

Integrating Theory and Practice: Analyzing Murabahah Sharia Financing Contracts for Aceh's Village-Owned Enterprises

Sanusi Bintang¹⁾, M. Yakub Aiyub Kadir²⁾

^{1,2}Syiah Kuala University, Darussalam, Banda Aceh, Aceh, Indonesia

e-mail: sanusi@usk.ac.id¹⁾; m.yakub.akadir@unsyiah.ac.id²⁾

Abstract

The effective application and development of Sharia financing contracts necessitate a harmonious integration of theoretical and practical elements. This article examines the Sharia financing contract model for village-owned enterprises, known as Badan Usaha Milik Desa/Badan Usaha Milik Gampong (BUM Desa), in Aceh Province, Indonesia. Utilizing doctrinal legal research, the study employs legislative, comparative, and conceptual approaches, supplemented by empirical data gathered from interviews with relevant stakeholders. The findings indicate that a significant number of BUM Desa utilize murabahah contracts, while a smaller proportion engage in qard contracts and conventional lending options. Notably, some murabahah contracts incorporate wakalah components. Most Sharia contracts are formalized as written agreements, typically in the form of private deeds, although a few remain unwritten. To better serve the micro and small-scale nature of BUM Desa/BUMG in Aceh, it is recommended that Transactional Clauses and Standard Legal Clauses be included. Each clause should be documented in separate Sharia agreements to enhance practicality and cost-effectiveness. This approach aims to increase public benefit, improve quality of life, and ensure legal certainty and justice. Ultimately, this article provides valuable insights into the quality of contracts (aqad) for Sharia compliance, striving to maximize community benefits.

Keywords: Aceh Province; BUM Desa; BUMG; Indonesia; Murabahah; Sharia Contract

Abstrak

Penerapan dan pengembangan akad pembiayaan syariah yang efektif memerlukan integrasi aspek teoritis dan praktis. Artikel ini menganalisis teori dan praktik model akad pembiayaan syariah pada Badan Usaha Milik Desa/Badan Usaha Milik Gampong (selanjutnya disebut BUM Desa), di Provinsi Aceh, Indonesia. Dengan menggunakan penelitian hukum doktrinal, penelitian ini menggabungkan pendekatan legislatif, komparatif, dan konseptual, serta sumber empiris, termasuk data kualitatif yang diperoleh dari wawancara dengan pemangku kepentingan terkait. Hasil penelitian ini mengungkapkan bahwa banyak BUM Desa menggunakan akad murabahah, sementara sejumlah kecil terlibat dalam akad qard dan opsi pinjaman konvensional. Beberapa akad murabahah disempurnakan dengan komponen wakalah. Sebagian besar akad syariah ini didokumentasikan sebagai perjanjian tertulis, biasanya dalam bentuk akta pribadi, meskipun beberapa masih belum tertulis. Untuk mengakomodir sifat BUM Desa/BUMG skala mikro dan kecil di Aceh dengan lebih baik, direkomendasikan agar Klausul Transaksional dan Klausul Hukum Baku

* Corresponding author: m.yakub.akadir@unsyiah.ac.id

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INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

dimasukkan. Setiap klausul harus didokumentasikan dalam perjanjian Syariah terpisah untuk meningkatkan kepraktisan dan efektivitas biaya. Pendekatan ini bertujuan untuk meningkatkan manfaat publik, meningkatkan kualitas hidup, dan memastikan kepastian hukum dan keadilan. Artikel ini memberikan wawasan berharga tentang kualitas aqad untuk kepatuhan Syariah, yang pada akhirnya berupaya untuk memaksimalkan manfaatnya untuk masyarakat.

Kata Kunci: BUM Desa; BUMG; Indonesia; Murabahah; Kontrak Syariah, Provinsi Aceh

مستخلص

قال الباحثان أنه يتطلب التطبيق الفعال لعقود التمويل المتوافقة مع الشريعة الإسلامية وتطويرها تكاملاً متناغماً بين العناصر النظرية والتطبيقية. تتناول هذه المقالة نموذج عقد التمويل المتوافق مع الشريعة الإسلامية للمؤسسات المملوكة للقرى، والمعروفة باسم "بادان أوساها ميليك ديسا" أو "بادان أوساها ميليك غامبونج" (BUM Desa)، في مقاطعة آتشيه بإندونيسيا. وبالاستناد إلى البحث القانوني المذهبي، تستخدم الدراسة مناهج تشريعية ومقارنة ومفاهيمية، مدعومة ببيانات تجريبية جمعت من مقابلات مع المعنيين. تشير النتائج إلى أن نسبة كبيرة من مؤسسات التمويل الأصغر (BUM Desa/BUMG) تستخدم عقود المراجعة، بينما تستخدم نسبة أقل عقود القرض وخيارات الإقراض التقليدية. والجدير بالذكر أن بعض عقود المراجعة تتضمن عناصر الوكالة. تُوثق معظم العقود الشرعية كتابياً، عادةً في شكل صكوك خاصة، مع بقاء بعضها غير مكتوب. ولتلبية احتياجات مؤسسات التمويل الأصغر (BUM Desa/BUMG) في آتشيه على نحو أفضل، يُوصى بإدراج بنود خاصة بالمعاملات وبنود قانونية نموذجية. وينبغي توثيق كل بند في اتفاقية شرعية منفصلة لتعزيز سهولة التطبيق وفعالية التكلفة. يهدف هذا النهج إلى تعزيز النفع العام، وتحسين جودة الحياة، وضمان اليقين القانوني والعدالة. وتقدم هذه المقالة، في نهاية المطاف، رؤية قيمة حول جودة العقود المتوافقة مع الشريعة الإسلامية، ساعيةً إلى تحقيق أقصى قدر من المنافع للمجتمع.

الكلمات الرئيسية: مقاطعة آتشيه؛ مكتب الشؤون الإدارية في القرى؛ مكتب الشؤون الإدارية في إندونيسيا؛ المراجعة؛ عقد الشريعة الإسلامية

A. Introduction

Village-owned businesses, known as BUM Desa/BUMG, are economic entities primarily owned by village governments and established through village regulations.¹ These entities provide financing services and distribute funds to local customers. The existence of BUM Desa/BUMG is governed by several legal frameworks, including the Act of the Republic of Indonesia Number 6 of 2014 on Villages, the Act Number 11 of 2020 on Job Creation, and Government Regulation Number 11 of 2021 on Village-Owned Businesses. This regulatory support ensures the viability and potential for development of BUM Desa/BUMG, reinforcing their role in local economic growth.

¹ In Aceh province, Indonesia despite that the village is called gampong, or other names, the term village-owned business (BUM Desa) which has been nationally recognized is still used as a general term.

