

Resolving Financing Strategy in Murabahah Transactions at PT. Bank Muamalat Indonesia (BMI) X regional Branch in The Perspective of Islamic Economics

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Abstract: - This study discusses the Strategy for Resolving Problematic Financing in Murabahah Transactions at PT. Bank Muamalat Indonesia (BMI) X regional Branch from a Sharia Economic Perspective. This study uses a qualitative approach, data collection techniques through interviews, observations, and documents. Data analysis by reducing data, presenting and verifying data. The results of the study indicate that problematic financing in Murabahah transactions at Bank Muamalat Indonesia (BMI) X regional Branch, the main factors of problems in Murabahah transactions are Internal and External Factors. However, after a strategy for handling problematic financing in Murabahah transactions was prepared, the problem could be resolved and has been running effectively. Viewed from a sharia economic perspective, the implementation of Murabahah financing activities at BMI X regional Branch is in accordance with the regulations of the National Sharia Council (DSN) and the Indonesian Ulama Council (MUI). The researcher's suggestion is that BMI X regional Branch should further develop Murabahah financing products, so that they are not only limited to land and building financing only.

Key-words: Problematic financing, murabahah transactions, Bank Muamalat Indonesia, sharia economy.

1. Introduction

Banks as financial intermediary institutions, in addition to collecting funds from the community, also channel these funds to the community in the form of credit or financing. The term credit is widely used in conventional banking which is based on interest, while in Islamic banking it is better known as financing which is based on the desired real profit (margin) or profit sharing.

In conventional banking, the distribution of funds to the community is always in the form of money which is then up to the debtor customer to use, meaning that the money issued by the bank can be used for productive or consumptive activities without considering whether the type of transaction is religiously permitted or not. The limitations only refer to the provisions of applicable positive law. Meanwhile, in Islamic

banking, banks provide financing in the form of providing real goods (assets), either based on the concept of buying and selling, renting, or profit sharing. Thus, the transactions that occur in Islamic banking are transactions that are free from usury or interest because there are always replacement transactions or underlying transaction, namely a business or commercial transaction that legitimizes an increase in wealth in a fair manner.

In order to comply with Islamic rules and norms, five religious aspects that are highly ranked in Islamic literature must be applied in Islamic investment or financing behavior. The five aspects are:

1. There are no interest-based financial transactions (riba)
2. Introduction of religious taxes or giving of alms, zakat.
3. Prohibition of production of goods and services that are contrary to the Islamic

value system (haram)

4. Avoidance of economic activities involving maysir (gambling) and gharar (uncertainty)
5. Provision of takaful (Islamic insurance)

In general, the product of distributing funds to the community is in the form of financing based on a sale and purchase agreement that produces a murabahah product.

The development of Islamic banking in this decade has become more evident after the enactment of Law Number 21 of 2008 concerning Islamic banking. With the enactment of this Law, the banking industry Sharia is expected to develop faster, not only concerning the products and services transacted, but also the transaction value. One of the advantages provided by Law No. 21/2008 is that this law still accommodates the dual banking system. The current system. Sharia Business Unit (UUS), namely a business that basically comes from a conventional general bank (BUK) is still valid. However, this relaxation does not apply forever.²

Furthermore, in Islamic banking, the term Murabahah is known with a credit payment mechanism³. Where in this mechanism there is a tug-of-war of interests between borrowers, banks and investors. For borrowers, this is a golden opportunity where borrowers are not too burdened by the interest on the loan. But for investors (depositors or other capital investments), this banking system is less promising. Investors (lenders) want the funds they invest to have a minimum return according to their expectations.

On the other hand, banks as intermediary media can have difficulty in collecting public funds. Bank operational activities in the form of credit distribution can be hampered if the mobilization of funds does not match the amount of funding requests. According to Law No. 21/2008, it is stated that the murabahah contract is a financing contract for an item by confirming its purchase price to the buyer and the buyer pays it at a higher price as an agreed profit. By changing the word sale and purchase to the word financing, implicitly Law No. 21/2008 states that murabahah transactions are not included in transactions subject to tax as is currently an obstacle for Islamic banks.

