



**THE STRATEGIC ROLE OF BTN SYARIAH MARGONDA IN THE
REALIZATION OF A USURY-FREE MURABAHA MORTGAGE AT PT. ABC
GROUP: ANALYSIS BASED ON ISLAMIC LAW**

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Abstract: This study aims to analyze the application of the murabaha contract in the BTN Syariah Margonda Home Ownership Credit (KPR) product from the perspective of Islamic law. In the face of increasing demand for usury-free housing, BTN Syariah offers a solution through the murabaha contract, which guarantees home financing without involving the element of interest. Through cooperation with PT ABC Group, BTN Syariah Margonda provides a more transparent and fair financing alternative for the community. This research method uses a normative-empirical approach with interviews, observations, and documentation studies. The results show that the application of the Murabaha contract at BTN Syariah Margonda is in accordance with Sharia principles, where the profit margin is determined from the start, and the installments are fixed throughout the payment period. However, the main challenge is the need for a more public understanding of the differences between sharia and conventional mortgages. Nevertheless, the murabaha contract provides a positive impact in the form of financial certainty for customers and supports stable financial planning without being trapped in usury practices. This research also identifies the need to increase public education on the advantages of Sharia-based financing and the importance of the role of property developers who fully implement Sharia principles.

Keyword: Murabaha, KPR, Islamic Law, Usury-Free Financing

A. Introduction

Homeownership is an essential need for every individual, especially in Indonesia, which is experiencing rapid population growth and urbanization. With the increasing need for housing, many people are looking for financing that is in accordance with sharia principles. In recent research, the Sharia approach through home financing contracts provides a solution that is expected to be fairer and more profitable for both parties without involving the element of usury, which is prohibited in Islam (Shalahuddin & Fauziah, 2023). This agreement not only emphasizes interest-free transactions but also considers the parameters of *Maslaha* or broader benefits for the community.



Islamic banking is here to overcome this challenge by offering Sharia-based financing solutions free from usury. One of the leading products offered is the Murabaha-based Home Ownership Loan (KPR). The Murabaha agreement is a sale and purchase agreement in which the Islamic bank buys the property that the customer wants and then sells it back to the customer by adding a mutually agreed profit margin without any element of interest in the transaction (Safitri et al., 2022).

In this context, BTN Syariah Margonda is one institution that focuses on providing home financing through Murabaha contracts. BTN Syariah Margonda sees an increasing demand for Sharia mortgages and public awareness of the importance of conducting financial transactions according to Sharia principles. BTN Syariah collaborates with various property developers, such as PT ABC Group, to offer KPR products that enable people to own homes in a Sharia-compliant manner without involving usury (Muhamad Haikal, Interview, 2024).

The Islamic banking industry in Indonesia has grown significantly in recent years. According to Rahmat Santoso et al. (2023), Islamic banking shows steady growth thanks to the increasing public interest in sharia-based financial products. Home Ownership Loans (KPR) based on Murabaha contracts are one of the most popular products. This product offers a fairer and more transparent financing alternative compared to conventional financing systems that still use interest, thus creating greater trust among the public.

Murabaha products also provide customers with certainty regarding the installments that must be paid every month because the profit margin has been set at the beginning. It is different from conventional mortgages, which are often subject to fluctuations in interest rates, which makes it difficult for customers to estimate their future costs. Thus, the Murabaha contract is not only in accordance with Islamic law but also more transparent and provides peace of mind for customers (Marliah et al., 2024).

In conventional mortgage schemes, home financing generally involves interest charged on the loan, which becomes a burden to the customer until the installment is completed. The application of interest is based on the time value of money principle, which assumes that the value of money will increase over time due to interest. However, from the perspective of Islamic law, the application of interest is considered contrary to Sharia principles as it falls under the category of usury, which is prohibited in Islam. According to Saeful and Sulastri, usury not only harms individuals but can also negatively impact the economy as a whole, making it important to understand the implications of the application of interest in the financial system (Saeful & Sulastri, 2021).

In contrast, in a Sharia KPR using a Murabaha contract, the bank buys the house on behalf of the customer first. Then, it resells it to the customer at a pre-agreed selling price, including the bank's profit margin. This profit is not interest but a fixed selling price that does not change throughout the payment period. Thus, Islamic mortgages do not contain usury because the bank and the customer agree on a fixed price from the beginning of the transaction, ensuring complete transparency and security in the financial agreement (Putri, 2023).