The development of financing for BUM Desa/BUMG in Aceh must align with the specific laws (*lex specialis*) governing the region's special autonomy, as outlined in the Act of the Republic of Indonesia Number 44 of 1999 and the Act Number 11 of 2006 on the Governance of Aceh. Article 155, Paragraph (1) of the Act on Aceh Governance (?) mandates the implementation of Islamic Sharia in the region. In accordance with this provision, Qanun Aceh Number 8 of 2014 on the Implementation of Islamic Sharia and Qanun Aceh Number 11 of 2018 regarding Sharia Financial Institutions were established. These regulations aim to guide development and business transactions (*muamalat*) in accordance with Sharia principles, including those related to financial institutions. Consequently, all activities of Sharia financial institutions, including BUM Desa/BUMG in Aceh, must adhere to the stipulations set forth in these special laws. The latest data from the Community and Village Empowerment Agency (*Dinas Pemberdayaan Masyarakat dan Gampong*) of the Aceh Province shows that there are 318 BUM Desa/BUMG registered in Aceh.² Some of them have financing units of businesses, and some of them have been performing their business according to the Sharia principle.³ This is good news because of its potential to empower people in villages and improve their social welfare in accordance with Sharia in the future. However, to date, not all BUM Desa/BUMG in Aceh have implemented sharia principles in their business models. Besides that, evidently, financing businesses with high interest rates or rental businesses is still a common practice in Aceh. To address that problem, one alternative, according to Zulfikar Aziz, is to empower financing for BUM Desa/BUMG in Aceh.⁴ Similarly, H. Ramli MS previously stated that he hoped the asset owned by BUM Desa/BUMG would be managed in accordance with sharia principles.⁵

The development of financing for BUM Desa/BUMG in Aceh must comply with specific laws (*lex specialis*) that govern the region's special autonomy, as established in the Act of the Republic of Indonesia Number 44 of 1999 and the Act Number 11 of 2006 on the Governance of Aceh. Article 155, Paragraph (1) of the Act on Aceh Governance mandates the implementation of Islamic Sharia within the region. In line with this requirement, Qanun

² Bumdes.id, "318 BUMG Aceh Terdaftar Di Bumdes.Id," January 2021.

³ Yusmandin Idris and Nurul Hayati, "Starting from IDR 5 Million to IDR 100 Million, This Is the Capital Target for BUMG Alue Ganda Savings and Loans," *Serambi News*, 2021, <https://aceh.tribunnews.com/2021>.

⁴ *kontrasaceh.net*, "The Rise of Sale of Goods Practices with High Interest, Deputy Chairman of DPRK Aceh Besar Asks BUMG to Be Empowered," *kontrasaceh.net*, March 2021, <https://www.kontrasaceh.net/2021/03/23/dewan-minta-bumg-diberdayakan-agar-jadi-solusi-masyarakat-tak-terlilit-utang-bunga-tinggi/>.

⁵ Dedi Iskandar, "Regent Ramli Hopes BUMDes Finances in Aceh Will Be Managed by Islamic Banking," *Antara Aceh*, September 7, 2019, <https://aceh.antaranews.com/berita/96220/bupati-ramli-harapkan-keuangan-bumdes-di-aceh-dikelola-perbankan-syariah>.

INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

Aceh Number 8 of 2014 on the Implementation of Islamic Sharia and Qanun Aceh Number 11 of 2018 regarding Sharia Financial Institutions were enacted.⁶ These regulations are designed to guide development and business transactions (muamalat) in accordance with Sharia principles, particularly those related to financial institutions.⁷ Therefore, all activities of Sharia financial institutions, including BUM Desa/BUMG in Aceh, must adhere to the provisions outlined in these special laws to ensure compliance and promote sustainable growth.

B. Method

This research is a doctrinal legal study that emphasizes legal norms, primarily drawing on primary legal authorities such as national laws and Sharia financing contracts. It also incorporates secondary legal authorities, including opinions or fatwas from the National Sharia Board-Indonesian Council of Ulama (DSN-MUI), journal articles, and relevant books, along with tertiary sources like dictionaries. In addition to doctrinal research, a limited empirical component included interviews with selected resource persons. The research team focused on specific locations: Jakarta, Banda Aceh, Meulaboh, and Takengon. Jakarta was selected for its national institutions, Banda Aceh for its provincial institutions, and Meulaboh and Takengon for their significant roles in village governance and welfare improvement, which must align with Sharia principles as outlined in the Act on Governing of Aceh and related local laws.

The primary legal authorities referenced include the Indonesian Civil Code, the Act on Implementing the Privileges of Aceh, the Act on Governing of Aceh, the Act on Religious Courts, the Act on Arbitration and Alternative Dispute Resolution, the Act on Villages, the Act on Job Creation, the Government Regulation on Village-Owned Businesses, the Aceh Qanun on Principles of Islamic Sharia, the Aceh Qanun on Sharia Financial Institutions, and the Supreme Court Regulation on the Compilation of Islamic Economic Law. Secondary authorities encompass the opinions of the National Sharia Board-DSN-MUI, journal articles, books, and international conference papers. Tertiary sources include dictionaries such as KBBI, the English General Dictionary, the English Legal Dictionary, and the Arabic Dictionary. Additionally, non-legal materials from social sciences and humanities, along with interview results, were utilized to complement the legal materials. The analysis employs three

⁶ Hasanuddin Rakhman Daengnaja, *How to Design Sharia Contract* (PT Citra Adytia Bakti, 2016).

⁷ Lawrence B Solum, "Contractual Communication," *Harvard Law Review* 133, no. 23 (2019): 23–74, <https://harvardlawreview.org/2019/11/contractual-communication>.

common approaches in doctrinal legal research: the statute approach, comparative approach, and conceptual approach.

C. Discussion

1. *Fitting Murabahah Sharia Financing Contract for Village-Owned Business*

BUM Desa/BUMG can model their financing transactions after other financial institutions, particularly banks, with a primary focus on distributing funds to the community. In Indonesia, which operates under a dual banking system, there are two types of banking: conventional and sharia. However, Aceh has adopted a single banking system that exclusively features sharia banking.

While both systems share similarities, they also exhibit key differences. In conventional banking, the predominant model for funding distribution involves financial transactions, such as loans or credit, based on conventional contracts. In contrast, sharia banking emphasizes real business transactions, focusing on financing rather than loans. This includes contracts based on the sale of goods, lease agreements, and profit-sharing joint ventures.⁸ The fundamental distinction between these systems lies in their legal documents or instruments, particularly the contracts (*akad*), which differ in type, form, framework, and substance. Consequently, the topic of contracts or *akad* warrants further attention and discussion.

