

Sharia Bank Practice in Indonesia: Theory and Practice

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ABSTRACT

The 1998 monetary crisis that hit Indonesia encouraged people to look for other economic alternatives, namely the sharia economy. However, the practice of Islamic economics in Indonesia is still thick with conventional economic practices, especially those found in Islamic financial institutions or Islamic banking. This study uses a qualitative research method to examine the literature to examine how the practice of Islamic economics in Islamic banking in Indonesia. The results show that the practice of sharia sharia economics, namely murabahah, the application of fines, and the use of contracts in Islamic banks in Indonesia is still far from the principles of Islamic law, and is supported by sharia economic regulators who misinterpret the implementation of sharia economics.

Keywords: *Sharia Bank, Islamic Economy, Conventional Bank, Sharia Economy, Banking System*

INTRODUCTION

In 1998, when in an instant the lives of millions of Indonesian people changed drastically, unemployment immediately increased rapidly and many entrepreneurs lost their businesses due to the economic crisis at the end of the New Order government. At that time, the economic crisis did not only hit Indonesia, but almost all countries in Southeast Asia, but in fact Indonesia was the country that took the longest to carry out its economic recovery process (Anshori, 2018). The length of the economic recovery process in Indonesia was due to the many factors that occurred at that time, but it is common knowledge that the main cause was the very weak level of public trust in political elites. The loss of public trust due to the serious level of corruption, collusion and nepotism by the government has also led to a loss of confidence in banking institutions.

Many conventional banks have to be liquidated, frozen, or even merged, due to banking practices that do not stipulate prudential principles (Anshori, 2018). Significantly increased interest rates made it difficult for banks to pay their obligations to depositors (cost of funds), coupled with the interest rates on loans extended to customers that could not be fully adjusted. On the other hand, many customers choose not to pay off their debts because the economic downturn has exacerbated the conditions experienced by the banking sector in Indonesia.

The occurrence of the 1998 economic crisis or commonly referred to as the monetary crisis forced the general public to broaden their horizons about financing systems other than the conventional or capitalist system. Indonesian people who are predominantly Muslim are looking for other alternatives that are in accordance with the provisions of the Koran and al-hadith, this alternative is sharia banking. Islamic banking itself has begun to develop in Indonesia since 1988 which was marked by the signing of the October 1988 policy package. The first Islamic bank to be established in Indonesia was Bank Muamalat with the ratification of the deed of establishment of bank muamalat by the Indonesian Ulema Council in 1991 (Anshori, 2018; Antonio, 2001). In its development, Islamic banks more often use the basics of conventional bank business calculations compared to Islamic sharia, but many people consider this to be reasonable. This fairness is due to the immature thinking of banking managers, and there is no movement that consistently criticizes the business system at Islamic banks, so that many people think that there is no difference between Islamic banks and conventional banks.

It's been 28 years since the first Islamic bank was established in Indonesia, but negative thoughts about Islamic banks seem to have never disappeared. Is it true that Islamic banks are just conventional banks labeled as sharia in Indonesia? This question makes sense to hear, because since Indonesia's independence in 1945, the system of government and the national economy have tended to separate themselves from religious principles. This will be explored further by researchers, so that it can be seen clearly how the practice of Islamic banking in Indonesia is in accordance with Islamic Shariah or not.

Literature Review

Shariah Economic

Some Islamic intellectuals, such as Tariq Ramadan stated that what is meant by Islamic economics is actually Islamic ethics in economics, that is, what distinguishes the Islamic economic system from others is its ethical principles. Islamic economics or Islamic economics is an economic system based on the Koran and al-hadith. Islamic economics is different from conventional or capitalist economics which is very concerned with maximizing profits with certain capital. In Islam it is not prohibited to take profits, because indeed trading practices are aimed at obtaining benefits from a transaction, but in Islam it is forbidden to take profits that are too high if it will burden the buyers. The characteristics of Islamic economics are:

- There is recognition of individual rights, but limited so that there is no monopoly that is detrimental to the general public.
- There is recognition of the rights of the people or the general public where the rights of the people take precedence over other rights.
- There is a belief that humans only hold a mandate from the Almighty. All the abundance of wealth that humans have comes from Allah, the almighty.
- The existence of the concept of halal and haram where all products (goods and services) must be free from haram elements which are prohibited in Islam.
- The existence of a charity system, namely the distribution of wealth evenly from the rich to the less fortunate.

