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IMPLEMENTATION OF MURABAHAH FINANCING AGREEMENT AT SHARIA RURAL BANK IN SPECIAL REGION OF YOGYAKARTA

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Abstract: This is a normative-empirical research aimed at determining the suitability of murabahah financing practices at Sharia Rural Bank (BPRS) in the Special Region of Yogyakarta (DIY). The results showed that the practice of murabahah financing in BPRS in DIY is carried out sequentially as follows. First, profit is determined based on the interest of conventional banks. Second, installments are calculated using the annuity formula. Third, down payment and collateral are applied to customers. Fourth, reward and punishment are applied to the customer. Fifth, financing is realized using the wakalah and murabahah agreement implemented before the murabahah object becomes the bank's property. The first to fourth practices are carried out in accordance with sharia law, excluding the fifth, which contains gharar prohibited in Shariah.

Keywords: Financing, Murabahah, Sharia Rural Bank

INTRODUCTION

The primary purpose of sharia banking is to provide financial transaction facilities in accordance with sharia law. This means that the transactions do not contain maysir, gharar, riba (maghrib), haram, and zalim, which are elements prohibited in Shariah. Adherence to the prohibition is an absolute obligation, which differentiates sharia banks from conventional banks. Violation of the prohibition on these elements in Sharia banking business activities makes the law invalid (Istianah ZA, 2020).

Murabahah financing is one of the most dominant types of financing applied to sharia banking, such as BPRS located in the Special Region of Yogyakarta. It is one of the favorite processes applied in Islamic banking in Indonesia, Malaysia, Pakistan, Dubai, and Jordan.

The dominance of murabahah financing in sharia banking occurs due to several reasons. For instance, many people consider its application the most appropriate financing model to buy various business equipment. This financing model requires sharia banks to acquire and buy assets or business equipment and then sell them at a raised price. It was introduced in Malaysia in 1997 and recorded more than 1000 active users in 1999.

Frank E Vogel and Samuel El Hayes stated that the dominance of murabahah financing indicates that there are numerous benefits associated with the financing provided by sharia banks. Some of the advantages are, first, there is the certainty of buyers because sharia banks do not buy and keep items. Second, there is a certainty of profit on an item sold by sharia banks. Third, murabahah financing is easier to apply than other forms (Frank E Vogel and Samuel El Hayes, 1998).

According to Adi Warman Karim, the murabahah agreement is a form of natural certainty contract that provides certainty in terms of amount and time. It is used to predict cash flow with relative certainty and agreement of both parties. In addition, murabahah dominance in sharia banking is also due to concerns by banks on the occurrence of moral hazardand asymmetrical information on profit-sharing-based financing that leads to losses (Adi Warman Karim, 2008). Meanwhile, according to Karnaen A. Perwataatmadja, sharia banks experience minimal risks without knowing the profit and loss of customers. Meanwhile, when using mudharabah or musyarakah products, banks experience high risk and are more vulnerable to possible moral hazards. This is because sharia banks assume that everyone is honest, thereby making them prone to dealing with people in bad faith. Mudharabah and musyarakah products are more complicated than murabahah, therefore it needs the services of a reliable professional. Presently, most of the professional workers employed by Sharia banks were extracted from conventional banks structured with the interest system (Karnaen A. Perwataatmaja in Hamid Basyaib &Mursyidi Prihanto, 1993).

Based on the description above, murabahah financing is currently the most in-demand product because of the various advantages. However, many parties have stated that its implementation in sharia banks is still not under sharia principles because it contains maysir, riba, and gharar. Even an extreme opinion is that its practice in sharia banking is similar to credit agreements in conventional banking.

LITERATURE REVIEW

The term murabahah comes from the word ar-ribh, which means profit. According to Ghozali & Roficoh (2019), murabahahis an agreement to buy and sell goods at the cost of purchase in addition to a certain profit level (margin), which is informed to the buyer In Murabaha transactions, the seller is mandated to honestly tell the buyer the amount of capital spent to get the goods sold and the profit earned either in lumpsum or in detail. Therefore, this type of trade is calledbai' al-amanah, which is also known asbuying and selling based on trust.