BTN Syariah Margonda distinguishes itself by using a unique Murabaha contract for Islamic mortgages. This contract, unlike traditional loans, involves several stages. First, the customer selects the house they want to buy, and then BTN Syariah buys it from the

developer. Next, BTN Syariah sells the house to the customer with an agreed profit margin. This sale is done on a sale-and-purchase basis, not in the form of a loan, making it a distinctive and beneficial option for Islamic financing (Muhamad Haikal, Interview, 2024).

In addition, BTN Syariah Margonda ensures that the contracts are by DSN-MUI regulations and the Compilation of Sharia Economic Law, which stipulates that all transactions are free from elements of usury, *gharar* (uncertainty), and *maysir* (speculation). In its implementation at PT ABC Group, BTN Syariah Margonda collaborates with Sharia housing developers to ensure that the houses sold also comply with Sharia principles regarding the ownership and financing process (Muhamad Haikal, Interview, 2024).

Although the murabaha contract offers a usury-free solution, many challenges still need to be solved. One of the main challenges is the ineffective socialization of the public about the differences and benefits of Islamic mortgages. Many customers need to understand that in an Islamic mortgage, they are actually buying a house through a sale and purchase agreement, not a loan. This requires banks, including BTN Syariah, to be more proactive in educating potential customers about the mechanism of the Murabaha contract and how it provides peace of mind in transactions according to Sharia principles (Rahmat Santoso et al., 2023).

In the Islamic financing system, the Murabaha contract is a widely used method to meet the needs of the community for financing. This agreement is a sale and purchase scheme in which the Islamic bank purchases the goods desired by the customer and then sells them back by adding an agreed profit margin. Murabaha contracts are permitted in Islamic law as long as they meet certain conditions, such as clarity of price and the object being sold. In addition, this contract must also be free from the prohibited element of usury (interest), thus making it a suitable alternative for the community in seeking halal housing finance (Suretno & Bustam, 2020).

The Sharia legal basis supporting the Murabaha contract's application includes the Qur'an and hadith, which emphasize the principle of fairness in transactions. Ulama and *fiqh* experts agree that as long as the contract is carried out transparently and does not harm either party, Murabaha is acceptable in modern economics. For example, (Antonio, 2021) in his book emphasizes that Murabaha is a fair method because customers know the cost of goods and the profit margin taken by the bank.

In addition, the fatwa of the National Sharia Council-Majelis Ulama Indonesia (DSN-MUI) provides guidance on how Murabaha contracts should be executed, ensuring that every transaction is by Sharia principles and does not contain elements of uncertainty (*gharar*). Several studies have also shown that Murabaha-based mortgages are compliant with Islamic law and provide an alternative for people who want to own a home without being trapped in the harmful interest system. Thus, applying the Murabaha contract in Islamic mortgages provides financial solutions and prioritizes ethics in transactions according to Islamic teachings (Majelis Ulama Indonesia, 2000).

The application of Murabaha in modern banking has been recognized as a progressive step, given the increasing public awareness of the importance of halal transactions. It shows that Murabaha is legally relevant and effective in meeting people's needs for Sharia-compliant housing finance (Shalahuddin & Fauziah, 2023).

In the context of Islamic banking in Indonesia, Murabaha contracts stand out as the preferred choice for those seeking usury-free financing, especially in Home Ownership Credit (KPR) products. This unique product structure, which eliminates the interest found in conventional mortgages and replaces it with a pre-agreed profit margin, is a crucial feature that makes it appealing to the Indonesian market (Intansari & Fatimah, 2022).

This research is designed to evaluate the implementation of the Murabaha contract on the BTN Syariah KPR in Margonda. Using a qualitative approach, we will analyze the actual procedures and mechanisms of the Murabaha contract and assess their conformity with Islamic law. This practical focus will provide a clear and engaging picture of how effective Islamic financial institutions are in offering Sharia-compliant financing solutions (Yusuf Al-Qaradhawi, 2022).

Moreover, this research plays a pivotal role in identifying and addressing various obstacles that may impede the effectiveness of Murabaha mortgages. It is essential to be aware of these technical or legal problems, like the fact that more people need to learn about Islamic mortgage products, the fact that contracts can be hard to understand, and the fact that financing can come with risks that could make customers unhappy. By providing practical recommendations and solutions, this research aims to significantly enhance the effectiveness of Murabaha mortgages in BTN Syariah, which is in line with the principles of Islamic law (Hamida & Khotijah, 2022).

This research is also expected to make a significant contribution to the development of the Islamic banking industry in Indonesia. By evaluating and analyzing the implementation of the Murabaha contract, the results of this study can be used as a reference for other Islamic financial institutions to improve their products and services and educate the public about the importance of sharia-compliant financing. Thus, this research is a source of information and a tool to encourage sustainable economic growth within the Sharia framework, instilling a sense of hope and optimism in the industry's future (Safitri et al., 2022).

