



## Sharia Banking Ownership Status in Performing its Functions as an Intermediation Institution

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### ABSTRACT

This research will discuss the use of third-party funds by Sharia banks as business capital, one of the largest sources of capital for Sharia banks. The use status of these funds is influenced by the contract used, whether full ownership rights or temporary ownership. This research focuses on understanding the status of fund ownership in Sharia banking and its function as an intermediation institution. This research uses a descriptive literature method with a normative juridical approach; the primary data source comes from statutory regulations and the DSN-MUI Fatwa. The type of research used is qualitative research with data analysis techniques carried out in three stages: data focusing, presentation of funds, and drawing conclusions. This research indicates that the status of fund ownership for Sharia banks has significant implications for the role of Sharia banking as an intermediation institution. Fund ownership status is influenced by the contract used. These contracts will determine the responsibilities of Sharia banks in managing funds. This is based on the provisions of the DSN-MUI Fatwa and the Sharia Banking Law. A clear understanding of the status of fund ownership will help Islamic banks prepare accurate and transparent financial reports, which is essential for building customer and investor trust. Sharia principles' management of fund ownership status is crucial for Sharia compliance and operational efficiency, risk management, and sustainable growth of Sharia banks as financial intermediation institutions.

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## 1. INTRODUCTION

Islamic banking as part of Islamic Financial Institutions (LKS) is experiencing significant developments and has even received recognition and position in the global financial system (Hussain & Shahmoradi, 2015). Since the monetary crisis that hit the international financial system, Islamic banking has survived and provided capital to save the conventional banking system, which has collapsed and is in danger of being liquidated. This has made its existence increasingly eyed by many people as a credible financial system (Augia, 2022). In theory, Sharia banking is based on applying Sharia principles in its operational system, which demands that all transactions made must be able to promote a level of equity, fairness, and transparency. Apart from that, the profit-sharing mechanism that replaces the interest system enables Islamic banking to apply the principle of justice. Because through a profit-sharing scheme, profits and losses will be calculated relatively based on the size of the capital included (Harahap, 2022).

As a financial institution, Islamic banking has the same function as banking in general, namely as an intermediary institution that facilitates parties who have excess funds (real sector) with parties who lack funds (financial industry) or, more specifically, has the function of collecting funds, channeling funds and services (Elida et al., 2015). Apart from being distinguished by the profit-sharing system, the similarity in carrying out functions with banks, in general, is also characterized by the contract scheme used in offering banking products, which will determine Islamic banks in terms of profit. Either the profit comes from the sale and purchase contract in the form of a margin (Nurjaman et.al, 2022), originating from the contract of renting goods (*ijarah 'ala al-'ayan*) in the form of *ujrah* (rent price) (Nurjaman et.al, 2022), as well as those originating from capital participation contracts, namely in the form of profit sharing (Setiawan et.al, 2022). These three benefits are applied to various fundraising and fund distribution products. Whereas in terms of service products to customers, Islamic banks benefit from a service lease contract (*ijarah 'ala al-asykhash*) in the form of *ujrah* (wages) (Gojali et.al, 2022). Therefore, the contract becomes a differentiator between Islamic and conventional banks, significantly influencing the operational system (Dolgun & Mirakhor, 2019).

The position of the contract in Islamic law, especially in the concept of ownership, is one of the reasons a person gets ownership of property. The contract itself is interpreted as a binding statement in the form of delivery and a statement in the form of acceptance of the object of the engagement between the two parties making the transaction (Sudiarti, 2018). Through a contract, someone can own something, whether the ownership is perfect (forever owned) or only ownership of benefits (temporary). The use of contracts in Islamic banking in product offerings will determine the concept of ownership for Islamic banks and customers as depositors of funds in the fundraising mechanism and as users of financing facilities in the fund distribution mechanism. According to Nurjaman (2021), the ownership of funds in Islamic banking is inseparable from the contract scheme used to offer each product. Specifically in the use of third-party funds, Islamic banks have the right to use these funds as capital in carrying out business activities, namely in the position of Islamic banks carrying out the function of channeling funds through financing schemes. This is by Ro'ikayah & Laila (2021), who state that the utilization of third-party funds, along with the amount of financing provided to customers who use the facility, has a significant influence on the benefits that will be obtained by Islamic banking. Meanwhile, Duqi et al. (2020) stated that the identity of ownership in banking (sharia or conventional) is essential in determining policy, especially in distributing dividends.

