

ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah^{1*}, Nur Hidayah², Muhajirin³

^{1,2,3} UIN SYARIF Hidayatullah Jakarta, Indonesia

E-mail: siti_uminurbaidah24@mhs.uinjkt.ac.id, nurhidayah@uinjkt.ac.id, muhajirin@uinjkt.ac.id

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Abstract

This study examines the practice of Murābahah contracts in consumptive financing in Islamic banks by highlighting their conformity to maqāṣid al-sharī'ah. Despite being the dominant instrument, the implementation of Murābahah is often criticized for resembling interest-bearing credit due to the absence of real ownership and risk of goods by banks. This research uses a qualitative-normative approach through the analysis of financial statements, DSN-MUI fatwas, OJK regulations, PSAK 102, as well as interviews with the Sharia Supervisory Board and sharia auditors. The framework of analysis is based on Ibn 'Āsyūr's perspective on the protection of property (ḥifẓ al-māl) and justice ('adl). The results of the study show the gap between fiqh norms, regulations, and accounting practices. Margins are recorded linearly resembling interest, ownership of goods is not disclosed, and financial statements fail to display the substance of the risk. As a contribution, this study proposes a model of margin determination based on 'iwāḍ (legitimate compensation for risk and effort) and recommends a reformulation of financial statements that is in line with maqāṣid. Calculation simulations confirm the risk of "covert usury" in consumptive financing, while international comparisons show more transparent governance practices in Malaysia, Qatar and Saudi Arabia. This research contributes to conceptual and technical reforms in Islamic finance, with significant implications for regulation, risk management practices, and Islamic accounting education in Indonesia.

Keywords: *Murābahah, maqāṣid al-sharī'ah, 'iwāḍ, DPS, sharia financial statements*

INTRODUCTION

The murabahah contract is one of the most popular contracts in financing practices in Islamic banking, especially for consumptive financing such as the ownership of motor vehicles, houses, or electronic goods. The popularity of this contract is due to its ease of implementation and its similarity to conventional credit schemes, which makes it easier to adapt the system and understand customers. However, these similarities are also a major point of criticism. Many academics and practitioners question the validity of the murabahah contract in modern practice because it is considered to be only a "sharia wrap" of the flower scheme. Mohammad Umar Chapra, in his work "Towards a Just Monetary System" (translated title: Islamic Monetary System, p. 121): highlights that the widespread and dominant use of Murābahah in Islamic financial institutions is contrary to the main purpose of the Islamic financial system, which is to promote justice through the sharing of risks and profits. Murābahah, because it is a fixed margin buying and selling, does not reflect the principle of profit and loss sharing as in the Mudhārabah or Musyārahah contract. When Murābahah is done only in a formality—i.e. the bank does not actually buy the goods in advance or does not hold real ownership—the contract becomes only an instrument for collecting fixed profits, similar to interest in the conventional system. Therefore, Umar Chapra suggested that Murābahah should not be used as the main form of financing, let alone used carelessly. He encouraged Islamic banking to prioritize partnerships and justice-based contracts, such as Musyārahah and Mudhārabah, which are more in line with maqāṣid al-sharī'ah and the principles of socio-economic justice. Empirical studies in the last five years have provided a fairly consistent picture of the dominance, weaknesses, and challenges of implementing murabahah contracts in the context of consumptive financing by Islamic banking. The principles and conditions include ownership of goods before they are sold, price clarity, and freedom from gharar and usury. PSAK 102 regulates the

ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah et al

recording of murabahah as receivables, with proportional margin recognition. Among them is a study by Muhammad Maksum and Nur Hidayah (2023) in a journal entitled "The Mechanism of Avoiding Riba in Islamic Financial Institutions: Experiences of Indonesia and Malaysia". This journal focuses on the analysis of methods of avoiding usury through the mechanism of hilah such as the insertion of ijarah contracts in qardh or bay' al-'inah. Ahmed & Khan (2020) conducted an analysis of financing trends in several Islamic banks in South Asia and found that more than 70% of consumptive financing portfolios use murabahah contracts. This study emphasizes that the main reason for the dominance of murabahah is the ease of structuring and regulatory support, both from financial authorities and sharia accounting frameworks. These findings indicate that aspects of administrative efficiency and compatibility with the modern financial system are the main factors in the preference for murabahah, not solely because of the superiority of its sharia substance. However, Rahman et al. (2021) highlight irregularities in the implementation of murabahah in terms of the basic principles of contracts, especially related to the ownership of goods. In many cases, Islamic banks do not actually buy and control the goods before selling them to customers, so the contract is only a formality. This study raises the problem that the practice of murabahah can lose its sharia validity if basic conditions such as ownership and risk have not been met in real terms. From the perspective of customer perception, Fauzi & Munir (2022) found that most customers consider murabahah as another form of conventional interest-bearing credit.