B. Method

The research method used in this study is a normative-empirical approach, which aims to analyze the implementation of the murabaha contract on the BTN Syariah Margonda Home Ownership Credit (KPR) product from the perspective of Islamic law. Primary data was obtained through semi-structured interviews with BTN Syariah Margonda, developer PT ABC Group, and customers who use murabaha mortgages, as well as direct observation of the contract implementation process. Meanwhile, secondary data were collected from official documents such as fatwas of the National Sharia Council-Majelis Ulama Indonesia (DSN-MUI), the Compilation of Sharia Economic Law, scientific journals, books, and reports related to Islamic banking (Muhammad Syafi'i Antonio, 2021). The normative approach is used to analyze the suitability of the murabaha contract with the principles of Islamic law based on the Qur'an, hadith, and DSN-MUI fatwa. In contrast, the empirical approach is carried out to evaluate practices in the field, including implementation constraints and challenges (Yusuf Al-Qaradhawi, 2022). The data analysis technique is descriptive-analytical with a triangulation model, which combines the results of interviews, observations, and document reviews to ensure the accuracy and consistency of the research results.

C. Result and Discussion

1. Implementation of Murabaha Contract at BTN Syariah Margonda

Applying the Murabaha contract in Home Ownership Loans (KPR) at BTN Syariah Margonda is a form of innovation in Islamic banking services designed to facilitate the community in owning housing. The Murabaha contract is a sale and purchase contract in which the bank acts as an intermediary who buys property from developers and resells it to customers with a pre-agreed profit margin. As Haqiqi explains, the profit margin on Murabaha contracts in the Islamic banking sector, including BTN Syariah, ranges from 7% to 10% per year (Haqiqi et al., 2023). It provides customers with the certainty of fixed installments throughout the installment period, a critical benefit that distinguishes it from conventional mortgages, where installments are often affected by fluctuations in interest rates that can change at any time, as stated by Musyarofah in her research on Islamic banking (Musyarofah et al., 2022).

According to Muhamad Haikal, during an interview with the author, applying the Murabaha contract at BTN Syariah Margonda begins with selecting properties that have collaborated with developer partners. BTN Syariah strictly selects developers by checking legalities, such as business licenses and property certificates. If the developer's legality is complete, BTN Syariah will analyze the property and collaborate with customers who want to own a house. After the customer completes the necessary documents and goes through credit analysis, a Murabaha contract involves the developer, the customer, and the bank. The bank buys the house from the developer and sells it to the customer with a pre-agreed profit margin. In addition to the Murabaha contract, BTN Syariah uses a Wakala contract, where the bank acts as the developer's representative in the sale and purchase transaction (Muhamad Haikal, Interview, 2024).

Supervising the application of the Murabaha contract is carried out by the Sharia Supervisory Board (DPS), which plays a role in ensuring the conformity of each contract with Islamic law. According to Muhamad Haikal, in an interview with the author, the DPS, led by Prof. Quraish Shihab and Ustad Teguh, conducts periodic audits of all branches, including BTN Syariah Margonda. They not only evaluate each draft contract but also conduct direct audits to ensure that the procedures applied are in accordance with sharia principles (Muhamad Haikal, Interview, 2024). It is in line with Abdul Gaffar's explanation in his book "Principles and Practices of Islamic Banking," which states that sharia audits conducted by DPS are important to maintain integrity and trust in Islamic banking transactions (Gaffar, 2020).

In addition, Haikal also explained that in setting profit margins, BTN Syariah Margonda uses the ALCO (Asset and Liability Committee) committee, which is responsible for the periodic review of margins. The margin may change depending on fluctuations in the fund's investors' deposit. When the funds deposited increase, the Murabaha margin may decrease; conversely, if the funds decrease, the margin may increase (Muhamad Haikal, Interview, 2024). It shows that banks must be responsive to market dynamics and customer needs, which Antonio also expressed in the analysis of margins in Islamic financing (Antonio, 2001). BTN Syariah also often offers special margin promos at specific periods, such as the end of the year or the bank's anniversary, which are adjusted to the central policy (Muhamad Haikal, Interview, 2024).