The results of the research above only describe the ownership of funds in Islamic banking and its utilization. Both use first-party funds from company owners, second-party funds from shareholders, and third-party funds from the fundraising mechanism through savings, demand deposits, and time deposit product schemes, so that it has not explained the ownership of assets and their status (whether ownership is perfect or only temporary ownership) in the various contracts used by Islamic banks for their product offerings as a whole. Both the contract used in the fundraising mechanism, the contract used in the fund distribution mechanism, and the contract used in the service mechanism. Differences in these contracts create variations in the ownership status of funds, which impacts how these funds are reported and managed in Islamic bank financial statements. These various contracts' legal and operational implications pose challenges and opportunities for Sharia banking in carrying out its financial intermediation function. Clarifying fund ownership status is essential to ensure that Sharia banks operate by Sharia principles and comply with applicable banking regulations. These regulations often include different reporting and risk management requirements compared to conventional banking, considering that Islamic banking must manage customer funds in a trustworthy and transparent manner.

This research explores and analyzes the status of fund ownership in Sharia banking in the context of the various contracts used. By understanding these differences in ownership status, this research can provide deeper insight into how Islamic banks can improve their operational efficiency and effectiveness while ensuring compliance with Sharia principles. This research is also expected to recommend regulators and Sharia banking practitioners to overcome the challenges of managing third-party funds.

## **2. METHODS**

This research is a Sharia economic law research that uses the descriptive method of literature, which is a study that examines data in detail and looks at it from various points of view, then presents it in narrative form, which provides clarity in the form of facts that can be accounted for (Wahyuningsih, 2013). In this case, the researcher will present research on the ownership status of Islamic banking in carrying out its function as an intermediary institution. This study uses a normative juridical approach, which is an approach taken to reveal how sources of law (both written and unwritten) are examined in depth as a rule of law capable of providing guidance or direction for legal subjects (Bachtiar, 2018). The type of research used is qualitative research, whose data sources are taken from various literature, namely primary data sources in the form of statutory regulations and DSN-MUI fatwas. Primary data collection was carried out by collecting statutory regulations and DSN-MUI Fatwa relating to the object of research, specifically the use of sharia contracts, which will determine the status of ownership of funds for Sharia banks, such as Law Number 21 of 2008 concerning Banking. Sharia, several Financial Services Authority Regulations (POJK), and Bank Indonesia Regulations (PBI) relating to Sharia bank operational systems. As for the DSN-MUI Fatwa, of the 156 Fatwas (2000-2024), only a third of the fatwas the author used as primary data in this research have representative data samples and are closely related to the research object. Meanwhile, secondary data sources include books, journals, theses, dissertations, and other scientific works. This secondary data collection is carried out by collecting various literacies intended as complementary data in describing and providing an overview of the results and discussion of research objects.

The data analysis technique has three stages (Suryana, 2010). *First* is the data reduction stage, namely sorting the data obtained by focusing the data on the research object. Primary data on Sharia banking contracts from the DSN-MUI Fatwa and statutory regulations were collected. The author sorted and focused the data on the research object. *Second*, the stage of presenting the data that has been obtained in the form of tables and narratives that provide explanations are easy to understand and interpret. The author presents data focused on two forms, namely tables, and narratives, to explain tables related to the classification of Sharia contracts, which determine the status of fund ownership in Sharia banking. *Third*, the conclusion stage draws the common thread from the narrative presented into a conclusion that can be justified and provides novelty from previous research that is useful for all readers. The author concludes that the data presented as a result of research offers new information and understanding for readers regarding the clarity of fund ownership status in Sharia banking.