This perception arises due to the fixed installment payment structure and the clarity of profit margins that resemble interest rates. These findings show that there are challenges in public education and the ambiguity of sharia practices in the field that cause perception bias and potential distrust of the Islamic financial system. Furthermore, Zulfiqar (2023) revealed that there are high sharia risks in murabahah practice due to weak supervision of the implementation of contracts, transaction documentation, and the lack of involvement of the sharia supervisory board in evaluating daily implementation. This has the potential to lower the integrity of sharia products and create a gap between the concept of fiqh and the operational reality of banking. Bakri & Lathifah (2023) examined the effectiveness of the Musyarakah Mutanaqisah contract in housing financing and concluded that this model reflects the principles of justice and risk-sharing more than murabahah. Nurhaliza & Yusri (2024) show that Ijarah Muntahiyah bi Tamlik has a higher level of sharia compliance and reduces the perception of riba in sharia car financing. As an alternative approach, Hassan & Othman (2024) recommend the development of partnership-based contracts such as musharakah and ijarah as a solution to reduce the tendency to commodify murabahah.

They argue that diversifying sharia products closer to the principles of justice and risk-sharing can increase economic added value and reduce criticism of the practice of usury disguised in murabahah. Their findings show that Islamic finance practices are still vulnerable to inserting fixed interest structures in sharia contracts that are supposed to be free of usury. However, the journal has not touched on the aspect of technical financial reporting standards such as PSAK 102 (now PSAK 402), and does not evaluate the impact of the presentation of financial statements on sharia maqashid explicitly. Regulatively, the role of sharia supervision in Indonesia has been regulated through the DSN-MUI fatwa and the provisions of the OJK. However, both still have limitations that create a regulatory gap in the implementation of risk management. The DSN-MUI fatwa focuses more on the formal conformity of contracts and financial products with sharia principles, without including a systematic framework on sharia risk mitigation. As a result, DPS only plays a role in ensuring the sharia legality of the product, not in analyzing the financial, operational, or reputational risks that accompany the contract.

Meanwhile, OJK regulations, especially through POJK No. 31/POJK.05/2019 concerning the Governance of Islamic Financial Institutions, do place DPS as part of the sharia supervision structure. However, this regulation has not explicitly integrated DPS into the Enterprise Risk Management (ERM) mechanism of Islamic banks. DPS is not required to be involved in the risk committee, does not have risk mitigation-based performance indicators, and does not have a comprehensive sharia risk profile reporting obligation. This condition makes sharia supervision more compliance-based than risk-based oversight. This regulatory gap shows the need for the repositioning of DPS as a strategic actor in the risk governance of Islamic banks. This research is here to affirm the urgency of reforming the role of DPS, by proposing a conceptual framework of the Shariah-Based Risk Oversight Framework (SBROF) that places DPS not only as a compliance supervisor, but also as a strategic partner in strengthening risk management based on maqāṣid al-sharī'ah. In a global financial landscape that is increasingly geared towards Environmental, Social, and Governance (ESG) principles, Islamic finance is a strategic alternative because of its approach based on fairness, transparency, and balance. However, some practices such as the Murabahah contract in consumptive financing actually leave a paradox between legal form and economic substance (Haniffa & Hudaib, 2023; Hassan et al., 2022). This research departs from anxiety over the gap between

ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah et al

the formal form of the contract and the substance of sharia that is ignored This research fills the gap by integrating normative, accounting, and sharia maqashid aspects. Thus, this study offers novelty in the form of an evaluation of the gap between the formalism of Sharia PSAK and the value of sharia substance in the murabahah contract.

The novelty of this study is:

- 1) Providing criticism of the PSAK 102 standard which tends to emphasize the "receivables" aspect rather than the principle of ownership-based buying and selling.
- 2) Offers an evaluation of the substantial conformity of sharia between theory (DSN Fatwa) and practice in financial statements.
- 3) Presents accounting simulations and case studies that show the gap between formal presentation and sharia practice.

Problem Formulation and Objectives

The formulation of the problem in this study is:

- 1) How is the implementation of Murabahah in consumptive financing compatible with the principles of fiqh muamalah?
- 2) Is the presentation of Murabahah financial statements according to PSAK in line with the sharia maqashid?
- 3) Is there a hidden potential for riba in the presentation and practice of Murabahah accounting?

The purpose of this study is to:

- 1) Evaluate the suitability between the practice of presenting Murabahah financial statements with the principles of fiqh muamalah and maqashid al-shari'ah.
- 2) Identify potential sharia irregularities in accounting and reporting practices of Murabahah contracts.
- 3) Prepare recommendations for the reformulation of the presentation of financial statements that reflect the integrity of sharia substantially

LITERATURE REVIEW

The Basic Concept of the Murabahah Contract in Fiqh Muamalah

The Murabahah contract is a form of buying and selling in Islam that involves transparent disclosure of the cost of goods and profit margins. In practice, Murabahah is used by Islamic financial institutions to finance the purchase of goods, where banks buy goods first and then sell them to customers at an agreed price. The legal basis comes from QS. An-Nisa [4]: 29 and the hadith "Do not sell what you do not have" (HR. Tirmidhi). The validity of this contract is highly dependent on real ownership, price clarity, and the absence of gharar.