Sutan Remy Sjahdeini provided a complete picture of murabahah in sharia banks. These include services or financing products provided by Sharia banking based on sharia principles to customers in need of a particular item. In this case, sharia banking provides financing facilities based on the purchase of specific goods that need to be carried out by the supplier of goods. Then, juridically the ownership of the goods switches from the supplier's hands to the bank, which sells it to the customer. The sharia bank in question adds a specific profit or mark-up/margin above the purchase price. The bank and the customer are mandated to make an advanced agreement on the predetermined profit (Sutan Remy Sjahdeini, 2014).

Umer Chapra and Muhammad Umar (1992) stated that usury literally means 'addition' (al-ziyadah). It is interpreted as an addition of one or two homogeneous equations that are exchanged without being accompanied by rewards. Meanwhile, Shafi'i Antonio (2014) reported that the term usury means ziyadah (additional) and growing in language. According to Antonio, there are some opinions in explaining usury, as a process of buying, selling, and borrowing transactions, in a false or contrary process known as muamalah in Islam. In addition to usury, in sharia, contracts are also prohibited from promising something uncertain or of gharar nature with null and void contracts.

According to Nabil Saleh, gharar comprises 3 elements, with the first and second, ignorant of the existence of interchangeable objects and properties. Meanwhile, the third is ineffective supervision of the parties to interchangeable objects (Nabil A. Saleh, 1998).

Rafiq Yunus al-Mishri stated that gharar is vague (jahalah), unclear, and uncertain. Rafiq Yunus al-Mishri (2007) further stated that obscurity or uncertainty occur due to the following a) The object of the contract is unclear with uncertainty due to the vagueness of its quality, the vagueness of the specification and the timing of the handover. Obscurity also occurs in terms of qudrat al-taslim, such as the contract handed over. b) the contract is not clear. c) the price is not clear in terms of sale and purchase. This is in addition to the ujrah/rent and period of ijarah.

Similarly, Nik Norzrul Thani translates maysiras gambling or profit in a sense as a real speculative form (Nik Norzrul Thani et al., 2003).

Article 2 paragraph (3) of Bank Indonesia Regulation Number 10/16/PBI/2008 defined maysir as a suspended transaction to an uncertain and profitable situation.

The application of murabahah agreement on sharia banking in Indonesia is classified into 3 types.First, the consistent application according to fiqh muamalah enables the bank to buy in advance the goods to be purchased by the customer. This purchase includes a transfer of ownership from a third party to the Bank(Syauqoti &Ghozali, 2018). The second type, which is the application ofmurabahah,is similar to the first type, however, the transfer of ownership is done directly from the third party to the customer, while the bank makes the payment to the first seller. As the final buyer, the customer receives the goods after performing amurabahah agreement from a sharia bank. These practices are prone to legality issues because, in addition to the time of the agreement, the object does not belong to the bank. Also, in some cases, the customers claim not to be in debt to the bank, while in the third party, it delivers the goods.Third, the bank conductsmurabahah agreements with customers, and at the same time, assists them in purchasing the goods (Mauluddin, 2018). Then the funds to purchase the goods are credited to the customer's account, which signs the money receipt. This money receipt is used as the basis of the bank to avoid claims that the customer does not owe them because they do not receive money as a loan (Hakim, 2011)

There are various reasons behind the types of murabahah practices carried out by banks. The first type is an ideal procedure according to sharia, with the mechanism considered less practical because there is more than one trade transaction. This means that there is also a transfer of ownership twice, namely from suppliers to banks and banks to customers. As for the second type of practice, the bank simplified the procedure, therefore, there is no need to buy the goods needed by customers. The bank simply contacts the supplier to provide the goods directly delivered on behalf of the customer. Meanwhile, in the third type, the bank directly authorizes and gives some money to the customer to buy the goods needed (Kariyono, 2019: 231).

Abdullah Saeed criticized murabahah products by stating no substance difference between the marks up and interest (financing). It is essential to provide answers to the prohibition of murabahah in a conventional bank (Abdullah Saeed, 1996). Umar Ibrahim Vadillo also stated that the existence of murabahah financing in Islamic banking practices tends to jeopardize the existence of Islamic banks' in the world. (Umar Ibrahim Vadillo, 2003).

