IMPLEMENTATION OF THE MUDHARABAH AKAD ON ISLAMIC BANKING WORKING CAPITAL PRODUCTS AT BANK SUMSEL BABEL SYARIAH, PALEMBANG BRANCH

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Abstract: The problem in this study is about the mechanism of financing Islamic Banking (iB) working capital products with mudharabah agreements at Bank Sumsel Babel Syariah, Palembang Branch. Then, the strategy was carried out by Bank Sumsel Babel Syariah, Palembang Branch to minimize the risk of iB working capital financing on mudharabah contracts, inhibit and support factors for customers in applying for iB working capital financing at Bank Sumsel Babel Syariah Palembang Branch. This research is field research using qualitative research methods. Primary data sources are data obtained directly from the studied source by systematically observing and recording the problem at hand. Secondary data sources support discussions and are obtained from others in the form of reports, books, and newspapers. The data collection method also uses interview, observation, documentation methods. The results of the study found that the implementation of mudharabah contracts on working capital iB products is under DSN fatwa Number: 07/DSN-MUI/IV/2000 on mudharabah financing. Bank Sumsel Babel Syariah uses risk management implementation strategies, analyzes customer eligibility, conducts surveys, and conducts supervision after conducting searches to minimize financing risks. Some factors inhibiting customers from applying for financing, namely in completing the file, and factors that encourage Islamic banks to use a revenue-sharing system do not use the element of riba (interest).

Keywords: mudharabah contract; working capital financing; profit sharing.


Kata kunci: kontrak mudharabah; pembiayaan modal kerja; bagi hasil.

Introduction

In everyday speech, banks are known as financial institutions whose main activities are accepting current accounts, savings and time deposits. then the bank is also known as a place to borrow money (credit) for people who need it. In addition, a bank is also known as a place to exchange money, transfer money or accept all forms of payments and deposits.

According to the Republic of Indonesia Law Number 10 of 1998 concerning banking, what is meant by BANK is “a business entity that collects
funds from the public in the form of savings and distributes it to the public in the form of credit and or other forms in order to improve the standard of living of the people at large”.

Whether we realize it or not, currently, sharia banking is in great demand by Indonesians. Even sharia banking enthusiasts tend to increase from year to year. This is because sharia banking is considered very promising and not detrimental to its customers. In addition, future prospects are also considered clear and not disappointing. So that the role of sharia banking has become increasingly popular for the people of Indonesia.

The characteristics of the sharia banking system that operate on the basis of profit sharing principles provide an alternative banking system that is mutually beneficial for the public and the bank, as well as highlighting aspects of fairness in transactions, ethical investment, prioritizing the values of togetherness and brotherhood in production, and avoiding speculative activities in transactions. finance.

By providing a variety of banking products and services with more varied financial schemes, Islamic banking has become an alternative to a credible banking system that can be enjoyed by all groups of Indonesian people without exception.

Sharia bank is financing based on the principle of profit sharing (mudharabah), financing based on the principle of capital participation (musharakah), the principle of buying and selling goods by obtaining profit (murabahah) or financing of capital goods based on the principle of pure lease without choice (ijarah) or with the existence of options. Transfer of ownership of goods leased from the bank by another party (ijarah wa iqitina). The banking system based on previous sharia principles in Indonesia was only carried out by sharia banks such as Bank Muamalat Indonesia and now has been conducting by Bank Syariah Indonesia (BSI). While the principles of sharia are principles of Islamic law in banking activities based on fatwas issued by institutions that have the authority to stipulate fatwas in the field of sharia (in this case Indonesian Ulema Council-MUI). That is, the operation of a sharia bank is based on the Quran and the Hadith. The sharia bank operating system uses a profit sharing system which is one of the differences with conventional banks.

Basically, the products offered by Islamic banks include distribution of funds in the form of financing, collection of funds in the form of deposits called Board of Financial Supervisors-DPK, and services. Now, financing in Islamic banking has experienced a very significant development. The objective of financing based on sharia principles is to increase employment opportunities and economic prosperity in accordance with Islamic values.

 Broadly speaking, financing products in Islamic banks are classified into four: financing based on sale and purchase principles, financing with lease principles, financing with complementary contracts and financing with profit sharing principles.