- Does not allow interest or additions from a loan so that loans only allow the concept of profit sharing.
- There is a prohibition on hoarding wealth for Muslims. This is considered to impede the flow of wealth from the rich to the poor and is considered a grave crime.

Humans have the freedom to own property which is their personal property and wealth. However, the freedom that is applied is not unlimited freedom, this limitation can be in the form of lawful and unlawful, excessive or not in exploiting resources, or in consuming resources. In obtaining benefits from a transaction, humans may do it jointly or alone, but they still have to pay attention to the boundaries of good and bad, whether a transaction is lawful or unlawful.

“and let there be a group of people among you who call for virtue, instruct what is good and prevent what is evil; they are the lucky ones” (Ali-Imran : 104)

In social life, verses from Surah Ali-Imran; 104 can also be interpreted as a call for humans to help each other. Treating fellow Muslims as brothers, so it is obligatory to provide assistance when there are relatives in need. With the principle of brotherhood initiated by Islam, the level of social-economic inequality should be minimized as small as possible, so that there is no social jealousy in society.

“O you who believe, do not violate the symbols of Allah, and do not violate the honor of the forbidden months, do not (disturb) the had-ya animals, and the qalaa-id animals, and do not also) disturbing people who visit the Baitullah while they are seeking grace and pleasure from their Lord and when you have completed the pilgrimage, then it is permissible to hunt. And do not ever hate (your) against a people because they prevent you from the Masjidil Haram, encourage you to do wrong (to them). And help you in (doing) virtue and piety, and do not help each other in committing sins and transgressions. And fear Allah, verily Allah is severe in punishment.” (Al-ma'idah : 2)

Reaffirmed in the letter Al-Ma'idah verse: 2 that fellow human beings must work together in doing good, and do not hate other people because of their bad.

“O you who believe, be those who uphold (the truth) for Allah, bear witness fairly. And let not your hatred of a people encourage you to act unjustly. Be fair to you, because fairness is closer to taqwa. And fear Allah, verily Allah is Aware of what you do” (Al-ma'idah : 8)

By adhering to the verse above, economic actors who are blessed by Allah are those who act fairly, regardless of social status or differences in ethnicity and religion. This means that there is no difference in treatment between anyone whether they are rich or poor, because every human being has the same degree before God (Anshori, 2018). In Islamic economics, it is ordered that commercial activities run fairly and in a balanced way for each party. This means, every time a transaction is made, the buyer and seller may not do things that can harm each other, such as cheating or deceiving.

In order for the principle of justice to be applied, God commands humans to be transparent or to be detailed in every transaction.

“O you who believe, if you don't do mu'amalah in cash for a specified time, you should write it down. And let a writer among you write it correctly.” (Al Baqarah: 282)

Recording every time a transaction is made will clarify the nominal that was transacted and the time or place the transaction was made. The recording is done so that there is reliable evidence when there are parties who need the information, so as not to cause misunderstanding.

Banking in Islam

Bank comes from the French "Banque" or in Italian it is called Banco which means chest, table or place to keep money, because financial transactions in these institutions are usually carried out on a table. Based on Law Number 7 of 1992 concerning Banking, a bank is a business entity that collects funds from the public in the form of savings and distributes them to the community in order to improve the standard of living of the common people. Meanwhile, the definition of a bank according to Law Number 10 of 1998 Amendment to Law Number 7 of 1992 concerning Banking: A bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and or other forms in order to increase standard of living of many people. The banking system in Indonesia is divided into two, namely conventional banking which uses the interest system to gain profit, and the Islamic banking system which uses the principles of the Koran and al-hadith. In Islam "Bank interest" is something that is prohibited by Allah, because it harms every party who makes a transaction.