Agus Triyanta stated that approximately 40% of Sharia People's Financing Banks (BPRS) are suspected of practicing murabahah, similar to conventional banks (Agus Triyanta, 2016). Non-compliance with sharia principles is also indicated by various findings made by the Central Bank.

The practice of murabahah in Indonesia by Erwandi is considered ineligible for its pillars and conditions. This is because when the murabahah agreement is carried out, the goods of the object of sale and purchase are unclear. Meanwhile, one of the pillars of murabahah is the object of murabahah need to be clear to become the property of the seller at the time of its implementation. In connection with the phenomenon, Erwandi Tarmizi (2017) stated that the practice of murabahah in Indonesia is 100% usury. In accordance with Pother Roots of Indonesian Islamic banking, Zaim Saidi stated that the practice of murabahah in Islamic banking in Indonesia is a form of exploration and not under Islam because it resembles credit in conventional banking. (Zaim Saidi, 2010).
Furthermore, in relation to the application of murabahah bil-wakalah, Askarya stated that wakalah has essentially violated 2 principles regarding representative practice. First, the essence of the seller with the obligation and ability to provide the goods, and secondly, the essence of murabahah, which is essentially an agreement to buy goods for third parties that order, with the basic price and margin" (Askarya, 2015).
Abdullah bin Muhammad Ath-Thayyar also stated that the practice of murabahah bial-wakalah, in general, is carried out correctly due to the ability to disburse the money disbursed before wakalah. The customer only submits a piece of receipt to the bank as evidence of the implementation of wakalah. Abdullah Ath-Thayyar assessed the practice of murabahah, which is only evidenced by a sheet of receipts, resembling a credit transaction in conventional banking. Abdullah stated that the concept of murabahah in fiqh had been twisted to lead to a lending model in conventional banks because customers do not buy goods rather they are given cash (Abdullah ibn Muhammad Ath-Thayyar, 2009).

RESEARCH METHODS

This is an empirical normative juridical research and a combination of doctrinal and non-doctrinal research. Primary data were obtained directly through interviewing resource persons, namely directors or commissioners of 5 BPRS in DIY. Meanwhile, secondary data were obtained through library studies, both in the form of legislation, expert opinions, and various journals related to research materials. Other secondary data are tertiary legal materials in the form of dictionaries and supportive encyclopedias. The collected data were analyzed with statutory (statute approach) and conceptual (conceptual approach) approaches. The location of this research is 5 Sharia Rural Bank (BPRS) operating in the Special Region of Yogyakarta.

RESULTS

Based on research on 5 Sharia Rural Bank in DIY, primary data was obtained as follows:

1. The amount of profit or margin in all analyzed banks, using standards or guidelines on the percentage of credit interest in conventional banks. This was carried out due to significant reasons. Firstly, sharia banks, until now, do not have their standard to determine the amount of margin or profit of banks. Secondly, customers always ask for the percentage of murabahah profit because they want to compare it with credit interest at conventional banks.
2. The results showed that all banks studied use an annuity formula to calculate the number of installments to be paid by customers, with practical reasons, which are easy to apply.
3. The results also showed that all banks studied applied to down payment and imposed guarantees to customers, both in goods that became objects of murabahah. This process was carried out as an anticipatory measure of the possibility of stalled financing.
4. All banks are scrutinized by applying for fines and compensation as punishment to customers that do not meet the obligation to pay installments within the set time-frame. All BPRS studied also give discounts to customers assuming the bank gets any deductions from the supplier to enable them to make payments on time. This means that banks need to appreciate customers in good faith and educate those with fraudulent attitudes to uphold a sense of fairness.
5. All banks studied applied wakalah or murabahah bil wakalah in the implementation of murabahah agreement to buy their goods. The use of wakalahwas chosen because sharia banks felt the mechanism was more practical. Furthermore, they do not need to provide goods that become murabahah objects. The mechanism of murabahah bil wakalah, is carried out through the following procedures:

a. Customer submits murabahah application, which the associated bank assesses.
b. The bank appoints customers with wakalah agreements to purchase goods according to the agreed specifications.
c. Banks and customers make murabahah agreements.
d. Bank transfers money to customer's account.
e. Customer submits receipt of goods purchase to the bank.
f. The customer pays the price of the goods and the agreed benefits in installments.

