from books relating to kharraj which had been discussed by previous researchers such as Abu Yusuf, Al-Mawardi, Abu Ubaid, and Dhiyauddin Al-Rais. The results of this study state that the determination of kharraj policies should be based on: 1) Justice and generosity. The tax burden must not be too rigid faced with the ability of the people to bear, 2) The approval of moral experts / scholars, 3) Kharaj utilizations are for really needed expenditures for the realization of maqashid and not for lust, 4) Kharraj should not be the country's main income by increasing the productivity of the real sector.

Keyword: Kharraj, Ghanimah, Islamic Expansions

THE INFLUENCE OF MONETARY INSTRUMENT TOWARD MONEY DEMAND M2 UNDER DUAL BANKING SYSTEM IN INDONESIA PERIOD 2015-2018

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ABSTRACT

During the Islamic Khilafah, the Kharraj provisions were rearranged in order to increase productivity and decrease a poverty level. Some system variations have been implemented in golden islamic era such as misahah of Umar bin Khattab, muqasamah of Harun al-Rashid, and the combination of both according to Imam Al-Mawardi's proposal. The fair provision of kharraj is one of the factors to ease Islamic expansions, especially in Egypt and also the Islamization of all extended areas. The provisions of the kharraj which are not clearly written in the Qur'an and Al-Hadith require the policy makers to analyze the basic concept of the kharraj itself. The purpose of this study is to uncover the basic concept of kharraj which is used for land taxation with a historical approach from times that intersect with Islam such as the Roman and Sasanian empire to the prophet and Caliphate era. This study uses an inductive approach by explaining phenomenons occurred from the Roman Empire until the Abassid state was then concluded to be a specific statement. The data from this literature study was taken from books relating to kharraj which had been discussed by previous researchers such as Abu Yusuf, Al-Mawardi, Abu Ubaid, and Dhiyauddin Al-Rais. The results of this study state that the determination of kharraj policies should be based on: 1) Justice and generosity. The tax burden must not be too rigid faced with the ability of the people to bear, 2) The approval of moral experts / scholars, 3) Kharaj utilizations are for really needed expenditures for the realization of maqashid and not for lust, 4) Kharraj should not be the country's main income by increasing the productivity of the real sector.

Keyword: Kharraj, Ghanimah, Islamic Expansions

POTENTIAL OF ISLAMIC DEBT SALE-BASED FINANCING IN A FORM OF BAI'BITHAMAN AJIL (BBA) AND MURABAHAH IN RECONSTRUCTING AND REBUILDING MARAWI CITY AFTER THE SIEGE

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ABSTRACT

This study aimed to find out the views of the Internally Displaced Persons (IDP's) regarding the potential of Islamic Debt Sale-Based Financing in a form of Bai'bithaman Ajil (BBA) and Murabahah in the reconstructing and rebuilding of Marawi City after the six months' siege. The respondents of this study were 200 select professionals and Ulama of the known Islamic City of Marwari, LDS, Philippines. To collect the necessary primary data from the respondents the researchers utilized descriptive qualitative techniques with the help of a survey questionnaire. To determine the number of the participants, purposive sampling was used in determining the samples, and simple random sampling in actually selecting the number of the respondents involved in the study. The major findings of the study showed that some of the respondents belong to the poor families, unemployed, their livelihood were unsustainable for their needs, with less than 10 thousand monthly incomes, and no available microfinancing were they can engage themselves to do small enterprises or trading as a means of livelihood. Another significant finding is that the respondents of the study strongly believed that if there will be an Islamic Microfinancing Institution, it can help them so that their status of economy will be improved. Also, most of the respondents believed that Islamic Debt Sale-Based Financing in the forms of Bai' Bithaman Ajil (BBA) and Murabahah have potentials in reconstructing and rebuilding of Marawi City after the Siege. Findings further denote on the need to educate not just enlighten the people of Marawi City on the potential of Debt Sale-Based Financing in Marawi's current situation. Additional findings highlighted were on the need to strengthen Islamic Finance in Marawi City by means of educating its people on their knowledge and understanding on the concept. Still, another important finding was Islamic legal documents and Islamic Finance Legal Framework were found to be part of the challenges and problems encountered by the respondents in the implementation of Islamic Debt Sale-Based Financing. In the light of that findings, it is hereby recommended that Islamic Finance should be implemented as it represents the true meaning of transactions in Islam; an emphasis on Bai'Bithaman Ajil (BBA) and Murabahah to be adopted as it will help IDP's transform their status of living. Also, it is recommended for public officials, especially those who are in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) to give full prioritization on the truest implementation of Islamic Finance in the Philippines. Finally, a massive education and information drive or campaign on the use and implementation of Islamic microfinancing institution's as possible solutions for the reconstructions and rebuilding of Marawi City after the siege should be done so that Muslim and even Non-Muslim in the Philippines especially the Bangsamoro areas can help in the rebuilding of the place.

Keywords: *Islamic Debt Sale-Based Financing, Bai'Bithaman Ajil, Murabahah, Internally Displaced Persons.*

SUKUK FINANCING: A VIABLE STRATEGY TO FINANCE THE RECOVERY AND REBUILDING OF MARAWI AFTER THE SIEGE

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ABSTRACT

This study aimed to determine the perception of Internally Displaced Persons (IDP's) who are professionals and Ulama in Marawi City with regards to Sukuk Financing, a viable strategy to finance the recovery and rebuilding of Marawi City after the Siege. The study made use of CrossSectional survey research design and utilized qualitative descriptive Approach in the interpretation of data gathered. Purposive sampling was used in selecting and limiting respondents to 400 who were provided answer to the survey questionnaire. Based on the gathered data of this study, the researchers arrived at the following findings: (1) The respondents of the study acknowledged positively that Sukuk Financing is more accommodating to them as compared to conventional bond. This is so because respondents believed that Sukuk is a Shari'ah-Compliant transaction. Likewise, respondents were convinced that Sukuk provides liquidity to the investors, rating agencies, lead arrangers, or financial market as well as it allows corporations to have direct access to funds. Thus, the study results led the IDP's to believe that Sukuk can be a viable strategy for the fast recovery of the people of Marawi City. These people can acquire certificates which reflect participation rights in an underlying asset which they will involve themselves. (2) Moreover, the respondents also have positive responses on the underlying concepts on key practice developments associated with Sukuk Financing towards building an efficient corporate Sukuk Market, in driving growth and helping finance infrastructures in several market in the world particularly the Philippines that can be adopted for the recovery and rebuilding of Marawi after the Siege. (3) Lastly, the respondents strongly agreed on the challenges and problems that may be encountered on establishing a Sukuk Mechanisms in terms of Muslim Cultural Heritage, Shari'ah Compliant and Sourcing of Monetary Support. Thus, from the findings of this study, the following recommendations provide direction for reform in response to the problems: (1) With the positive responses of the respondents, it is recommended to have the Sukuk Financing in the Philippines, and/or from Sukuk Financing institutions in abroad through BARMM initiative as a viable strategy to finance the recovery and rebuilding of Marawi City and for sustainable growth after the Siege. (2) Also, it is recommended to make use of the key practice development concepts in building an efficient corporate Sukuk Market which can be adopted for the recovery of Marawi.(3) Lastly, it is recommended for all Muslims in the Philippines to support the implementation of Islamic Finance. This will surely help the country in solving problems associated with global industry, halal marketing and Islamic financing.

Keywords: Sukuk Financing, Viability, Strategy, Recovery, Rebuilding

AWARENESS ON ISLAMIC ACCOUNTING AMONG FIRST YEAR ACCOUNTANCY STUDENTS IN MARAWI CITY, PHILIPPINES

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ABSTRACT

The purpose of this study is to examine the level of awareness of first year accountancy students in Marawi City, Philippines towards Islamic accounting. A cross-sectional survey design was utilized and uses descriptive approach in the interpretation of the data by administering a survey questionnaire to one hundred twenty two first year accountancy students, who serve as the respondents of the study. The setting is the two higher education institutions in Marawi City. The data was analyzed, interpreted and were statistically treated using frequency, percentage, and weighted mean. The results of the study indicate that all the respondents were not aware of Islamic accounting. It also indicates that the respondents are not aware on the difference between Islamic accounting and conventional accounting. With regards to the importance of Islamic accounting and ethics attached to the practice of accounting, results indicate that the respondents are less aware of it. With this findings, it is suggested that Islamic accounting be offered in the accountancy program so as to armed future accountant with awareness on the concept and scheme of Islamic accounting thereby producing a well-rounded and holistic workforce in the field of accounting. It is further recommended that a comparative study on the scheme of Islamic accounting in other Asian countries be conducted so that the findings of the study on how the Islamic accounting operates are validated.

JEL Classification: G18, G21, G28

Keywords: Awareness, Islamic Accounting, Accountancy Students, Marawi City, Philippines

SHARIAH AUDIT FOR ISLAMIC FINANCE INDUSTRY IN REVOLUTION INDUSTRY 4.0: A PART OF RELIGIOUS CONFESSION

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ABSTRACT

A key component of Revolution Industry 4.0 is the internet which is characterized by connected devices. Not only does this help internal operations, but through the use of the cloud environment where data is stored, equipment and operations can be optimized by leveraging the insights of others using the same equipment or to allow smaller enterprises access to technology they wouldn't be able to on their own. Shariah auditing has a key importance as there is a growing awareness among Islamic institutions that every such institution should contribute towards achieving *Maq'asid Al-Shariah* or the objectives of the Islamic law. It is suggested that there is a need to have regular independent Shariah audits in IFIs as people are now experiencing a movement along a continuum from a society that trusts everything and audits nothing to a society that trusts nothing and audits everything. The concept of Shariah Auditing should be extended to the activities relating to among others, the system, the products, the employees, the environment and the society. Confession is a specific form of testimony, involving oneself and it is used as a form of proof in judicial matters. Confession has been recognized as a source of conclusive proof of a right and a crime by Islamic textual sources. There are accusations that Islamic financial industry doesn't Shariah-compliance. By the existence of Shariah audit in the industry it will prove the industry that it is in the real track of Islamic teaching. The paper uses qualitative approach, desk-research study in which it uses the existing literature. At the end, the research found that the industry still minimizes the Shariah auditing role though it is a confession proof as required in Islamic teachings.