Muhammad Maksum classified sharia *akad* into three levels or models. First, single *akad* model (*basith*) such as *murabahah*, *ijarah*, *wadiah*, *mudharabah*, *musyarakah*, *qardh*, *salam*, *istishna*, *wakalah*, *kafalah*, *hiwalah*, *hibah*, *rahn*, *sharf*, *jualah*, and *bai*. Second, double *akad* model (*mujtamiah/murakhabah*) is “the compilation of several contracts/*akad* in one transaction by combining or exchanging, where all the rights and obligations of the contract/*akad* are considered as the legal consequences of one transaction.” For example, *mudharabah*, sharia letter of credit (L/C), sharia card, *mudharabah mushtarakah*, and *musyarakah muntanaqisyah*. Third, the multiple *akad* model, which is a “two or more contracts/*akad* that are combined in one separate transaction from each other.” Such as *salam mawazy*, *istishma mawazy*, *al-ijarah al-muntahiyah bil-tamlik (IMBT)*, and *sale-and-leaseback*.⁹

Despite the variety of models and complexities in Sharia financial institutions, particularly in small-scale financing like BUM Desa/BUMG, not all *akad* are utilized in daily

⁸ Rini Fatriani, “Forms of Conventional Bank Products and Islamic Banks in Indonesia,” *Ensiklopedia of Journal* 1, no. 1 (2018): 218–24, <https://doi.org/https://doi.org/10.33559/eoj.v1i1.55>.

⁹ Muhammad Maksum, “Contract Models in Sharia Financial Products,” *Al-'adalah* 11, no. 1 (2014): 49–62.

INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

transactions. According to Fira Kartika Ningtyas and Rakhmawati Kusumaningtyas, some BUM Desa/BUMG employ only two models, with varying degrees of adherence. It is recommended that BUM Desa/BUMG avoid using qardh akad for revenue generation, as it serves a social function without profit motives. Instead, for commercial purposes, it is more suitable to use contracts with a commercial nature, such as murabahah financing contracts, which are designed to generate reasonable revenue.¹⁰

Research indicates that while BUM Desa/BUMG generally adheres to sharia financing principles, some practices remain inappropriate. Suhadi highlights that certain BUM Desa/BUMG provide loans rather than services, failing to educate clients about financing. Consequently, the ujah income generated is unsuitable, as it should stem from the rental of goods or services, not merely from loans.¹¹

In light of the discrepancy between sharia principles and practice, Wahyudin et al. advise making the effort to improve the capacity of BUM Desa/BUMG staff in implementing sharia funding akad. This is intended to ensure that the implementation of appropriate sharia akad in accordance with sharia principles leads to fairness.¹² The success of BUM Desa/BUMG will not only improve the welfare of the parties through increasing income and channeling the creativity of the community, but also will benefit the village/gampong government because it can provide additional funds from the village/gampong's original income to increase development.¹³

Considering the importance of the function and role of BUM Desa/BUMG in general, and financing BUM Desa/BUMG in particular, facilitations are needed, such as the preparation of facilities and infrastructure for daily activities. One of them is the availability of more appropriate Sharia financing contracts to meet the specific needs of small-scale financial institutions, particularly BUM Desa/BUMG.¹⁴ This is because, in practice, there are difficulties in finding the appropriate akad model in accordance with the said provisions and

¹⁰ Fira Kartika Ningtyas and Rohmawati Kusumaningtyas, "Model for Implementing Sharia Transaction Agreements in BUMDes for Prosperity in a Pluralism Society," *Inventory: Accounting Journal* 5, no. 2 (October 2021): 101–13, <https://doi.org/https://doi.org/10.25273/inventory.v5i2.10652>.

¹¹ Suhadi Suhadi, "Implementation of the Ijarah Agreement for Financing BUMDes Mulya Together with Rattan Mulya Village," *Intelektualita* 10, no. 1 (2021): 51–65, <https://doi.org/https://doi.org/10.19109/intelektualita.v10i1.8180>.

¹² Mustakim Sagita, "Sharia-Based BUMDes Empowerment Model in Nagan Raya Regency," in *Technological Innovation and Community Service Research Products Based on the Industrial Revolution 4.0 in the New Normal Era* (Aceh: Lembaga Penelitian Dan Pengabdian Kepada Masyarakat (LPPM) Universitas Jabal Ghafur, 2021).

¹³ Muhammad Fajar Nandra Caya and Ety Rahayu, "The Impact of BUMDes on Community Welfare in Aik Batu Buding Village, Belitung Regency, Bangka Belitung Province," *Journal of Social Welfare Science* 20, no. 1 (2019): 1–12, <https://doi.org/https://doi.org/10.7454/jurnalkessos.v20i1.193>.

¹⁴ Much Imron and Subadriyah Subadriyah, "Standar Operasional Prosedur Unit Simpan Pinjam Sebagai Upaya Peningkatan Kualitas Pelayanan BUMDes," *Abdimisi* 2, no. 1 (February 20, 2021): 57, <https://doi.org/10.32493/abms.v2i1.5174>.

actual everyday needs. The existing models generally are not specifically made for financing BUM Desa/BUMG, which commonly is small-scale in size, but rather they were made for sharia banking institutions in general. One of the models available for public use is the Mudharabah Sharia Banking Product Standard, published by the Financial Services Authority of the Republic of Indonesia (OJK RI). Because the existing one is quite comprehensive and complicated to understand and apply to small-scale businesses, particularly for financing BUM Desa/BUMG.¹⁵ For that reason, it is necessary, through this article, to either create a new sharia financing contract model or develop the existing one so that it is more appropriate for use in financing BUM Desa/BUMG or the like.

According to Nurul Ikhsan, to create a more appropriate model of a sharia financing contract, the contract drafter needs specific skills. First, an understanding of the client's capabilities. Second, an understanding of the sources of funding from funders. Third, an understanding of legal provisions regarding the chosen akad.¹⁶

From general contract drafting skills, for example, Lori D. Johnson explains that using a few main clauses or basic building blocks can draft a contract model. A well-drafted contract uses a variety of legal structures to regulate the essential rights and obligations of each party, as substantive or business provisions from that contract model. Besides that, the choice of language style in drafting will also affect the effectiveness of the contract, for example, without using passive sentences to clearly define the party with his or her responsibility, and by putting it first in the formulation of provisions will create an emphasis, as an aspect of plain language style.¹⁷

If there is an existing akad, the drafting process can start with that contract by evaluating its clauses and their qualities, including the drafting skills needed to adapt to current real business needs. Such things, according to Radian.com, could save drafting time, improve drafters' results, and serve as a basis for further development as needed. In this case for a simple contract, it is advised to categorize key provisions (parties, commercials, and other related provisions) in one part, in the beginning, with judicial provision afterward.¹⁸

¹⁵ OJK RI Team, *Murabahah Sharia Banking Product Standards* (Jakarta: Financial Services Authority of the Republic of Indonesia (OJK RI), 2016).

¹⁶ Nurul Ikhsan, "Procedures for Designing a Sharia Financing Agreement," *Journal of Islamic Economics* 5, no. 2 (2015): 123–40.