DISCUSSION

All banks studied determined the amount of profit or margin, using standards or guidelines on the percentage of credit interest in conventional banks, using the figure of 10% or 11% of the original price. Sharia banks still use the standard interest rate used in conventional banks to determine the margin or profit of murabahah as a reference to determine the nominal amount of profit based on a certain percentage. This is because sharia banks until now do not

Margin requirements based on conventional interest rate standards are less than ideal and do not cause murabahah transactions to become invalid when carried out in accordance with customary laws in trading practices. A fiqh rule states that something that remains valid based on habit is the same status as something set by nash. (Umar Abdullah Kahel, tt,160).

AAOIFI also stated that Sharia Financial Institutions are not prohibited from using methods permitted by Shariah and 'urf (customary custom) in calculating murabahah profits under the financing period. Other methods of calculating profit based on the percentage of the total price/financing in one year (thariqah al-hisaballati ta'tamidu 'ala tahdid al-ribh nisbatan 'ala Kamil al-mablaghsanawiyan li Kamil al-muddah), or the method of counting decreased (thariqah al-hisab al-tanazuliyah), include the calculation of profit based on the remaining financing, which is the responsibility of the customer under the installment schedule. Both forms of the method are used, with the total selling price mentioned in the nominal form at the time of the contract.

Veithzal stated that the method of calculating installment payments in murabahah financing is generally carried out in two ways, namely annuity or effective and flat methods. An annuity method decreases profit every month and increases principal installment until a predetermined period. Meanwhile, in the flat method, installment payments consisting of principal and margin installments are always the same every month until a predetermined period. (Veithzal Rivai et al. 2012).

Adiwarman stated that technical recognition of murabahah installments is economically calculated using the following methods:

1. Profit margin decreases
2. Average Profit Margin
3. Flat Profit Margin
4. Annuity Profit Margin

Profit margin decrease (sliding) is used to calculate the decrease in profit margin in accordance with a reduction in the cost of principal due to the number of installments paid by customers every month. The average profit margin is calculated by determining the monthly installments (base price and profit margin). Meanwhile, the flat profit margin is the calculation of profit margin to the value of the principal price of financing on a fixed basis from one period to another, with a decrease in debit balance due to the installment of the principal price. The profit margin of an annuity is obtained by calculating the returning financing with installment payments of the principal price and profit margin on a fixed basis. This calculation leads to a growing pattern of principal price installments and a decrease in profit margins. These 4 methods can be simplified by dividing them into 2 groups of methods, namely the proportional and annuity.

The proportional method group makes the purchase price a multiplier to the profit margin level. In this method, the decrease in outstanding financing, such as installments paid by customers, does not affect the amount of profit margin recognized by the bank. In fatwa DSN MUI No. 84, this method is called thariqah al-reckoning allati ta'tamidu 'ala tahdid al-ribh nisbatan 'ala Kamil al-mablagh sanawiyan li Kamil al-muddah or abbreviated thariqah al-reckoning 'ala Kamil al-mablagh. Another term also used in the MUI fatwa is thariqah mubasyirah, which consists of the flat profit margin method.

When most installments have been paid at the end of the period, the outstanding remains small, thereby shrinking the amount of profit margin recognized by the bank. In fatwa DSN 84-year 2012, the method is called thariqah al-reckon al-tanazuliyyah or also called thariqah al-tanaqushiyyah. The methods included in this group are the declining profit margin and the annuity (Adiwarman A Karim, 2013).

The choice of using an annuity calculation method does not violate sharia because the ability to choose it is proportionally stipulated in fatwa DSN MUI No. 84/DSN-MUI/XII/2012 concerning Method of Profit Recognitionat- Tamwil bi al-Murabahah(murabahah financing)in Sharia Financial Institutions. The fatwa asserts that the profit of murabahah financing applied by Sharia Financial Institutions (LKS) is the proportional and annuity methods.