Mudharabah and musyarakah financing are included in financing with the profit sharing principle. In the profit sharing principle, the determination of the profit sharing ratio is made at the time of the contract based on the possibility of profit and loss, the amount of the ratio depends on the profit earned where the amount of profit will increase according to the increase in profits, and if the business loses the loss shall be borne jointly by both parties.

Mudharabah and musyarakah financing touches more on the real sector and moves the economy. Islamic banks are proven to be effective in playing their role as intermediary institutions and developing the real sector through mudharabah and musyarakah financing as well as profit and loss sharing instruments, naturally having a role in curbing inflation and encouraging economic growth by encouraging reproduction and stimulating the domestic economic system.

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1 Kasmir, Banks and Other Financial Institutions, (Depok: Raja Grafindo Persada, 2014), revised edition, p. 24
2 Ismail, Islamic Banking, (Jakarta: Kencana Prenada Media Group, 2011), 1st ed, 1st print, pp.29-30
4 Kasmir, Banks and Other Financial..., p. 26

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growth. Even so, financing with this principle has not grown optimally and the concentration of financing is still focused on murabahah financing.

In practice, Islamic banks mostly use murabahah contracts (financing with the buying and selling principle) in the distribution of financing. The definite characteristics of murabahah in the amount of installments and margins also give rise to the perception that the use of a murabahah contract can reduce the level of financing risk.\(^8\)

Data compiled by Bank Sumsel Babel Syariah through Islamic banking statistics show that in Palembang, from year to year, murabahah financing in Islamic banks still dominates compared to financing with other contracts. The development of the financing composition can be seen in the following table.

<table>
<thead>
<tr>
<th>Year</th>
<th>Murabahah</th>
<th>Mudharabah</th>
<th>Musyarakah</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>110</td>
<td>31</td>
<td>40</td>
</tr>
<tr>
<td>2018</td>
<td>102</td>
<td>27</td>
<td>34</td>
</tr>
<tr>
<td>2017</td>
<td>98</td>
<td>21</td>
<td>29</td>
</tr>
<tr>
<td>2016</td>
<td>85</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>2015</td>
<td>76</td>
<td>9</td>
<td>14</td>
</tr>
</tbody>
</table>

The still low share of profit-sharing financing or the dominance of non-profit sharing financing, especially murabahah in the sharia bank financing portfolio, is a global phenomenon, including in Indonesia. This phenomenon is due to the fact that profit-sharing based financing tends to have a greater risk when compared to other financing. Although the profit sharing principle is a characteristic of Islamic banks, the risks faced are quite large, namely the risk of moral hazard and high transaction costs.\(^9\)


\(^9\) Yuli Setia, Analysis Of Financing Accounting Treatment Mudharabah, (Case Study At PT Bank Muamalat Indonesia, Tbk), ( Jakarta, High Chool Of Economic Science Indonesia Banking School, 2015).


**Mudharabah** is an agreement contract between two or more parties to carry out business cooperation. One party will invest 100% of the capital which is called shahibul mâl, and the other party will manage the business, known as mudharib. Profit sharing from businesses that are cooperated is calculated according to the ratio agreed between the parties working together and based on the agreement that has been stated in the contract. If there is a loss, the first party will lose part of the compensation for the work of the second party, and if the loss is caused due to fraud due to the negligence of the second party, then the second party must be responsible for the loss.\(^11\)

Mudharabah financing itself is one of the financing products of sharia banks as an economic instrument in Islam based on profit sharing, the portion of mudharabah is properly understood as a substitute instrument for the interest system and can be applied by shari`ah financial institutions.

According to the Banking Law No.10 of 1998, working capital financing is the provision of money or an equivalent bill, based on an agreement or agreement between the bank and other financed party to return the money or claim after a certain period of time in exchange for profit sharing.

Working capital financing is also a solution for entrepreneurs to promote and expand the business in their path. For example, to develop production, so as not to lose to competitors and to keep consumers from moving to other producers who value products as superior and varied.

Sharia working capital financing is a term financing provided to companies to finance their working capital needs based on sharia principles. The maximum term of Islamic working capital is years and can be extended as needed.

In line with the above definition, Bank Sumsel Babel Syariah is a bank that is engaged in the field, especially sharia savings and loans. Bank Sumsel Babel Syariah is growing rapidly in the area of South Sumatra and its existence provides benefits to the surrounding population.