Keywords: *Revolution Industry 4.0 – Islamic Financial Industry - Shariah Audit – Confession*

DETERMINANTS OF ATTITUDE AND INTENTION OF BANK EMPLOYEES TOWARDS CONVERSION TO FULL-FLEDGED ISLAMIC BANKING IN LIBYA

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ABSTRACT

This study seeks to identify the factors influencing bank employees' attitude and intention towards converting to full-fledged Islamic banking (IB) in Libya. It adopts a model based on the Theory of Planned Behaviour (TPB) to identify the predictors of attitude and intention towards conversion to the IB system. The data consist of 323 self-administered questionnaires collected from bank employees of conventional banks (CBs) in Libya. The data were then subjected to analysis employing structural equation modelling (SEM). We found that knowledge of Islamic banking products and religiosity were strong determinants of bank employees' attitude towards conversion. Attitude and subjective norms also significantly affect bank employees' intention. The outcomes offer Libyan policymakers, regulators and bank managers better understanding of the roles played by the religious factor, knowledge of IB products and social values in influencing the attitude and intentions of Libyan bank employees concerning the conversion. The findings should be considered to design and develop policy regulations and strategies to enhance the IB industry in Libya.

Keywords: Libya, Islamic banking, attitude and intention, Libyan bank employees, converting to full-fledged Islamic Banking.

THE ESTABLISHMENT OF ISLAMIC FINANCE AND ITS IMPACT IN THE BANGSAMORO AS PERCEIVED BY SELECT ULAMA AND PROFESSIONALS IN LANA O DEL SUR

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ABSTRACT

The aim of this research is to examine the influence of the establishment of Islamic Finance and its impact in the Bangsamoro as perceived by select Ulama and professionals in Lanao del Sur. The idea behind establishing Islamic Finance, is to remove *riba* and *maysir* and from Traditional Financing system without disturbing and dividing the society economy, and how the whole society is conducting financing business in a unified way. The mean purpose of this study is to comprehend that Islam Finance emphasizes fair and equitable distribution of resources and meeting the needs of economically weak people as part of pioussness, dedication, worship and faith. It encourages its followers to relate their piety (*Taqwa*) with social realities. It persuades a person to share the blessings and bounties of Allah with others as a matter of obligation by declaring that *Taqwa* encompasses not only the love of Allah, but also the love of fellow human beings, who should be treated as part of an extended human family. This refers in a way to the need to study the economic aspects of mankind free from scamming and harming. The major finding and recommendation to the Bangsamoro: the establishment of Islamic Finance requires rulers and various regulators in the system to protect the common people from non-Shari'ah compliance, scam, harm and hardship caused by dishonest factors in society through strong and effective laws, and they should be respected in the sense of fulfillment of all socio-economic rights. The parliamentary of Bangsamoro must also control institutional and other misconducts.

Keywords: *Islamic Finance, Bangsamoro, Lanao del Sur.*

KNOWLEDGE AND ATTITUDES TOWARDS ISLAMIC BANKING IN THE PHILIPPINES

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ABSTRACT

This study aims to explore the knowledge and attitudes of the Muslim society towards Islamic banking in the Philippines. It also aims to determine the factors that influence their attitudes towards selection of Islamic banking. Quantitative method was used in this study. A sample of 250 Muslims who have bank accounts in either Islamic or conventional banks in Marawi City, Philippines were surveyed using self-administered questionnaires and only 233 questionnaires were considered valid. Descriptive and multiple regression analysis were employed to analyze the data. The study shows that knowledge of the Muslim society to the basic modes of financing in Islamic banking is low. However, the attitudes of the Muslim society towards Islamic banking is positive. Their attitudes are influenced by the opportunities that Islamic banking can provide to the society, religious motivation, and awareness towards Islamic Banking. Product and marketing strategies, and the Shari'ah reputation of Islamic bank are also found significant in influencing their attitudes towards Islamic banking. The study focused only for Muslims in the Philippines particularly in Marawi City with limited samples and future study that will combine non-Muslims and Muslim respondents are also vital. The study can promote the awareness of the society towards Islamic banking. The Philippine Government and the present Islamic bank in the country can enhance Islamic banking through the factors that influence the attitudes of the Muslim society towards Islamic banking.

JEL Classification: G21

Keywords: *knowledge, attitudes, Islamic banking, the Philippines, Muslim Society*

DO BANK CUSTOMERS PREFER PROFIT SHARING INVESTMENT ACCOUNTS? A PROPOSED CONCEPTUAL FRAMEWORK

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ABSTRACT

The concept of sharing profit earned by Islamic banks with their investors is one of the distinguishing features that set Islamic banks apart from their conventional counterparts. The contract of *mudharabah* is used by Islamic banks to mobilise funds with the objective to share profit with the investors. Any financial losses incurred by the banks in the course of their financing or investment is to be borne entirely by the depositors, except in cases of negligence and breach of contract. Based on literature that investigated the factors effecting the adoption of Islamic banking and finance products, the factors differ based on countries. It is found that GCC countries showed that religious factor in terms of compliance with the provisions of Shariah by the Islamic banks is the most important factor that influences the selection of Islamic banking products in the GCC countries. However, in the MENA region, it could be observed that religious belief and compliance with Shariah by Islamic banks were not the major factors that influence customer's choice of Islamic banks unlike in the GCC countries. Not only that, it is also found that the factors that influence the choice of Islamic banks amongst customers in Asia were not consistent. Whereas some studies show religious inclination as the most important factor in choosing Islamic banks by customers especially in some studies in Malaysia, other studies show that high profit and low-cost service as the most important selection criteria. Hence, the proposed conceptual framework that integrated both the Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB) together with the unique elements of religiosity and risk tolerance are expected to predict the behaviour of profit sharing investment account holders.

Keywords: Islamic Banks, Investment Account Holders, Investment, Profit Sharing, Islamic Finance

AN ANALYSIS ON THE CHANGING OPERATIONAL NATURE OF BAITUL MAAL INSTITUTIONS IN INDONESIA

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ABSTRACT

Baitul Maal is deemed as a vital financial institution in the past, apart from its role as the state's treasury in managing all types of revenues and expenditures that the Islamic State had. Previously, Baitul Maal served as the assurance body to ensure public security and preserve the welfare of the public. Due to this important function, the modern Muslim civilisation, especially in Indonesia, once more intended to establish an identical institution and have the aspiration to replicate the past function of Baitul Maal. When this research is conducted, the main purpose of this research is to compare the role and function of the past Baitul Maal with the role and function of present Baitul Maal in Indonesia, identify and analyze the similarities and differences between the two generations, whether the present Baitul Maal truly reflects the role and function of the past Baitul Maal, or it is just merely a name? The result of this research implies that there are several similarities and differences between the two institutions. The similar aspect between the two generations is in the aspect of concept and philosophy of Baitul Maal. Subsequently, the different aspect between the two institutions is in the aspect of the definition, source of wealth or revenues, expenditures, and organisational structure. In general, the past Baitul Maal serves as the state's treasury, while the present Baitul Maal serves as the charitable body. Due to this different characteristic between the two institutions, the past Baitul Maal has a wider type of revenues to be managed and larger type of expenditures to be spent, whilst current Baitul Maal is limited to the sadaqah types fund only that consist of Zakat, Infaq, Sadaqah, and Waqf. Thus, explicitly, its expenditures are also limited and only can be spent on the beneficiaries and the needy.

JEL Classification: G23

Keywords: Baitul Maal, Comparison, State's treasury, Charitable Body, Zakat

CHALLENGES FACED BY MALAYSIAN ISLAMIC BANKS IN TREATING SHARIAH NON-COMPLIANCE EVENTS

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ABSTRACT

Islamic finance in Malaysia has been growing rapidly in the past 30 years and continues to thrive in many countries. In 2019, a total of 16 Islamic banks (IBs) is listed and supervised by Bank Negara Malaysia (BNM) with 5 banks being foreign entities. In view of the rivalry with the conventional banking sector, Islamic banks (IBs) offer new innovative Islamic products and financial projects which may lead to greater risk of Shariah non-compliance (SNC) exposure to the Islamic Financial Institutions (IFIs) in its effort to stay competitive. This study intends to review the challenges faced by IBs in treating the SNC and propose recommendations for the existing policy to enhance the treatment of SNC. This study adopts qualitative research method by conducting semi-structured in-depth interviews with Islamic banking professionals targeting five IBs. Both the primary and secondary sources are used for data collection. The finding shows that there are a lot of minor concerns and challenges faced by IBs in managing SNC events in the industry. The finding of this study would contribute positively in terms of facilitating policy makers and regulators on enhancing the regulations and practices in ensuring zero SNC events. Simultaneously, enriching and contributing to the existing literature on the SNC practices by IBs so that more researchers can have larger resource of reference to diversify the topics related to this study.