Meanwhile, the composition of Islamic banking financing is currently still dominated by murabahah (buying and selling). The dominance of Murabahah financing occurs because this financing tends to have a smaller risk and is more secure for shareholders. However, due to the dominance of this financing in Islamic banks, it is very necessary to pay attention to the risks that are not desired later, including in this case credit risk (financing). The reason is that when the margin between the financing customer and the bank has been agreed upon, the amount cannot change. This is advantages and disadvantages of Islamic banks. When credit interest rates in conventional banks increase, Islamic banks cannot increase the previously set margin. When economic conditions are good, financing with murabahah contracts will also be in line. However, when conditions are not good, Islamic banks must try harder. However, it is estimated that financing with this contract will still dominate. Although murabahah is dominant in financing, it does not mean that it is the largest contributor to the ratio of problematic financing. It all depends on how the bank manages risk, one of which is credit risk (financing).

Credit risk (financing) usually occurs because the counterparty (another party in our business) cannot fulfill its obligations (default). Credit risk (financing) is becoming increasingly important because lately there have been many defaults experienced by domestic and foreign companies and even countries.⁴

From the description of Murabahah financing above, in carrying out fundraising activities, Bank Muamalat Indonesia (BMI) X regional branch accepts deposits from the public.

Meanwhile, in the fund distribution activities, Bank Muamalat provides services in the form of financing and investment. Financing at BMI X regional branch is one of the backbones of banking activities. There are several types of financing offered by Bank Muamalat, including Murabahah financing. Murabahah financing itself is a transaction that is widely chosen as a fund distribution scheme from Bank Muamalat. Murabahah is financing with the principle of buying and selling goods at the original price with an additional agreed profit, with the bank as the seller and the customer as the buyer.

Payment can be made in installments or deferred according to mutual agreement.

However, the BMI X regional branch has a strategy that is implemented to overcome this. Transactio financing *Murabahah* problematic. BMI X regional branch is very successful and effective in reducing the number of problematic financing, although BMI X regional branch still adheres to Islamic values, so it is expected that the financing business it runs does not violate Islamic law. The strategy used does not burden customers and is not emotional in handling problematic financing, as long as These customers can still be invited to collaborate.

2. Literature Review

Definition of Financing

Financing, based on Article 1 point 25 of Law No. 21 of 2008 concerning Islamic banking, is the provision of funds or bills that are equated with it in the form of:

- a. Profit sharing transactions in the form of *mudharabah* and *musyarakah*;
- b. Lease transactions in the form of *ijarah* or hire purchase in the form of *ijarah mutanياهو bit tamlik*;
- c. Purchase and sale transactions in the form of *murabahah*, *salam* and *istishna* receivables; Lending transactions in the form of *qardh* receivables; and
- d. Service rental transactions in the form of *ijarah* for multi-service transactions.

Another definition of financing, based on Article 1 point 12 of Law No. 10 1998 in conjunction with Law No. 7 of 1992 concerning banking, is "the provision of money or bills that are equated with it based on an agreement or contract between the bank and another party that requires the financed party to *return the money or bill after a certain period of time with compensation or profit sharing.*"

Based on the provisions of the above laws and regulations, every customer of a sharia bank who receives financing from a sharia bank, whatever the type, after a certain period of time is legally obliged to return the financing to the sharia bank with compensation or profit sharing or without compensation for transactions in the form of *qardh* for a certain period of time with

compensation or profit sharing.

Determination of Financing Quality

The provisions of Article 9 of Bank Indonesia Regulation (PBI) No. 8/21/PBI/2006 concerning the quality of assets of general banks carrying out business activities through Sharia Principles as amended by PBI No. 9/9/PBI/2007 and PBI No. 10/24/PBI/2008, Financing quality is assessed from the following aspects:

- Business prospects;
- Customer performance; and
- Ability pay/ abilityhand over the ordered goods.