Specifically, the risks faced by sharia banks are more complex than those faced by conventional

banks, Muhammad Ayub identified the additional risks faced by sharia banks, namely asset risk, market risk and compliance with sharia, level risk. higher returns, bigger, bigger legal risk and bigger withdrawal risk. Therefore, banks are obliged to carry out a more careful evaluation of all existing risks by implementing several strategies in overcoming the risks that occur. Every fund channeled or invested by sharia banks always carries the risk of not returning the funds. Financing risk is a possible loss that will arise because the funds channeled cannot be returned.

Bank Indonesia (BI) defines risk management as a series of procedures and methodologies used to identify, measure, monitor and control risks arising from the Bank's business activities. Widigdo Sukarman defines risk management as the entire risk management and control system faced by the Bank which consists of a set of tools, techniques, management processes (including authority and system of operational procedures) and organizations aimed at maintaining the level of profitability and the level of bank soundness that has been determined. in the Corporate Plan or other Bank strategic plans in accordance with the prevailing Bank soundness level.¹²

Based on the author’s experience when he was interning at Bank Sumsel Babel Syariah Palembang Branch. The researcher found that one of the fund financing products is the iB working capital product which aims to meet the customer’s business needs such as: purchasing raw material supplies for the production process, purchasing merchandise inventory, or working capital for project implementation based on a work contract which is implemented using a mudharabah contract.

Method

The research method is a general strategy adopted in collecting data and analyzing the necessary data, in order to answer the problem being researched. The research method used in this research is a qualitative research method with a field approach, this type of research was chosen because the data source and research materials were obtained through Bank Sumsel Babel Syariah. The source of data from this research is the person in charge of Sharia financing of Bank Sumselbabel, and to complete the data needed, the research also explores information from customers who utilize working capital financing from Bank Bank Sumsel Babel Syariah. The data that has been obtained is further grouped according to needs and processed using models developed by miles and Huberman.

Results and Discussions Financing

Financing is an activity of sharia banks in channeling funds to parties other than banks based on sharia principles. Distribution of funds in the form of financing is based on trust given by the owner of the funds to the user of the funds. The financing provided by syari'ah banks is different from the loans provided by conventional banks. In Banking Law No. 10 of 1998, Credit is the provision of money or an equivalent claim, based on a loan agreement or agreement between a bank and another party that requires the loan party to pay off its debt after a certain period of time with interest.

According to the Banking Law No. 10 of 1998, financing is the provision of money or an equivalent claim, based on an agreement or agreement between the bank and other financed party to return the money or claim after a certain period of time in exchange for profit sharing.

Technically, the bank provides funding and financing to support investment or the running of a planned business between the two parties with an agreement for the results therein in accordance with the contract agreed at the beginning of the agreement.

As in the Quran, surah Al-Maidah verse:

“O you who believe, fulfill these covenants ...” (QS. Al-Maidah: 1)

The verse above describes the contract or agreement that includes the promise of presetia to Allah and the agreement made by humans in the association with each other (between the bank and the customer).

Financing in an Islamic bank is the provision of funds or an equivalent bill in the form of profit
sharing transactions in the form of mudharabah and musyarakah; lease transactions in the form of ijarah or leases with the option of transferring ownership rights in the form of ijarah munjukiyah bit tamlak; sale and purchase transactions in the form of murabahah, salam and istishna receivables; lending and borrowing transactions in the form of qardh receivables; and multi-service transactions using an ijarah or kafalah contract.  

Contract

According to Mustafa az-Zarqa’, in the view of sharia, a contract is a legal bond made by two parties or several parties who both wish to bind themselves. In ijab and qabul the first actor (party) is called mujib and the second actor (party) is called qâbil.

a. Pillars of Akad

According to the jumhur (majority) of jurists, the pillars of the contract consist of statement to bind oneself (sighah al-aqd); contracting parties; contract object.

b. Kinds of Contracts

According to the fikih ulamas, the contract can be divided from various aspects. When viewed in terms of its validity according to sharia, the contract is divided into two, namely, shahih akad and an invalid contract.