Keyword: *Shariah Non-compliance, Shariah Non-compliance event, Shariah Non-compliance reporting, Islamic banks, BNM guidelines*

ISSUES AND CHALLENGES IN ISLAMIC ESTATE PLANNING IN MALAYSIA

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ABSTRACT

The Islamic estate planning is a crucial part for the wealth management cycle of a Muslim. Indeed, any Muslim who die without any planning on their estate are not abiding to the bequest guidance as stated in Quranic verses. Unfortunately, this good spirit of Islam is not embraced well, and many are not interested to plan on their estate thus causing huge family disputes and increase the unclaimed property after deceased's death. The current affairs of Islamic estate planning in Malaysia is still not encouraging despite the efforts by relevant institutions and industry players to improve the industry. The initiative was undertaken by the government to form a national institution known as Amanah Raya Berhad and followed by establishment of private Islamic estate planning companies to provide estates planning related services. However, thus far only 700,000 individuals have declared *wasiyyah* as compare the majority of Muslims among the 30 million Malaysians. What are the problems faced by Islamic estate planning in Malaysia? This is the question that motivates the researcher to study the issues in Islamic estate planning in Malaysia. The purpose of this study is to examine the problems and challenges faced by the industry practitioners. This research is qualitative in nature relying on the existing literatures sourced internet portal, document and library search. The scope of this study is relevant and pertinent to the overall Islamic estate planning industry development thus, intended to put forward recommendations for enhancement of Islamic estate planning in Malaysia including the possibility of establishing *Shariah* advisory framework for the Islamic estate planning institutions.

JEL Classification: G2, G3

Keywords: *Islamic estate planning; Issues; Challenges; Malaysia*

ACHIEVING THE MAQASID OF ISLAMIC FINANCE THROUGH SOCIAL IMPACT BONDS (SIB) AND SUSTAINABLE AND RESPONSIBLE INVESTMENT (SRI) SUKUK

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ABSTRACT

This paper looks into the underlying principles of Social Impact Bond (SIB) and Sustainable and Responsible Investment (SRI) sukuk as compared to the values embodied within maqasid al-Shari'ah and maslahah. Through a critical review of literature related to SIB, SRI sukuk, maqasid al-Shari'ah and maslahah, the paper attempts to delineate the elements embedded within these financial tools from an Islamic perspective. The paper explicates that SIB and SRI sukuk are financial mechanisms that epitomises the ethical and moral framework of the Shari'ah as their underlying principles are congruent with the concepts within maqasid al-Shari'ah and maslahah. Thus, the SIB and SRI sukuk models should be given more attention by Islamic banks and Islamic financial institutions whose philosophical foundation is built upon the principles of maqasid al-Shari'ah and maslahah.

JEL Classification: G18, G21, G28 (max 5 words)

Keywords: Social Impact Bond (SIB), Sustainable and Responsible Investment (SRI) sukuk, Social finance, Maqasid al-Shari'ah, Maslahah

**EXTERNAL FINANCING AND FINANCIAL LITERACY THE
IMPLICATIONS FOR PERFORMANCE IMPROVEMENT (A
CASE STUDY IN FURNITURE SMES CENTRAL JAVA JEPARA
INDONESIA)**

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ABSTRACT

Small and Medium Sized Enterprises (SMEs) contribute in offering a great employment opportunities and the state budget. On the other hand, there are significant obstacles faced by SMEs in accessing external funding and the lack understanding of financial literacy. This study explains the influence of external financing and financial literacy on business growth. Jepara Furniture Entrepreneurs were used in this study as research samples and the results were obtained by PLS statistical method which showed that the independent variable positive significantly effected on the dependent variable.

Keyword : SMEs, State Budget, External Financing, Financial Literacy

RETHINKING THE PARADIGM OF ISLAMIC BANKING: INTEGRATED OF PROFIT AND SOCIAL ORIENTED

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ABSTRACT

The financial crisis has been happening several times in the world, have changed human thinking to banking activities that are common for mere profit. The shifting toward social banking is everywhere. Moreover, Islamic banking and finance (IBF) has become one of the main visible features of Islamic economics has faced many criticisms which have followed its counterpart to gain profit from financial activities. Therefore, the study needs to clarify the objective of Islamic banking derived from the view of Muslim scholars and how it is matched with Shariah. Thus, it is needed to rethink the paradigm of IBF that follow the genuine of Islamic economics, whereas conventional banking has been shifting toward social banking. Hence, the finding of the study argues that the paradigm of Islamic banking is to promote the *maslahat* to the *Ummah* through integrating commercial and social aspect in its operational and objective. Therefore, Islam as a *Dîn* guides the perfect natures of human (intellect, physical, social and spiritual being) by Shari'ah and its objectives (*maqâsid*) to achieve *falah* (successful life here and the hereafter) where Islamic banking as the *wasilah* (facilitation).

Keywords: Paradigm, Islamic Banking, Profit, Social, Oriented

ZAKAT MANAGEMENT FOR POVERTY ERADICATION

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ABSTRACT

Poverty is one of the main problems faced by developing countries including Indonesia. One instrument that can help to reduce poverty in Islam is zakat. This study as the concept paper, and have three purpose. The first is to know how productive zakat implemented by zakat institution ? The second is to find out and understand how implementation of the distribution of zakat productive for poverty eradication from maqasid syari'ah perspective ?. The third is to know is productive zakat impact on poverty eradication ?. The research variables are zakat management with indicators are distribution, empowerment, and accountability conduct by zakat institution (Baznas). Poverty eradication measured based on maqasid syari'ah. The unit of analysis is zakat institution. The population of this research are the zakat institution managers at Central Java. Respondent of this study are fiveteen the zakat institution manager and 75 the productive mustahiq. This study use qualitative methods designed a case study method. Primary data will obtained by questionnaire to respondent, and secondary data will obtained from zakat institution and journals. The finding of study expected can strengthen the zakat institution to poverty eradication, especially through productive zakat. For a long time this study can give contribution on government to refinement regulation that concern on productive zakat.

Keywords: zakat management, productive zakat, poverty eradication

PREDICTING RENTAL YIELD FOR THE BENCHMARK PRICING OF EQUITY HOME FINANCING

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ABSTRACT

Islamic financial institutions offer home financing products that are fully compliant with Shariah. A problem lies in the fact that the equity home financing product lacks a reference, or price benchmark, which is independent of the interest rate. Many have suggested to price this product based on rental rate, as this rate is indicative of the real value of the property being occupied. The main objective of this study is to assess the viability of rental yield as a pricing reference for equity home financing, as an alternative to reliance on the market interest rate. The study examines the rental yield forecasting model in the context of the Malaysia residential market, in the capital city of Malaysia – Kuala Lumpur. The forecasting technique of the autoregressive integrated moving average (ARIMA) model is adopted to assess the predictability of the rental yield. The data used are from 1988 until 2015 to examine the forecasting model for the next period of three years. Diagnostic testing is also conducted on the model. This model is evaluated on five performance metrics based on the ARIMA model. The findings show the in-sample prediction is almost similar to the actual data. This paper reveals the experimental results which demonstrate that the ARIMA model can closely forecast the housing market. In conclusion, the rental yield is proposed as being a suitable alternative as the reference rate to the benchmark the price of Islamic home financing products, based on the equity model. Rental yield is regarded as a rate that is fair to both the customer and Islamic financial institutions, as it measures the actual rate of return to both parties in the equity contract. The proposed rental yield is more stable, having fewer fluctuations and yet comparable to its counterpart.

JEL Classification: G17, G21, G51

Keywords: *Forecasting, Rental yield, Housing markets, Equity home financing*

THE EFFICIENT FINTECH OF INDONESIAN ZAKAT INSTITUTION BASED ON MUZAKKI'S PSYCHOLOGY

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ABSTRACT

Previous research has analyzed the efficiency of the Indonesian Zakat Institution (IZI) by cluster it into two groups i.e. IZI which is related to certain organizations (mass / IZI Mass), and IZI that do not have any relationship or connection with certain organizations (independent IZI/IZI non-mass). Therefore this study aims to analyze the efficiency of the IZI based on the psychology of Muzakki (Muslims who pay zakat). The method is done by comparing the psychological conditions between the Muzakki from the organization that is bounded by a certain IZI, with Muzakki who pay independently (their workplace is not tied to a particular IZI). The relationship between the organization or workplace with IZI is the policy to implement zakat payment through salary reduction for their employee. The respondents of the study consists of 78 Muzakki who pay zakat independently (IZI non-Mass Muzakki), and 70 Muzakki who pay zakat through their workplace (IZI-Mass Muzakki). The regressions analysis is done using SmartPLS. The result shows that IZI Mass is unable to optimize the benefits of digital zakat payment service (zakat payment through salary reductions). This is because the psychology of Muzakki has not reached the right level to pay zakat (the awareness and the understanding about the obligation to pay zakat), but they have must did it. Meanwhile independent respondents belonging to IZI Non-Mass have a higher level of compliance. So that is why IZI especially IZI Mass need to improve their socialization and education (syi'ar) towards Muzakki and young Muslims (prospective Muzakki), and also informing the statements of IZI's zakat management toward the community, especially toward Muzakki, in order to achieve their willingness and obedience to pay zakat (Muzakki's psychology), only then offer convenience services for paying the zakat.

JEL Classification: G41, L31

Keywords: *Muzakki's psychology, Mass and Non-Mass Indonesian Zakat Institution, Financial Technology Services, Digital Payment of Zakat*

THE ROLES OF SHARIAH GOVERNANCE AND REGULATORY FRAMEWORK FOR DEVELOPMENT FINANCIAL INSTITUTION: THE CASE OF EXPORT-IMPORT BANK OF MALAYSIA (MEXIM)

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ABSTRACT

Development financial institutions are established by the government to develop and promote key sectors that are considered to be of strategic importance to the overall socio-economic development objectives of the country. As a development financial institution with a set mandate to promote cross-border trade for Malaysian businesses, Export-Import Bank of Malaysia Berhad (MEXIM) is constantly mindful of its role in executing strategies as per the national development agenda and strive to facilitate the Malaysian cross-border business ventures. In line with the Malaysian government's aspirations of becoming an Islamic financial hub, MEXIM offers a wide range of Islamic banking facilities and credit takaful service as it moves towards becoming a full-fledged Islamic Bank. MEXIM is governed under regulations and supervision of Bank Negara Malaysia (BNM). The BNM had introduced the Shariah Governance Framework (SGF) with the objective to provide a proper regulatory framework for MEXIM to function within the required Shariah requirements that will help further strengthen the international investor confidence in the fast growing Islamic finance industry in the country. Additionally, the introduction of the guidance documents on the Value-based Intermediation (VBI) by BNM had also encouraged MEXIM to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impact to the economy, community and environment, consistent with the shareholders' sustainable returns and long-term interests. This study is using secondary data which is library research methodology that deliberates the roles of Shariah governance and regulatory framework for MEXIM in strengthening the economic development of the country and contributing values in Islamic social finance through the implementation of the principles propagated in the VBI.