The Perspective of Maqashid al-Shari'ah According to Ibn 'Āsyūr

Ibn 'Āsyūr emphasized the importance of substance in muamalah, that is, that every transaction should reflect honesty (ṣidq), trust, and justice. Murabahah is only valid if it is carried out with real ownership, not just a formality. According to Ibn 'Āsyūr (Muhammad al-Ṭāhir Ibn 'Āshūr), one of the great scholars in the field of maqashid al-shari'ah, the concept of Murabahah is not explained technically as in classical jurisprudence, but is more emphasized on the dimension of maqashid—the purpose and wisdom of sharia in buying and selling transactions. Taken from the thoughts of Ibn 'Āsyūr (especially from his main work Maqashid al-Shari'ah al-Islāmiyyah) regarding the concept of Murābahah:

- 1) Murābahah as a Form of Transparency in Mu'amalah.
Ibn 'Āsyūr emphasized the importance of ṣidq (honesty) and amānah (trust) in transactions. In the context of Murābahah, the seller must publicly disclose the cost of goods and profit margins. This concept is in line with maqashid in maintaining fairness and transparency in trade. "Al-Shari'ah wants to preserve the interaction of the mu'amalah so that it is free from deception and deception, so that rights are not exchanged." (Ibn 'Āshūr, Maqashid al-Shari'ah, p. 255)
- 2) Murābahah in the Framework of Property Protection (ḥifz al-māl)
Ibn 'Ashūr emphasized that one of the main goals of sharia is to protect property. Murābahah, when carried out on the principle of trust, is one of the ways of sharia to protect property from speculative, gharar, and usury transactions.
- 3) The Prohibition of Riba and Substitution with Murābahah

ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah et al

Ibn 'Āsyūr does not discuss Murābahah as an explicit substitution of usury, but in the framework of maqāṣid, he reminds us that Islamic law does not merely prohibit usury, but also encourages the emergence of alternatives to fair and mutually beneficial transactions.

4) Murābahah Must Be Relevant to Ethical Values and Benefits

Ibn 'Āsyūr criticized the forms of sharia formalities that lost the spirit of maqāṣid. Therefore, Murābahah should not be done only symbolically (e.g. by buying goods in the name of a bank only as a formality), but should actually reflect a real transaction and benefit for both parties.

DSN-MUI Fatwa Related to the Murabahah Agreement

DSN-MUI Fatwa No. 04/2000 stipulates that in Murabahah, banks must own goods before selling them. Fatwa No. 84/2012 regulates the recognition of income margins proportionally, while Fatwa No. 105/2016 emphasizes the prohibition of fictitious contracts. But in practice, many banks do not fully comply with the substance of fatwas, leaving a gap between principle and implementation.

OJK and PSAK Syariah Regulations.

OJK through POJK No. 35/2018 and POJK No. 31/2020 requires transparent contract reporting and based on real transactions. PSAK Syariah 402 (revised PSAK 102) regulates the recognition of Murabahah as receivables with margin recognition on an accrual basis. Although accountable legally, this approach has drawn criticism for not taking into account the transfer of risk and ownership.

Criticism of PSAK and Comparison with AAOIFI

In the context of accounting regulations, Indonesia uses PSAK 102 (2016) and PSAK 402 (2024) as Murābahah accounting references. However, comparative studies show significant differences with AAOIFI standards, especially in terms of margin recognition, asset ownership, and risk transparency (Alharbi, 2015; IFRS Foundation, 2022). This difference creates a regulatory gap because PSAK tends to emphasize formal compliance without emphasizing the substance of real ownership. The study of IFI's reporting practices also found inconsistencies in the use of measurement bases that have the potential to obscure the substance of the contract. Global developments show that there are efforts to improve the substance of the standard. The latest AAOIFI reforms related to sukuk demand real asset transfers, although they have drawn resistance from industry due to technical implications and compliance costs (Financial Times, 2024). This illustrates a similar dilemma that occurs with the Murābahah, where the application of the substance of maqāṣid often clashes with commercial and efficient practice.

Review of Previous Research.

Research by Ahmed & Khan (2020), Rahman et al. (2021), and Zulfiqar (2023) shows the dominance of Murabahah in consumptive financing with various sharia deviations. Other studies such as Maksum & Hidayah (2023) criticize the use of hilah to avoid usury. However, these studies have not integrated maqāṣid as an evaluative tool, especially for Islamic financial reporting and accounting. Kamla (2009), Haniffa & Hudaib (2007), and El-Gamal (2006) argue that the practice of sharia accounting is too subject to the capitalistic framework, ignoring the value of fairness and transparency. They proposed an approach based on Islamic ethics that prioritized maqāṣid in reporting, not just legal compliance. Recent research shows the development of quantitative maqāṣid-based assessment models. Ammar et al. (2023) developed a maqāṣid performance index for participating banks, which assesses the extent to which financial products meet the goals of property protection, justice, and social sustainability. These findings reinforce the use of the Maqāṣid Compliance Index (MCI) in this study as a conceptual framework to evaluate Murābahah practice. This is the basis for developing a substantive evaluation with the Maqāṣid Compliance Index.

