Abstract. The objective of this study was to explore multi-contracts on Sharia Financial Institutions which mainly consist of two problems: 1) products of Sharia Financial Institutions which are related to multi-contracts; and 2) risk accountability of multi-contracts on Sharia Financial Institutions. The approach used was a descriptive-qualitative approach and the subjects were the customers of Sharia Financial Institutions. The data were obtained through direct observations and semi-interviews in Sharia Financial Institutions with the employees’ activities. The results showed that the products of Sharia Financial Institutions related to multi-contracts in the DSN-MUI fatwa include musyarakah mutanaqishah, financing takeover, and sharia credit card. Every transaction in multi-contracts has a risk. Moreover, the risk is to be held accountable by all the parties involved in the contract, and also risk accountability occurs due to the customers’ negligence of their obligations.

Keywords: Accountability, Risk, Multi-Contracts, Costumers, Sharia Financial Institutions

INTRODUCTION

Islamic law requires a freedom of transactions in the contract in which this must be obeyed by all parties. The law applicable in the transaction is the agreement between the parties when making the contract [1]. In determining the applicable law of the contract, one should first consider the agreement between the parties at the time of making the contract [2]. Islamic law requires the implementation of contracts from all parties without any pressure or force in the transaction.

Sharia financial institutions have various kinds of contracts [3], such as musyarakah, mudhrabah, Murabaha, ijara, salam and istisna’ as contract innovations formulated into excellent products. The implementation of contracts in sharia financial institutions is implemented in accordance with the fatwa of scholars sourced from the Qur’an and Hadith. When the law is explicitly mentioned from both sources, there is no room for human’s judgment in Islamic law[4].

Sharia financial institutions in Islamic law strongly reject riba in each transaction. As explained by the Qur’an, ribais considered inhumane; besides, there is discrimination between the borrower and the lender as well as the dominance of the rich over the poor. Many sharia financial institutions pretend to reject riba, gharar, and maysir although in its practice, they are still not able to totally apply the social values in Islamic law[5]-[8]. It means that sharia financial institutions are prohibited from making contracts in any transaction containing riba.

Shariafinancial institutions have special characteristics in providing investment and financing products where it should not deviate from sharia[9]. As such, riba has a very strong influence in the contract, so the concept should always be revised in the transactions continuously [10]. Sharia financial institutions must change the paradigm of Muslims society in Indonesia to make transactions on various products.

The innovative efforts of banking products in responding to the needs of the modern society are to develop multi-contract products in modern financial transactions [11]. Multi-contracts are used in many industries to balance incentives for cost efficiency and quality [12].

One of the strategies is an innovation of the products, such as multi-contracts for the development of sharia financial institutions; in other words, sharia financial institutions must create many more innovative products in order to increase the interest of customers to overcome the very slow growth and decline in the market share.

METHOD

The aims of this study were to describe and analyze the accountability of risk in multi-contract on sharia financial institutions. This was done by using descriptive-qualitative with normative theology, formal juridical and sociological approach. The design of this study was considered appropriate to produce research products validly, practically and effectively.

The sources of the data were from interviews, books, scientific articles, scientific journals, books and reports needed to sharpen the accountability of risk in multi-
contract on sharia financial institutions. The Processing techniques and data analysis used were editing and validation. Furthermore, the data were structured on the basis of the content and structure of the discussion to obtain the validity about the concept of accountability of risk in multi-contract on sharia financial institutions.

RESULT

Products of Multi-Contracts in Sharia Financial Institutions

Multi-contract in Arabic is called al-uqud al-murakkabah which means a double contract. According to Nazih Hammadthat, Al-Uqud Al-Murakkabah is a two-party agreement to carry out transactions of two or more contracts [13]. In Multi-contracts, the first contract can respond to the second contract; in addition, the interrelation and support between the fulfillment of the first contract depends on the fulfillment of the second contract, through a reciprocal process[14]-[15].