تُفْلِحُونَ لَعَلَّكُمْ اللَّهُ وَاتَّقُوا مُضَاعَفَةَ الرِّبَا تَأْكُلُوا لَا آمَنُوا الَّذِينَ أَيُّهَا يَا

"O you who believe, do not eat usury multiplied and fear Allah so that you may be successful.." (Ali Imraan: 130)

In other words, Islamic banks are banks that carry out all economic activities and transactions without relying on interest and are carried out based on the applicable Islamic religious law. Meanwhile according to the law. Article 2 PBI No. 6/24/PBI/2004 which regulates the Islamic banking system in Indonesia, states that Islamic banks are banks that carry out their business activities based on Islamic religious sharia law. If someone still uses the practice of usury in their economy, surely they will be destroyed and will not find peace in their life. This statement is taken from the word of Allah Subhana Wa Ta'la which reads:

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ذَلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا فَمَنْ جَاءَهُ مَوْعِظَةٌ مِنْ رَبِّهِ فَانْتَهَى فَلَهُ مَا سَلَفَ وَأَمْرُهُ إِلَى اللَّهِ وَمَنْ عَادَ فَأُولَئِكَ أَصْحَابُ النَّارِ هُمْ فِيهَا خَالِدُونَ (٢٧٥) يَمْحَقُ اللَّهُ الرِّبَا وَيُزِيلُ الصَّدَقَاتِ وَاللَّهُ لَا يُحِبُّ كُلَّ كَفَّارٍ أَثِيمٍ (٢٧٦) إِنَّ الَّذِينَ آمَنُوا وَعَمِلُوا الصَّالِحَاتِ وَأَقَامُوا الصَّلَاةَ وَآتَوُا الزَّكَاةَ لَهُمْ أَجْرُهُمْ عِنْدَ رَبِّهِمْ وَلَا خَوْفٌ عَلَيْهِمْ وَلَا هُمْ يَحْزَنُونَ (٢٧٧) يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ (٢٧٨) فَإِنْ لَمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِنَ اللَّهِ وَرَسُولِهِ وَإِنْ تُبْتُمْ فَلَكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ (٢)

"Those who eat (take) usury cannot stand up but are like the standing of a person who has been possessed by a devil because of (pressure) madness. Their situation is like that, is because they say (opinion), Indeed, buying and selling is the same as usury, even though Allah has made buying and selling lawful and usury forbidden. those who have reached him a ban from his Lord, then continue to stop (from taking usury), then for him what has been taken first (before the prohibition comes); and his affairs

(submitted) to Allah. people who return (take usury), then that person is the inhabitants of hell; they live in it.

Allah destroys usury and nourishes alms. and Allah does not like Everyone who remains in disbelief, and always sins. Verily, those who believe, do good deeds, establish prayers and pay zakat, they will be rewarded with their Lord. there is no concern for them nor do they grieve. O you who believe, fear Allah and leave the rest of Riba (which has not been collected) if you are believers. So if you don't do (leave the rest of usury), then know that Allah and His Messenger will fight you. and if you repent (from taking usury), then for you the principal of your wealth; you do not persecute and are not (also) persecuted.” (**Al-Baqarah: 275-279**)

Because interest-bearing loans from conventional banks are prohibited in Islam, it is good if Muslims always consider well if they want to borrow funds from conventional banks, and it is better if we use the services of Islamic banks which do not contain usury and benefit both parties..

Riba (Interest)

Riba, according to the meaning of language means addition (az-ziyadah), growing (an-numuw), increasing (al-irtifa'), and growing (al-uluw). In other words, usury is the addition, development, increase and enlargement of the principal loan received by the lender from the borrower in return for suspending or separating from a portion of his capital for a certain period of time. AL-HUSHNI (1993) explained Broadly speaking, usury is grouped into two usury debts and usury buying and selling. The first riba is divided into qardh riba and jahiliyah riba. Whereas the second usury, usury buying and selling, is divided into usury fadhl and usury nasi'ah.