### **3. RESULTS AND DISCUSSION**

#### **Concept of Ownership in Islam**

Ownership or property is interpreted as mastery of something (Sudiarti, 2018). Meanwhile, Syalabi (1981) defines property as a human deposit of an object with the freedom to do anything. Meanwhile, according to Al-Khafif (1996), property is defined as something that is stored against an object that allows the object to do something or not according to his wishes as long as there are no stars *or* obstacles.

Based on this definition, it can be seen that an object that that person owns is entirely under his control. Therefore, other people may only take action on these objects and use them if they have permission from the owner. As for the owner, the object or property can be used for anything by the provisions of the share and act legally according to his will, such as buying and selling, grants, endowments, and even lending the property to other people. Apart from that, the legal action that the owner of the property can take is to give power of attorney to another party to use it, such as delegating it to another party to be managed, used as business capital, and others.

Islam highly appreciates and recognizes private property as well as public property. Islam has provisions regarding the imposition of sanctions that are pretty severe for anyone who violates these private property rights, like stealing, robbing, seizing other people's property, embezzling, and so on. Islamic law regulates every human behavior and interaction, including providing provisions for rights and obligations to each individual to create a peaceful human life. Apart from that, Islamic law gives freedom to everyone to own as much wealth as possible with the condition that the way to obtain it is by the provisions of the *share*, utilize it within reasonable limits, and there are other people's rights to the assets they get. Islamic law pays excellent attention to ownership by implementing justice and equity through efforts to eliminate social inequality and utilize resources wisely for the benefit of all people (Arwani, 2012).

Therefore, an object or property can be owned by a person or a legal entity unless the use of the property is in the public interest. Property ownership is in complete control or limited to the right to use. This ownership can be categorized into two types: full or perfect ownership, namely, an ownership of property and the right to use it. For example, if a person owns a vehicle, in addition to owning the vehicle, he also has the right to utilize the function of the vehicle. *Second*, beneficial ownership only, that is, a person has the right to own property but only to the extent of the right to use the property. For example, if someone rents a shophouse to be used as a place of

business, he only has the right to benefit from the shop, not the right to own the shophouse (Leli, 2019).

Ownership of property for a person has a non-absolute nature. That is, ownership is only limited to ownership rights in spending and also utilizing. Even though ownership of an asset can prevent other people from using it without permission from the owner, everyone should know that everything on this earth belongs to Allah Swt. (Antonio, 2018). Therefore, Islamic law positions humans as representatives (of Allah Swt.) in carrying out social life regarding the utilization of their assets. Thus, as previously mentioned, humans are given the freedom to acquire wealth in a way that is determined by *yyara'*, use it wisely, and other people have rights over their property. There is a social dimension that cannot be separated from the concept of ownership in Islamic law, which makes everyone who has property able to prioritize the public interest over his interests.

Based on that, there are reasons, or it can also be said as a way for someone to get ownership of an asset, namely (Ghazaly et.al 2018): *First, ibraḥ al-mubabat*, namely the ownership of an asset that is not yet owned by another person, originating from a public place. For example, someone gets mushrooms in the forest for consumption, collects firewood for cooking, collects stones or sand in the river for sale, or catches fish in the sea. *Second, al-ḥalafiyah*, namely the ownership of property that comes from the death of a person. For example, an heir gets an inheritance from his deceased parents, or someone gets an inheritance based on a will given by someone who died. *Third, al-tawallud min al-mamluk* is the ownership of assets originating from multiplying previously owned assets. For example, a person benefits from the assets he invests or profits from trading, has a harvest from something he has planted, or has livestock that breeds. *Fourth, al-uqud*, namely ownership of assets originating from transactions made. For example, someone owns a vehicle by buying from a dealer, owns a shop purchased from the owner, and so on.