Based on the assessment of these aspects, the quality of financing is determined into 5 (five) groups, namely smooth, under special attention, less smooth, doubtful, and stuck. In banking practice, the quality of financing for the smooth group is called group 1 (one), for the special attention group it is called group II (two), for the substandard group it is called group III (three), for the doubtful group it is called group IV (four) and for the impaired group it is called group V (five).

The criteria for the components of the aspect of the application of financing quality classification are regulated in Attachment 1 of Bank Indonesia Circular Letter No. 8/22/Dpbs dated 18 October 2006 concerning the assessment of productive assets of commercial banks carrying out business activities based on sharia principles as amended by Bank Indonesia Circular Letter (SEBI) No. 10/36/Dpbs dated 22 October 2008 (SEBI No. 8/22/Dpbs). 5

In attachment 1 of the Bank Indonesia Circular Letter (SEBI), a distinction is made arrangement about Classification of financing quality based on financing product grouping, namely as follows:

1. Classification of the quality of *Mudharabah* and *musyarakah* ("MM");
2. Classification of the quality of *Murabahah*, *istishna*, *qardh*, and Multi-Service Transactions ("MIQT");
3. Classification of the quality of *Ijarah* or *ijarah muntahياهو bi Tamlik*; and
4. Classification of greeting quality.

Next, to determine the financing quality group,

in each financing product group. For example, for Muabahah products, from the aspect of the customer's ability to pay installments, financing is classified into:

Fluent

If installment payments are made on time, there are no arrears, in accordance with the terms of the agreement, financial reports are always submitted regularly and accurately, and the documentation of the receivables agreement is complete and the collateral binding is strong.

In Special Attention

If there is arrearspayment of principal and/or margin installments up to 90 (ninety) days, always submitting financial reports regularly and accurately, complete documentation of receivables agreements and strong collateral binding, as well as violations of the terms of receivables agreements that are not in principle.

Not that smooth

If there is arrearsPayment of principal installments and/or margins that have passed 90 (ninety) days to 180 (one hundred and eighty) days, irregular submission of financial reports and use of incomplete documentation of receivables agreements and strong collateral binding, occurs violation of the principal terms of the credit agreement, and attempting to extend it receivables Forhiding financial difficulties.

Doubtful

If there is arrearsprincipal installment payments and/or margins that have passed 180 (one hundred and eighty) days, the customer does not provide financial information or cannot be trusted, the documentation of the receivables agreement is incomplete and the collateral is weak and there is a principal violation of the main requirements of the receivables agreement.⁶

Congested

If there is arrearsprincipal installment payments and/or margins that have passed 270 (two hundred seventy) days, and documentation of accounts receivable agreements and/or collateral binding does not exist.

Murabahah Overview

The definition of Murabahah according to the term in Islamic jurisprudence means a certain form of sale and purchase when the seller states

the cost of acquiring the goods, including the price of the goods and other costs incurred to acquire the goods, and the level of finances required. ⁷ so that there is an agreement between the bank and the customer in the form of financing the purchase of something needed by the customer. This level of profit can be in the form of a lump sum or a certain percentage and acquisition cost. Payment can be made in cash or can be made at a later date that is mutually agreed upon.

Therefore, murabahah cannot itself contain the concept of deferred payment, as is generally understood by some people who know Murabahah only in relation to financing transactions in Islamic banking, but do not understand Islamic jurisprudence. The legal basis for Murabahah includes QS Annisa [4]: 29,

"People who eat (take) usury cannot stand but are like those who are possessed by the devil because of (the pressure of) insanity. Their situation is like that, because they say that actually buying and selling is the same as usury, even though Allah has permitted buying and selling by prohibiting usury. Those who have received a prohibition from their Lord, then continue to stop (from taking usury), then for him what he had taken previously (before the prohibition came); and its affairs are (up to) Allah. Those who repeat (take usury), then those people are the inhabitants of hell; they will abide therein." ⁹

Pillars and Conditions of the Murabahah Agreement

Pillars from contract financing *Murabahah* Which must filled by There are several things that customers and banks do when making transactions, namely:

1. The parties to the contract, namely ba'I (Seller) is the party who has the goods to be sold, and musyatari (Buyer) is the party who needs and will buy the goods;
2. The objects of the contract are mabi' (merchandise) and tsaman (price); and
3. Shighah. Namely Ijab and Qabul¹⁰

As for terms and conditions general *Murabahah* among others, namely:

1. The seller informs the customer of the cost of capital
2. The first contract must be valid according to the established provisions.