¹⁷ Lori D Johnson, "Effective Contract Drafting: Identifying the Building Blocks of Contracts," *Scholarly Works* 822 (2013): 24–34, https://scholars.law.unlv.edu/facpub/882?utm_source=scholars.law.unlv.edu%2Ffacpub%2F882&utm_medium=PDF&utm_campaign=PDFCoverPages.

¹⁸ Radian Law.Com, "Commercial Contracting Optimization Series: The In-House Guide to Contract Templates," Radian Law.Com, 2021, <https://www.radiantlaw.com/>.

INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

2. *Types, Forms, Frameworks, and Clauses of Sharia Financing Contract*

The 2006 Act on the Governance of Aceh establishes several special legal provisions (*lex specialis*), including the implementation of Islamic law. This Act addresses economic matters, encompassing contract law and sharia contracts. As part of Indonesia, Aceh is also subject to general legal provisions (*lex generalis*) that apply nationally. These general provisions remain applicable in Aceh unless specifically overridden by the special legal provisions in the Act on Governance of Aceh and its derivatives. Consequently, this analysis will discuss both the special legal provisions related to Aceh's autonomy and the relevant general legal provisions where applicable.

Aceh Province, with its capital in Banda Aceh, comprises 23 regencies and cities, each with smaller regional jurisdictions. This research includes field studies and normative legal research focused on three sample locations: West Aceh Regency (Meulaboh), Central Aceh Regency (Takengon), and Banda Aceh City. Additionally, limited library and field research were conducted at relevant agencies and with resource persons in Banda Aceh and Jakarta, the capital of Indonesia.

This research focuses on Sharia financing contracts specifically for business transactions at BUM Desa/BUMG. It is essential to briefly outline the development of BUM Desa/BUMGs and provide examples from various districts. In West Aceh Regency, there are 306 BUM Desa/BUMGs as of 2023, with some having legal entities. The research samples include BUM Desa Maju Jaya in Peunaga Pasi Village and another BUM Desa. In Central Aceh Regency, 174 BUM Desa/BUMGs exist, with samples including BUM Desa Tensaran in Tensaran Village and BUM Desa Subur Makmur in Paya Dedep Village.

Legal Theory Based

In legal theory, Sharia contracts, like general contracts, are classified in distinct ways. While some classifications align with general contract types, others are unique to sharia contracts, highlighting their specific characteristics. Theoretically, sharia contracts can be categorized by function and objective, resulting in a dichotomy between commercial and noncommercial contracts. This primary classification can be further detailed into subcategories. Commercial sharia contracts are referred to as *tijarah* contracts (profit contracts), while noncommercial sharia contracts are known as *tabaruk* contracts (not-for-profit contracts). This distinction underscores the unique nature of sharia contracts compared to conventional contract classifications.¹⁹

¹⁹ Abdul Hadi, *Sharia Banking Law: Contracts and Their Legal Basis* (Malang: Setara Press, 2018).

A commercial contract is one that serves a commercial purpose. That is, the planning of such a Sharia contract is intended to obtain profit for the parties who enter into it. In contrast to the noncommercial contract, which, as the name suggests, has no commercial purpose, it is an agreement that has no commercial purpose. That is, such sharia contract planning is not intended to gain profit. The classification of sharia contracts into commercial and noncommercial contracts is thus a special classification within sharia contract law. Such classification is rarely found in the discussion of general contract law or conventional contract law.

The classification of sharia contracts into two large classes, each of which still needs to be further detailed into smaller subclassifications. In this case, commercial sharia contracts are divided into three subclasses. The three subclasses are commercial sharia contracts based on the sale of goods, commercial sharia contracts based on lease, and commercial sharia contracts based on profit sharing. Meanwhile, non-commercial sharia contracts, which are service contracts, is classified into six subclasses. The six subclassifications include *hawalah* (transfer service), *kafalah* (guarantee), *rahn* (pawn), *wakalah* (power of attorney), and *qard* (loans without compensation).²⁰ Article 20 sub 36 of the Supreme Court of the Republic of Indonesia Regulation Number 2 of 2008 concerning the Compilation of Sharia Economic Law (hereinafter called CSEL) defines *qardh* as, "the provision of funds or bills between Islamic financial institutions and the borrower which requires the borrower to make payments in cash or installments within a certain period."

Commercial sharia contracts based on sales of goods (*bai'*) is further classified into several smaller subclassifications. Article 20 sub 2 of the CSEL defines *bai'* as, "buying and selling between objects and objects, or exchanging objects for money." In this case, there are many subclassifications of *bai'*, among which are already three subclassifications popular in practice; The three subclassifications are *murabahah* (deferred payment sale), *salam* (in-front payment sale), and *istisna* (purchase by order or manufacture).²¹

Article 20 sub 6 of the CSEL defines *murabahah* as "mutually beneficial financing carried out by *shaib al-mal* with parties in need through sales of goods transactions with the explanation that the procurement price of goods and the selling price have an additional value which is a profit or profit for *shaib al-mal* and the return is made in cash or in installments." Meanwhile, *salam* is a commercial sharia contract based on sales of goods where the buyer

²⁰ Mardani Mardani, *Sharia Financial Contract Law: From Theory to Application* (Jakarta: Kencana, 2021).

²¹ Muhammad Syafii Antonio, *Bank Syariah: Dari Teori Ke Praktik* (Jakarta: Gema Insani, 2001).

INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

pays upfront. Article 20 sub 34 of the CSEL defines salam as, "financing services related to sales of goods where payment is made simultaneously with the order of goods." Istisna is a commercial sharia contract based on the sale of goods with an order.

Commercial sharia contracts based on lease (ijarah) can also be further broken down into several smaller subclassifications. In this case, there are at least three subclassifications of lease. Firstly, ijarah in a narrow sense (lease contract). Secondly, ijarah muntahiya bittamlik (IMBT) is a leasing with a purchase option for the lessee at the end of the contract period (financial lease with purchase option). Thirdly, ijarah with the promise of payment of certain rewards for work achievements (jualah).²² Article 20 sub 18 of the CSEL defines jualah as, "a certain compensation agreement from the first party to the second party for the implementation of a task/service carried out by the second party for the benefit of the first party".