The reasons for ownership above in practice can be narrowed down into three components: *First*, work can generate wages, and these wages can be used to carry out transactions on property ownership. *Second*, assets are given from other parties through a scheme for distributing assets originating from zakat, *infaq*, alms, grants, endowments, and other assets. *Third*, the gift of assets from state authorities for the results of managing general assets. For example, state profits from managing natural resources are used for infrastructure development for public facilities, education, health services, or cash assistance (Sirajuddin & Tamsir, 2019).

As for the three components, they can be reduced back into one, namely, by working, someone will gain ownership of an asset. This is because the two components afterward are unreliable. This means waiting for results from others or the state is not continuous, and not everyone will get them. For example, not everyone will get it in the distribution of zakat, but only a few people are entitled to it, according to the eight *asnaf* who are entitled to it. Like wise cash assistance from the government, not everyone will get it, but only a few criteria people are entitled to get it.

### **Islamic Banking Ownership: Analysis of Contracts and Products**

Ownership in Islamic banking is related to business capital ownership developed by Islamic banks. According to Nurjaman, 2021 sources of Islamic bank capital come from first-party funds originating from the founding parties of Islamic banks, second-party funds originating from

shareholders, and third-party funds originating from fundraising mechanisms through various products. Therefore, the ownership status of these funds needs to be specified based on the product and contract. So that funds owned by Islamic banks can be used by their rights and obligations to own, manage, and develop these funds. More details will be presented as follows:

### ***Sharia Bank Fund Collection Products***

Regarding the business activities of Islamic banks in terms of fundraising activities, according to Hakim (2011), it is related to the source of banking funds, namely where the funds are obtained. Sources of banking funds are banking efforts to collect funds to finance the operational system of its business activities. In general, banking funding sources can be classified into three sources of funds: *First*, first-party funds originating from shareholders' funds, whether in the form of paid-up capital, share premium, retained earnings, and other reserves. *Second*, second-party funds originate from loans in the form of BI liquidity credits, interbank loans, and loans from abroad. *Third*, third-party funds (DPK) originate from the mechanism for collecting customer funds through demand deposits, savings, and time deposits (Fazriah et al., 2019). DPK is the product of Islamic bank fundraising. As for more details, among others, as follows:

**Table 1.** Islamic Bank Fund Collection Products and their Contracts

No	Product Name	Contracts	Contract Type	Profit
1.	Giro	<i>Wa'diah</i>	Entrusted	-
		<i>Mudharabah</i>	Cooperation	Profit Sharing
		<i>Wa'diah</i>	Entrusted	-
2.	Savings	<i>Mudharabah</i>	Cooperation	Profit Sharing
		<i>Wakalah bi Al-Istitsmar</i>	Investment	<i>Ujrah</i>
		<i>Mudharabah</i>	Cooperation	Profit Sharing
3.	Deposit	<i>Wakalah bi Al-Istitsmar</i>	Investment	<i>Ujrah</i>

Source: Fatwas DSN-MUI

Based on the table above, Islamic bank fundraising products use three contract principles: *wa'diah*, *mudharabah*, and *wakalah bi al-istitsmar*. More emphasis is placed on the principle of *wadi'ah yad dhamanah* (Desminar, 2019). So that banks can use customer funds for other purposes, such as developing capital. The consequence of this principle is that the funds used by Islamic banks for business development do not benefit customers. Hence, the profits obtained by Islamic banks for developing their business belong to Islamic banks. Meanwhile, Islamic banks can provide incentives or some profits to customers if the nominal value is not agreed upon at the time of the contract. In this case, the bank must be responsible for the integrity of the customer's funds so that whenever the customer needs money, the bank must be ready to provide the deposited funds. Likewise, the risk of loss due to the use of funds intended for business development is the responsibility of Islamic banks.