3. Contracts must be free of usury
4. The seller must explain to the buyer if there is a defect in the goods after purchase.
5. The seller must convey all matters relating to the purchase, for example if the purchase is made on credit.¹¹

Murabahah was originally a buying and selling concept that had nothing to do with financing. However, this form of buying and selling was then used by Islamic banking by adding several other concepts so that become a form of financing. However, the validity of such transactions depends on several conditions that must be observed so that the transaction is accepted according to sharia.

In this financing, the bank as the owner of the funds provides goods according to the specifications desired by the customer who determines the financing, then sells it to the customer with the addition of a fixed profit. Meanwhile, the customer will return his debt later in cash or installments.

Elements of Murabahah Financing

The Murabahah financing form has several basic characteristics/elements, and the most important is that the goods traded by the customer must remain under the bank's responsibility as long as the transaction between the bank and the customer has not been completed. The main characteristics/elements of Murabahah financing are as follows:

1. Murabaha financing is not a loan given with interest.
2. As a form of buying and selling, and not a form of loan.
3. *Murabahah* not used as a form of financing, except when the customer needs funds to purchase a commodity/goods.
4. The financier must have the commodity/goods before selling them to the customer.
5. The commodity/goods must be in the physical or constructive possession of the financier.
6. The best way to do Murabahah, which is in accordance with Sharia, is that the financier purchases the commodity through a third party as his agent before selling it to the customer.

7. A sale and purchase cannot take place unless the commodity/goods are in the possession of the seller, but the seller can promise to sell even though the goods are not yet in his possession.
8. In line with the principles stated above, Islamic Financial Institutions (LKS).
9. Other valid conditions that must be met in murabaha is commodities/goods purchased from third parties.
10. The murabahah financing procedure explained above is a complicated transaction when the parties involved have different capacities at different stages.
11. LKS may request the client to provide security upon request for timely payment of the outstanding amount.
12. If there is a 'default' (failure) by the buyer (customer)

In payment due, the price may not be increased.

Factors Trigger The occurrence Problematic Financing

The rapid development of Islamic banking has brought sharp competition among banks, not only in collecting public funds but also in distributing funds to the public (financing). The competition that occurred apparently also encouraged very aggressive attitudes and actions so that in the expansion of bank financing it was less fundamental to healthy business principles and financing decisions were made less carefully.

Problematic financing rarely arises suddenly, but comes gradually by giving signs of deviation to the bank first, unless an accident befalls the customer or their business sector. 12

The factors causing problematic financing are the same as the causes of other financing provided by banks/BMTs to their customers. The factors that trigger problematic financing Murabaha problems are generally caused by the following:

1. Viewed from the customer's perspective
 - a. The declining business conditions of financing customers. This is caused by poor managerial factors of customer companies such as weaknesses in purchasing and sales policies, weak supervision of costs and expenses, inappropriate

receivables policies and insufficient capital. 13

- b. Customer character/attitude. There is an element of intent by the customer to deceive the bank by providing data and information that is not actually good. In addition, there is bad faith from the customer in terms of repayment. loan, although the possibility of his business being good and growing.
- c. Termination of Employment (PHK). This is also one of the factors causing problematic financing. The prolonged monetary crisis has had a very broad impact, so that many companies have laid off their employees because they are no longer operating. As a result of the layoff, employees automatically do not have income

Which resulting in a decrease or not have the ability to pay the financing.