The DSN fatwa affirms several provisions related to the two methods. The first isrecognizing murabahah benefits at Sharia Financial Institutions (LKS) can be done proportionally and annuities as long as it is in accordance with the 'urf (customary custom) such as LKS. The second isthe option of murabahah profit recognition method in LKS,

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which needs to pay attention to the maslahahfor healthy lks growth. The third isthe recognition method of murabahah profit, which is considered moremaslahah in the growth period of LKS is an annuity method. However, in the case of LKS using the method of recognition of murabahah profitannuity,the portion of the new installment period was not fully recognized before the repayment of murabahah financing receivables ends.

Shariah is one of the risk management processes carried out in Sharia banks to provide charging advances and guarantees to customers. Fatwa DSN MUI No. 13/DSN-MUI/IX/2000 concerning Down Payment in Murabahah stated that Sharia Financial Institutions, in providing murabahah financing, are allowed to ask for a certain amount of down payment upon agreement by both parties. The urgency of this down payment is that supposing the customer cancels the murabahah agreement, they are mandated to compensate the bank. Furthermore, banks can make additional requests assuming the down payment amount is less than the loss and vice versa. Fatwa DSN MUI Number 04-year 2000 on Murabahah has also confirmed that customers are serious in providing such orders needed by banks.

Guarantees in sharia financing are allowed with the condition that the murabahah transaction has occurred. Therefore, no guarantee is imposed on a person prior to a charge which is the customer's obligation to the bank.

The results showed that the down payment charge and guarantee were determined before and after the murabahah agreement, respectively. Based on the study results, the practice of charging down payments and guarantee to customers has been implemented in accordance with sharia provisions.

Reward and punishment are important means to uphold the discipline of one's performance and responsibility in any field. In murabahah financing practices in Sharia banking, customers that do not meet the obligation to pay installments in accordance with the agreement, are fined. Conversely, those that fail to fulfill their obligations well, even in good faith, are expected to expedite the payment from a set time through discounts.

The debate regarding fines, compensation, discounts, and rebates in murabahah does not need to occur because the form of reward and punishment is not contrary to sharia principles.

The Maliki sect stated that a debtor is not allowed to pay an additional amount of money for wrongdoing in shariah because it becomes an interest. However, to ensure creditors get a quick payment, the debtor is required to pay a certain amount of social donations. Banks need to pay attention to the following to give proper punishment (Adiwarman A Karim, 2013):

1. Penalties are intended only to pressure customers into paying obligations immediately and not to be a source of income for creditors.
2. The fine money needs to be donated because it is only an effort to prevent mistakes.
3. Fines for donations are allowed.

Hadith of the Prophet narrated Nasa'i from Syuraid bin Suwaid, Abu Dawud, The Messenger of Allah stated that "People need to be sanctioned when payments are delayed."

The purpose of imposition of sanctions in the form of fines to customers is to educate (ta'zir) customers and make them more disciplined and timelier in carrying out their obligations. The fine also aims to provide firmness to the customer to repay the debt, because the delay in installments leads to the occurrence of bad financing (NPF), and subsequent consequences adversely affect sharia banks and third parties.

Hadith of the Prophet (peace and blessings of Allah be upon him) narrated from Abu Hurayrah also asserts that "Procrastinating payments is an injustice." Therefore, based on this explanation, this process causes many mafsadah (harm), and according to the theory, maslahah mafsadah needs to be eliminated and replaced with benefit. Therefore, procrastinating payments made by people is not in line with the theory of maslahah that prohibits wrongdoing in economic transactions. This is in line with the hadith, Fatwa DSN MUI Number 04 the Year 2000, which confirms that customers with the ability to pay off their debts are not entitled to any form of delay. The importance of sanctions against customers that do not have good faith is also stipulated explicitly in fatwa DSN MUI No. 17/DSN-MUI/IV/2000 concerning Sanctions on Able Customers that delay payment. According to the fatwa DSN, Sanction is a punishment imposed by lks/sharia banks to customers that delay payments deliberately. Meanwhile, customers who cannot pay due to force majeur, according to DSN, are not penalized.