The principle of *mudharabah* is more emphasized on the principle of *mudharabah mutlaqah*. The bank can freely use customer funds without any requirements. The consequence of this principle

is that profits generated from business development carried out by Islamic banks will be divided in half by the customer as the owner of capital. Profits are shared according to the ratio agreed upon during the contract. As for the risk of loss, there are two provisions: *First*, if the loss of business development carried out by an Islamic bank is caused without negligence, then the loss is borne by the customer. *Second*, if elements of bank negligence cause the risk of loss for business development, then the loss will be the responsibility of the Islamic bank (Karim, 2014). The Sharia bank business can be developed through the bank's second function: channeling funds through a financing mechanism.

The *wakalah bi al-istitsmar* principle is a new contract principle stipulated by the DSN-MUI through the DSN-MUI Fatwa regarding raising funds with the *wakalah bi al-istitsmar* contract (Fatwa 152/2022). The substance of the fatwa allows funds to be raised using a *wakalah bi al-istitsmar* contract, especially for savings and deposit products. In practice, Islamic banks become representatives of depositors (*muwakkil*) to manage their funds for business activities, namely in the fund distribution mechanism. In this fund distribution mechanism, Islamic banks may channel funds using *murabahah*, *salam*, *istishna'*, *ijarah*, *mudharabah* and *musyarakah* contracts (Majelis Ulama Indonesia, 2022). The results of managing these funds become the property of the customer. As for managing these funds, the Islamic bank is blessed with an agreed-upon amount by both parties.

### ***Sharia Bank Fund Distribution Products***

The product distribution of funds is a form of banking business activity after the fundraising mechanism. This function of channeling funds is the status of the vision and mission of a bank as a financial institution that brings together the real sector and the financial sector. This includes the real sector for depositors, while customers who use funding facilities include the financial industry. This means these customers need fresh funds to develop their businesses and meet their needs. Financial institutions, namely banks, bring together these two sectors. So, through this distribution of funds, the bank will benefit, and this fund distribution product is the heart of the continuity of the banking operational system (Erlindawati, 2017). The distribution of funds in Islamic banking is carried out through a financing mechanism (Fatriani, 2018). In practice, the financing is to provide funding facilities to customers who use the facility, whether in the form of working capital, investment, consumptive, syndicated, or others. More details will be presented as follows:

**Table 2.** Products for Distribution of Islamic Bank Funds and Their Contracts

No	Product Name	Contracts	Contract Type	Profit
1.	Buying and Selling Financing	<i>Murabahah</i> <i>Salam</i> <i>Istishna'</i>	Buy and Sell	Margins
2	<i>Ijarah</i> Financing	<i>Ijarah</i> <i>IMBT</i> <i>IMFD</i> <i>Musyarakah</i> <i>MMQ</i>	Rent Renting Goods	<i>Ujrah</i>
3.	Cooperation Financing	<i>Mudharabah</i> <i>Mudharabah</i> <i>Musyarakah</i>	Cooperation	Profit Sharing

	Complementary Financing ( <i>Qardh</i> )			
	Gold <i>Rahn</i> Products	<i>Qardh, Ijarah</i>	Pawn	<i>Ujrah</i>
	Hajj Bailout Fund Products	<i>Qardh, Ijarah</i>		<i>Ujrah</i>
4.	Debt Transfer Products	( <i>Scheme Qardh, murabahab</i> ) ( <i>Scheme Musyarakah, Murabahab</i> ) ( <i>Scheme ijarah, Qardh</i> ) ( <i>Scheme Qardh, IMBT</i> )	Bailout	Margin, <i>Ujrah</i> , Profit Sharing
	Sharia Card/Sharia Charge Card	<i>Kafalah bi al-ujrah, Qardh</i>		<i>Ujrah</i>
	Sharia Factoring	<i>Qardh, Ijarah</i>		<i>Ujrah</i>

Source: Fatwas DSN-MUI

Based on the table above, fund distribution products in Islamic banking use the principles of sale and purchase contracts, *ijarah* contracts, *musyarakah* contracts, *mudharabah* contracts, and hybrid contracts (*Qardh* and other contracts).