1. Riba Qardh, namely a benefit or a certain level of excess required for the debtor (muqtaridh)
2. Riba Jahiliyyah, namely the debt is paid more than the principal, because the borrower is unable to pay the debt at the stipulated time.
3. Riba Fadhl, namely the exchange between similar goods with different levels or doses, while the goods exchanged are included in the type of ribawi goods.
4. Riba Nasi'ah, namely the suspension of the delivery or receipt of ribawi items that are exchanged with other types of ribawi goods. Riba in nasi'ah appears because of differences, changes, or additions between what is submitted at this time and what is submitted later.

The mention of Riba as interest does not eliminate the illegitimate law inherent in its nature, because interest is an addition that must be paid by the customer to the creditor (Nailufarh, 2011). In Islam, Allah directly prohibits the law from adding burdens to debtors without the consent of the two parties. Riba is discussed in several verses of the Qur'an such as:

وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا

“Whereas Allah has justified buying and selling and forbidding usury.” (Al-Baqarah : 275)

تُفْلِحُونَ لَعَلَّكُمْ اللَّهُ وَاتَّقُوا مُضَاعَفَةَ الرِّبَا تَأْكُلُوا الرِّبَا لَا أَمَنُوا الَّذِينَ آتَيْهَا يَا

"O you who believe, do not eat usury multiplied and fear Allah so that you may be successful.." (Ali Imraan: 130)

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ

"O you who believe, do not eat each other's wealth in a vanity way, except by way of commerce that applies with your likes and likes." (An-Nisa : 29)

There is a saying that "debt makes you restless during the day, and makes you unable to sleep at night". Similar but not the same, Imam Ahmad ibn Hanbal said that:

الْبِرُّ مَا أَظْمَأَنَّ إِلَيْهِ النَّفْسُ وَأَظْمَأَنَّ إِلَيْهِ الْقَلْبُ، وَالْإِنَّمُ مَا حَاكَ فِي النَّفْسِ وَتَرَدَّدَ فِي الصَّدرِ وَإِنْ أَفْتَاكَ النَّاسُ وَأَفْتُوكَ

" Kindness is whatever soothes your heart and soul. Meanwhile, sin is what causes the heart to be indecisive and anxious even though many people say that it is a virtue." (Imam Ahmad)

Some of Allah's words and the hadiths exposed above are forms that conventional banking which focuses its activities on capital turnover containing usury is prohibited by Allah, and can bring unwanted things if it is carried out regardless of how much and how little the usury is.

RESEARCH METHOD

This research is a qualitative research using an interpretive paradigm, and using the literature review method as a research method. Qualitative research with an interpretive paradigm is used because it aims to find out the problems that exist in Islamic economic practices in Islamic banking in Indonesia and their suitability with Islamic economic rules in accordance with the Koran and Hadith. A qualitative approach is used to explore a phenomenon more deeply and will be interpreted and explained in more detail and clearly, because the researcher places himself directly into the environment where the phenomenon under study occurs (Cresswell, 2013). The interpretive paradigm is informed by the emphasis on understanding the world as it is, on understanding the natural basis of the social science world at the level of subjective experience. The interpretive paradigm aims to explain the stability of behavior from an individual's point of view, that is, from the researcher's point of view (Burrell & Morgan, 1979). The literature review method is used to study Islamic economic practices in Islamic banking in Indonesia that have been studied by previous researchers, then compare these practices with Islamic economic rules according to the Koran and Hadith. The literature review in this study focuses on exploring the practice of murabaha contracts, implementation of fines, and the practice of multiple contracts in Islamic financial institutions or Islamic banking.

DISCUSSION

Indonesia and Malaysia were the first countries to develop Islamic banking in the Southeast Asian region, even the development of Islamic banking in the two countries was quite rapid because it was supported by the majority of its people who

were Muslims (Prabowo, 2016). The rapid development and age of Islamic banks which have entered 28 years does not make all people believe in the "halalness" of this bank.