JEL Classification: G18, G28, G38, G41

Keywords: *Shariah Governance, Regulations, Development Financial Institution, Social Finance.*

COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE OF ISLAMIC BANKS AND CONVENTIONAL BANKS

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ABSTRACT

This research was to determine the comparative financial performance of Islamic Banks with Commercial Bank in Indonesia by using financial ratios period in 2014 - 2018. Financial ratios use the CAMEL method which consists of CAR, NPL, ROA, BOPO and LDR ratios. The data used are conventional annual banking reports that are listed on the Indonesia Stock Exchange (IDX) and Islamic Banking that are not listed on the Indonesia Stock Exchange (BEI) which issue annual reports in 2014-2018. This data is used to compare the financial performance of Islamic banks with conventional banks and the method of analysis is the Independent T-test statistical test.

JEL Classification: G21

Keywords: Islamic Bank, Conventional Bank, Financial Performance.

DOES ISLAMIC FINANCING REALLY BENEFICIAL FOR MSMEs IMPROVEMENT? – EMPIRICAL EVIDENCE OF MSMEs IN SEMARANG, INDONESIA

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ABSTRACT

The existence of MSMEs in the Indonesian industrial market shows a good improvement as far. They continue to increase in quantity while their contribution towards the level of national GDP and the provision of employment is quite significant. This good news is resulted by any funding and assistance support from various parties including banks. The characteristics of sharia principles which form the basis of Islamic banking activities are expected to encourage Islamic banks play a more dominant role compared to conventional banks in funding MSMEs as they belong to the real industry sectors. In addition, the large number of Muslim owners of MSMEs in Semarang city is also become a potential customer for Islamic funding schemes. This study intends to explore to which extent the MSMEs utilize Islamic funding from Islamic banks and what factors influence their Islamic funding decisions to support their business. Purposive sampling was used in this study to select MSMEs in the Semarang city area as a sample. Primary data is collected through interviews and questionnaires to test how beneficial the Islamic financing for MSMEs.

Keywords: MSMEs, Islamic banking, Islamic financing decision

ANALYSIS OF SHARIAH ENTERPRISE THEORY IN FINANCIAL STATEMENT FOR ISLAMIC ENTITIES (BASED ON SHARIA FINANCIAL REPORTING STANDARD IN INDONESIA)

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ABSTRACT

Along with the development of sharia business in Indonesia, the Indonesian government has issued a standard financial report specifically for sharia business practitioners, namely Islamic Accounting Standard. This evolution also led to developments in the enrichment of theory in accordance with Islamic accounting. From some existing theories, Enterprise Theory is perceived as a theory that has the appropriate concept to be applied as an alternative theory in the Islamic economic system, especially in Islamic accounting. Enterprise Theory not only focuses on profits but also on stakeholders. This study aims to analyze the concept of Sharia Enterprise Theory in Islamic accounting, more specifically in Financial Statement for Islamic Entities in Indonesia. The concept of Sharia Enterprise Theory in financial statements is the emergence of sharia value-added reports. The proposed framework is expected to be able to enrich the theoretical literature in Financial Statements for Islamic Entities and to improve the quality of Financial Statements for Islamic Entities.

JEL Classification: M41, M48, Z12

Keywords: sharia enterprise theory, Islamic accounting, financial statement, Islamic value added report

AN ANALYSIS OF FACTORS AFFECTING ISLAMIC SOCIAL REPORTING (EMPIRICAL STUDY ON JAKARTA ISLAMIC INDEX (JII) IN INDONESIA ON 2014-2016)

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ABSTRACT

Social responsibility disclosure is measured by the index of global reporting initiatives which are limited to aspects of the course material, while the disclosure of Islamic social responsibility is not only limited to material aspects, but also to the spiritual and moral aspects of social reporting with the Islamic Index. The limitations of conventional social responsibility disclosures encourage this research to find out what factors influence the disclosure of social reporting in the Jakarta Islamic Index (JII) in Indonesia. This study involved Islamic banks in Indonesia in 2014-2016. The research method used is the analysis of content from the annual report or website of Indonesian stock exchange companies in 2014-2016. The software used in this study is SPSS 20.0 by using multiple linear regression analysis methods. The variable used in this study is the size of the board of commissioners as measured by the number of board members, the size of the company as measured by total assets, profitability as measured by return on assets, and Islamic Social Reporting that becomes the dependent variable.

JEL Classification: O44, P34

Keywords: Islamic social reporting, Firm size, board of Commissioners size, and Profitability.

COMPARATIVE ANALYSIS OF CALCULATION OF INCOME TAX ARTICLE 21 AND ZAKAT

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ABSTRACT

The purpose of this paper is to examine the comparison of Article 21 Income Tax calculations using the gross method, the net method and the gross up method to find out which method is most profitable for company profits. This study uses similar comparisons were made for the calculation of zakat which also used 2 (two) methods, namely the net and gross methods. Data on employee salaries used in this study are secondary data obtained from PT. Sinar Abadi Pratama Sejahtera in 2018. The analytical method used in this study is descriptive analysis with a qualitative approach. The findings in this study are to show that of the three methods of calculating Article 21 Income Tax, the biggest profit is the gross up method. As for the calculation of zakat, which is beneficial for zakat payers is to use the Net method. Calculation of Income Tax Article 21 gross up method, produces the smallest Corporate Income tax while still meeting the tax requirements. Employees enjoy the benefits of receiving income tax benefits, so they can receive a full salary. On the Net zakat calculation method, the zakat calculation is smaller than if using the Gross method. Keywords: Income Tax Article 21, Gross Method, Net Method, Gross Up Method, Company Profit, Zakat, Gross and Net Methods.

Keywords : Income Tax Article 21, Gross Method, Net Method, Gross Up Method, Company Profit, Zakat.

THE ROLE OF THE INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSION (IOSCO) AND ISLAMIC FINANCIAL SERVICES BOARD (IFSB) IN PROGRESSING SUKUK IN BRUNEI DARUSSALAM

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ABSTRACT

Brunei Darussalam is an Islamic state with the philosophy of the "Melayu Islam Beraja" ("Malay Muslim Monarchy") and embracing the concept of The Zikir Nation as key to prosperity and security under the blessings of the Almighty Allah swt. In keeping with that foundation, economic and financial development need to comply with Islamic Law. Sukuk, a shariah compliant securities instrument, falls under this scope. Brunei Darussalam is a member of both regulatory bodies:-the International Organization of Securities Commissions (IOSCO) and the Islamic Financial Services Board - IFSB). The national regulatory authority, AMBD (Brunei Darussalam Monetary Authority) regulates all sukuk issuances in the country within the framework of these international standards. This paper examines how standards are adopted and what potential sukuk market has for nation building.

ANALYSIS OF TOP UP BANKING TRANSPARENCY REVIEWED FROM ISLAMIC ECONOMICS

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ABSTRACT

This writing is motivated by the existence of customers who are stuck with the facilities provided by the bank, namely top up (additional loans), where the customer does not need to bother paying off the rest of the loan that should be repaid, the repayment fund is bailed out by the bank first, the customer will receive a new schedule and a new loan ceiling. Of course the bank will choose the criteria for customers who will be given top up facilities, namely the installment payment history is relatively smooth, precisely this is the base of the problem that many experienced by customers who do not understand about the top up offered by the bank that ends disastrous for customers. Lack of transparency about what the customer will go forward, which is applied by the bank to the customer so that many customers bear the losses caused by the top up. Lack of transparency about what the customer will go forward, which is applied by the bank to the customer so that many customers bear the losses caused by the top up. This research is a qualitative research with an evaluative -normative approach. The purpose of this research is to find out the extent of transparency applied by banks for top up, applying the principle of transparency in implementing Bank Indonesia regulations Number: 7/6 / PBI / 2005 about Transparency of Bank Product Information and how transparency practices are viewed from the Islamic economy. From these problems transparency to customers is very important in accordance with Islamic economics based on values and Islamic principles can be applied in all aspects of business life and transactions of the ummah. Compliance with regulations issued by the government, namely PBI no. 7/6 / PBI / 2005 which has not been fully implemented in banking in general. With the transparency applied in Islamic economics customers will know what their rights and obligations are. Transparency to customers is very important to prevent misunderstandings that can cause losses to customers.

Keywords: Analysis of Islamic Economics, Transparency, Top Up, Banking

BUILDING THE OPTIMAL LEVEL OF PRESSURE FOR THE RESILIENCE OF ISLAMIC BANKING IN INDONESIA

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ABSTRACT

Islamic bank is a component of the financial institutions and global financial system. Even though its size is small compared to conventional bank, vulnerability can exist within it. It is due to its operations are exposed to various financial risks following the credit cycle. There is no clear cut conclusions on whether Islamic banking is more resilient than conventional banking. Some regulations are released as the balance and the adaptive aspects towards its resilience. Therefore, the paper seeks to measure the optimal level of pressure due to financing activities. The paper attempts to build a composite index and uses an early warning system approach to estimate the optimal level of pressure in Islamic banking due to its financing activities by using monthly data spanning from 2010 to 2018. The optimal level of pressure basically allows a bank to maintain a certain risk profile (financing risk) and provide a cushion caused by external shocks. The study found some threshold levels, shown by pressure dimension and its components. NPF, CAR, and LA are the variables that can trigger systemic risk if bank's vulnerability exists. Meanwhile, in the midst of bank's vulnerability, ROA is the variable mostly affected based on its probability value. Discovering the threshold level of resilience basically refers to identify the range in which the optimal level is achieved. Maintaining the resilience level is important as Islamic banking lives in an open system that is easily vulnerable due to external shocks and its inherent risks.