BTN Syariah Margonda offers two types of properties: subsidized properties, whose prices are set by the government, and non-subsidized properties, whose prices are set by the developer. However, the bank monitors the prices of non-subsidized properties, which analyzes the suitability of the price to the market value and location of the property to ensure that the price is fair and transparent (Muhamad Haikal, Interview, 2024). In this context, transparent and fair pricing is critical to building customer trust, as stated by M. Ali in "Islamic Economics: Theory and Practice," where price transparency is a fundamental principle in Islamic banking (Ali, 2020).

2. Conformity with Islamic Law Principles

Every financing carried out by Islamic banks is based on sound principles to ensure its implementation in accordance with the provisions. In general, the foundation of Murabaha financing is based on various sources, including verses of the Qur'an and the Fatwa of the Indonesian Ulema Council (MUI) issued by the National Sharia Council (Ikbal & Chaliddin, 2022). The following is the legal basis for the application of Murabaha based on the primary sources in Islamic law.

Al-Quran surah al-Baqarah verse 275 relating to Murabaha: (QS. Al-Baqarah:275)

وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا

Meaning: "Whereas Allah SWT has justified buying and selling and forbidden usury" (Al-Baqarah/2:275).

As well as contained in surah an-Nisa' verse 29: (QS. An-Nisa':29)

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا ۚ (النساء/4:29)

Meaning: "O you who believe, do not eat of your neighbor's wealth by false means, except in the form of consensual trade between you. Do not kill yourselves. Verily, Allah is Most Merciful to you" (An-Nisa'/4:29).

Based on the explanation of the verses of the Qur'an, it can be interpreted that the law of buying and selling is permissible. In contrast, the prohibition in Islamic law arises when there is an element of usury. Allah forbids stealing other people's property, either because of usury or other forms of transactions that are not permitted in sharia. All transactions made on the basis of mutual agreement are allowed unless there is a Sharia provision that prohibits them.

The Murabaha agreement, as one of the instruments of Islamic finance, is widely used in Islamic bank financing for sale and purchase transactions with transparent profit margins. In the context of Islamic law, this contract is based on the principles of fairness and transparency, which makes it relevant in Islamic finance. In a Murabaha contract, the bank acts as a seller who first purchases the goods from a third party (property developer) before selling them to the customer at an agreed price. It ensures that Islamic banks adhere to the principle of prohibiting usury and uncertainty or gharar, which is often a problem in conventional financial transactions. DSN-MUI Fatwa No. 111/DSN-MUI/IX/2017 emphasizes that the implementation of Murabaha contracts must be in accordance with sharia principles, including price transparency, object clarity, and adherence to the prohibition of usury, *gharar* (uncertainty), and *maisir* (gambling) (MUI, 2017).

One of the crucial requirements in a Murabaha contract is price transparency, which involves a detailed explanation of the cost of goods and the profit margin to the customer.

In Islamic legal literature, this transparency is a form of applying the principles of "*al-ghurmu bil ghurmi*" (risk goes hand in hand with profit) and "*al-kharaj bil dhaman*" (property rights go hand in hand with responsibility) (Rahman, 2019). With price disclosure, customers clearly know the value of the goods and the bank's profit margin charged in the transaction. According to Suhandi, the principle of justice advocated by Islamic law requires transparency so that there is no fraud or injustice on the part of consumers (Suhandi, 2023).

DSN-MUI Fatwa No. 111 is the primary reference for Islamic financial institutions in implementing Murabaha contracts. This fatwa regulates the implementation of contracts based on clear *ijab* and *qabul*, which are the main pillars of Islamic transactions (Januaryana & Jalaludin, 2023). The fatwa also provides technical guidance on the terms of the contract, which include the clarity of the object, the validity of the status, and the provisions of the parties involved. In the KPR Murabaha contract at BTN Syariah Margonda, for example, each transaction is carried out with a transparent and complete *ijab* and *qabul* process, including details of the principal price, margin, and repayment period agreed by the customer and the bank (Januaryana & Jalaludin, 2023; Noor & Wulandari, 2021).

According to Muhamad Haikal, during an interview with the author, he said that in transactions at BTN Syariah Margonda, the principles of buying and selling in Islamic law are very much considered. There are four main elements: the seller, the buyer, the contract, and the object being sold (Noor, A., Heradhyaksa, 2023). The object being traded must be ensured that it exists and its status is clear. Therefore, before working together, BTN Syariah analyzes the developer's license and eligibility and ensures that the house being sold exists. In addition, prospective customers are thoroughly analyzed in terms of their character and eligibility. In the Murabaha scheme, BTN Syariah Margonda acts as a seller by buying the house from the developer and then selling it to the customer. Haikal added that transparency in the transaction is a key focus, including the principal price, profit margin, term, and object sold, all listed in the Letter of Affirmation of Credit Provision Approval document. BTN Syariah Margonda ensures that the installments that customers have to pay from the beginning to the end are transparent from the beginning, according to the principles of justice and openness in Islam, instilling a sense of security and confidence in the process (Muhamad Haikal, Interview, 2024).