There are many people who think that Islamic banks are only conventional banks, which must say "bismillahirrahmanirrahim" before a transaction occurs, nothing more.

"what is sharia bank? Nothing. Both are calculated using interest" (Mr. Amin, Surabaya-2021)

"you don't be fooled by so-called sharia banks, the interest is higher than conventional banks" (Mr. Dwi, Yogyakarta-2021)

The two arguments above were issued by students who felt that the practice of Islamic banking in Indonesia was still full of ambiguity. The first opinion underscores the use of interest as the main benchmark for conventional banking profits, which is also used as the main calculation benchmark by Islamic banking. This makes the image of sharia banking in the eyes of the public no different from conventional banking, so that the majority of Indonesian people are Muslim do not believe in the halalness of banking services in Indonesia. The second opinion underlines the condition where Islamic banking has a greater percentage of profit taking than conventional banking. This condition is actually a double-edged sword for Islamic banking, because there is a high possibility that Indonesian people prefer conventional banking to Islamic banking.

One form of channeling funds to Islamic banks is through murabaha financing products, which are buying and selling of goods at the original price with an additional agreed profit. The murabaha system requires the seller to notify the purchase price of the goods to the prospective buyer, and also to inform the amount of profit plus the cost of the product (Antonio, 2001; Balz & Saeed, 2000; Sjahdeini & Mangunwijaya, 1999). The basis of sharia for the permissibility of murabaha is:

"O you who believe, do not eat each other's wealth in a vanity way, unless there is a transaction between you" (An-Nisa': 29)

Antonio (2001); Sjahdeini dan Mangunwijaya (1999) state that the correct murabaha principal are:

1. There is a seller (ba'i);
2. There is a buyer (musytari);
3. Objects or goods (mabi') that are traded;
4. Price (tsaman) selling value of goods based on currency;
5. Ijab kabul (sighat) or contract formula, a statement of will by each party.

In conventional banks, before both parties agree and make transactions, the customer is required to deposit collateral. The guarantee is intended so that if the customer cannot pay off his obligations in the future, then the guarantee will become the right of the bank. However, the Islamic economic system does not recognize a guarantee system to replace obligations if they cannot be paid. This has been confirmed by National Sharia Council (DSN) fatwa No. 04/DSN-MUI/IV/2000 which explains that guarantees or dhommans in murabaha financing are permissible so that customers are serious about their orders, so that dhommans can be explained that they are allowed to know the seriousness of customers (musytari) with their orders to the bank (ba'i). The guarantee is only used so that the bank ensures the seriousness of the customer, and

will be returned when the murabahah contract is implemented. In practice, in murabahah financing at Islamic BTN, there is a dhomman element that has an important position where dhomman is a must, even though the position of dhomman in theory is that there is no need for a dhomman element in every product of Islamic banks because the initial provisions of Islamic banks do not recognize dhomman but instead use belief system (Prabowo, 2016).

Another practice that is criticized is when the bank does not carry out buying and selling transactions but lending and borrowing. The murabahah financing contract that usually occurs is that the bank (ba'i) will provide funds which then with a power of attorney from ba'i, the customer is given the mandate to buy the building materials he needs on condition for 30 days, this happens because the the bank reasoned that it would be difficult if all aspects had to be carried out by the bank (Prabowo, 2016). In addition to this scheme, the bank often only becomes a "salesman" between the seller and the buyer, without any goods being held by the bank. The above scheme releases the responsibility of the bank to have "merchandise" first. The risk of damage to the merchandise is not borne by the bank, but is a matter between the owner of the merchandise and the buyer (Prabowo, 2016; Sumiyanto, 2004; Wafa, 2017). If you examine in more depth the fact that Islamic banks are only "salesmen" between sellers and buyers, murabahah or buying and selling contracts cannot be used in this transaction. A murabahah contract can only be used if the terms of murabahah are: There is a seller (ba'i), There is a buyer (musytari), Objects or goods (mabi') being traded, Price (tsaman) selling value of goods based on currency, Ijab kabul (sighat)) or the contract formula is a statement of will by each party. fulfilled. The reality that occurs in Islamic banking practices in Indonesia is that Islamic banks are positioned as intermediaries between sellers and buyers (customers) or as providers of capital for customers, but Islamic banks use murabahah contracts in their implementation.