#### *Financing based on the sale and purchase contract scheme*

*First*, financing is based on a *murabahab* sale and purchase contract scheme. This financing is carried out on the sale and purchase of an item, which confirms the purchase price and profits obtained by the bank based on the agreement of both parties. Customers buy goods from the bank by utilizing the purchase price of these goods; the customer makes payments for the purchase of these goods in installments or installments (Nurjaman et.al, 2021).

*Second*, financing is based on the *salam* buying and selling contract scheme. This financing is made for the sale and purchase of an item by ordering and paying the price in advance. The customer orders goods from the bank for the goods he wants, and then the bank buys the goods and sells them to the customer at an agreed profit.

*Third*, financing is based on the *istishna's* sale and purchase contract scheme. This financing is carried out to sell and purchase goods that do not yet exist but will be realized by the agreed timeframe. The customer funds the bank to manufacture the desired goods or assets. Through the assistance of a third party, the bank realizes the goods the customer wants. When the goods are finished, they are handed over to the customer, and the customer pays the price in installments or installments according to the agreement (Mubarok and Hasanudin, 2017). Based on the three financing schemes based on the buying and selling principle, Islamic banks will benefit in the form of margins.

#### *Financing based on the leasing/ijarah contract scheme*

*First*, financing is based on the *ijarah* contract scheme. This financing is carried out on the transfer of usufructuary rights of an item or service from the bank to the customer with payment of *ujrah* that has previously been determined with certainty. That is, the customer rents an asset owned by an Islamic bank or applies for lease financing of an asset he wants from an Islamic bank.



However, before leasing, Islamic banks first buy these assets and lease them to customers with agreed *ujrah* provisions (Santoso & Rahmawati, 2016).

*Second*, Financing is based on the IMBT scheme. This financing is carried out on the lease of goods accompanied by the transfer of ownership through a sale and purchase or grant scheme. That is, the customer who leases the assets belonging to the bank promises to buy the assets after the lease period ends, or the bank will grant the assets for the object of the lease to the customer after the lease period ends (Nurjaman, Sofie, et al., 2022). In this case, hybrid contracts exist between *ijarah* contracts, buying and selling, grants, and *wa'ad* or promises.

*Third*, financing is based on the IMFD contract scheme. This financing is made for goods that do not yet exist but will be realized first before the lessee utilizes the leased asset. That is, the customer proposes to finance the lease of goods according to his wishes to the Islamic bank, then the Islamic bank makes the asset, and when it is finished, it is leased to the customer. The IMFD contract scheme is the same as *Istishna's* buying and selling scheme for supplying or manufacturing goods. Hence, every provision governing the *istishna* contract also applies to the IMFD contract (Mubarak & Hasanudin, 2017b). As for the three contract schemes, Islamic banks will benefit through *ujrah*.

#### *Financing based on the cooperation contract scheme*

*First*, financing is based on the *mudharabah* contract scheme. This financing is the same as the *mudharabah* contract scheme in terms of fundraising mechanisms. However, the position of Islamic banks in the fund distribution mechanism is *shahibul mal*, and the *mudharib* is the customer who uses the facility. That is, the bank funds customers for a specified business activity. To develop these business activities, profits will be shared based on the agreed profit-sharing ratio (Sa'diyah & Aziroh, 2014).

*Second*, financing is based on the *mudharabah musytarakah* contract scheme. This financing is the same as the above financing scheme, but the *mudharib* also includes capital. So that the partners equally include their capital.

*Third*, financing is based on the *musyarakah* contract scheme. This financing is carried out between partners, namely the bank and customers, who both provide capital to carry out business activities. The profit is divided based on the agreed profit-sharing ratio (Sa'diyah & Aziroh, 2014).