DSN fatwa expressly stated that the customers that deliberately delay payment need to be penalized by the bank. The sanctions are based on ta'zir, which is aimed at ordering customers to be more disciplined.

In terms of compensation, the opinion of scholars also allows its imposition based on the consideration that losses need to be eliminated and replaced. Meanwhile, imposing prison sanctions on able debtors that delay payments will not benefit the creditors (Isham Anas al-Zaftawi, 1997). Nevertheless, it is necessary to pay attention to some provisions to remain in accordance with sharia principles while applying for compensation. Fatwa DSN MUI No. 43/DSN-MUI/VIII/2004 concerning Indemnity (Ta'awidh) provides guidelines that compensation (ta'widh) needs to

be imposed on the party intentionally due to negligence to do something that deviates from the provisions of the contract, which inflicts losses on other parties. The losses imposed as ta'widh are only actual and can be considered as real losses incurred to collect the rights that need to be paid. Fatwa DSN also confirms that the amount of compensation (ta'widh) is in accordance with the fixed cost. These include the value of actual losses (real loss) that must be experienced in the transaction and not the expected loss (potential loss) because of the opportunity lost (al-furshah al-DHA-i'ah).

Furthermore, related discounts in murabahah become important because there are still parties in question. The discount issue becomes the object of discussion because it is one of the basic principles in murabahah that acts as the sale of an item to the buyer. This is in line with the price formula (tsaman) purchase and the necessary costs plus profits under the agreement. The seller (Sharia Financial Institution, Sharia banking) in murabahah financing sometimes obtains discounts from the supplier, which is used to determine whether the money from the supplier is right for the seller (LKS). The sales price to the buyer (customer) is the amount before the discount. Fatwa DSN MUI No. 16/DSN-MUI/IX/2000, which regulates discounts in Murabahah, based on the fiqh rule stated that "all forms of mu'amalat can be carried out unless there is evidence that prohibits the process." Furthermore, it stated that "Where there is a benefit, there is the law of God." DSN means that supposing the bank obtains a discount from the supplier in a murabahah, and the actual price is obtained after the discount, which makes it the right of the customer

Regarding rebates, most fuqaha stated that the use of a deduction is needed for early payment is not allowed. However, it is permissible when the creditors provide a cut of their volition. Fatwa DSN MUI No. 23/DSN-MUI/III/2003 concerning Deduction of Repayment in Murabahah, reported that when the customer in the murabahah transaction makes payment repayment on time or earlier than the agreed time, the bank is likely to provide a deduction of the payment obligation. The amount of the deduction is left entirely to the bank's policies and considerations.

.To end the cross-opinion on murabahah rebates, the discussion on murabahah bill cuts was reaffirmed in fatwaDSN MUI No. 46/DSN-MUI/II/2005 on Murabahah Bill Deduction. This DSN fatwa reiterates that banks are opportune to deduce total payment obligations to customers that have made murabahah installment payment obligations on time.

This fatwa adds an affirmation that deductions can also be given to customers that experience a decrease in the ability to make payments. In this case, the amount of the deduction is submitted to the bank's policy, and its grant is also not promised in the agreement.

The next crucial issue is related to the practice of wakalah applied to the implementation of murabahah agreement held. All banks were studied using wakalah also known as murabahah bil wakalah.

The Shaafa'i sect defined wakalah as a delegation from someone that allows another person to perform a permissible act (Abu Bakr al-Jazayri , 2004). In that definition, there is an emphasis on the living, intended to distinguish wakalah from wills.