Library Synthesis

Based on the literature review, it can be concluded that Murābahah accounting practices in Indonesia still face substantive challenges: the gap between PSAK and AAOIFI, the lack of optimal integration of maqāṣid in risk evaluation, and the limited role of DPS in governance. This research seeks to fill this gap by offering a conceptual model based on maqāṣid (MCI) and a proposed 'iwāḍ-based margin reform that is more in line with sharia objectives and international practices as well as a reformulation of PSAK 402(2024) Murabahah Accounting

METHOD

Types and Approaches to Research

This study uses a qualitative approach with a descriptive-comparative method. The focus of the research is directed to analyze the gap between sharia accounting standards in Indonesia, international standards (AAOIFI), and Murābahah practices in Islamic banks, then test their conformity with maqāṣid al-sharī'ah according to Ibn 'Āsyūr. Furthermore, this study proposes an alternative model of 'iwāḍ-based margin determination as a conceptual contribution.

Research Analysis Flow

The research flow follows four main stages:

- 1) First Stage: Examine the provisions of sharia accounting in Indonesia, especially PSAK 102 (2016) on Murābahah Accounting and updates in PSAK 402 (2024). Then the analysis is focused on aspects of margin recognition, asset ownership, and risk reporting.
- 2) Second Stage: Comparing PSAK with AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) standards. Then identify similarities and differences, especially in the aspects of real ownership, risk recognition, and margin transparency.
- 3) Third Stage: Test with the Framework of Maqāṣid Ibn 'Āsyūr. The practice of Murābahah is evaluated within the framework of maqāṣid al-sharī'ah, especially ḥifẓ al-māl (protection of property) and al-'adl (justice). This analysis assesses whether Murābahah's accounting practice simply fulfills the formal aspects of sharia or is really in accordance with the substance of maqāṣid.
- 4) Fourth Stage: Proposed Alternative Model, proposes a 'iwāḍ-based margin model, i.e. legitimate compensation for the bank's risks and efforts. This model aims to ensure that bank profits do not resemble fixed interest rates, but are based on real contributions in transactions.

Data Collection Sources and Techniques

- 1) Primary data: interviews and google form questionnaires with DPS members, internal audit and a team of accounting officers of the Location and Research Object. is the implementation of recording Murabahah contract transactions in consumptive financing at Bank Syariah Indonesia (BSI). The location of the data collection is from the BSI Head Office.
- 2) Secondary data: annual financial statements of BSI and BMI, fatwa of DSN-MUI, PSAK, AAOIFI, and OJK regulations.

The collection technique was carried out through documentation, literature studies, and structured interviews. Secondary data were analyzed to assess Murābahah's reporting practices, while primary data reinforced normative findings.

Data Analysis Techniques

The analysis is carried out in three layers:

- 1) Normative analysis – assessing the suitability of practices with regulatory standards and fiqh.
- 2) Comparative analysis – comparing PSAK with AAOIFI.
- 3) Maqāṣid analysis – evaluating the findings within the framework of Ibn 'Āsyūr.

MCI's Conceptual Position

In this study, the Maqāṣid Compliance Index (MCI) was used as a conceptual framework for evaluation, not a quantitative instrument. The maqāṣid indicators are used to assess the gap between Murābahah practice and sharia goals, as well as to open up opportunities for further empirical research that can measure maqāṣid's compliance more systematically.

With this flow, the research methodology becomes more systematic: regulatory review → standard comparison → maqāṣid test → alternative model proposals.

ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah et al

RESULTS AND DISCUSSION

Case Study of the Murabahah Agreement at BSI.

Bank Syariah Indonesia (BSI) was chosen as the object of study because of its status as the largest Islamic bank in Indonesia. The majority of BSI's consumptive financing uses Murabahah contracts. The analysis of BSI's Murabahah transactions based on the displacement study in the audited financial statements for 2021-2023 on compliance with PSAK Syariah 402 and the DSN-MUI fatwa is as follows:

Table 1. Analysis of BSI Murabahah transactions based on a dislosion study BSI
Financial Report 2021-2023

Tahun	Total Piutang Murabahah (Rp Triliun)	Pengakuan Margin (PSAK 402)	Kepemilikan Riil Barang (Fatwa 04/2000)	Pengakuan Pendapatan Proporsional (Fatwa 84/2012)	Substansi Akad & Larangan Fiktif (Fatwa 105/2016)	Kepatuhan Maqāsid (Penilaian)
2021	137.6	Linear/Akrual	Tidak dijelaskan	Diakui proporsional secara umum	Tidak ada pengungkapan rinci	Moderat (3.4)
2022	145.3	Linear/Akrual	Tidak dijelaskan	Sesuai PSAK, tapi tidak berbasis penyerahan	Tidak ditemukan informasi substantif	Moderat (3.5)
2023	151.8	Linear/Akrual	Tidak dijelaskan secara eksplisit	Tidak dikaitkan dengan perpindahan risiko	Tidak ada informasi keabsahan akad riil	Moderat (3.5)

Explanation of the table above:

- All BSI reporting still emphasizes the receivables approach as PSAK 402, not real buying and selling transactions whose assets are owned by banks.
- No explicit information was found in the records of the financial statements (CALK) related to the ownership of goods before the contract.
- DSN-MUI Fatwa No. 105/2016 emphasizes the prohibition of fictitious contracts, but there is no strengthening of reporting on this aspect.
- The assessment of maqāsid is aggregate based on the observation of the Hifz al-Māl and Hifz al-Dīn indicators.