Haikal also said that compliance with Islamic law principles at BTN Syariah Margonda is regularly carried out through strict supervision by the Sharia Supervisory Board (DPS). The DPS conducts audits and socialization in all BTN Syariah branches to ensure that contracts, such as Murabaha mortgages, are implemented according to the established Sharia provisions. Haikal explained that the audit process is more of a review of the branches' compliance with the guidelines developed and implemented over the years. DPS will come directly to review if a branch needs to be fully compliant. In addition, in developing new products, such as financing products outside mortgages, the DPS and the National Sharia Council (DSN) of the Indonesian Ulema Council (MUI) will supervise more closely, especially in the early stages of implementation. Guidelines for new products are conveyed through socialization that can be done online, and all Sharia provisions must be adhered to, including appropriate contracts, document validity, and the presence of relevant parties (Muhamad Haikal, Interview, 2024).

The supervision of the Sharia Supervisory Board (DPS) in ensuring that the processes and contracts are in accordance with Sharia principles also has relevance to the *Maqashid* Sharia principle. DPS is responsible for ensuring that the contracts used are not only valid under Islamic law but also have an element of prudence so as not to harm customers. According to Jelita Handayani Rambe, the strategy carried out in Islamic bank marketing must protect the mind (*hifdzul aql*) and soul (*hifdzu an-nafs*) by prioritizing honesty in promotions and offers to customers without elements of manipulation and *gharar* (Rambe et al., 2024).

Furthermore, the Murabaha contract applied at BTN Syariah Margonda also pays attention to the principle of protecting the soul and tranquillity of customers (*hifdzu an-nafs*) through the application of a fair and harmless contract. It is in accordance with the *Maqashid* Sharia principle, where Islamic banks need to create a comfortable and safe environment for customers in conducting transactions so that they feel calm and comfortable. Transparency and fixed margin provisions in the Murabaha contract provide peace of mind to customers, so they are not worried about changes in costs that can occur due to fluctuations in interest rates.

3. Challenges in Implementing the Murabaha Contract

The challenges in implementing the Murabaha contract at BTN Syariah Margonda include various aspects that need to be considered to increase public understanding and acceptance. According to Muhamad Haikal, in an interview with the author, the main challenge in implementing the Murabaha contract at BTN Syariah Margonda is the public perception that Islamic banks are still more expensive than conventional banks. It happens because people's mindsets tend to choose options that appear cheaper initially, such as promo interest from conventional banks, even though the interest rate can jump significantly after the promo period ends. In contrast, in Islamic banks, such as BTN Syariah, the margin is set upfront so that customers can plan their payments more clearly and transparently. However, the need for more public education on the benefits of Murabaha is a challenge. Education about the certainty of fixed installments until paid off, without being affected by interest rate fluctuations, still needs to be improved to change this perception. Haikal emphasized that the transparency of the Murabaha contract is an advantage of BTN Syariah Margonda, where the customer knows the total payment from the beginning, which includes the principal and margin (Muhamad Haikal, Interview, 2024).

According to Jelita Handayani Rambe et al. in their journal, "Analysis Of Priority Banking Officer (PBO) Marketing Strategy In Increasing The Number Of Priority Customers Viewed From A *Maqashid* Sharia Perspective: Bank Sumut KC Syariah Padangsidempuan" it is explained that the marketing strategy carried out by Bank Sumut KC Syariah focuses on the application of *Maqashid* Sharia principles, which ensure the values of honesty, transparency, and protection of customer assets (Rambe et al., 2024). In the context of BTN Syariah, this understanding shows that the Murabaha contract actually offers clarity and transparency in payments, which often needs to be improved in fluctuating conventional financing. Challenges related to public perception can be addressed through a more effective marketing approach that highlights the advantages of the Murabaha contract from a *Maqashid* Sharia perspective, which protects customers from the uncertainty of fluctuating interest rates in conventional banks.

Furthermore, Muhammad Zuardi also explained that although promotion and product attributes do not significantly influence customer product choice, religious commitment plays a huge role in driving the decision to choose Islamic banking products (Zuardi et al., 2023). This suggests that education that highlights the advantages of the Murabaha contract as a Sharia-compliant option can attract customers who have high religious commitment, especially when they are faced with a choice between fixed costs (Murabaha contract) and potentially rising interest rates in conventional banks.