The application of wakalah on the implementation of murabahah contract does not actually interfere with the validity. Furthermore, it does not need to be questioned assuming the mechanism is carried out correctly and meets sharia requirements. These include the realization of the murabahah agreement because goods that become murabahah objects in principle need to have been owned by sharia banks as the seller. The practice of murabahah bilwakalah, in order to comply with sharia must be carried out with the following procedures: first, customers and banks sign a general agreement, with the customer promising to buy certain commodities at a certain acquisition price and margin. Second, the bank appoints those to represent it to buy customers' commodities by signing a wakalah agreement before performing a murabahah. Third, customers buy commodities on behalf of the bank while taking control of the goods by affirming that the commodity risk is still on the bank's side because it has not transferred its ownership. Fourth, the customer informs the bank on the purchase and delivery of goods on their behalf. Fifth, the customer and the bank sign murabahah agreement, and after that, the ownership of the commodity moves to the customer, hence they borne any associated risk. This procedure shows that the goods in principle have become the property of the bank and is only sold to customers based on Murabaha agreement.

The ability of murabahah bilwakalah has been stipulated in fatwa DSN MUI No. 10/DSN-MUI/IV/2000 on Wakalah,which suggests that murabahah practice in Sharia banking, entirely using the concept of wakalah (representative). This FATWA DSN MUI confirms that wakalah is allowed assuming there is a qabul ijab by the parties in entering a contract.

The basis of consideration allowed wakalah to benefit in the form of help and trust. Meanwhile, Fatwa DSN MUI Number 04-year 2000 also expressly stated that Banks are allowed to represent customers during the buying of goods as third parties (akad wakalah). This permission is provided the murabahah sale, and purchase agreement are carried out after the goods in principle belong to the bank. It means that the procedure of the new murabahah

agreement is also carried out after the wakalah agreement is perfectly implemented by the customer. The agreement made before the implementation of wakalah means that the procedure contains gharar, because at the time of the murabahah agreement, the object of the agreement is unclear of its existence and ownership.
The vagueness of murabahah object also led to its practice under fatwa DSN MUI No. 110/IX/2017 on Buying and Selling Agreement and Fatwa DSN No. 111/IX/2017. Objects or mabi needs to be goods and halal rights that can be used according to sharia and applicable laws and regulations. The object of buying and selling or mabi' need to also exist and handed over at the time of the trade agreement using a contract of buying and selling greetings or istishna'.
The practice of murabahah bilwakalah practiced by sharia banks is not under fatwa DSN MUI No. 04 of 2000, because the procedure shows the implementation of murabahah agreement before the customer carries out the power to buy goods on behalf of the bank. Therefore, the goods that become the object of buying and selling is not held by the bank during the transaction. It also violates the provision that murabahah as a financing based on buying and selling, one of the pillars is that when the trade is made, the object needs to be clear and belongs to the seller.
Related to the phenomenon of murabahah bil wakalah, Acharya stated that in the practice of murabahahfinancing, the binding of buying and selling contracts is generally carried out ahead of the ownership of goods by banks. This clearly violates both the fiqh principle itself and the universal law, which stated that the right to sell is a derivative of ownership (Askarya, 2015).
Polemics related to the validity of murabahah bilwakalah has the ability to end with the application of the correct wakalah procedure in accordance with sharia provisions. When sharia banks and customers have difficulty implementing the murabahah bilwakalah mechanism in accordance with sharia procedures, they tend to buy their own goods that customers need. Therefore, murabahah agreements are realized without having to be accompanied by wakalah.

CONCLUSION

In conclusion, the results showed that the practice of murabahah financing in BPRS in DIY. First, it determines the profits studied by all banks using interest percentage guidelines on conventional bank loans. Second, it determines the installments studied by all banks using the annuity formula. Third, all banks studied applied the down payments and deposits to customers. Fourth, they applied rewards and punishments to customers. Fifth, murabahah financing agreements at all banks studied are realized using the wakalah model implemented within a short time. The first to fourth practice was implemented under sharia principles instead of the fifth, which contains gharar and prohibited in Shariah.

LIMITATION OF THE RESEARCH

This research aims to determine the application of murabahah financing agreement on BPRS in DIY and examine it conformation to Sharia principles. The sharia principles incompatible with murabahah financing are realized using the wakalah model and murabahah agreement that has been implemented before the customer runs wakalah. Therefore, it is important to note that the murabahah object is not owned by the bank at the time of the agreement. Further research needs to be conducted on applying murabahah financing agreements to Sharia Banks in DIY and examining how they conform to sharia principles.

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