Commercial sharia contracts based on profit-sharing business cooperation (syirkah), as well as others previously classified again into several smaller subclassifications. Article 20 sub 3 of the CSEL defines syirkah as, "cooperation between two or more people in terms of capital, skills, or trust in a particular business with profit sharing based on a ratio agreed by the parties involved." In this case, there is mudharabah (trust financing, trust investment) and musyarakah (partnership, project financing participation). Mudharabah is a commercial transaction based on profit-sharing cooperation, as defined in Article 20 sub 4 of the CSEL: "cooperation between fund owners or investors and capital managers to carry out certain businesses with profit sharing." Musyarakah is a commercial contract based on a revenue-sharing arrangement, in which both parties jointly provide capital. Abdul Ghofur Anshory defines musyarakah as "investment of investors to mix their funding in a certain business, with the profit sharing based on the consensus as agreed, whereas the loss borne by all investors based on portions of investments".²³

Not all classes or types of sharia contracts mentioned above are discussed in more depth, but only the most important ones, especially because they are most widely used or most needed in the reality of business transactions in financial institutions, especially currently small-scale ones, which are suitable for BUM Desa/BUMG. In this case, the discussion focuses only on murabahah financing contracts. Second, regarding the form of Sharia contracts. Regarding the form of contract, the applicable rules can be based on various sources

²² Mardani, *Sharia Financial Contract Law: From Theory to Application*.

²³ Abdul Ghofur Ansori, *Hukum Perjanjian Islam Di Indonesia: Konsep, Regulasi, Dan Implementasi*, 1st ed. (Yogyakarta: UGM Press, 2018).

of Sharia law. In this case, starting from the highest, the messages of God, namely the Quran and Hadith. In addition, there is also the opinion of Islamic scholars (ulamas), called Ijtihad.

Among the many principles of sharia contract law, one concerns the form of contract. This principle is called the written principle (Al Kitabah). This means the contract is made in writing. The drafting of sharia contracts in writing refers to the provisions in the legal sources above, which state that sharia contracts are made in writing, one of the aims of which is to make it easier to prove in the event of a dispute between the parties later.²⁴

However, at least according to some experts, there are exceptions to this written principle. This exception applies to simple business transactions that do not have to be made in writing. Such simple business transactions can be made verbally or in writing. This means that contracts concluded verbally are valid if they fulfill the terms and conditions (rukun dan syarat).

More concrete provisions regarding the form of murabahah financing contracts can be found in statutes. Among the related statutes is the Act of the Republic of Indonesia Number 21 of 2008 on Sharia Banking (hereinafter referred to as the Act on Sharia Banking). Apart from that, there is also in the CSEL, among other things. Specifically in Aceh, there is a special legal basis or provision, namely the Act on the Governance of Aceh and Act Number 44 of 1999 on the Implementation of Privileges for the Special Provincial Region of Aceh (hereinafter referred to as the Act on Privileges of Aceh). Under it, there are several implementing legislations generally called in Aceh as qanuns, especially Aceh Qanun Number 8 of 2014 on the Principles of Sharia (hereinafter referred to as Aceh Qanun on Principles of Sharia) and Aceh Qanun Number 11 of 2018 on Sharia Financial Institutions (hereinafter referred to as Aceh Qanun on FI).

Third, regarding the framework of the sharia contract. For the purposes of more operational implementation, nationally, there are several general guidelines that apply generally to all Sharia financial institutions. Apart from that, there are also more informal ones included in the Modul Pelatihan Pengawas Syariah untuk Lembaga Keuangan Syariah/Koperasi Syariah, 2019 (Sharia Supervisors Training Module for Sharia Financial Institutions/Sharia Cooperatives, 2019), which was compiled by the DSN-MUI Team Institute. Previously, there had also been a publication in the form of a book titled Pedoman Akad Syariah (PAS) Perhimpunan BMT Indonesia, 2014 (Guidelines for Sharia Contracts (GSC) of the Indonesian BMT Association, 2014). In this case, *mutatis mutandis* can also be

²⁴ Mardani, *Sharia Financial Contract Law: From Theory to Application*.

INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

used as a general reference in drafting murabahah contracts for BUM Desa/BUMG in Aceh.

The Republic of Indonesia Financial Services Authority Team (OJK RI Team), entitled *Standar Produk Perbankan Syariah Murabahah (Murabahah Sharia Banking Product Standards)*. OJK RI Team in *Murabahah Sharia Banking Product Standards* determines the framework of the operative part of the Murabahah contract:²⁵ Definition; Financing Principles of Murabahah; Goods or Objects of Murabahah; Financing Facilities of Murabahah; Time period; Appointment of Customer as Bank Attorney (Wakalah); Terms and Procedures for Realizing Financing; Sale and Purchase Agreement; Down Payment Terms and Margin; Fees and Fines; Payment method; Accelerated Repayment; Customer Obligations; Collateral; Prohibitions for Customers; Event of Contract Breach; Consequences of Contract Breach; Termination of Agreement; Dispute resolution; Supervision & Inspection; Correspondence; Others; and Closing.

DSN-MUI Team Institute in *Sharia Supervisors Training Module for Sharia Financial Institutions 2019 Sharia Cooperatives* determine the murabahah contract framework to include, at least, as follows:²⁶ Amount/Maximum Financing (Agreement Object); Financing Objectives; Financing Period; Rewards (Margin, Ujrah/Fee, Profit sharing); Payment (Payment = Taqsith, Muajjal); Pre-Disbursement or conditions precedent); Representations and Warranties; Things that Customers Must Do (Affirmative Covenant); Things that Customers are Prohibited from Doing (Negative Covenant); Event of Contract Breach or Trigger Clause; Fees, Deductions, Taxes, Fines (Ta'zir) and Ta'widh; Authorization to the Bank; Banks' Rights to Conduct Supervision; and Dispute Resolution or Miscellaneous (including, Redirection (Assignment), Exclusion (Waiver), Announcement (Notices), Documentation (Counterparts), Changes (Variations)).

The Indonesian BMT Association in *Sharia Contract Guidelines (SCG)* determines, the contract framework, as follows:²⁷ Definition; Financing and Financing Period; Sale and Purchase Relay; Delivery of Goods; Payment; Fees, Deductions and Taxes; Collateral; Second Party Statement; Breach of contract; Violation; Supervision and Inspection; Dispute Resolution; Domicile and Notification; Miscellaneous Provisions; and Closing. The fourth is about the contents of the sharia contracts. Regarding the contents of the murabahah sharia contract, it must comply with the rules that govern it. Although these rules are not specifically

²⁵ OJK RI Team, *Murabahah Sharia Banking Product Standards*.

²⁶ DSN-MUI Team Institute, *Sharia Supervision Training Module for Sharia Financial Institutions 2019 Sharia Cooperatives* (Jakarta: DSN-MUI Institute Team, 2019).

²⁷ Saat Soeharto, *Guidelines for Sharia Contracts (PAS) of the Indonesian BMT Association* (Jakarta: BMT Ventura, 2014).

intended for use by BUM Desa/BUMG, they can be used by any financial institutions, mainly sharia banks; where appropriate, the rules can also be applied by analogy to BUM Desa/BUMG.