According to Salahuddin and Fauziah in their journal "Implementation of Murabaha Financing in Islamic Banking in Indonesia," stated that one of the main challenges in the implementation of the Murabaha contract in Indonesia is the limited knowledge of the public about the principles and benefits of Islamic financing compared to conventional. People often assume that Murabaha contracts are more expensive because they need to understand the fixed and transparent financing structure, which, in the long run, provides more stable certainty than fluctuations in conventional loan interest rates (Shalahuddin & Fauziah, 2023). The benefits of the Murabaha contract include (specific benefits), as emphasized by Antonio in his book, "Islamic Banking: Theory and Applications." These benefits, such as price transparency and protection of customers from the risk of interest rate changes, often cause uncertainty in conventional banks, make a compelling argument for its adoption (Antonio, 2001).

On the other hand, Muhamad Haikal mentioned that implementing the Murabaha contract at BTN Syariah Margonda faced a few technical challenges. These challenges, which are considered clear and simple, with the bank acting as the seller and the customer as the buyer, include [specific technical challenges]. More significant challenges usually arise in other contracts, such as Musharaka, which involves cooperation between the bank and the customer. However, BTN Syariah Margonda has been implementing the Murabaha contract well since its inception, and regulations related to this contract are stable without requiring significant changes from the National Sharia Council or Sharia Supervisory Board (Muhamad Haikal, Interview, 2024).

However, according to customer Maulana Yusuf, one of the challenges he faced in the Murabaha contract process was the time needed to complete the administration. This process, which involves (Maulana Yusuf, Interview, 2024), took longer than expected, although he feels at ease with the fixed installment system offered by Islamic banks. Another customer, Nicken Anda Rohiman, also revealed minor obstacles related to BI checking, but these obstacles could be adequately resolved thanks to the help of the cooperative bank. She emphasized that a good understanding of the Murabaha contract is beneficial in overcoming challenges that may arise (Nicken Anda Rohiman, Interview, 2024).

However, although the implementation of the Murabaha contract has many advantages in terms of transparency and stability of payments, there are still fundamental challenges related to the perception of the public, who still need to fully understand the mechanism and value of this contract. One of the biggest challenges is the need for a personalized and targeted communication approach to convey the long-term benefits of the Murabaha contract. Many customers still prioritize low upfront costs without considering interest fluctuations that could affect their financial stability in the long run. Therefore, more proactive efforts are needed from the bank to conduct education that is not only general but also more contextualized through financial advisory services that can

simulate the impact of the differences between Murabaha contracts and conventional loans. In addition, the use of technology, such as sharia-based financial applications that allow customers to simulate costs and obtain contract information quickly and transparently, can be a practical innovation to reach the younger generation who tend to prioritize speed and ease of access to information. These efforts will not only increase customer understanding but also strengthen BTN Syariah's position in competition with conventional banks that aggressively offer various conveniences through digital technology.

4. BTN Syariah Margonda's Role in Collaboration with PT. ABG Group

The collaboration between BTN Syariah Margonda and PT ABC Group in providing Sharia housing reflects a strong synergy in applying Sharia principles in mortgage products. In this collaboration, BTN Syariah acts as a Sharia financing service provider by applying appropriate contracts, such as Murabaha (sale and purchase with a profit margin) and *Musharaka Mutanaqisah* (gradual ownership), while PT ABC Group acts as a property developer that provides housing according to Islamic principles. One of the main objectives of this partnership is to ensure that every transaction is free from elements of usury, *gharar* (uncertainty), and *maysir* (speculation). This is according to the guidelines of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI), which oversees transactions to remain by Sharia law (DSN-MUI, 2000).

According to the Chief Operating Officer (COO) of PT ABC Group, he said that since its inception, PT ABC Group has never positioned itself as a Sharia developer explicitly, although in internal processes and cooperation with financial institutions such as BTN Syariah Margonda, it often uses Sharia banking services. Although Sharia principles are applied in some aspects of the business, PT ABC Group does not brand itself as a Sharia developer as a whole because the company still utilizes conventional services (Chief Operating Officer (COO) PT. ABC Group, Interview, 2024). This confirms that the implementation of sharia in their company is not 100% Sharia. However, they still strive to maintain a Sharia outlook in their operations, albeit using approaches that are not entirely sharia, including in their collaboration with BTN Syariah Margonda which supports the financing process based on Sharia principles.