JEL Classification: G21, G32

Keywords: *Islamic Banking, Resilience, Optimal Level of Pressure, Indonesia*

OPERATIONAL RISK ANALYSIS IN ISLAMIC MICRO FINANCIAL INSTITUTION BASED ON GRAMEEN MODEL

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ABSTRACT

Islamic Micro Financial Institution (IMFIs) is one of the tools that is expected to alleviate poverty. Baitut Tamkin Tazkia Madani (BTTM) and Baitut Tamkin Lumbung Bersaing (BTLB) are some of IMFIs based on Grameen system model after eliminating all aspects that are not in accordance with sharia in their all operational activities. This study aims to identify any factors that cause risks to operational activities in Baitut Tamkin, including the impacts and mitigation of any impacts arising from previously identified risks. Enterprise Risk Management (ERM) approach is applied in this research. The types of operational risks identified are divided into 11 group of risk (Liquidity Risk, Funding Sources, Qardh Hasan, Commercial Financing Risks, IT / Network and Recording Risk, Cooperation Risk, Product and Development Risk Program, Human Resource Risk, Client Risk, Risk Leadership, Competition Risk, Crime Risk and Fraud and Compliance Risk). The results of operational risk identification shows that there are 140 total risks with extreme risk level 1 risk, high risk level 16 risks, moderate risk level 88 risks and low risk level 35 risks.

Keywords: IMFIs, ERM, Operational Risk

TRADING OF SHARES VIA SALAM CONTRACT: AN EXPLORATORY STUDY

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ABSTRACT

In 2018, it was reported that Islamic capital market (ICM) leads the Islamic finance industry growth with Sukuk grew by CAGR of 9% and Islamic funds grew by CAGR of 16%. Due to the rapid growth of ICM in Muslim countries, there is a need for more innovative products and services to meet the necessity of both investors and players. In correspondence to that, there have been debates on whether share can be traded using Salam contract in the secondary market. Using qualitative and quantitative method, this paper examines the applicability of shares to be traded using Salam contract from Shariah perspective. It is apparent that Salam in blue-chip shares could be a boon for a more innovative products in Islamic capital market.

Keywords: Salam contract, shares, Islamic Capital Market

THE CHOICE BETWEEN BOND AND SUKUK: EVIDENCE FROM ASEAN-3 COUNTRIES

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ABSTRACT

This research examine the factors that determines choice between corporate bond and sukuk issuance of public listed firms in ASEAN countries. We test the impact of free cash flow as the the proxy for agency cost, growth and leverage on the choice between bond and sukuk issuance for a sample of 124 sukuk and bonds issued during the period of 2012-2017. The results from binary logistic regression indicate that firm with high free cash flow and leverage tend to choose sukuk over conventional bond. Meanwhile, firm with higher growth prefer conventional bond over sukuk. Our results are consistent with the agency cost mitigation of free cash flow.

JEL Classification: G30, G12, G23

Keywords: *Sukuk, bond, free cash flow, growth, leverage.*

**CONVERSION OF SAVINGS AND LOAN COOPERATIVES
INTO SYARIAH IN THE PERSPECTIVE OF EMPLOYEES AND
BOARD OF DIRECTORS BY ADKAR MODEL
(CASE STUDY AT SAVINGS AND LOAN COOPERATIVE OF TUNAS
ARTHA MANDIRI - NGANJUK EAST JAVA)**

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ABSTRACT

This study aims to get a description from the process of conversion of the Savings and Loans Cooperative (KSP) Tunas Artha Mandiri into the Islamic Savings and Financing Cooperatives which deals with the purpose of conversion, conversion process, conversion constraints and factors that influence the success of conversion. This research is an Action Research by ADKAR Model. The success measurement of this conversion is limited to HR's belief on the role of conversion in achieving the cooperative goals as formulated in the direction of cooperative development. Analysis of factors that influence the success of conversion in this research is done by SEM with Lisrel. From the research involving 120 respondents, it was obtained that the success of conversion in a significant and direct manner was influenced by the awareness of HR to emigrate and the reinforcement to emigrate, especially from the founders and outsiders. In addition to directly cause an influence, the awareness of human resources to emigrate also indirectly affects the success of conversion through desire, knowledge, ability and reinforcement. In order to succeed, it is needed to continue the raise of the awareness and provide reinforcement from administrators and directors, KSPPS TAM needs to increase the intensity of training to increase desires, knowledge and skills.

Keywords : Conversion, Cooperative, Conventional, Sharia, ADKAR

INTRODUCING MUSAWAMAH TO INDONESIAN RETAIL ISLAMIC BANKING SYSTEM: A PRELIMINARY INVESTIGATION

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ABSTRACT

Musawamah is a unique Islamic transaction modes which has considerably clear distinctions from murabahah. However, in many countries including Indonesia, for a long time the contract has been commonly perceived as a sub-contract of murabahah. As a result, this contract is still fairly under-utilized. Indonesian Ulama Council has recognized the use of musawamah in syndicate finance at Indonesian Islamic bank. However, unlike Pakistan for example, Indonesia has not adopted musawamah to its retail Islamic banking system. This research will discuss the possible benefit in introducing musawamah to Indonesian retail Islamic banking system. Using the literature review approach, interviews, and considerable study, the authors investigated some current applications of musawamah in some Pakistan banks and the possible benefits from applying musawamah in Indonesian Islamic retail banking. Preliminary findings indicate that, conducted properly, utilizing musawamah will possibly result in (1) an increase of efficiency which means higher profit for bank and lower price for customers, and (2) a rise in the attractiveness of the bank as it has new alternative financing contract.

Keywords: Islamic Bank, Retail Banking, Musawamah, Financial Contract

IMPACT OF DIGITAL SHARIA BANKING SYSTEMS ON CASH WAQF AMONG MILLENNIAL GENERATIONS

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ABSTRACT

Cash waqf is one of the transformative models of waqf assets submission to optimize the receipt of waqf wealth in Indonesia. Nowadays, cash waqf transactions can be accessed through the platforms that are integrated with Digital Sharia Banking Systems (DSBS) such as Jadiberkah.Id (Bank Syariah Mandiri), Digital Wakaf Hasanah (BNI Syariah), and others waqf online services provided by Bank Syariah Bukopin, Bank CIMB Niaga, and BRI Syariah. Based on current phenomenon, this research aims to investigate the role of using digital platform of cash waqf transaction in stimulating people's decision to endow cash waqf which facilitated by Sharia Banks. Hypotheses and research models are created by integrating three basic theories consisting of Technology Acceptance Model (TAM), Theory of Reasoned Action (TRA), and Theory of Planned Behavior (TPB). The fundamental idea combining three fundamental theories in single framework is to obtain deep and complete explanation of people's motivation to adopt new technology by considering the existence of external represented by Subjective Norm and internal supports reflected by Perceived Behavioral Control. There are 225 muslim millennial generations as respondent survey who spread across universities at Special Province of Yogyakarta and Central Java. Hypotheses testing is run by multiple stages through the Outer Model and Inner Model tests using Structural Equation Modeling-Partial Least Square. The result of outer model states that all measurement items are valid and reliable. Furthermore, the result of inner model indicates that research model is structurally great because it meets all model criterias. In general, the research findings conclude that digital platform of cash waqf transactions through DSBS plays significant role in encouraging the interest of muslim millennial generations to participate in cash waqf.

JEL Classification: G2, G4, O31, O33

Keywords: *Cash Waqf, Digital Sharia Banking Systems, Technology Acceptance Model, Theory of Reasoned Action, and Theory of Planned Behavior.*

THE RELATIONSHIP BETWEEN ENTREPRENEURSHIP AND IMPROVING YOUTH EMPLOYMENT: A STUDY OF EAST AND SOUTH ASIA

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ABSTRACT

Entrepreneurship are considered key factors of growth and survival of a country especially its economy. Usually, in the time of global recession affected countries will incline to encourage their residents to work on their ideas and to test themselves on the open market using various government grants and subsidizing. Countries with better entrepreneurial infrastructure tend to be more receptive to competition and entrepreneurial activities than others. GEM (Global Entrepreneurship Monitor (2018) has made very interesting comparable studies made each year that interestingly more people around the world are dealing with entrepreneurship. The international economic crisis has further accelerated the need for entrepreneurship while unemployment continues to escalate. Thus, it is crucial to adopt measures that will help people with self-employment and most importantly improve their quality of life. Given this context, we aim to test our hypothesis that where countries with a higher rate of unemployment, more people will transform themselves into entrepreneurship and countries with higher rate of entrepreneurship will have a lower rate of unemployment. Consequently, to verify this hypothesis, researcher will use available data from GEM (2018) focusing on East and South Asia countries. In addition, researcher will also measure the correlations between the rate of entrepreneurship and the rate of employment and make a regression analysis of both values. For this, an overview of literature regarding the impact of entrepreneurship onto employment is discussed. Statistical package for the Social sciences (SPSS) is used for data analysis.

Keywords: Entrepreneurship, employment, Improve and East and South Asia

SERVICE QUALITY ON CUSTOMERS' SATISFACTION AND LOYALTY: SURVEY EVIDENCE ON MEDIATION ROLE OF TRUST IN ISLAMIC BANKS

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ABSTRACT

The objective of this study is to examine the impact of PAKSERV measures on customers' satisfaction, loyalty and trust in Malaysian Islamic banks. These comprehensive measures concern on the cultural dimension of service quality by focusing on the mediating role of trust in the Malaysian context. A survey was conducted involving 401 Islamic bank customers in the states of Kuala Lumpur and Selangor, Malaysia. The data were analysed through exploratory factor analysis, confirmatory factor analysis and structural equation modeling employing AMOS 23 and SPSS 23. The study found positive relationship of PAKSERV dimensions of service quality, customer satisfaction, customer loyalty, and the mediating role of trust in enhancing customers' loyalty. This study provides new evidence on how trust can act as a partial mediation on the relationship between customer satisfaction and customer loyalty in the cultural context of Malaysian Islamic banking sector. The findings of this study can be used as a framework for other Islamic financial institutions (IFIs) such as the Islamic social finance institutions in improving services to its customers.