2. From the Bank's side
 - a. Lack of sharp analysis. For example, the analysis is not based on reasonable projection data such as ignoring the company's past operational and financial performance data.
 - b. The minimum requirements are not met, so the data is less accurate and less relevant. This is caused by the lack of verification to third parties/customers.
 - c. Weak monitoring. The last process in financing is monitoring, some

3. Research Method

This study uses a qualitative approach by taking a location at PT Bank Muamalat Indonesia (BMI) Tbk. X regional in Indonesia. This shows that the research location is considered very representative of the title the research proposed by the author, because besides the object being considered appropriate, it also provides a new nuance for researchers in adding to their research experience, especially at PT Bank Muamalat Indonesia (BMI) X regional branch which plays a very large role in building the people's economy based on Islamic law, especially in the city of X regional.

monitoring steps that must be done include: monitoring customer account mutations, monitoring installment payments, conducting routine visits to customer business locations and monitoring the development of similar businesses. 14

- d. The systems and procedures that are used as references are not heeded or do not follow the proper procedures and often result in deviations.
- e. Simply trusting the data provided by customers without comprehensive study and research.
- f. Environmental factors are factors that are beyond the reach of the bank and customers, such as natural disasters and changing government regulations.

Strategy as a set of specific goals and action plans, which if achieved will provide an expected competitive advantage. 15 The steps that are usually taken by the parties when problematic financing occurs in Murabahah transactions are as follows:

- a. Through the Consensus Path
- b. Dispute Resolution Mechanism Through Alternative Dispute Resolution Institutions
- c. Customer Complaints Agency
- d. Banking Mediation
- e. Arbitration Board
- f. Completion Financing *Murabahah* Through the Religious Court.

Data were collected through observation techniques, in-depth interviews, and data sourced from written documents. Data analysis is an effort to systematically search for and organize all interview notes, documentation and others to improve the researcher's understanding of the case being studied and present it as a finding. To analyze the data obtained by referring to the research method and the main problem, the author in this study uses a qualitative descriptive analysis method.

After a certain amount of data has been collected, the next step is to analyze the data through the stages of data reduction, data presentation and data

verification

4. Result and Discussion

Research Location Overview

The concrete idea of establishing Bank Muamalat Indonesia originated from the workshop on “Bank Interest and Banking” held by the Indonesian Ulema Council (MUI) on 24-25 Agustus 2024. in Gresik. The most important thing done by the MUI Team in addition to conducting approaches and consultations with related parties was to organize training for prospective staff through the Management Development Program (MDP) at the Indonesian Banking Education Institute (LPPI), to convince several Muslim entrepreneurs to become founding shareholders. To help smooth the tasks of the MUI, the Legal Team of the Indonesian Muslim Intellectuals Association (ICMI) was formed which is under the Chairman of Drs. Karnaen Perwaatmadja, MPA. This team is tasked with preparing everything related to the legal aspects of Islamic Banking.

Bank Muamalat succeed to bear predicate as Bank Foreign exchange Which the more strengthen the company's position as a Sharia Bank First And leading in Indonesia with various services and products that continue to be developed. When Indonesia was hit by a monetary crisis, the National Banking sector was crushed by bad debts in the corporate segment. Bank Muamalat was also affected by the crisis. In 1998, the Company recorded a loss of Rp105 billion.

In effort strengthen capitalization, Bank Muamalat sought potential investors, and was responded positively by the Islamic Development Bank (IDB) based in Jeddah, Saudi Arabia. At the GMS on June 21, 1999, IDB officially became one of the shareholders of Bank Muamalat. Therefore, the period between 1999 and 2002 was a time full of challenges as well as successes for Bank Muamalat because it succeeded in turning the condition from loss to profit from the efforts and dedication of every Muamalat Employee, supported by strong leadership, the right business development strategy, and adherence to the implementation of pure Islamic Banking

Specifically for the Central Sulawesi Province,

Bank Muamalat X regional Branch was inaugurated on October 14, 2004 with BI permit No. 6/1347/Dbps dated December 15, 2004. Until now in X regional City there is a Branch Office Assistant (KCP) in the West X regional District (KCP X regional Plaza) on Jalan Sis Al-Jufri which aims to provide comprehensive services to the community.