According to Muhamad Haikal, BTN Syariah's role in this collaboration is pivotal, especially in the Murabaha KPR contract process. BTN Syariah Margonda meticulously verifies the eligibility of prospective customers submitted by PT ABC Group, including checking the credit history of prospective customers through BI Checking. This thorough process ensures that only eligible customers proceed, maintaining the integrity of the Sharia principles. However, a common challenge is that many potential customers need a better history of online lending, especially among millennials and Gen Z, which can affect their credit rating. BTN Syariah has had to reject mortgage applications from prospective customers with problematic credit histories. In some cases, consultation and deliberation between BTN Syariah and PT ABC Group were able to resolve these issues (Muhamad Haikal, Interview, 2024).

Regarding literature, Islamic contracts such as Murabaha and *Musharaka Mutanaqisah* are the most commonly used financing models in mortgage transactions in Islamic banking (Noor & Heradhyaksa, 2020). In a Murabaha contract, the bank purchases the goods the customer requires. It resells them to the customer with an additional profit

margin agreed upon in advance, which provides more transparency than conventional interest-bearing schemes (Antonio, 2001). It is in line with the view of DSN-MUI, which emphasizes that in Murabaha, there must be clarity regarding the price and profit margin to avoid uncertainty (DSN-MUI, 2000).

According to Abdul Rahman in his book "Islamic Finance: Principles and Practice," one of the main advantages of Islamic financing is the clarity and transparency of the contract, where the customer knows from the beginning the amount to be paid without any element of usury or uncertainty commonly found in conventional financing (Abdul Rahman, 2010). It is reinforced by the supervision of the Sharia Supervisory Board (DPS), which ensures that all transactions are by Sharia provisions, as also applied in the collaboration between BTN Syariah Margonda and PT ABC Group.

In addition, the Chief Operating Officer (COO) of PT ABC Group emphasized that the biggest challenge in this collaboration is the market segment. Consumers have more comprehensive access to financing schemes with more attractive margins in the conventional market. However, Islamic financing requires stricter specific criteria, thus narrowing the potential market. Nonetheless, PT ABC Group remains committed to working with BTN Syariah Margonda to meet the needs of consumers using Sharia principles. However, the challenges of this market segment require a unique strategy in the sale of Islamic properties (Chief Operating Officer (COO) PT. ABC Group, Interview, 2024).

This collaboration between BTN Syariah Margonda and PT ABC Group shows the exciting dynamics in the Islamic banking and property industry in Indonesia, especially regarding the application of Sharia principles in mortgage financing. In this context, challenges arise not only from the aspect of customer eligibility but also from market acceptance of Sharia products that are often considered to have limited flexibility compared to conventional products. These challenges are exacerbated by the low level of Sharia financial literacy in the community, especially among the younger generation, who tend to have a high level of consumption but need an understanding of Sharia financial management. Therefore, this collaboration requires strategic support in the form of more intensive public education and marketing approaches that can attract consumer interest in Sharia mortgages. BTN Syariah and PT ABC Group can play a more active role in promoting Sharia values that emphasize transparency and fairness, which can be a competitive advantage in the property market. Thus, this collaboration not only serves as a business partnership but also has the potential to become an essential instrument in improving Sharia financial literacy and expanding public access to quality Sharia products.

5. Impact of the Murabaha Agreement on the Community

The Murabaha agreement has a positive impact on increasing people's participation in economic activities. With a safe and legitimate financing option from a Shariah perspective, individuals and community groups are more confident about undertaking business investment and expansion. It can enhance local and regional economic growth and promote socio-economic stability. At PT ABC Group and BTN Syariah Margonda, effective implementation of Murabaha contracts can help increase the credibility of Islamic financial institutions and maintain customer loyalty. Therefore, Islamic financial

institutions must continue to improve the effectiveness and transparency of the implementation of Murabaha contracts to ensure maximum benefits for the community.

According to an interview with the Chief Operating Officer (COO) of PT ABC Group, the Murabaha contract has a positive impact on society because it provides clarity and transparency in transactions. Unlike conventional contracts that use a floating interest system that causes installments to change, Murabaha contracts allow consumers to know the loan amount and margin from the beginning to the end. It is in accordance with sharia principles that avoid uncertainty (*gharar*) in financial transactions, giving people the ability to better plan their finances. This clarity helps them measure their financial capabilities more precisely, thus avoiding the risk of default that often occurs in the conventional system (Chief Operating Officer (COO) PT. ABC Group, Interview, 2024).