According to the OJK Team²⁸, legal provisions regarding murabahah contracts are sourced from statutes, including: Act Number 21 of 2008 on Sharia Banking; PBI Number 9/19/PBI/2007 on Implementation of Sharia Principles in Fund Collection, Fund Distribution Activities, and Sharia Bank Services; Regulation of the Supreme Court of the Republic of Indonesia Number 02 of 2008 on the Compilation of Sharia Economic Law; DSN-MUI Fatwa Number 04/DSN-MUI/IV/2000 on Murabahah; DSN-MUI Fatwa Number 13/DSN-MUI/IX/2000 on Advance Payments in Murabahah; DSN-MUI Fatwa Number 16/DSN-MUI/IX/2000 on Discounts in Murabahah; DSN-MUI Fatwa Number 23/DSN-MUI/III/2002 on Repayment Deductions in Murabahah; DSN-MUI Fatwa Number 46/DSN-MUI/II/2005 on Bill Deductions in Murabahah (Khashm Fi Al-Murabahah); DSN-MUI Fatwa Number 47/DSN-MUI/II/2005 on Settlement of Receivables in Murabaha for Customers Who Are Unable to Pay; DSN-MUI Fatwa Number 48/DSN-MUI/II/2005 on Bill Rescheduling in Murabaha; DSN-MUI Fatwa Number 49/DSN-MUI/II/2005 on Contract Conversion Murabahah; and DSN-MUI Fatwa Number 77/DSN-MUI/II/2010 on Sales of Gold Without Cash.

Practice Based

This legal practice involves applying existing theories, principles, and legal provisions in daily operations. The discussion is based on primary and secondary data collected by the research team. In the studied districts, some BUM Desa/BUMGs have adopted sharia contracts, while others have not. Among those that have, some comply with Islamic law, while others continue conventional practices.

First, about the types of Sharia contracts. In practice, BUM Desa/BUMGs that already use sharia contracts generally use this type of murabahah contract. As previously explained, the murabahah contract is included in the commercial sharia contract for the sale of goods. In other words, murabahah is one of the subtypes of commercial sharia contracts based on sales of goods (bai'). In the use of a murabahah contract, there is a BUM Desa/BUMG, which is equipped with a wakalah contract. In this case, the buyer is represented by BUM Desa/BUMG to purchase goods on behalf of the BUM Desa/BUMG. Thus, in such a transaction, there are two types of Sharia contracts. The first is a noncommercial sharia contract, wakalah. The second is a commercial sharia contract, murabahah. In this case, there is a double contract (a hybrid

²⁸ OJK RI Team, *Murabahah Sharia Banking Product Standards*.

INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

contract) for a single business transaction. Such a hybrid contract is also called a murabahah bil wakalah.

When using a conventional credit or financing system, it is based on general civil law, especially contract law, and more specifically contract law based on the Indonesian Civil Code (hereinafter referred to as ICC). In this case, the interest system is used. In Islamic law, a contract suitable for borrowing money, debts, or credit is called qardh. However, in Islamic law, the qardh contract is a loan agreement without compensation. This type of contract is the same as a wakalah contract above, which is a non-commercial sharia contract. Therefore, in its use, it is not possible to seek profit, as in conventional credit agreements. The Qardh contract may only be used for related social purposes.

Second, regarding the form of Sharia contracts. In practice, sharia contracts are either written or unwritten. Some written contracts have a framework and content that are relatively complete, while others are simple and cover only the main points, such as a one-page contract. Third, regarding the Sharia contract framework. In practice, because of variations in its form and content, the sharia contract framework also varies. Below, several existing examples are presented. The first example is the Financing Contract Al-Murabahah with BUM Desa/BUMK Subur Makmur, Paya Dedep Village, Jagong Jeget Sub-District, Central Aceh Regency, in 2023. The framework consist of: Definition; Funding and Use; Term and Method of Payment; The place of payment; Fees, Deductions, and Taxes; Guarantee; Breach of contract; Consequences of Contract Breach; Acknowledgments and Warranties; Limitations on Customer Actions; Risk; Insurance; Supervision; Dispute Resolution; Others; Announcement; and Closing.

The Murabahah contracts of BUM Desa/BUMK Subur Makmur, Kampung Paya Dedep, Jagong Jeget Sub-district, Central Aceh, 2023 also include another contract, the wakalah contract. The Wakalah contract is a power of attorney from the BUM Desa/BUMK to the customer to purchase certain goods as agreed. The second example is the framework of the Official Report of Profit-Sharing Agreement for Business Capital Assistance for the Baitul Mal Aceh Group, BUM Desa/BUMK Pelongohen, Tensaran Village, Bebesan Sub-district, Central Aceh Regency in 2022, which includes: Amount of Funds; Purpose of Use of Funds; Profit Sharing Percentage; Distribution of Funds for the Poor; and Fund Use Report.

Minutes of Business Profit Sharing Agreement for Business Capital Assistance for the Baitul Mal Aceh Group, BUM Desa/BUMK Pelongohen, Tensaran Village, Bebesan Sub-district, Central Aceh Regency, 2022 above does not use a murabahah contract as in BUM Desa/BUMK Subur Makmur, Paya Dedep Village, Jagong Jeget Sub-district, Central Aceh,

2023 above. However, what is used in accordance with the framework and content is a profit-sharing business cooperation agreement (*syirkah*), or, more specifically, a *mudharabah* contract, since the entire capital from the funder is used.

The third framework example is from Productive Economic Empowerment Contracts of BUM Desa/BUMG Peunaga Pasi, Meureubo Sub-District, West Aceh Regency in 2019. It includes Scope, Amount of funds, Time period, Collateral, Accountability Report, Unused Funds, Agreement Implementation Costs, Penalty, Forced Circumstances, Comes into Effect, and Addendum. The Productive Economic Empowerment Agreement, BUM Desa/BUMG Peunaga Pasi, Meureubo Sub-District, West Aceh Regency, 2019 still used conventional contracts based on provisions of the ICC. Thus, it has not yet used sharia contracts.

The fourth example is the framework of Murabahah Financing Contracts of BMT Koto Baru Sharia Cooperative, Gunung Malem, West Aceh Regency in 2023 which include: Definition; Implementation of Murabahah Financing; Financing and Usage Period; Customer Obligations; Fees, Deductions, and Taxes; Member Acknowledgment Statement; Breach of contract; Violation; Supervision and Inspection; Domicile and Notification; and Closing.

The fifth example of framework is from Murabahah Contracts of Mujur Sharia Cooperatives (KSPPS Mujur), Ministry of Religious Affairs, West Aceh Regency in 2023, which includes: Amount of Principal Sold Payable; Time period; Principal Price and Margin; Instalment Payment Methods and Sanctions; and Late payment. Fourth, regarding the contents of the sharia contract. In practice, the contents of existing sharia contracts are in accordance with the normative theory outlined above, and some are not yet. From the perspective of designing sharia contracts or agreements, there are appropriate and inappropriate ones in terms of the framework, substance, and language. Likewise, from a business needs perspective, some are appropriate and others are not, which will be analyzed further in the discussion.