Innovations of various products that became the focus of a multi-contract are musharakah mutanaqishah, financing takeover, and sharia credit card. The multi-contract innovation in musharakah mutanaqishah financing in sharia financial institutions are operated for the consumptive products in forms of home ownership by using a combined system of contracts consisting of musharakah contract, leasing, buying and selling.[16]. Homeownership financing based on musharakah mutanaqishah contract is allowed and consists of musharakah or syirkah contract and sold in accordance with the fatwa of DSN No.73/DSN-MUI/XI/2008.

The multi-contract on take-over products in sharia financial institutions is currently using marketing strategy with a take-over system of residential financing. Take-over residential financing occurs with the transfer of financing facilities from one bank to another. Take-over debt is the willingness of customers to transfer their credit to other banks to make a profit. Financing products are offered by a sharia bank to its customers by using ba'imurabaha contract. Ba’imurabaha contract in Islamic law is a multi-contract, which is a combination of ba’i contract and murabaha contract[17].

The first step of financing takeover starts with the request of customers to move its sharia financing from conventional banks to sharia bank. Then sharia bank repays the remaining debt from customers who get home loans from a conventional bank.

Besides, multi-contracts related to products in a sharia bank are considered necessary to provide convenience and security for customers in conducting the transaction and cash withdrawal by providing a credit card in accordance with the principles of sharia. DSN Fatwa No.54/DSN-MUI/X/2006 explains that a sharia card is allowed. The contracts used for sharia cards are kafalalah[18], qardh and ijarah. Terms of fee in sharia card include membership fee, merchant fee, cash withdrawal fee, and kafalalah fee.

Risk Accountability in Multi-contracts on Sharia Financial Institutions

The risk accountability in multi-contracts tends to affect the sustainability of contract on musharakah mutanaqishah. The system of execution of musharakah mutanaqishah in mudharabah financing allows the bank to supervise and control the business of its customers by requesting reports on the results of management and income from mudharabah financing. The results of the mudharabah fund management report aim to determine the realization of the projected income profit after the signing of the musharakah mutanaqishah contract.

In practice, musharakah mutanaqishah contract is implemented consistently by Muamalat Bank Makassar branch and Sharia Business Unit of BPD South Sulawesi by always requesting a report and supporting evidence related to the mudharabah fund management. The consistency of the bank requests mudharabah fund management report is one of the preventive measures to prevent the occurrence of ghurar and mudharat caused by mismanagement of mudharabah funds.

The risks of multi-contracts in Law No. 21 2008 consist of administrative and criminal penalties. Administrative penalties are stipulated by Bank Indonesia to a sharia bank or sharia financial institution,
and a conventional commercial bank which has a sharia business unit that obstructs the implementation of sharia principles in carrying out its business and duties. Giving criminal penalties for not complying with sharia principles in running multi-contracts in sharia banks is a preventive effort of the government in maintaining its consistency in applying sharia principles in the funds distribution.

Multi-contracts applied to sharia banks cannot be separated from the potential risk that occurs in financing. Multi-contracts, if not supported by Islamic law, may become a way to anticipate the type of transactions containing riba to be lawful. In *musharaka mutanaqisah* contract, there is an *ijarah* or lease contract. The increase in lease expenses on financing objects whose management and designations are not in accordance with the agreement may potentially fall into riba.

**CONCLUSION**

*Musharakah mutanaqisah* contract in sharia financial institution is operated in the form of consumer financing such as home ownership with capital participation scheme, *ijara*, as well as buying and selling. Multi-contracts in takeover products in sharia banks are currently using a marketing strategy with a take-over system of residential financing. Multi-contracts are related to products in sharia banks for customers in conducting the transaction and cash withdrawal by providing a credit card. The contracts used for sharia cards are *kafulah* contract, *qard*, and *ijarah*.

The risk accountability of multi-contracts in Law no. 21 2008 consists of administrative and criminal penalties. Administrative penalties are stipulated by anBank Indonesia to a sharia bank or sharia financial institution, and a conventional commercial bank having a sharia business unit that obstructs the implementation of sharia principles in carrying out its business and duties. Criminal penalties are also implemented for violations, such as not complying with sharia principles in running multi-contracts in sharia banks.

**REFERENCES**