Problematic Financing

In general, there are several main problems that arise in Murabahah financing transactions between Bank Muamalat, X regional branch and customers. The main problems are, the existence of internal factors and external factors.¹⁶

Internal Factors

Internal factors are factors that occur in the Bank Muamalat Indonesia (BMI) X regional branch, and the most dominant main factor is the managerial factor. The emergence of difficulties in the company's finances caused by managerial factors can be seen from several things such as: weaknesses in purchasing and sales policies, weak inappropriate cost and expense monitoring of receivables policies.

1. Officer
 - a. Low ability or sharpness of the parties in resolving the problem
 - b. Conducting a feasibility analysis of financing requests submitted by customers.
 - c. The weakness of the Murabahah financing information system and their financing administration monitoring system.
 - d. Excessive interference from shareholders in financing distribution decisions.
 - e. The collateral binding is less than perfect
2. System
 - a. The distribution is not clear for what the Murabahah financing is for
 - b. Supervision and guidance from the Bank towards customers
 - c. Settlement or term
 - d. Management/policy
 - e. The committee consists of 3 people
 - f. Manager or official
 - g. System applications

External Factors

Factors beyond the control of the management of Bank Muamalat Indonesia (BMI) X regional branch, such as natural disasters, war, changes in economic and trade conditions, technological changes and others. Namely such as:

1. Customer
 - a. Character (character/morals) Customer Which don't want to pay
 - b. The customer's capacity is not able to pay the installments of the financing.
2. Environment
 - a. government policy
 - b. Environmental conditions
 - c. Economic condition or business competition

Rescuing problematic financing is a technical term commonly used in banking circles for efforts and steps taken at the BMI X regional branch in an effort to overcome Murabahah financing problems faced by customers who still have good business prospects, but are experiencing difficulties in paying principal and/or other obligations, so that customers can fulfill their obligations again.

The initial step of Bank Muamalat X regional branch to avoid problematic financing is preventive, namely analyzing customers, necessary so that Bank Muamalat X regional branch can be sure that the financing provided can be returned by its customers. Basically, BMI X regional branch pays attention to several main principles related to the overall condition of prospective customers. Assessment principles. The principle used in the BMI X regional branch is the 5C principle, namely:17

1. *Character*(Character/Morals)
BMI X regional branch before distributing funds to customers must already know and be sure that the nature or character of the people who will be given financing can really be trusted. This belief is reflected in the background of work or personal nature, such as: the way of life or lifestyle that is adopted, family circumstances and hobbies.
2. *Capacity*(Capacity and Ability)
BMI X regional branch assesses to what extent the business results obtained can pay off obligations on time according to the agreement at the beginning of the Murabahah transaction. The assessment of prospective customers includes: management, financial, marketing and technical capabilities.

3. *Capital*(Capital)
Usually BMI X regional branch is not willing to finance a business 100%, meaning that every customer who applies for financing must provide funds from other sources or their own capital. The assessment of capital is intended to determine the state of capital, sources of capital, and use.
4. *Collateral*(Guarantee)
Customers who will apply for Murabahah financing must provide collateral to the BMI X regional branch as a bond of trust in providing financing, as well as to reduce the risk of providing financing. Collateral should exceed the amount of financing provided. Collateral must be examined for its validity, so that no problems occur, then the collateral that is set can be used as soon as possible.
5. *Condition*(Business Conditions)
In assessing financing, the current economic conditions and future conditions should also be assessed according to each sector. In a (stable) economic condition, it is better not to provide financing for a particular sector first and if it is provided, it is better to also look at the prospects of the business in the future.

Settlement Strategy

On in principle implementation The settlement carried out by BMI X regional branch regarding how to resolve financing problems in Murabahah transactions, is left entirely to the parties or in other words adheres to the principle of freedom of contract. Namely by solving through several paths as follows:

Through the Path of Consensus

The steps that are usually taken by the parties when problematic financing occurs in Murabahah transactions are as follows:

- a. Returning to the previously existing agreement, which usually contains a Murabahah financing settlement clause consisting of a choice of law and a choice of forum or dispute resolution institution.
- b. The parties, namely the bank and the customer, sat down together again to discuss the problem with a focus on problem Whichin question
- c. Prioritize deliberation and family.
- d. The courts should be the last resort if necessary.