3. Ideal of Murabahah Sharia Financing Contracts

Type of Murabahah

There are various types of sharia contracts that provide financing options for BUM Desa/BUMG in their daily operations. Generally, sharia contracts can be classified into commercial and non-commercial (social) categories. Commercial contracts include those based on sales, leases, and profit-sharing. Each category can be further divided; for instance, sales contracts can include *murabahah*, *istisna*, and *salam*. Non-commercial contracts can also

INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

be subdivided into categories such as qard (debt), wakilah (power of attorney), and kafalah (guarantee).

In practice, there are BUM Desas/BUMGs that still use conventional types of contracts and have not yet switched to sharia contracts. In this case, we still use the term 'debt contract' or 'credit contract'. In such cases, the change needed regarding the agreement type is to choose a Sharia financing contract. In this case, it is a commercial sharia contract, as BUM Desa/BUMG is a business entity with the main objective of making a profit. The type of commercial sharia contract currently most used is a sales of goods contract, specifically murabahah. Thus, although in practice it exists and is permissible to choose the type of social sharia contract, especially the debt and receivable contract (qards), it is not recommended to be used as the main instrument in conducting business transactions at BUM Desa/BUMG. Qard contract can be used in a limited way, for very important social purposes only.

Form of Contract

In general, sharia contracts are, by definition, written contracts. In this case, it can be in the form of an underhand contract or a notarial deed. However, there are also exceptions for simple transactions that can be made without a written form.²⁹ In practice at the BUM Desa/BUMG in this research location, some have not used written sharia contracts. Whereas others use written contracts. In this case, all are in the form of underhand contracts made by the parties themselves, without the involvement of a notary. Here, the correction is to do it in writing wherever possible. In this case, except for certain high-risk transactions, a written sharia contract in underhand form is sufficient. This will make it easier to prove it if there is a dispute in its implementation. From a legal perspective, this underhand contract is sufficient because it can be used as evidence in resolving disputes both in court and out of court. From a business perspective, this underhand form of contract is cheaper to draft; therefore, it is more efficient.

Framework of Contract

About the contract framework (contract organization), in theory, there is flexibility to design. In general, writers in Indonesia still refer to customs and practices that have been common for years. In this case, Aunur Rahim Faqih states that "In making financing sharia contracts, Islamic banks still mostly refer to the format of conventional bank credit contracts. However, adjustments need to be made so that the content of the contract does not conflict

²⁹ Neneng Nurhasanah, Panji Adam, and Dessy Marliani Listianingsih, *Sharia Banking Law: Concepts and Regulations* (Jakarta: Sinar Grafika, 2017).

with the principles of Sharia".³⁰

Therefore, in terms of the contractual framework, there are many similarities between the old, conventional-agreement-based framework and the new, Sharia-based framework. Therefore. It seems the differences are more focused on the contract's content or substance.

From a theoretical aspect, as explained previously, there are several guidelines for making sharia contracts, including the murabahah contract, which is the focus of this study. These guidelines are generally applicable to all Sharia-compliant financial institutions, primarily banks, which is why the list of clauses covering them is longer. Apart from that, there are also those specifically for micro sharia financial institutions, which are closer to the conditions of BUM Desa/BUMG in the current research location, where the list of clauses is more limited, as discussed above. Of course, these guidelines also cover the regulation of this contract framework.

In practice, at BUM Desa/BUMG in the research location, there are variations in the number and names of clauses used in existing sharia contracts, in this case, the murabahah contract. There are those with relatively complete and comprehensive arrangements, and those with a limited number of clauses containing only the main points. What needs to be changed is to adjust the contract framework to address both the legal needs and the business needs typical of Village BUMs/BUMGs, which are generally still micro or small-scale, with equal risks and business opportunities.

4. Contents of the Sharia Contract

Regarding the overall content of the contract, it is, of course, necessary to comply with applicable legal provisions, including Sharia law and the laws of the Republic of Indonesia. Apart from that, it also needs to be adjusted to existing real business needs. If it turns out to be inappropriate, efforts need to be made to adjust it in a planned manner.

In terms of Sharia Principles, in the Al-Quran, there is a clear legal basis for the application of this murabahah financing contract. The basis of the law, found in the Surah Al-Baqarah 2:275 and Surah An-Nisaa 4: 29, is as follows.

"And Allah SWT has legalized sales of goods and prohibited riba" (Surah Al-Baqarah 2: 275).

"O you who believe, do not eat your neighbor's wealth you in vain, except through business that happens with like each other among you" (Surah An-Nisaa' 4: 29)

³⁰ Aunur Rahim Faqih, *Sharia Banking, Sharia Business Contracts & Dispute Resolution in Court*. (Yogyakarta: FH UII Press, 2017).

INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

In terms of sharia principles, it is important that transactions are carried out in line with sharia principles. In this case, the murabahah contract can be guided by the 9 general principles and provisions in the DSN-MUI Fatwa above.

Some of the main arrangements in Fatwa DSN-MUI No: 04/DSN-MUI/VI/2000 are directly related to the content of sharia contracts. There are 9 general principles and provisions, as follows:³¹ The transactions are free from usury; The object is halal; Bank finances in whole or in part; The bank buys its own goods legally and usury-free; Bank provides purchase information; The bank then sells the goods at the purchase price plus the profit amount in a transparent manner; The customer pays within the time period based on the agreement; A special agreement can be entered into as an effort to prevent abuse and damage to the contract; and Banks can delegate to customers to buy goods from third parties, and the murabahah contract must occur after the goods are in principle owned by the bank.

Apart from being in line with Sharia principles, the BUM Desa/BUMG murabahah contracts should also comply with, or not conflict with, the laws of the Republic of Indonesia. In this case, it is necessary to be guided by the rules of coercive law (*dwingend recht*) contained in Book III of the ICC concerning Engagements. Apart from that, of course, in public law, which regulates consumer protection, electronic information and transactions (where relevant), and financial institutions, which are currently under the authority of the Financial Services Authority (OJK).

Moreover, from a business perspective, it is important that a product or legal instrument, including contracts, is economically beneficial. In this case, for example, it can make it easier to access, read, understand, and use it. In other words, it must meet practical requirements (practicability) or simplicity (simplicity), in accordance with the business scale of BUM Desa/BUMG in Aceh, which is generally still small.

Apart from that, of course, it's economical (efficient). That is, the costs incurred in the planning process for the sharia contract do not constitute extravagance. This is intended to avoid unnecessary or wasteful productions. The purpose is to reduce operating costs (operational costs) so that Village BUMs/BUMGs can be more competitive in the face of existing business competition. These savings will create a low-cost economy, which strengthens the company's competitiveness. Another is being able to achieve targets or objectives well (effectively). In this case, the sharia contract used is legally valid and can be

³¹ DSN - MUI, *Compilation of Digests of Fatwa of the National Sharia Board-Indonesian Council of Ulama* (Jakarta: National Sharia Board-Indonesian Council of Ulama., 2020).

used as evidence or to be enforced when necessary (enforceability).