In the 2023 BSI audited report, the Murabahah contract is recorded as financing receivables with a margin recognized as accrual income. No explicit disclosures were found regarding the transfer of risk or documentation of physical ownership of the goods. This shows a gap in the principles of honesty, trust, and transparency as emphasized by Ibn 'Āsyūr in the concept of the substance of the mu'amalah contract. The process of implementing the contract shows the existence of an administrative scheme, where the bank issues SP3 (Financing Offer Letter) which lists the purchase price structure, margin, and installment scheme. However, in practice, banks often do not actually own the goods before the contract is made. Based on interviews and internal documents, BSI conducts the Murabahah contract with the following stages:

- The bank cooperates with the supplier and issues SP3 on behalf of the customer;
- After the agreement, the bank makes the purchase and the sale and purchase agreement is made;
- Goods are handed over directly by the supplier to the customer, without going through physical control by the bank;
- Margins and installments are determined at the outset and recorded as receivables with accrual income recognition.

Most of the respondents from the bank's internal parties stated that the reporting was in accordance with the Sharia PSAK and had been audited by an independent auditor. However, margin recognition is made even if there has been no transfer of risk or real ownership. This shows that the implementation is more formalistic.

Maqāsid Compliance Index (MCI) Calculation Results

Based on the results of filling out the questionnaire on the evaluation of maqosid compliance in Murabahah transactions at BSI, it can be seen as follows: Table 1 follows:

ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah et al

Table 2. Maqāṣid Compliance Index (MCI) Calculation Results

Dimensions of Maqāṣid	Key Indicators	Score	Weight	Weighted Value
Hifz al-Dīn	Compliance with fatwas and sharia substance	3.42	20%	0.684
Hifz al-Nafs	Protection of customers from exploitation	4.09	15%	0.614
Hifz al-'Aql	Contract and margin transparency	4.66	15%	0.699
Hifz al-Māl	Ownership of goods, clarity of risks	3.97	30%	1.191
Hifz al-Nasl	Family benefits and contract sustainability	3.66	20%	0.732
Total Score			100%	3.91 / 5.00

An index value of 3.91 shows that the implementation of Murabahah at BSI is administratively compliant with regulations, but has not been maximized in the aspect of the substance of maqāṣid. The dimensions of ownership and justice are still weak. This shows that the Murabahah contract needs to be deeply revamped to be more in line with the principle of the substance of Islamic muama. The weak ownership dimension is reflected in the absence of strong evidence that banks actually control the goods before selling them to customers, so that the contract is more like financing than real buying and selling. Meanwhile, the aspect of fairness is not met because margins are determined without considering a balanced risk burden between banks and customers. This practice tends to transfer all the risk and burden of payment to the customer without compensation for the real economic value from the bank.

Practical Implications of a Score of 3.91

- For regulators (OJK/DSN-MUI): it is necessary to evaluate the substance, not just the legal form.
- For banks (BSI): improvements are needed in the aspects of customer education, margin transparency, and proof of ownership of goods.
- For academics: this score shows that the concept of maqāṣid has not yet been internalized in practice, even though there is already a formal framework

Comparison of BSI's Practices with Global Sharia Banks

Based on the comparison of disclosures in the financial statements of several Islamic Banks in other countries, it can be illustrated in the following table 2;

Table 3 Comparison of Murabahah Disclosures in the Financial Statements of BSI and Several Islamic Banks of Other Countries

Bank / Country	Margin Disclosure	Substance Assets & Presentation	Real Ownership & Risk	Murābaḥah Balance (2023)
BSI – Indonesia	Not disclosed separately; margins are set under PSAK 102, margins are recorded <i>amortized</i> .	Presented as Murābaḥah Receivables : IDR 136.5 trillion (up from IDR 124.8 trillion in 2022).	Ownership and risk are recorded in accordance with the sharia PSAK, but the practice of formality still occurs in the financing sector.	As Murābaḥah's Receivables Rp 136.5 trillion (± US\$ 9.1 billion)
Al Rayan Bank – UK	Margin is declared as part of <i>finance income</i> and generally complies with the principle of transparency.	It is not mentioned as "Murābaḥah" in the heading of the asset, but is included in the Islamic Home Finance portfolio.	Murābaḥah's property and automobile products follow a structure with ownership by the bank first.	£1.67 billion (Islamic home finance including Murābaḥah)
Al Rajhi – Saudi Arabia	Not detailed margin per contract; however, the Murābaḥah contract is separated in sharia financing assets.	Presented explicitly: Retail Murābaḥah Financing and Corporate Murābaḥah Financing with value details.	Ownership is recorded in real before resale, in accordance with AAOIFI principles and SAMA regulations.	SAR 410.5 billion (± US\$ 109 billion)

ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah et al

Bank Islam – Malaysia	Margin is recorded as <i>unearned income</i> , amortized during the contract period, as per MFRS 9.	Murābahah is not specifically separated; incorporated in "Consumer Financing-i" and "Trade Receivables".	Banks have the obligation to recognize goods and risks until the contract of sale occurs, the practice of "asset-backed" is applied.	RM 35.8 billion (± US\$ 7.5 billion, in Trade Financing & Consumer Portfolio)
QIIB – Qatar	Margin is explicitly stated as a markup on the cost of goods in the financial record.	Presented as: Murābahah and Musawama Receivables (in Notes Financial Assets) minus <i>deferred income</i> .	Ownership and risk are transferred according to the principle of <i>binding promise</i> before sale to the customer.	QAR 33.2 billion (± US\$ 9.1 billion)

In comparison with Al Rajhi (Saudi), QIIB (Qatar), and Al Rayan Bank (UK), BSI lags behind in terms of disclosure of ownership and risk substance. Offshore banks generally record Murabahah after real ownership and risk shifting, in line with the FAS AAOIFI and maqāṣid al-sharī'ah. BSI tends to follow the PSAK model which focuses on the form of receivables.

Efficiency Study of the Murabahah Agreement.

Operationally and administratively, the practice of Murabahah in Islamic banks in Indonesia has a simple structure and is easy to implement in the banking information technology system. Because this contract only requires clear margin documents and goods, the bank does not need to create a distribution scheme or direct management of real assets. This reduces transaction fees and speeds up the disbursement process. Murabahah's advantage in the certainty of the number of installments (fixed installments) is an attraction for customers. From the banking side, this also provides a stable and predictable cash inflow projection. PSAK 402 accommodates this system by recognizing margins proportionately, which also assists banks in compiling structured and consistent financial statements. The Murabahah Agreement can be formally classified as receivables, so that it is in accordance with the Basel framework and risk management rules by the OJK and international institutions.

This makes the Murabahah contract relatively easier to audit and report than partnership contracts such as Musyarakah or Mudharabah which require complex reporting related to profit sharing and business risk. On the public side, customers feel more comfortable with the Murabahah contract and become an escape from conventional bank loans which are believed to contain usury. However, the limitation of sharia knowledge and habits towards the conventional system makes customers feel comfortable with the fixed installment scheme because it resembles conventional credit. Although from the sharia side this is a criticism, from the point of view of marketing efficiency and product education, it reduces the cost of literacy and resistance to change. In the view of maqāṣid al-sharī'ah, efficiency cannot sacrifice the principles of justice, real ownership, and the substance of transactions. If efficiency is achieved by eliminating the elements of ownership responsibility and risk, then the value of sharia can be lost. Ibn 'Āsyūr warned that efficiency without substance risks becoming a "deceptive empty formality." Therefore, a middle ground is needed between administrative efficiency and substantive compliance. (Ibn 'Āshūr, M. al-Ṭ. (2006). Treatise on Maqāṣid al-Syarī'ah. International Institute of Islamic Thought.)

Criticism of Margin Determination in the Murabahah Agreement.

The determination of margins in the Murabahah contract is a crucial aspect that determines the extent to which this contract truly meets sharia principles, or even contains the potential for hidden usury. In Islamic banking practices in Indonesia, the Murabahah margin is often determined by considering conventional market interest rates or cost of funds. This raises a fundamental problem because margins no longer represent the element of 'iwāḍ (legal return), but rather resemble fixed interest. As a result, the Murabahah contract lost its sharia substance and turned into a conventional-style formalization of buying and selling. As a solution, a 'iwāḍ shari'i-based margin determination approach can be used, i.e. legitimate profits obtained through market risk (ghurm), labor/effort (kasb), and responsibility (ḍamān). The margin formulation can be formulated as:

$$p = x + y + z$$

Or in proportional form:

$$z = (v + c)/n$$

ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah et al

Where:

- x = purchase price;
- y = operational costs;
- z = profit;
- v = annual financing target;
- c = annual operating costs;
- n = total financing units.

However, the implementation of this 'iwāḍ-based margin formulation is not without challenges. Islamic banks need an accounting system that is able to record and transparently disclose all components of real costs (x and y), as well as methods of quantifying sharia risks and responsibilities (z) that can be accounted for. In addition, it is necessary to increase the capacity of human resources through continuous training so that financing and accounting staff can understand the logic of maqāṣid and the principle of value exchange in a valid contract in substance.

PSAK Gap 402 (2024) vs Maqāṣid Ibn 'Āsyūr and FAS AAOIFI.

PSAK 402 treats Murabahah as receivables and recognizes margin income systematically even before the risk shifts. This is contrary to FAS AAOIFI No.2 which emphasizes the recognition of income only after the goods are handed over and the risk is transferred. In the perspective of maqāṣid, this harms the principles of substance (al-ṣidq) and justice (al-'adl). The fundamental difference lies in the economic activity that underlies the transaction. AAOIFI requires the occurrence of real transactions—i.e. the purchase of goods by banks, physical transfers, and involvement in ownership risks—as a valid condition for recognition of income. Meanwhile, PSAK 402 emphasizes more on the administrative and contractual validity of receivables, without demanding the active involvement of banks in the supply chain of goods. As a result, Murabahah transactions lose the characteristics of real buying and selling and tend to resemble interest-based financing. The absence of real trading activities and the transfer of risks causes Murabahah's accounting reporting based on PSAK 402 to fail to reflect the essence of the Mu'amalah Islāmiyyah which demands real contributions, honesty, and fair exchange of values between parties. Thus, this difference is not only a matter of the timing of margin recognition, but also concerns the philosophy of Islamic economics that rejects speculation and fictitious transactions. In summary, see the following table:

Table 4 Comparison of PSAK Standards, AAOIFI and Maqoshid Ibn 'Āshūr

No	Aspek	Standar Akuntansi Indonesia PSAK 402	AAOIFI	Ibn 'Āshūr's Maqāṣid
1	Kepemilikan & Risiko	✗ (hanya administratif)	✓ (membutuhkan kepemilikan nyata)	✓ (al-'adl – keadilan, al-ṣidq – kejujuran)
2	Penentuan Margin	✗ (dipatok ke BI rate → riba potensial)	✓ (berdasarkan biaya riil + risiko)	✓ (Harga yang wajar, ḥifẓ al-māl – perlindungan kekayaan)
3	Pengakuan Pendapatan	✗ (waktu dibagikan, mirip dengan bunga)	✓ (setelah transfer aset)	✓ (kejujuran, keadilan)
4	Substansi Kontrak	✗ (formalisme administrasi)	✓ (kontrak penjualan asli)	✓ (maṣlaḥah – kebaikan umum, keadilan)

INVOLVEMENT

Administrative Efficiency vs Sharia Substance. Although the practice of Murabahah at Bank Syariah Indonesia (BSI) has complied with administrative requirements such as receivables recording, fixed margins, and independent audits, the findings of observation and documentation show a fundamental deviation from the principles of sharia substance. In interviews with financing staff and internal sharia supervisors, it was acknowledged that goods are often not physically controlled by banks before being sold to customers. The procurement process is carried out through a third party (supplier) who directly delivers the goods to the customer based on SP3, so that the bank only acts as a contractual intermediary, not as a real buyer. This administrative model is indeed efficient from an operational point of view, but it fails to meet the main elements in fiqh

ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah et al

muamalah, namely the transfer of ownership and risk (taḥammul al-khaṭar). This hurts maqāṣid al-sharī'ah in the dimensions of ḥifz al-māl and al-'adl, because the contract resembles an interest-bearing debt more than a legitimate purchase and sale transaction.

The Potential of Covert Riba in the Practice of Murabahah. From the results of observations on BSI's financial statements and field interviews, it is known that the determination of Murabahah margins is often based on the reference market interest rate or cost of funds, not on the calculation of sharia added value. This practice raises the potential for hidden usury because the return is determined without taking into account the existence of risks or services that are legitimate according to sharia. As a result, the contract, which is labeled as a sharia sale and purchase (Murabahah), in substance actually contains properties that resemble riba (riba naṣī'ah). As a conceptual and practical solution, the 'iwāḍ shari'i-based margin setting approach needs to be revived. From the perspective of fiqh, 'iwāḍ is a valid and just compensation for three things: ghurm (risk of ownership), kasb (effort or work), and ḍamān (responsibility for goods) as shown in the following image:



Figure 1. Iwad-Based Margin Determination Model

In other words, the profit (margin) in Murabahah is only valid if the bank is genuinely:

1. buying and owning goods in real terms,
2. bear the risk of ownership of goods before the contract,
3. and perform work/services in the distribution process.

The technical formulation can be expressed in the formula:

$$p = x + y + z,$$

where:

- x = purchase price of goods,
- y = administrative and operational costs,
- z = legal margin of risk/work of the bank.

With this scheme, the margin is no longer a derivative of market interest, but of the added value of shari'i. This is in accordance with the view of Ibn Taymiyyah who rejects the mere pricing of an agreement without qiyam shari'i or the real value of the transaction. The following is a comparative analysis of the Determination of Conventional Margin vs 'Iwāḍ Syar'i in the Murabahah Contract as explained in the following table:

ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah et al

Table 4 . Comparison of Conventional Margin Determination vs 'Iwāḍ Syar'i in the Murabahah Contract

Assessment Aspects	Conventional Margins	Margin 'Iwāḍ Syar'i
Margin Determination Sources	Based on the market interest rate reference (BI rate, cost of fund)	Based on real added value: risk (ghurm), work (kasb), responsibility (ḍamān)
Margin Forming Principles	Arbitrary and profit-oriented	Return of the Right to Return (Shari'a)
Ownership of Goods by Banks	Not required to own in real life	Must be owned in real terms before sale
Goods Risk Insurer	Client (from the beginning)	Bank (before sale)
Aspects of Sharia Ethics	Vulnerable to concealed usury	In accordance with maqāṣid al-sharī'ah: fairness and honesty of transactions
Legal Basis	Business efficiency and administrative regulation (PSAK 402)	Classical muamalah fiqh, maqāṣid Ibn 'Āsyūr, fatwa DSN-MUI
Cost Transparency	Generally not elaborated	Required to be detailed: purchase price, cost and margin are clearly separate
Public Perception	Similar to interest-bearing credit	Real buying and selling transactions based on fairness

Ethical and Economic Impact on Customers. The inconsistency between the form and substance of Murabahah can have a negative impact on customers, both in terms of margin expenses that are not proportional to the bank's risk, and in terms of perception of the integrity of Islamic banks. Public trust can decline if the practice of Murabahah is considered not much different from conventional, thereby weakening the competitiveness of Islamic finance.