In the contract made between the BMI X regional branch and the customer regarding the settlement of Murabahah financing, the first thing mentioned is the mutual desire to conduct deliberations to reach a consensus if later there is a dispute regarding the implementation of the agreement or contract that has been agreed upon together. Only then if the deliberation and consensus fail. Then the parties and customers continue other agreed paths either through the Mediation Institution, Arbitration Institution or directly appointing the Court Institution. Thus the parties should expressly include in the agreement they make regarding the settlement of Problematic transactions in Murabahah financing. It would be better if in terms of resolving this dispute sequentially determined at least four alternatives namely by mutual consensus and if that fails then it can be taken through banking mediation, arbitration or through the courts.

- a. Dispute Resolution Mechanism Through Institution Alternative Dispute Resolution
- b. Customer Complaints Agency

In the process of resolving customer complaints, it consists of the bank and the customer or customer representative. The customer representative is an individual, institution or legal entity that acts as a customer's defender based on a special power of attorney from the customer. BMI X regional branch in handling customer complaints is required to resolve every complaint submitted by the customer or customer representative

Either oral or written submission by the customer or customer representative. Complaints are expressions of customer dissatisfaction caused by potential financial losses to customers that are suspected to be due to bank errors or negligence. Then what is meant by customers is parties who use bank services, including parties who do not have accounts but use bank services to conduct financial transactions.¹⁸

Banking Mediation

One of the alternatives carried out by the BMI X regional branch in resolving disputes that can be chosen by the parties is mediation where the resolution process involves a mediator to help the disputing parties to reach a resolution in the form of a voluntary agreement on some or all of the disputed issues.

The requirements to become a mediator are as follows: 19. Have knowledge in the fields of banking, finance and law, Have no financial or other interest in dispute resolution, Have no blood relations.

Where the mediator will play a role in the banking mediation process, which will later be carried out by a mediator from the Independent Banking Mediation Institution. Legally, the mediator does not have the authority to decide or provide a resolution to the dispute that occurs, but the mediator can offer various alternative solutions after know problems raised by the parties.

Arbitration Board

Settlement of Murabahah financing disputes through arbitration is as follows:

- a. Giving trust to the parties because the resolution is honorable and carried out with full responsibility
- b. The parties place great trust in the arbitration party, because it is handled by experts in their field (expertise).
- c. The decision-making process is fast, without going through complicated procedures and at low cost because there is an arbitration decision which is binding and a final decision.
- d. The parties voluntarily submit the resolution of their dispute to trusted persons (bodies), so that the parties will also voluntarily implement the arbitration decision.
- e. Because essence agreement Which contains a promise. In process arbitration onIn essence, it depends on peace which is the conscience of every person. Arbitration Which intended For finish transaction financing murabaha, on basically principled prioritize And givefair and quick resolution to customers and the BMI X regional branch.

Murabahah Financing Settlement

Through the Religious Court, dispute resolution through religious court institutions as one of the last efforts taken by Murabahah financing customers and the BMI X regional branch in terms of resolving problematic transactions in Murabahah financing where in the previous discussion it was explained about the Customer Complaints Institution, Banking Mediation, and Arbitration Board as one of the resolutions of

problematic transactions in Murabahah financing outside the court.