Islamic banks may not use murabahah roots to get customers or to launch their business, because Islamic banks are not traders who own merchandise desired by customers, but are only limited to providing capital for customers to buy goods, or only as intermediaries for customers to meet buyers. Furthermore, goods traded by Islamic banks and customers do not belong to Islamic banks who consider themselves to be sellers, but the goods actually belong to the seller. Judging from these two points, namely the existence of sellers and objects of sale and purchase, the actions taken by Islamic Banks have violated the sharia rules that apply to murabahah contracts, and make activities that use murabahah contracts by Islamic Banks should not be allowed.

In addition to the misuse of murabahah contracts by Islamic banks in Indonesia, Islamic banking in Indonesia is still closely related to the existence of Riba Jahiliyyah, namely the debt is paid in excess of the principal, because the borrower is unable to pay the debt at the stipulated time, which is known as "fines". A fine is a penalty that must be paid in the form of money for violating an agreement or law, or an applicable provision (Aliminsyah & Padjji, 2003). Fatwa of the National Sharia Council (DSN) No.17 of 2000 states that Islamic Banks may ask for Ta'widh (compensation) from customers if the customer does something that is detrimental to the Islamic Bank. The fatwa was issued by DSN on the basis of Al-Quran surah Al-Maidah verse 1, namely with the translation "O you who believe, fulfill the contracts", to bind customer commitments

when they cooperate with Islamic banks. *Ta'widh (compensation) can actually be requested from customers by Islamic Banks if Islamic Banks get or experience losses caused by intentional negligence by customers* (Afrianty, 2018).

Afrianty (2018) stressed that Islamic Banks can only ask for Ta'widh (compensation) to customers if the customer commits intentional negligence, or is done with the intention to harm the Islamic Bank. Sari (2008) argues that the provisions for receiving Ta'widh (compensation) are that the losses incurred are done intentionally, real losses can be calculated clearly, the amount of compensation must reflect the losses incurred and not estimates, compensation is only charged to transactions giving rise to debts. Opinion based Afrianty (2018) and Sari (2008) losses that are not caused intentionally cannot be penalized, and Islamic Banks must first calculate the total losses they feel before holding the customer accountable. Case study from Sari (2008) at Bank Mega Syariah found that Bank Mega Syariah uses the calculation of potential lost profits to determine the amount of compensation for customers who deliberately neglect their obligations to fulfill their obligations. The imposition of Ta'widh (compensation) at Bank Mega is in fact in accordance with sharia provisions, which is imposed on customers who are able and deliberately neglect their obligations. However, the actual delay in payment should not be calculated when the agreement period is in progress or it has not passed the specified maturity period.

Bank Mega Syariah imposes fines on customers when customers are late in fulfilling their routine (monthly-weekly) installment obligations, in other words Bank Mega Syariah has asked for compensation from customers even though the customer has not passed the agreed maturity period. Murabahah is a sale and purchase contract using the installment method, namely by selling an item by confirming the purchase price to the payer at a higher price as profit (Antonio, 2001). Therefore, Bank Mega Syariah should assume that they will get a profit at the end of the loan period, after the customer has paid off all their obligations, and not take into account the periodic (monthly-weekly) murabahah profit. If Bank Mega Syariah or other Islamic Banks have imposed fines and required customers to pay compensation before the agreed maturity date, then Islamic Banks have carried out Riba practices.