JEL Classification: M1, M2, M3

Keywords: *Service Quality, Satisfaction, Loyalty, PAKSERV, Islamic Bank*

ISLAMIC LONG-LIFE LEARNING (I3L): A POWERFULL STRATEGY TO INCREASE ADAPTIVE SELLING CAPABILITY

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ABSTRACT

This study aims to develop a concept of Islamic Long-Life Learning (I3L) to increase Adaptive Selling Capability (ASC). The strategic position of salesperson in Sharia insurance products becomes a bridge between customers and organizations so that it requires them to have high adaptive selling capability. A very dynamic market condition also requires them to adjust their selling activities. Some studies had tried to explore the factors that bring it up, but not much of them used the perspective of intrinsic motivation based on Islamic values as methodological approach. Therefore, this paper offers a new concept, namely Islamic Long-Life Learning (I3L) which is expected to be a cornerstone to improve adaptive selling capability. Spirit doing the best, continuous improvement, asking others, and helping others become I3L dimensions which are thought to be able to increase adaptive selling capability, especially for salesperson in Sharia insurance. In-depth literature of this study is expected to contribute in the development of manifest needs theory and social capital concepts.

JEL Classification: D64

Keywords: *Islamic Long-Life Learning, Adaptive Selling Capability, Salesperson.*

SPIRITUAL-INNOVATIVE LEADERSHIP AS A DRIVER FOR KNOWLEDGE SHARING AND EMPLOYEES SPIRITUAL WELL-BEING IN THE DIGITAL ERA

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ABSTRACT

Innovation is recognized as the basis of competitive organization in this digital era. Leader plays a crucial role in direct the vision and become the role model in the disruption environment. Despite the research on innovation and leadership attract more attention among the scholars, very little empirical research focusing on employee's spiritual well-being. Innovation that is framed and combined with a spirit of spirituality is important to survive in the disruption era. Spiritual-innovative leadership in this case is a pivotal key as a role model in spiritual-innovation for their employees. This type of leadership is expected to be a driving force in achieving organizational goals in this digital era, employee's spiritual well-being achievements are not only limited to material well-being, but also spiritual well-being. This article aims to fill up knowledge gap by offering a discussion the relationship between spiritual-innovative leadership and knowledge sharing which has impact on employee's spiritual well-being.

JEL Classification: M12

Keywords: *spiritual-innovative leadership, sharing knowledge, spiritual well-being, digital era.*

INTEGRATED SUKUK BASED WAQF IN PESANTREN: A MODIFIED GENERIC MODEL

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ABSTRACT

Waqf and Sukuk are not seemingly equal things to compare, one is filled with a spiritual and social aspect, the other with a commercial aspect. But time proves that the development of Islamic economic concerns is complementary not only to commercial issues, but also to social issues. In addition, Pesantren is serious about empowering a potential business unit through waqf to enhance the economic development of Pesantren. The purpose of this study is to propose models of integrated sukuk based waqf model in Pesantren using qualitative approach, ANP (Analytic Network Process), accompanied with scholars, academicians, and practitioners with surveys and focus groups discussion. The results show that Sukuk has an important role to play in supporting Pesantren's waqf quality. This type of sukuk will generate a new source of fund for Pesantren on the basis of the ijarah theory, which can generate own profit for primary pesantren projects. This model shows the way Pesantren maintains and develops waqf asset toward a self-financing waqf institution. Pesantren is responsible for both the primary and secondary projects through its two divisions: Pesantren Financing Corporation (PFC) and Pesantren Production Corporation (PDC). Finally, as a conclusion, is the author's expectation that this model would be an alternative model that could be more benefit to Pesantren in need.

JEL Classifications: L31, E69, H41

Keyword: *Pesantren, Sukuk, Waqf Project*

THE DETERMINANT OF EARNING PERSISTENCE IN COMPANIES LISTED ON JAKARTA ISLAMIC INDEX

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ABSTRACT

This research aims to provide empirical evidence of the differences on accounting earning with fiscal earning, operating cash flow and debt level toward earning persistence. The samples used in this research were 25 companies listed on Jakarta Islamic Index (JII) in 2015-2017. Total samples were 75 companies. The data were collected using purposive sampling method. The analysis of this research used multiple regression. The result of this research showed that the differences of accounting earning with fiscal earning and debt level do not influence the earning persistence, meanwhile the operating cash flow have positive and significant influence toward earning persistence.

Keywords: Differences in accounting earning with fiscal earning, operating cash flow, debt levels, and earning persistence

THE ROLE OF ISLAMIC CORPORATE GOVERNANCE IN PREVENTING FRAUD

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ABSTRACT

This research aims to examine the Sharia banks' health, registered at Bank Indonesia, towards fraud through the role of Islamic Corporate Governance. The independent variables were Non-Performance Financing (NPF), Operational Efficiency Ratio (BOPO), and Capital Adequacy Ratio (CAR), with Islamic Corporate Governance (ICG) as a moderating variable. The dependent variable in this research was fraud. The population in this research were all Sharia Banks registered at Bank Indonesia year 2015 to 2018. The sample was selected using purposive sampling method. The total sample used in this study were 60 Sharia Banks. The analytical method of this research used moderation regression analysis. The results showed that, NPF has a significant negative influence toward fraud, CAR has a significant positive influence toward fraud, while BOPO has no influence toward fraud. Islamic Corporate Governance (ICG) played a role in strengthening the influence of NPF and CAR toward fraud. However ICG was unable to strengthen the influence of BOPO toward fraud in Sharia Banks registered at Bank Indonesia.

Keywords : Bank's health, Islamic corporate governance, fraud, moderating regression analysis

NEW INTEGRATED FINANCIAL TECHNOLOGY MODEL ON ISLAMIC SOCIAL FINANCE FOR ECONOMIC DEVELOPMENT

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ABSTRACT

Cash waqf as a form of Islamic Social Finance in Indonesia has enormous potential, but it has not been managed optimally. Henceforth the role of cash waqf cannot be utilized in economic development properly. The causes are: the occurrence of asymmetric information, each nazhir runs on their own, the system of funding, financing, and mauquf that has not been integrated. Cash waqf is waqf in the form of money managed productively by nazhir, and the results are used for mauquf 'alaih. Therefore, the purpose of this article is to develop a new framework of Integrated Financial Technology model of Islamic Social Finance for Economic Development. The method of this research is by reviewing articles about cash waqf in economic development, finding gaps, and limitations. The results show that the New Integrated Financial Technology Model is a new model that is able to integrate funding, financing, and mauquf systems in a more comprehensive manner. With the new model, management of cash waqf is more transparent, accountable, can be accounted for internally and externally, and can reach muaqif and mauquf 'alaih more broadly both in its area and number, so that the role of cash waqf can be maximized for economic development.

Keywords: *Cash waqf, New Integrated Financial Technology, Nazhir, Mauquf 'alaih.*

THE INGREDIENTS OF MARKETING MIX (4C'S) AND COMPLIANCE SHARIA IN CONJUNCTION TO CUSTOMER PURCHASE INTENTION ON THE PRODUCT OF SMALL MEDIUM ENTERPRISE (AREA OF RESEARCH IN CULINARY)

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ABSTRACT

Indonesia as a developing country needs more of Small Medium Enterprises (SMEs) to support the economic growth now and the future. SMEs are becoming the prime mover of the economic growth and contribute more than 60 % of PDB and 99.9 % of employment, the numbers of Small Enterprises (SEs) are currently 98.7%, Medium are 1.2%, and large enterprises are 0.09%. SMEs should be kept and encouraged to increase due to their important role and strategic in the future economic of the country. Diversity is the character of Indonesia such as cultures, languages, religions, and distinguish of traditional food are varied in Indonesia. Mostly Small Medium Enterprise is conducted on traditional food or street food culinary. Culinary is one of a sustainable business as it is a basic need for the life society. Based on the data above, researcher would like to do a research focus in how the SME struggle and survive in the market in conjunction with the marketing mix (4Cs) plus Compliance of sharia. The purpose of research involve to how the ingredients of marketing mix such as customer values, cost, convenience, communication, and compliance sharia influence the customer purchase intention partially and simultaneously. The methodology of research used the DHELPI and SEM model and focus on the SMEs of culinary in Bogor area. The result of research will share to the Government of Bogor Area who has responsibility to the sustainability of SMEs.

Keywords: Marketing Mix, Small Medium Enterprise, Purchase Intention

EYE CATCHING PROMOTION, ALLIGNING HUMOUR ENDORSEMENT TOWARDS PURCHASE INTENTION OF MOSLEM MERCHANDISE

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ABSTRACT

This study discusses humor of endorsement in increasing purchase intentions through brand awareness by using qualitatively on consumers of moslems merchandise products advertised in humorous ways. The results showed that humor has a significant positive relationship on purchase intention and brand awareness. By using humor to create advertisements to attract people's attention to the product can easily identify the product with the brand in the minds of consumers. Brand awareness has a significant positive influence on purchase intentions. With good brand awareness, consumers will make their decision to buy. Creating an effective advertisement will make the content easy to catch and sticks to the minds of consumers. Humor can be one of the advertising methods that can attract the attention of consumers in advertisements that will be displayed and also in product packaging. The limitation in this research is occurred only in a small portion of moslems merchandise consumers. Further research needs to re-evaluate the model with a broader scope so that it can be generalized.