Mudharabah

Mudharabah or Qirad is the investment of funds from the owner of the fund (shahibul mâl) to the fund manager (mudharib) to carry out certain business activities, with the distribution using the profit and loss sharing method or the method for the ratio that has been previously agreed. Existing profits are divided according to agreed terms, whereas if there is a loss, it is borne by the owner of the property only. Meanwhile, the person working on the business bears the losses in his business, so there is no need to be burdened with other losses.  

According to Al-Mushih and Ash-shawi, mudharabah is the transfer of financial capital to people who trade sohe gets a percentage of the profit.

The principles of mudharabah is a statement of consent and kabul from the party who has the eligibility to make an agreement.

The legal basis regarding the existence of the mudharabah contract as one of the sharia banking products is contained in Law No.10 of 1998 concerning amendments to Law No.7 of 1992 concerning banking, namely in the provisions of Article 1 paragraph (13) which define sharia principle in which mudharabah is explicitly one of the contracts used in sharia banking financing products.

a. The foundation of the Quran Based on surah Al-Maidah Verse 2:

And please - help you in (doing) goodness and piety, and do not help in committing sins and transgressions. And fear Allah, Allah His punishment is very heavy.

b. The Hadits

Shuhaib R.A said: Rasulullah said: “There are three things that contain blessings: buying and selling not in cash, mudaraba, mixing wheat withJawawut for household purposes is not for sale. ” (H.R Ibnu Majah).

Profit Sharing

Profit sharing is a form of return (the acquisition of the return) from an investment contract, from time to time, uncertain and not fixed. The size of the recovery depends on the actual results of the business. Thus, it can be said that the profit sharing system is one of the Islamic banking practices. The sharia foundation regarding profit sharing follows the sharia foundation of the mudharabah agreement.

a. Share Ratio; Profit sharing ratio is the percentage of profit that will be obtained by

\[\text{Profit Sharing Ratio} = \frac{\text{Profit}}{\text{Total Capital}}\]

\[\text{Total Capital} = \text{Capital of Owner} + \text{Capital of Manager}\]

\[\text{Profit} = \text{Total Income} - \text{Total Expenses}\]

\[\text{Profit to Owner} = \text{Profit Sharing Ratio} \times \text{Profit}\]

\[\text{Profit to Manager} = \text{Total Capital} - \text{Profit to Owner}\]


16 Al-Qur’an surah Al-Maidah Verse 2

shahibul māl and mudharib which is determined based on the agreement between the two.

b. Profit Sharing System; In practice, the profit sharing calculation mechanism applied in Islamic banking consists of two systems, namely, profit sharing (for profit) and revenue sharing (profit sharing)

**Financing Mechanism for Working Capital Productivity with Mudharabah Agreement at Bank Sumsel Babel Syariah Palembang Branch**

Mechanism is the view that the interactions between parts and other parts in a whole or system accidentally produce activities or functions in accordance with the objectives.

Financing is the provision of money or an equivalent bill, based on a loan agreement or agreement between another party’s financial institution which requires the borrower to pay off its debt after a certain period of time, with a reward or profit sharing, including the provision of customer securities accompanied by a Note. Purchasing Agreement (NPA), collection of invoices for factoring activities.

Working Capital Financing (PMK) is financing for company working capital in the framework of financing the company’s current assets, such as purchasing raw/raw materials, supporting or supporting materials, trading materials, capital goods exploitation costs, accounts receivable, and others.¹⁸

Financing terms using a mudharabah contract at the Bank Sumsel Babel Syariah Palembang Branch, among others are as follows:

a. In theory, financing with a mudharabah contract is financing with a business cooperation agreement between two parties in which Bank Sumsel Babel Syariah Palembang Branch by providing 100% funds while the Customer becomes the manager with the profits divided according to the agreement and if the loss is borne by the owner of the capital as long as the loss is not caused by mistakes and negligence of the manager.

b. Ratio is the proportion of profit sharing; The ratio is determined and agreed upon at the beginning of the contract; The ratio between one customer and another customer varies according to the type of business and the amount of financing; The profit sharing ratio is determined according to the agreement of the Bank and the customer. Usually the Bank uses the caption 60: 40

c. Method of financing payment and term of payment for iB Financing Working Capital is calculated on an annuity basis with the following conditions: Profit sharing from the bank is paid every month; Financing products can be paid in installments on a monthly/quarterly basis, according to the agreement and business cash flow.

d. Collateral

1) Cash Collateral or land and or building, with valid proof of ownership in the form of SHM, SHGB, or SHGP.
2) The place of business that is being paid for is the inventory (stock) of goods.
3) A motorized vehicle with 2 wheels, 4 wheels or more with the applicable limitations.