*Fourth*, Financing is based on the *MMQ* contract scheme. This contract scheme is the same as the *IMBT* contract scheme, namely the complete transfer of ownership of assets from the bank to the customer. When the partners include capital to buy an asset, the asset is used as business capital by renting it out to the customer himself or a third party so that there is *ujrah* as a shared profit. However, when sharing the results, the customer buys some of the bank's capital in installments. So that over time, the bank's ownership of these assets will fully belong to the customer (Imronah, 2018). As for the four contract schemes, losses from the cooperation carried out are the responsibility of the owner of the funds for the *mudharabah* contract and all partners in the *musyarakah* contract except in other cases (Wafa, 2017). So, for financing through this cooperation contract scheme, the bank will benefit from profit sharing.

*Financing based on a complementary contract scheme*

That is, a *Qardh* contract, which is prohibited from taking advantage of the contract made, becomes a complementary contract. In this case, a hybrid contract occurs between the *Qardh* contract and others. So that the profit for the bank does not come from the *Qardh* contract that is carried out but from other contracts that are legally able to take advantage of it. The financing through this complementary contract scheme consists of (Majelis Ulama Indonesia, 2011) financing pawn gold products. *Second*, the Hajj financing products need to be funded. *Third*, product financing is required for debt transfer/takeover. *Fourth*, Sharia card and Sharia charge card product financing, and *fifth*, Sharia factoring product financing. The *Qardh* contract is used as a contract for bailout funds provided by the bank to customers who are paid according to the funds provided. Meanwhile, the bank benefits from services arising from product financing. In other words, Islamic banks get benefits in the form of *ujrah*. As for debt transfer products, Islamic banks will receive *ujrah* from the *ijarah* contract. Margin is derived from sale and purchase agreements, and profit sharing is derived from cooperation agreements. This happens because there are various hybrid contract schemes from which Islamic banks can choose.

**Sharia Bank Service Products**

The last function of a financial institution is the service function. In this function, both conventional banks and Islamic banks have product similarities in their product offerings. However, what distinguishes conventional bank products from Islamic banks is the principal contract scheme used. These products include:

**Table 3.** Products of Islamic Bank Services and Their Contracts

No	Product Name	Contract	Contract Type	Profit
1.	Transfer	<i>Ijarah</i>		<i>Ujrah</i>
2.	Clearing	<i>Wakalah bi al-Ujrah</i>		<i>Ujrah</i>
3.	SDB	<i>Ijarah</i>	Service	<i>Ujrah</i>
4.	L/C Export and Import	<i>Wakalah bi al-Ujrah</i> and Appropriate Sharia Contracts		<i>Ujrah</i> , Margin, Profit Sharing

Source: Fatwas DSN-MUI

Based on the table above, there are several contract schemes that Islamic banks apply to service products, namely *ijarah* contracts, *wakalah bi al-ujrah*, and other contracts. The use of these contracts will determine Islamic banks to gain profits, such as benefits in the form of *ujrah*, both originating from *ijarah* contracts, as well as other contracts such as *wakalah bi al-ujrah* contracts, *hawalah bi al-ujrah* and *kafalah bi al-ujrah* contracts. These three contracts are part of a complementary contract. However, based on the DSN-MUI Fatwa, which regulates the three contracts, Islamic banks are entitled to *ujrah*. The three contracts are a service similar to the *ijarah 'ala al-askhbash* contract. Meanwhile, according to Nurjaman & Witro (2021), these contracts have been transformed. Namely, those initially *tabarru'* contracts were transformed into *mu'awadhat* contracts, apart from *ujrah*. Islamic bank profits also come from the margin of sale and purchase agreements and profit

sharing from cooperation agreements. Many Islamic banks use hybrid contract schemes, such as Sharia, to import and export L/C products.