Implications for Accounting Regulations and Standards. This finding indicates the need for revision of the Sharia PSAK, in order to emphasize the principle of "substance over form". The preparation of standards must involve sharia authorities and maqāṣid practitioners. In addition, strengthening the role of the Sharia Supervisory Board (DPS) and internal sharia audits need to be improved in order to assess the suitability of the substance of transactions, not just formal administrative aspects.

Murabahah Reformulation based on 'Iwāḍ Sharia. In response to the practice of Murabahah which tends to only emphasize the formal administrative aspect without fulfilling the principle of the substance of the purchase and sale transaction, it is necessary to reformulate the contract based on the value of 'iwāḍ syar'i as a solution in accordance with maqāṣid. 'Iwāḍ in the perspective of fiqh muamalah is a valid compensation for sacrifices or added value given by one of the parties to the contract, such as risk (ghurm), effort (kasb), and responsibility (ḍamān). Without 'iwāḍ, an exchange has the potential to be void or contain an element of usury.

According to Ibn Taymiyyah, "It is not permissible to take profits except on the basis of real and fair return (mu'awadhah), and there are shari'i benefits or risks borne by the seller" (Majmū' al-Fatāwā, 29/23). He emphasized that profits are only halal if they come from real economic activities, not from speculative transactions or debt agreements wrapped in fictitious sales and purchase contracts.

In line with that, Ibn al-Qayyim stated in I'lām al-Muwaqqi'īn that:

"The blessing of the transaction depends on honesty and fairness. There is no justice if one party bears all the risks, while the other party only receives profits without legitimate contributions or sacrifices." (Ibn al-Qayyim, I'lām al-Muwaqqi'īn, vol. 2, p. 42).

In the context of contemporary Murabahah, this means that the margin set should not solely follow conventional interest benchmarks, but should reflect the bank's tangible contributions, such as:

- Implementation of real sale and purchase contracts;
- Procurement and ownership of goods physically;
- Temporary risk insurer until the goods are sold;
- Administrative services and distribution of goods.

Therefore, the formulation of the margin should consider the elements of 'iwāḍ proportionately. For example:

- If the bank does not bear the risk or does not make a real purchase, then the margin must not be full as in the cost plus scheme;

- On the other hand, if the bank really performs its function as a seller, then the margin becomes legitimate and fair according to maqāṣid.

This reformulation also requires the preparation of technical guidelines by the Sharia Council, so that banks can calculate margins based on the structure of the 'iwāḍ in an accountable manner. Thus, the Murabahah contract is not only legally valid, but also fair and beneficial, as mandated by maqāṣid al-sharī'ah.

Academic Implications for the Sharia Accounting Curriculum. The results of this study show the need to strengthen the maqāṣid approach in the Islamic accounting and finance curriculum in Indonesia which not only emphasizes PSAK, but also maqāṣid ethics and international comparative studies (PSAK vs AAOIFI). Higher education should encourage integration between the understanding of fiqh muamalah, maqāṣid al-sharī'ah, and modern accounting and auditing practices. Students need to be equipped with the ability to think critically about formal practices that are not in accordance with the substance. The establishment of a maqāṣidiy reporting laboratory based on global case studies and collaboration with AAOIFI to strengthen the role of Islamic educational institutions in the development of sharia accounting education standards.

Theoretical and Practical Contributions to Research. This research contributes theoretically to developing a maqāṣid-based sharia accounting evaluation method. In practical terms, this research offers a basis for financial reporting regulatory reform and policy recommendations for Islamic banking authorities to strengthen the fairness and integrity of the system.

CONCLUSION

Conclusion of Research This research reveals that the practice of Murabahah contracts in Indonesian Islamic banking, especially in BSI, is still dominated by a formalistic administrative approach. Although in accordance with the Sharia PSAK and formal regulations, the practice does not fully reflect the substance of fiqh muamalah and maqāṣid al-sharī'ah. Murabahah's financial reporting, which emphasizes accrued receivables and margin recognition, without proof of real ownership and risk transfer, has the potential to cause covert usury. Through evaluation using the Maqāṣid Compliance Index (MCI), BSI's score reached only 3.92 out of 5, indicating that there is still significant room for improvement, particularly in the dimensions of ḥifẓ al-māl and transaction fairness. Compared to the practice of global Islamic banks that prioritize the substance of ownership, BSI still needs to improve to strengthen the integrity and differentiation of Islamic finance from the conventional system.

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ANALYSIS OF MURABAHAH CONTRACTS IN CONSUMPTIVE FINANCING: A CRITICAL REVIEW OF THE EFFICIENCY AND POTENTIAL OF COVERT RIBA - SHARIA PERSPECTIVES, REGULATIONS, AND ACCOUNTING STANDARDS

Siti Umi Nurbaidah et al

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