The third problem and the biggest problem in the practice of Islamic banking in Indonesia is the contract "game", in which the Islamic bank and the National Sharia Council justify the occurrence of double contracts (Antonio, 2001). In fiqh terms, a dual contract is a combination of various types of contracts in sharia financing. Al'uqud al murakkabah or murakkab contract is a combined contract consisting of two or more contracts and cannot be separated. This contract occurs a lot in Islamic banks such as *ijarah Rompiiya bittamlik*, *musyarakah mutanaqisah* and others. Dual contracts are practiced by Islamic banking in Indonesia as a form of innovative Islamic financing products so that Islamic banking is able to maximize the potential of Islamic banking in Indonesia. The practice of multiple contracts that occurs in Indonesia is actually a hope that Islamic banking customers will always increase each period, and can boost the development of Islamic banking in Indonesia. However, this noble goal is not accompanied by good religious procedures or norms, because it justifies the practice of double contracts.

If we trace the issue of the double contract in the hadith, only three words in the hadith confirm it, namely bai'ataini fi bai'atin, shafqataini fi shafqatin and bay salaf. The double contract is bai'ataini fi bai'atin referring to the hadith narrated by An-nasa'i hadith number 4553 with the translation "Rasulullah shallallahu 'alaihi wasallam prohibits two buying and selling in one buying and selling contract". A double contract is bai'ataini fi bai'atin because it can lead to price uncertainty and tends to lead to usury practices. Multiple contracts also cause ambiguity, because the seller and the buyer cannot determine with certainty which contract is stronger or more important than other contracts, then the consequences if a contract is broken. Multiple contracts are expressly prohibited by sharia because they have the potential to harm one of the parties by taking advantage of certain parties' conditions for the benefit of the other party (Jureid, 2001).

Multiple contracts are shafqataini fi shafqatin which can be said to be collected contracts, that is, there are several contracts used in one transaction or one object of the contract (Jureid, 2001). This double accumulated contract can occur by combining two contracts which have different legal consequences in one contract for two objects with two prices, or two contracts in one contract with different laws for one object with one reward, either at the same time or at the same time. different. A double contract is a bay salaf by emphasizing the prohibition in the two previous hadith contexts, accompanied by examples of cases, namely a salaf contract or ordering goods with payment in advance, or a kind of goods indent, with a sale and purchase contract in one transaction or contract.

The use of multiple contracts in Islamic banking is not a hidden practice, but rather becomes the main practice and the main weapon of Islamic banking to expedite all their efforts to get customers. Mingka (2014) believes that dual contracts or hybrid contracts are a necessity or necessity, because multiple contracts are believed to be no longer capable of facilitating the needs of Islamic banking and customers to follow the contemporary financial system. Saraswati and Hidayat (2017) found that the double contract practice was carried out by Bank Syariah Mandiri to make it easier for Bank Syariah Mandiri to carry out the process of taking over sharia residential financing from the first bank to Bank Syariah Mandiri. Bank Syariah Mandiri first uses the Bai' contract to take over residential assets, then uses the Murabahah contract to transfer ownership of the residential assets to the customer (Saraswati & Hidayat, 2017). The object being contracted is in the form of a house whose remaining credit has been paid by the Islamic Financial Institution (LKS) to the Conventional Financial Institution (LKK). After determining the object of the contract, the capital and profits that have been issued and will be obtained by Bank Syariah Mandiri will be discussed at the beginning of the agreement. After an agreement is made between the customer and Bank Syariah Mandiri, the customer must then pay the remaining installments of his credit debt to Bank Syariah Mandiri.

The procedure carried out by Bank Syariah Mandiri is in accordance with the fatwa of the National Sharia Council Number 31/DSN-MUI/VI/2002, namely that Sharia financial institutions may assist the community by transferring non-sharia transactions that have been running, with sharia transactions, which are based on Al -Baqarah verse 275 with the translation "Allah has justified buying and selling and forbidding usury".

The DSN fatwa provides an alternative for LKS to provide qardh (loans) to customers, then with these qardhs the customer pays off his credit (debt); and thus, the assets purchased with the credit become the full property of the customer. After the customer's debt to Conventional Financial Institutions related to assets is paid off, the customer sells the assets referred to in number 1 to the LKS, and with the proceeds from the sale, the customer pays off his qardh to the LKS. In the end, the LKS sells the assets that have become its own murabahah to the customer, with payment in installments.