JEL Classification: M31

Keywords: Humor, Purchase Intention; Brand Awareness

OPTIMIZATION OF HUMAN RESOURCES PERFORMANCE WITH INFORMATION TECHNOLOGY AS MODERATING VARIABLE

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ABSTRACT

Intense competition makes companies must be able to compete in the global industry. Improving the quality of HR performance has an important role in improving the quality of the company. Various factors can support HR performance such as self-competence, Islamic work ethics and information technology. A person who has self-competence and good Islamic work ethics can improve his HR performance. Support from information technology expertise can also strengthen the relationship between self-competence and Islamic work ethics on improving HR performance. This article will develop conceptual definitions and indicators of the variables of self-competence, Islamic work ethic, information technology and HR performance. Future research agenda will explain and direct how to prove the truth of the research proposal.

Keywords: self-competence, Islamic work ethic, information technology, HR performance

THE ROLE OF MUSLIM FAMILY AWARENESS FOR HUMAN DEVELOPMENT: A CASE STUDY OF SOKOTO STATE, NIGERIA

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ABSTRACT

Islam encompasses all aspect, of human life and it does not leave anything untouched including family life. Islam considers family as the first and best school in which children have been taught moral values in accordance with the dictates of Shari'a. Hence, the objectives of the Sharia law comprises all ingredients of human development with particular emphasis on individual welfare on earth. Access to adequate resources or income are the most important mechanisms of human development. Conversely, filling these mechanisms interest the main challenges of many Muslim communities. This paper focuses on the role of Muslim family awareness towards human development in Sokoto State, Nigeria with a desire to bring and enlighten people to be aware of their major responsibilities towards their families. In additions, the paper strives to develop the significance of Muslim family towards human development and inclusively addresses the challenges faced by Muslim family towards promoting human development. The methods of descriptive, empirical, historical, and analytical are used in data collection and analysis. The findings reveal that in as much as Muslims stick to the Islamic teachings, a better and well-harmonised family can be established. Therefore, the paper recommends that Islamic awareness is always needed and effective programmes should be planned to enlighten people through training, skills and job creation.

Keywords: Muslim family; Human development; Well-being; society; Nigeria

THE EFFECT OF BUDGET CLARITY, ACCOUNTING CONTROL AND REPORTING SYSTEM ON ACCOUNTABILITY OF GOVERNMENT PERFORMANCE IN PATI

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ABSTRACT

The purpose of this study is to knowing the effect of clarity of budget targets, effectiveness of accounting controls and reporting systems on the performance accountability of government agencies in Pati city. This study took a sample with convenience sampling techniques in service offices of Pati city with multiple linear regression analysis method. Based on the results of the analysis it can be concluded that the variables of budget target clarity significantly influence the performance accountability of government agencies, the effectiveness of accounting control variables have a significant effect on the performance accountability of government agencies and the reporting system has a significant effect on the performance accountability of government agencies.

JEL Classification: H83, M4, P4

Keywords: *Clarity of budget targets, accounting controls, reporting systems, performance accountability*

ROLE OF ISLAMIC LEADERSHIP ON TEACHER PERFORMANCE

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ABSTRACT

The problem of this study is the occurrence of teacher performance inefficiencies in Indonesia. This problem will have an impact on educational system in Indonesia. The purpose of this study is to analyze and determine the effect of Islamic Leadership on performance of the Public Elementary Teachers. The population of this research is all teachers both elementary, junior, and senior high school teachers in Kudus, Central Java, Indonesia. This study uses the Purposive Random Sampling method with 100 teachers as respondents. The criteria of sample used are teachers who have at least undergraduate education level, 22 years old, and Muslim. Research ratio data will be obtained from questionnaires and direct interviews with respondents, by using SPSS 22.0 as data analysis technique. The results of this study are that Islamic leadership has a positive and significant effect on teacher performance. These results indicate that the application of Islamic leadership by the Principal can have a good and significant impact on teacher performance.

JEL Classification: J5

Keywords: Islamic Leadership, Teacher Performance.

DEVELOPMENT OF THE EQUILATERAL AGILITY CONCEPT TO IMPROVE THE ADVANTAGES OF COMPETITIVE SHARIA BANKS IN SEMARANG CITY

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ABSTRACT

This paper aims to investigate the effect the concept equilateral agility towards sustainable competitive advantage. This study has a sample target of 189 respondents to meet the AMOS program requirements. The target population includes Sharia Banks in the Semarang City. Result of this study show that hypothesis of responsiveness, operational flexibility and business relationship significantly affect sustainable competitive advantage.

JEL Classification:

Keywords: Agility, Sustainable Competitive Advantage

AN EMPIRICAL STUDY OF TAX WILLINGNESS

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ABSTRACT

This research analyzes the influence of knowledge and tax understanding as well as tax transparency on the tax willingness. The population in this research was the individual taxpayer registered in Tax Service Office (KPP) Pratama Kudus. The research data was collected by distributing 150 questionnaire and the usable questionnaires are 137. Hypothesis testing was conducted with regression analysis using multiple regression analysis of SPSS program. The results of this research stated that tax knowledge positively affects the tax willingness, meanwhile tax transparency has no effect on the tax willingness.

JEL Classification: F38, H2, H71

Keywords: *Knowledge, transparency, tax willingness*

ROLE OF ISLAMIC WORKING ATTITUDE IN MODERATING THE RELATIONSHIP BETWEEN REGIONAL FINANCIAL ACCOUNTING SYSTEM AND INTERNAL SUPERVISION ON LOCAL GOVERNMENT PERFORMANCE

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ABSTRACT

Today, in the era of globalization that is growing rapidly and the era of the industrial revolution 4.0 that spreads in various sectors, local governments either directly or indirectly have an impact from. One of the policies that must be carried out so as not to get a negative impact is by increasing local government performance based on the application of technology in the field of accounting systems and internal supervision. Based on the evaluation of Government Agency Performance Accountability System (Ind: *Sistem Akuntabilitas Kinerja Instansi Pemerintah, SAKIP*), a budget of IDR. 392.37 trillion has not been effectively utilized by local government. This can be interpreted that the government performance is still not optimal because several programs may not be on target. The financial accounting system and internal supervision that already exist and are in accordance with expectations are likely to produce optimal performance, but without the Islamic working attitude by the parties concerned can cause fraud and unethical actions. If a system and supervision of an organization are very good, but it is not balanced with an Islamic working attitude, the performance will not be useful and tends to harm others or even themselves.

JEL Classification: M48, O38, Z12

Keywords: Islamic Working Attitude, Regional Financial Accounting Systems, Internal Supervision, and Local Government Performance

SERVICE-DOMINANT ORIENTATION ON MARKETING CAPABILITY AND BUSINESS PERFORMANCE

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ABSTRACT

Academics and managers have struggled for a long time to understand and describe the role of the Service-Dominant (S-D) orientation in explaining business performance. Some theoretical approaches for every effort must be informed by strategic service management theory because the main question that strategic service management wants to answer is why several companies that have S-D orientation can produce different performance. This paper describes the process of the S-D orientation in influencing business performance. This framework is important for developing a theory-based conceptual framework that links service orientation with business performance.

JEL Classification: M31

Keywords: S-D Orientation, Marketing Capabilities, Positional Advantage, Business Performance, Competitor.

ENABLING SUSTAINABILITY THROUGH KNOWLEDGE MANAGEMENT OF ISLAMIC SOCIAL FINANCE: THE EXPERIENCE OF UNIVERSITAS DARUSSALAM GONTOR, INDONESIA

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ABSTRACT

Islamic social finance has been considered as the alternative way to promote organization's sustainability. In doing so, this requires organization members to understand how this concept is operating. So far, there is a lack of study on how the knowledge about Islamic social finance among organization members is managed. Therefore, this study aimed to investigate the practice of knowledge management of Islamic social finance, particularly *waqf*, that encourage organization's sustainability. Using case study in Universitas Darussalam Gontor, Indonesia, this study found that tacit knowledge dominates the practice of knowledge management of *waqf* social finance in such a university. The knowledge management activities among university members are mainly conducted through discussion and sharing session, in which policy makers (e.g. the *waqf* board, the university president, the rector and the human resource department) are the main actors in such activities. The study contributes to the literature regarding sustainability and knowledge management of Islamic social finance in higher education sector. Eventually, it needs further investigation on how knowledge management of Islamic social finance could advocate sustainability in other sectors other than higher education.

Keywords: Islamic social finance, waqf, sustainability, knowledge management, higher education, case study, Universitas Darussalam Gontor

PERFORMANCE ASSESSMENT OF EMPLOYEE ON LIBRARY AT UNIVERSITY OF IBNU SINA USING THE GAP FUZZY ANALYSIS METHOD BASED ON EXPERT SYSTEM

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ABSTRACT

Assessment Process of Employee performance is done every year so that the University of Ibnu Sina at the Library requires standard procedures in setting requirements for an employee to get a promotion or occupy certain positions in the Library. The problem that arises now is that if the complex assessment process that occurs now, there are employees who get direct promotions for promotions that only look at the first criteria, but the employee is not necessarily superior to several other criteria, but still gets a promotion. The goal to be achieved is to reduce the complexity of the process of decision making caused by the many alternatives that use Fuzzy Gap Analysis in decision making which can ultimately be reduced by implementing all the criteria for all employees so that it is expected that employees with the best abilities are selected. Fuzzy Gap Analysis is the process of comparing individual competencies into job competencies so that different competencies can be identified. The smaller the gap produced, the greater the value which means it has a greater chance of becoming the employee with the best performance. Fuzzy Gap Analysis serves as a tool to speed up the process between employee profiles with good performance so that they can get information faster to find out which employee gaps with good performance. The results achieved in this thesis is the formation of an expert system of employee performance appraisal at the Library of the University of Ibnu Sina which can be used to conduct performance appraisals with the main factors of assessment consisting of loyalty, obedience, achievement, honesty, cooperation, initiatives and supporting factors which consists of leadership, and responsibility.

Keywords: Performance Appraisal, Fuzzy Gap Analysis, Expert System.