Shariah Contract Language

One of the important knowledge and instruments in writing any law is language. Language is a medium of legal communication, in which contract drafters convey their ideas in the form of certain legal norms to the parties to the contract and other parties who will read them later.

Article 31 paragraph (1) of Act Number 24 of 2009 on the National Flag, Language, and Emblem, and the National Anthem (hereinafter abbreviated to Act on the Indonesian Language) stipulates that "Indonesian language must be used in memorandums of understanding or agreements involving state institutions, government agencies of the Republic of Indonesia, private Indonesian institutions or individual Indonesian citizens."

The follow-up to the regulation of the obligation to use the Indonesian language is regulated in the Presidential Regulation of the Republic of Indonesia Number 63 of 2019 on the Use of the Indonesian Language (hereinafter referred to as the Presidential Regulation on the Use of Indonesian Language). Article 2, paragraph (1) of the Presidential Regulation on the Use of Indonesian Language stipulates that "The use of Indonesian must meet the criteria for good and correct Indonesian." Furthermore, Article 2 paragraph (2) explains the meaning of good Indonesian, namely that which is "used according to the context of the language and in harmony with the social values of society." Then, Article 2, paragraph (3) and paragraph (4) of the Presidential Regulation on the Use of Indonesian Language explain the correct meaning of Indonesian, namely that which is "in accordance with Indonesian language rules," which includes "grammatical rules, spelling rules, and term formation rules."

It is clear that Indonesian state law, which governs public interests, requires that agreements, including sharia contracts, be drafted in good and correct Indonesian. In this case, the drafting of a sharia contract must meet the criteria for the obligation to speak Indonesian as set out above.

Things that do not comply with the criteria for good Indonesian, which are appropriate to the language context and in harmony with the social values of society, need to be adjusted. Likewise, things that do not comply with the correct Indonesian language criteria, as defined by Indonesian language rules, in the grammatical, spelling, and term-formation aspects, need to be addressed.

In this case, the guidelines, apart from the Act on Indonesian Language and Presidential Regulation on the Use of Indonesian Language, also need to be guided by the

INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

Regulation of the Minister of Education and Culture of the Republic of Indonesia Number 50 of 2015 concerning General Guidelines for Indonesian Spelling (hereinafter abbreviated to Permendikbud PUEBI), and the Big Indonesian Dictionary (hereinafter abbreviated to KBBI).

Moreover, it is inevitable that the sharia contract language incorporates legal Indonesian language. Even though legal Indonesian is part of general Indonesian, it has its own unique varieties or styles.³² This distinctive characteristic is more clearly visible in the language of statutory regulations, which are more formal in nature and have been specifically regulated in statutory regulations, namely the Act of the Republic of Indonesia Number 12 of 2011 on the Formation of Statutes (hereinafter referred to as the Act on the Formation of Statutes) and the Indonesian Presidential Decree.

Article 3, paragraph (2) of the Indonesian Language Presidential Decree stipulates that the obligation to use Indonesian in statutory regulations includes aspects of word formation, sentence construction, writing techniques, and spelling. Meanwhile, Article 3 paragraph (4) of the Indonesian Presidential Decree shows the typical elements of the legal language of statutory regulations, which include "clarity or clarity of understanding, straightforwardness, standard, harmony, and strictness in accordance with legal requirements both in the formulation and in the way of writing." Contract language, including sharia contract language as part of legal language in a broad sense, should also take into account the distinctive elements of the statutes' language.

Based on the discussion in the previous section, and guided by existing contract guidelines, mainly sourced and adapted from OJK and PAS reading sources, in this section, a draft model of a sharia contract is presented, namely a murabahah contract, which has been revised to fit the specific needs of BUM Desa/BUMG. The sharia contract model, as the research offers, is divided into two separate documents. In this case, the clause is separated. The first focuses on the material content or content of the transactional clause. Second, it focuses on the material content or contents of the legal clause, including Financing Object Items, Financing Object Price, Financing Murabahah, Time Period, Methods of Payment Fees and Fines, Collateral, and General Terms and Conditions.

The clauses for this terms and conditions, including Definition, Financing Principles of Murabahah, Appointment of Customer as Authorized Person of BUM Desa/BUMG (Wakalah), Terms and Procedures for Realizing Financing Murabahah, Sale and Purchase Agreement, Down Payment and Margin Terms, Payment Method, Accelerated Repayment,

³² Sanusi Bintang, *Teknik Perancangan Kontrak* (Banda Aceh: Bandar Publishing, 2023).

Customer Obligations, Prohibitions for Customers, Breach of Contract, Breach of Contract Conditions, The End of the Contract, Dispute Resolution, Supervision and Inspection, and Closing.³³

D. Conclusion

The sharia contracts currently employed by BUM Desa/BUMG Financing in Aceh Province primarily consist of murabahah contracts, with a limited number of qard agreements and conventional lending options. Some murabahah contracts may also incorporate a wakalah component. Most sharia contracts are documented in writing, typically as private deeds, although a few remain unwritten. The framework and content of these contracts are developed internally by BUM Desa/BUMG, using resources from the internet, training sessions, and examples from established institutions such as Bank Syariah Mandiri (BSM) and the 2016 Murabahah Sharia Banking Product Standards. To improve the effectiveness of these contracts, it is crucial for entities using conventional agreements to transition to sharia-compliant murabahah contracts. Additionally, any oral agreements should be formalized in writing. The existing framework can be simplified to better accommodate the micro and small-scale nature of BUM Desa/BUMG in Aceh. This can be achieved by categorizing contract clauses into two types: Transactional Clauses, which can be negotiated to meet the specific needs of the parties involved, and Standard Legal Clauses, which are non-negotiable and pre-established by BUM Desa/BUMG. Each clause should be documented in separate sharia agreements to enhance practicality and cost-effectiveness. The murabahah contract should detail the purchase price, selling price, financing portions, installment amounts, and total debt. Additionally, it should outline the acknowledgment of debt, delivery of collateral, payment timelines, penalties, governing law, dispute resolution, and contract duration. An ideal sharia contract model must align with sharia principles, comply with Indonesian law, and reflect the real business needs of BUM Desa/BUMG. Simplifying complex contracts typically used by larger sharia banks into two distinct but legally unified documents presents a viable solution.

³³ Salim HS and Muhaimin, *Teknik Pembuatan Akta Akad Pembiayaan Syariah (Materi Kuliah TPA Dua)* (Jakarta: Raja Grafindo Persada, 2018).

INTEGRATING THEORY AND PRACTICE: ANALYZING MURABAHAH SHARIA FINANCING CONTRACTS FOR ACEH'S VILLAGE-OWNED ENTERPRISES

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