At first glance, this procedure looks very noble, where Islamic Banking helps people pay off their debts to Conventional Banking. However, what is done by Islamic banking is the same as what is done by conventional banking, it's just that it starts with the word "bismillah". The first point that needs to be considered in an asset take over transaction by Islamic Banking is that Islamic Banking uses two contracts in the transaction. The first contract is a lending and borrowing contract between an Islamic bank and a customer, coupled with a murabaha contract, which must sell the assets to the Islamic bank. The third contract is murabahah (buying and selling) between the Islamic Bank and the customer, in which the Islamic Bank obliges the customer to purchase assets sold by the customer to the previous Islamic Bank. The second point is, Islamic Banks do not have assets that they will sell to previous customers. This is caused by the absence of authentic evidence of Islamic Bank ownership of the object of sale and purchase, and only buying shortfalls of customer debt at Conventional Banks.

When examined further, residential take over transactions carried out by Bank Syariah Mandiri are things that are prohibited by Islamic Sharia. This was caused by the occurrence of a double contract, and not the sale and purchase of assets but the sale and purchase of debt. However, what Bank Syariah Mandiri is doing is legally correct or the fatwa of the National Sharia Council, because the DSN makes these rules. Thus, it can be concluded that Bank Syariah Mandiri committed a violation of Islamic Shari'a because the National Shari'a Council made rules that violated Islamic Shari'a first.

CONCLUSION

The occurrence of the 1998 economic crisis made Indonesian people, who are predominantly Muslim, look for other alternatives that are in accordance with the provisions of the Koran and al-hadith, namely sharia banking. Sharia banking that upholds the SHARIA economy or Islamic economics which has differences from conventional or capitalist economics which is very concerned with maximizing profits with a certain capital. Islamic banking is strictly prohibited from practicing usury, namely the addition, development, increase and enlargement of the principal loan received by the lender from the borrower as compensation for suspending or separating from a portion of their capital for a certain period of time. However, the practice of Islamic banking in Indonesia is very far from the practice of Islamic economics that should be used. The murabaha practice of Islamic banking in Indonesia requires customers to deposit collateral in advance with the Bank, so that customers can obtain financial assistance from the Bank. Sharia banking also does not have assets that are used as murabaha objects (buying and selling) with customers, because this is considered a hassle for Islamic banks. This condition has invalidated the validity of the murabahah

contract which requires the seller to own the object of the murabahah before the sale and purchase contract is carried out.

The second problem occurs because Islamic banks impose fines on transactions, which are borne by customers if customers intentionally do not fulfill their monthly debt payment obligations. Islamic banks are basically allowed to ask for compensation for losses they experience from customers, but the concept of Islamic economics only recognizes compensation if the debtor does not fulfill their obligations at the end of the debt period (deadline), not when the loan agreement period is still running. The practice of imposing fines or compensation applied by Islamic banking is considered not in accordance with Islamic law because it creates usury. The third problem is the application of hybrid contracts that occur openly, are legalized by the National Sharia Council, and become the main weapon to expedite Islamic banking operations. Multiple contracts are expressly forbidden by Islam based on existing hadiths, because they can trigger ambiguity, usury, and harm one of the parties. An example of the application of a dual contract occurs in the method of switching non-sharia residential installments to sharia installments. Customers can change their installments into sharia installments if they sell the remaining assets owed by conventional banking to Islamic banks, provided that the customer must buy back these assets from Islamic banks.

Islamic banking in Indonesia is an Islamic financial institution that is obliged to follow sharia economic regulations initiated and stipulated by the National Sharia Council, then their operational activities are also supervised by the National Sharia Council. Therefore, sharia banking activities that clearly violate sharia are activities that are in accordance with the rules of the National Sharia Council, so that it can be concluded that violations of sharia economic rules in Indonesia originate from the makers of sharia economic rules in Indonesia, supervisors of sharia economics in Indonesia, and sharia economic actors in Indonesia.

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