HUMAN RESOURCE DEVELOPMENT AND EMPLOYEE PERFORMANCE IN UNIVERSITY OF IBNU SINA

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ABSTRACT

This study aims to examine the factors associated with the development of human resources that affect employee performance at the University of Ibnu Sina. These factors include recruitment, training, career development, benefits, promotion, transfer, structural specific training, and technique. Assessment is given towards the achievement of a good organization at the University of Ibn Sina. 157 employee respondents were determined by purposive random sampling technique. Data analysis techniques in this study were carried out using two approaches: descriptive analysis and multiple regressions. Primary and secondary data are collected and tested. This study concludes that to realize good governance, the government must act more quickly to further improve the quality of professionalism in the context of creating competitive advantage and upholding bureaucratic ethics in providing excellent service as expected by the University. Therefore, the University of Ibnu Sina needs to encourage human resources development programs in a sustainable, clear, and consistent manner.

Keywords: Human Resource Development, Employee Achievement.

ANALYSIS OF MACROECONOMICS FACTOR AFFECTING JAKARTA ISLAMIC INDEX

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ABSTRACT

The aim of this study was to analyze the influence of macroeconomics factor to Jakarta Islamic Index. The macroeconomics factors consist of inflation, BI rate, exchange rate IDR/USD, and Gross Domestic Product. The observation data used in this study were collected during April, 2016 to June, 2019 (in total 39 monthly observation data). The data source are Multiple linear regression model is applied to analyze the relation between independent variable (inflation, BI rate, exchange rate IDR/USD, and Gross Domestic Product) and dependent variable which is Jakarta Islamic Index. The results showed that the independent variables are significant except inflation.

Keywords: Jakarta Islamic Index, macroeconomics, multiple linear, regression

COMPARISON OF ACCOUNTING STUDENT PERFORMANCE HAVING PERSONALITY INFLUENCE ON TYPE A AND B IN UNIVERSITY OF IBNU SINA

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ABSTRACT

Personality types A and B were introduced by Friedman and Ray Roseman. They concluded that people who have personality type A are very competitive and achievement-oriented, feel time is always urgent, difficult to relax and become impatient and angry when faced with delays or with people deemed incompetent. While personality type B is the opposite of personality type A. This research was conducted at the Faculty of Economics, University of Ibnu Sina. The number of samples taken was 150 students. With non-probability sampling methods, especially purposive sampling, data collection is done through a questionnaire. The data analysis technique used is the t-Test analysis. Based on the results of the analysis found that personality type A has better performance than students with personality type B. This means that personality type A variable has a positive influence on student performance

Keywords: Accounting Student Performance, Personality Types A and B.

BUSINESS MODEL IN ISLAMIC MICROFINANCE : SUPPORTING BMT INNOVATION

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ABSTRACT

BMT is one of the service industries that offers products as needed for segmented customers. In order to maintain Baitul Mal Wattamwil, innovation is needed, such as customer relationship in order to public understanding of BMT Service. This research is a qualitative descriptive study with a research location in BMT La Tansa Gontor Ponorogo. Technique data collection through interviews and observations. Data analysis uses interpretation qualitative and business model canvas tool method in consist of analysis in this study is value propositions, channels, customer relationships, customer segments, revenue streams, key resources, key activities, key partners, cost structure. The results showed that product development innovation at BMT La Tansa focus on customer relationship for segmented customer and Human Resources Innovation conducted at BMT La Tansa, by conducting training for employees and motivate employees to continue their studies at Higher Education. BMT La Tansa customer using word of mouth strategy to support improving public understanding of Islamic social finance service and increasing the retention of prospective customers; utilizing information technology for communication and marketing; and make a list of visits of existing customers and prospects. The strategy makes the customer HR who provide training should be HR who already have the ability, can work together with educational institutions as a form of service.

Keywords: Business Model, Innovation, BMT

THE INFLUENCE OF ISLAMIC BUSINESS ETHICS ON PARTNERSHIP PERFORMANCE (CASE STUDY ON OMAR SMART BRAIN COMPANY 2018)

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ABSTRACT

Islamic business ethics is an inseparable part of business activities. Business ethics will be a benchmark for good and bad as well as true and false done by business people according to Islamic moral standards. Understanding Islamic business ethics is important, because it can affect a person's work performance in doing business. Thus Islamic business ethics and performance are a unit that cannot be excluded. Then the aim of this research is to find out the effect of Islamic Business Ethics on Omar Smart Brain's corporate partnership performance and how much influence the Islamic Business Ethics has on Omar Smart Brain's partnership performance. This research uses quantitative methods. This research was conducted at Omar Smart Brain company. The subjects of this study were 50 Omar Smart Brain Company partnership agents with data collection techniques for observation and questionnaires. The data sources used in this study are primary and secondary data. The analytical technique used in this study is simple linear regression analysis. The results in this study are that the variable Islamic Business Ethics (X) has a t-count greater than t-table ($2.656 > 1.677$) and a significance level (Sig.) Lower than 0.05 ($0.01 < 0.05$) and the coefficient of determination in this study was 0.110 or 11%. Then it can be said that 11% is the level of influence of Islamic business ethics on partnership performance. Thus it can be concluded that the Islamic business ethics variable (X) has a significant influence on the performance of Omar Smart Brain's corporate partnership (Y) and the level of influence on the Islamic business ethics variable (X) on partnership performance (Y) which is 0.110 or 11% and the remaining 89% is influenced by other variables not examined in this study.

Keywords: *Islamic Business Ethics and Partnership Performance*

FINTECH CHALLENGES IN INDONESIA AND CONTRIBUTIONS TO FINANCIAL INCLUSION

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ABSTRACT

FinTech start-ups in Indonesia began to boom and mushrooming in 2017. Evidently, until August 2019, In Indonesia, there are 127 registered FinTech companies, and 9 FinTech companies with Islamic FinTech status (OJK, 2019). Furthermore, the development of FinTech in this country is still needed to be discussed in order to find new insight. Thus, the purpose of this study is to explore and to find out why Indonesia has developed into a renowned FinTech hub, what the barriers are to further growth for FinTech companies, and how FinTech is perceived to be contributing to the broadening of Financial Inclusion. The methodology used is a mixed-method approach consisting of 15 semi-structured interviews conducted through informal interviews, also studies policy analysis and comprehensive bibliographic research. Finally, the findings are that Indonesia has emerged as a centre for financial technology studies (FinTech) because of the success in introducing e-money, it is still found the inability of powerful financial institutions and a conducive business and regulatory environment related to FinTech in Indonesia. FinTech companies in Indonesia face a number of challenges that hamper growth, such as lack of managerial talent and software development, poor access to data and information, and lack of credit and investment levels. With regard to financial inclusion, FinTech undoubtedly allows many previously excluded Indonesians to access financial products and services. However, these Indonesians tend to be in the middle of the economic pyramid, and also smartphone owners, while those under the pyramid remain financially excluded. There is also evidence that some FinTechs can be really dangerous, especially because of a lack of regulation, which therefore allows companies to offer high-interest loans that are easily accessible to financially illiterate consumers.

Keywords: FinTech, disruptive innovation, financial inclusion, emerging markets, finance, technology, entrepreneurship

DOES RELIGIOSITY MODERATE THE INFLUENCE OF TRUST ON THE INTENTION TO USE SHARIA BANKING PRODUCTS

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ABSTRACT

Previous research uses religiosity as a predictor of the intention to use sharia banking products. This study aims to identify the role of religiosity as a moderating variable of the dimensions of trust in the intention to choose sharia banking products, which in the previous studies have not explained the model. The population in this study are students college who intend to use sharia banking products, and they are an age group that has potential financial prospects in the future. The number of samples in this research was 200 to meet the sample adequacy requirements in structural tests using SEM. Research data collection was guided by a questionnaire using convenience sampling techniques. The results of this study indicate that the dimensions of trust affect the intention to use sharia banking products. The surprising results indicate that religiosity does not moderate the effect of the trust dimension on the intention to use banking products. These results indicate that the intention to use sharia banking products is no different in the high or low religiosity groups. Further research is needed to identify behavior by adding other variables as antecedents of the intention to use sharia banking products.

ANALYSIS OF MAQASHID SHARIA INDEX (MSI) AGAINST CONSUMER BEHAVIOR PATTERNS

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ABSTRACT

One of the economic activities is consumption, the main target of this activity is human. An absolute consumer determines what will be consumed in the form of goods and services. The consumption pattern determines how human resources actually take advantage of existing natural resources. When needs and desires are indistinguishable then that is the goal of achieving absolute satisfaction regardless of the impact that occurs. Maqashid Syariah is present as a solution and able to provide moral standards that can be a reference to how to become a consumer. The need and desire of an inseparable thing, where everyone has a need that is translated by each individual. Necessity is a more valuable concept than just a desire. Want set based on the concept of utility, but need based on the concept of al-Maslahah human behavior in fulfilling his needs determines how he regulates the circulation fulfillment of needs and desires. The importance of education to meet the needs of life to always be owned by consumers, especially a Muslim. Because the basic principle of fulfilling the consumer needs of a Muslim has been introduced through the term Islamic Man.

JEL Classification: A14, D11, D18, D16, H41

Keywords: *Consumption, Necessity, Maqashid Syariah, Islamic Man*

FORMING WAQF BEHAVIOUR BASED ON THEORY OF PLANED BEHAVIOUR: A CONCEPTUAL PAPER

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ABSTRACT

Waqf as one of Islamic philanthropy, continues to grow in every era. It also has a wide economic impact on the Ummah. As one of the worship that can be developed, many types of waqf are arranged according to the condition of the people. however, what actually drives people to spend their wealth for waqf. The point of concern is that Every human behavior does not just happen, but through several stages which are also influenced by various things. Through the theory of planed behavior, Icek Ajzen explains that every human work is based on an intention that stands above, namely attitudes, norms and control over perceived behavior. By using this theory, researcher tried to make basic concepts in shaping waqf behavior, especially for Muslim students.

Keywords: Waqf, Waqf Behaviour, TPB

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