In addition, Muhamad Haikal emphasized that the Murabaha contract significantly impacts meeting the community's needs to own a house according to Sharia principles. This agreement provides an alternative for those who want to avoid usury. It provides a sense of security and legal certainty because the installments are fixed from the beginning until they are paid off. It is essential for people who want to own a house without violating Sharia rules, so the Murabaha contract is the leading solution in Islamic banking transactions (Muhamad Haikal, Interview, 2024). The COO of PT ABC Group added that although Islamic banks are still smaller than conventional banks, the growth potential is enormous, offering a promising future for Islamic banking. After the massive merger that gave birth to Bank Syariah Indonesia (BSI), public interest in Islamic products, especially Sharia Home Ownership Loans (KPR), increased sharply, driven by promo programs and the certainty of installments offered by Islamic products (Chief Operating Officer (COO) PT. ABC Group, Interview, 2024).

Karim also emphasizes the positive impact of the Murabaha contract in his book *Islamic Banking: The Real Economy's Drive*, which states that the Murabaha contract provides security for customers because it avoids the uncertainty and instability that often occurs in conventional financial products, where margins are predetermined so that there are no risky fluctuations (Karim, 2010). This is reinforced by the results of research conducted by Nawir in his journal, which states that the Murabaha contract provides a sense of security to the community in managing home installments because it is not affected by changes in interest rates that fluctuate in conventional financial markets (Nawir, 2021). This research shows that the transparency of the Murabaha contract contributes to improving the financial welfare of the community due to the affordability of stable installments.

Although challenges such as margins that tend to be higher than conventional banks still exist, the Murabaha contract remains a superior choice because it upholds sharia values, namely clarity and transparency. As explained by Abdul Gafoor in his book *"Islamic Finance: Law, Economics, and Practice,"* the Murabaha contract ensures that transactions between banks and customers are based on fair and open agreements, thus avoiding potential conflicts in the future (Abdul Gafoor, 2001). The clarity of this contract is attractive to people who want to avoid interest-based transactions (usury) and allows them to feel more secure in financial management because they already know the number of fixed installments that must be paid until the end of the loan period. Thus, the Murabaha contract makes a significant contribution to the welfare of the community, especially for

those who want to carry out sharia-compliant financial transactions, adhere to the principles of transparency, and maintain the stability of the household budget.

From the perspective of Sharia Fatwas, the Murabaha contract applied by BTN Syariah Margonda and PT ABC Group reflects the application of Sharia principles that are not only oriented toward profitability but also toward the benefit of the community. Based on the National Sharia Council (DSN) Fatwa No. 04/DSN-MUI/IV/2000 concerning murabaha, the principles of transparency and clarity in this financing are in line with maqashid sharia, namely safeguarding property (*hifz al-mal*) (DSN-MUI, 2000). In addition, research by (Hajar dan Wirnan, 2023) shows that to reduce the risk of uncertainty (*gharar*) in Murabaha contracts, good risk management is needed. It can be done through education to customers and the use of digital technology to ensure transparency in transactions. This approach helps increase public understanding of Islamic finance and fosters trust in Sharia-based products. Therefore, BTN Syariah Margonda needs to continue to integrate sharia fatwas into its operational practices by educating the public and increasing innovation in Sharia-based products that are more inclusive. This step will not only address the challenges in the implementation of the Murabaha contract but also strengthen the position of Islamic finance as a strategic solution for community economic empowerment.

D. Conclusion

The application of the Murabaha contract at BTN Syariah Margonda is a vital step in providing usury-free homeownership loans (KPR) by the principles of Islamic law. In collaboration with PT ABC Group, BTN Syariah ensures that all processes are transparent and in line with the DSN-MUI fatwa, from property selection to contract execution. The main advantage of the Murabaha contract is the certainty of fixed installments, unaffected by interest rate fluctuations, which provides financial security to customers. The Sharia Supervisory Board (DPS) actively monitors compliance with Islamic law in this contract. BTN Syariah Margonda also places a strong emphasis on maintaining transparency in determining the principal price, profit margin, and installment period, ensuring that the audience feels informed and involved in the process. The challenge faced is the public perception that Islamic banks are still more expensive than conventional banks due to a lack of education about the advantages of the fixed installment system in the Murabaha contract. However, it is essential to note that PT ABC Group, although involved in collaboration with BTN Syariah, is not officially a Sharia developer. PT ABC Group uses Islamic banking services for some transactions but still utilizes the conventional system, thus not positioning itself entirely as a developer that applies Sharia principles. The impact of the Murabaha contract on the community is very significant, especially in providing certainty and security in home financing without violating Sharia law. This agreement fulfills the housing needs of people who want to avoid usury and supports more stable and transparent financial planning.

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