**Strategies Taken by Bank Sumsel Babel Syariah to Minimize Risk of iB Working Capital Financing in Mudharabah Contract**

Strategy is a tool to achieve company goals in relation to long-term goals, follow-up programs, and resource allocation priorities.

According to Mulazid strategic management is defined as a collection of decisions and actions that result in the formulation and implementation of plans designed to achieve company goals.¹⁹

Financing risk is a possible loss that will arise because the funds channeled cannot be returned. Every fund channeled or invested by sharia banks does not always get a profit, the bank can also get the risk of loss;

1. Bank Sumsel Babel Syariah Policy in Minimizing

a. Application of Risk Management

The application of risk management by this company aims to identify company risk, measure it and overcome it at a certain tolerance level.

¹⁸ Ascarya, Akad and Bank Syari’ah Product, (Jakarta: PT. Raja Grafindo Persada, 2008)

1) Risk Identification, The purpose of risk identification is to identify all types of risk inherent in each functional activity that has the potential to harm the bank.

2) Risk Measurement, the risk measurement approach is used to measure the risk profile of the Bank in order to obtain a picture of the effectiveness of risk management implementation.

3) Monitoring and Risk Limit

4) Risk Control, the implementation of risk control processes must be used by the Bank to manage certain risks, especially those that may endanger the continuity of the Bank's business;

As for what must be considered so that there is no problematic financing or financing risk, the strategies to minimize or the efforts of the Sumsel Babel Syariah Bank to prevent problematic financing include:

a) Be careful in providing financing and careful in analyzing financing.

b) Approach to customers (Approaching)

c) Carry out continuous supervision

**Customer Support Factors in Filing Applications for Working Capital Financing at Bank Sumsel Babel Syariah**

Crow and crow argue that there are three factors that lead to interest, namely: Encouragement from within the individual, for example the urge to eat. The urge to eat will generate interest in working or earning income, interest in food production and so on; Social motives, can be a factor that arouses interest in certain activities; Emotional factors, interests have a close relationship with emotions.

Djaslim Saladin stated that the factors that influence customer interest or driving factors for customers in applying for financing are: product factors, trust factors, needs factors, profit sharing factors, service facility factors, promotion factors, while factors that hinder customers from applying for iB capital financing. Work at Bank Sumsel Babel Syariah are as follows: Difficulties in completing files such as financial data; Financial statement analysis; Lack of public knowledge about existing financing contracts in Islamic banks, not in need of financing, Experience from the environment; Different perceptions of Islamic banking for each individual.

**Conclusion**

The implementation of the *mudharabah* contract is in accordance with the SOP for financing in the Palembang Branch of the Sumsel Babel Syariah Bank and in accordance with the National Sharia Council Fatwa Number: 07 / DSN-MUI / IV / 2000 concerning Mudharabah Financing. This can be seen from the results of interviews and observations of Working Capital Financing at Bank Sumsel Babel Syariah Palembang Branch.

The risks inherent in the functional activities of Islamic banks can be classified into three types of risk, namely financing risk, market risk (consisting of forex risk, interest rate risk, liquidity risk, and price risk) and operational risk (consisting of transactional risk, compliance risk, strategic risk, reputation risk and legal risk. The strategy used by Bank Sumsel Babel Syariah Palembang Branch in minimizing the risk of financing *mudharabah* working capital is as follows: Application of Risk Management; Risk identification; Measurement of risk; Monitoring and risk limits; Control of risk.

The factors that influence customer interest or driving factors for customers in applying for financing are: product factors, trust factors, needs factors, profit sharing factors, service facility factors, promotion factors, while factors that hinder customers from applying for iB capital financing. Work at Bank Sumsel Babel Syariah are as follows: Difficulties in completing files such as financial data; Financial statement analysis; Lack of public knowledge about existing financing contracts in Islamic banks, not in need of financing, Experience from the environment; Different perceptions of Islamic banking for each individual.

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