From the various resolution paths that have been explained previously, the BMI X regional branch has a special strategy that is used in handling problematic financing on transactions

Murabahahnamely, as follows:20

1. Reduction of payment installments, namely BMI X regional branch reduces the installments from the principal price that has been agreed upon at the beginning of the transaction, on condition that the financing is extended for the repayment period. Or by changing the conditions by making a new agreement between BMI X regional branch and the customer for the transfer of the Murabahah agreement to the Musyaraka agreement.
2. Billing after 10 days of due date has passed After the customer has passed the payment day agreed by both parties, the BMI X regional branch has the right to bill the customer directly. This is done after the customer has passed up to 10 days after the initial transaction. Because if this is allowed to continue, it will have an impact on the BMI X regional branch itself, which will result in the BMI X regional branch experiencing losses.
3. Sending a bill note In this case, the BMI X regional branch will send a bill letter, the contents of which urge the customer to quickly pay the outstanding obligations. In sending the invoice in an envelope, the BMI X regional branch should know name and identify the customer responsible for payment to BMI X regional branch.
4. The billing letter is formatted concisely and clearly, the intention of the letter with excessive sentences will eliminate the firmness and interest of the person reading it. Avoid the same billing letter wording from year to year, this will cause customers to memorize the contents of the billing letter. If this happens, the loss that the BMI X regional branch will get is the loss of billing power, and less encouragement for customers to pay. The solution, BMI X regional branch revised the wording of the billing letter so that the language feels communicative and effective. So that it seems that the message sent is strong, clear and urgent.
5. BMI X regional branch sends billing letters continuously 3 or 4 times in a short period. Each billing letter sending period, the contents of the letter (via post or institutional email) increase the BMI X regional branch's demand for customers to pay through increasingly demanding language. Then BMI X regional branch sends the next letter at intervals of a week or ten days with increasingly urgent (requests).
6. Get the basic reason for the payment delay directly from the customer. Try to get a back up from the customer's promise, after the payment plan is negotiated. However, if in handling the above, the problem of financing delays still occurs in the BMI X regional branch, then the BMI X regional branch can provide relief. for example postpone the installment schedule (rescheduling) or provide additional financial assistance. However, if the company's condition is no longer expected, then the BMI X regional branch can withdraw the collateral that has been pledged by the customer.
7. If the customer has good faith to pay his obligations but the customer is unable to pay it, then BMI X regional branch provides an extension of the time period by making a new contract. Where the contract will not increase the obligations that must be paid by the customer.
8. If the customer does not have good intentions in paying off his obligations, then the first step taken by the BMI X regional branch is through family deliberation. If through deliberation no good results are found, then BMI Observation inThe field directly has the right to withdraw the collateral that has been pledged by the customer. However, if the selling price of the collateral owned by the customer has a value greater than the obligation to be paid, then the BMI X regional branch must return the excess of the collateral selling price to the customer again.
9. Write-off, where the BMI X regional branch no longer collects according to the agreement at the beginning of the transaction, but the BMI X regional branch gives customers the freedom to pay off their installments at any time according to their income, but the bank

continues to supervise the customer until the installments are completed.

10. Auction of customer collateral, this is the last step taken by BMI X regional branch to pay off customer debt to the bank, because it has gone through several settlement processes but no settlement was found. So to cover all customer debts is to auction collateral.

The strategy implemented at the BMI X regional branch was very successful and effective in reducing the number of problematic financing, even though the BMI X regional branch still adheres to Islamic values. so it is expected that the Financing business that is run does not violate the provisions of Islamic law. The strategy carried out does not burden customers and is not emotional in handling problematic financing, as long as the customer can still be invited to cooperate, such as never avoiding problems and so on. This can be seen from the following data: 21

5. Conclusion

After the compiler conducted research in the field and reviewed it with a sharia economic perspective, the conclusion obtained from the results of the study was that problematic financing in murabahah transactions at Bank Muamalat Indonesia (BMI) X regional branch, the main factors of problems in Murabahah transactions are Internal and External Factors. However, after a strategy was prepared to handle problematic financing in Murabahah transactions, the problem could be resolved and has been running effectively. Viewed from a sharia economic perspective, the implementation of Murabahah financing activities at BMI X regional branch is in accordance with the regulations of the National Sharia Council (DSN) and the Indonesian Ulema Council (MUI)

The author also makes some suggestions that can be used as considerations. The suggestions are:

1. Further develop Murabahah financing products, so that they are not limited to land and building financing only.
2. Conducting socialization of Murabahah financing product settlement strategies to the community. So that the community better understands the Murabahah financing products implemented at the BMI X regional branch.

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