### ***Sharia Banking Ownership Status***

As previously explained, the contract is one of the causes of ownership for a person or legal entity. Islamic banking, as a legal entity, uses many contracts in the product offering mechanism. The contract applied to the product will determine the Islamic bank's profit. Using various contracts will create multiple sources of income for Islamic banks. Ownership of Islamic banks is related to the ownership of business capital and the profits it receives. According to Nurjaman (2021), capital originating from third-party funds has legal status in the form of the right of Islamic banks to utilize funds as capital in business activities, namely financing the mechanism of channeling funds. The status of the funds is in the form of deposit funds, which, according to Article 1 (27) of the Sharia Banking Law (UU No. 21 of 2008), states that funds deposited by investor customers with banks may not be recognized as property rights.

The right to utilize funds for business activities carried out by Islamic banks is adjusted to the contract scheme used. In the fundraising mechanism, as a consequence of using the contracts, Islamic banks have the right to use funds for business activities to generate profits that can be shared between Islamic banks and investor customers. Profit sharing comes from the cooperative contract scheme, namely *mudharabah*. Profits for Islamic banks also come from the right to utilize deposited funds originating from *wadi'ah* contracts. Nevertheless, the consequence of using the contract is that Islamic banks must be responsible for the fullness of these funds. Apart from that, the profit of Islamic banks can be in the form of *ujrah* originating from the *wakalah bi al-istitsmar* contract for their services in managing investor customer funds in business activities.

As for the mechanism for channeling funds, Islamic banks will get various benefits, namely profits in the form of margins originating from financing products with a sale and purchase contract scheme, earnings in the form of *ujrah* originating from the funding of products with an *ijarah* contract scheme and also hybrid contract schemes and also benefits in the form of dividends. Results derived from financing products with a cooperation contract scheme. Like wises in the service delivery mechanism, Islamic banks will benefit from margins, *ujrah*, and profit sharing for using contracts contained in service products.

Based on this, apart from Sharia banks having the right to use temporary funds, namely through a contract scheme that gives the right to use funds for business activities or what is called ownership due to the contract (*al-Uqud*), Sharia banks also have perfect property rights. Perfect ownership of assets, namely in the form of profits from business development through these funds, which are managed based on earnings in the form of margin, *ujrah*, and profit sharing by using the contract. Ownership is caused by the proliferation of assets through business activities that generate profits (*al-tawallud min al-mamluk*). The ownership status of Sharia banks for business capital originating from third-party funds is the right to use funds for business activities, and also the ownership status of Sharia banks. The profits from the funds developed are a perfect ownership right for Islamic banks. Thus, the ownership status of funds, which is influenced by the contract used, will determine the responsibility of the Islamic bank in managing funds. A clear understanding of the status of fund ownership will help Islamic banks prepare accurate and transparent financial reports, which is essential for building customer and investor trust. This also

supports more effective supervision by monetary authorities, thereby increasing the stability and integrity of the Islamic banking system. Managing fund ownership status per Sharia principles is essential for Sharia compliance and operational efficiency, risk management, and sustainable growth of Sharia banks as financial intermediation institutions. In addition, Sharia banks can design products that are more in line with customer needs and more competitive in the market.

#### 4. CONCLUSION

The discussion above shows that the status of fund ownership for Sharia banks has significant implications for the role of Sharia banking as an intermediation institution. The ownership status of funds influenced by the contract used will determine the responsibility of the Islamic bank in managing funds. A clear understanding of the status of fund ownership will help Islamic banks prepare accurate and transparent financial reports, which is essential for building customer and investor trust. It also supports more effective supervision by monetary authorities, thereby enhancing the stability and integrity of the Islamic banking system. Apart from that, Islamic banks can design products that are more in line with customer needs and are more competitive in the market. Management of fund ownership status per Sharia principles is crucial for Sharia compliance and operational efficiency, risk management, and sustainable growth of Sharia banks as financial intermediation institutions.

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