



Fiqh Muamalah Analysis of People's Business Credit (KUR) Products with Rahn Contract at Sharia Pawnshop Kusumanegara Branch Yogyakarta

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Abstract

Sharia pawnshop is a financial institution that operates based on sharia principles in the Islamic financial system. Sharia pawnshop provides financial services in accordance with Islamic principles to the public, which includes financing and collateral services in a halal manner in accordance with Islamic law. This provides an alternative to individuals and businesses who want to access financing or pledge their assets without violating religious principles. The aim of this research is to find out the mechanism of the People's Business Credit (KUR) Product at the Kusumanegara Branch of Yogyakarta sharia pawnshop and to find out the Fiqh Muamalah Analysis Regarding People's Business Credit (KUR) Products with Rahn Contracts at the Kusumanegara Branch Yogyakarta of Sharia Pawnshops. This research uses descriptive qualitative research methods, the data sources used are primary and secondary data. and this research is included in field research with observation, interviews and documentation as techniques for data collection. Based on the results of the discussion from this research, it can be seen from Fiqh Muamalah that the practice of rahn contracts on People's Business Credit (KUR) products at the Kusumanegara sharia pawnshop is not in accordance with Islamic law because there is no Al-Marhun submitted by customers to the sharia pawnshop.

Keywords: Sharia Pawnshop, Akad Rahn, Fiqh Muamalah

Abstrak

Pegadaian Syariah adalah lembaga keuangan yang beroperasi berdasarkan prinsip-prinsip syariah dalam sistem keuangan Islam. Pegadaian Syariah memberikan layanan keuangan yang sesuai dengan prinsip-prinsip Islam kepada masyarakat, yang mencakup pembiayaan dan jasa jaminan dengan cara yang halal sesuai dengan hukum Islam. Ini memberi alternatif kepada individu dan bisnis yang ingin mengakses pembiayaan atau menjaminkan aset mereka tanpa melanggar prinsip-prinsip agama. Tujuan dari penelitian ini adalah Untuk mengetahui mekanisme pada Produk Kredit Usaha Rakyat (KUR) di Pegadaian Syariah Cabang Kusumanegara Yogyakarta dan untuk mengetahui Analisis Fiqh Muamalah Terhadap Produk Kredit Usaha Rakyat (KUR) Dengan Akad Rahn di Pegadaian Syariah Cabang Kusumanegara Yogyakarta. Penelitian ini menggunakan metode penelitian kualitatif deskriptif, sumber data yang dipakai ialah data primer dan sekunder, dan penelitian ini termasuk ke dalam penelitian lapangan dengan observasi, wawancara dan dokumentasi sebagai taktik dalam

pengumpulan data. Hasil pembahasan dari penelitian ini, ditinjau dari Fiqh Muamalah bahwa praktik akad *rahn* pada produk Kredit Usaha Rakyat (KUR) di Pegadaian Syariah Kusumanegara belum sesuai dengan hukum Islam karena belum terdapatnya *Al-Marhun* yang diserahkan oleh nasabah kepada pihak pegadaian syariah.

Kata Kunci: *Pegadaian Syariah, Akad Rahn, Fiqh Muamalah*

INTRODUCTION

Human beings as social beings cannot be separated from helping activities and transactions in daily life. In Islam, human relations related to the fulfillment of economic needs and transactions are regulated in the *muamalah* system, which aims to realize justice, blessings, and create a rich and peaceful life (Leni, 2018: 78).

In daily life, humans cannot be separated from transactions, humans were created by Allah SWT in order to complement each other, so that they can help each other because humans were actually created as social *creatures* in this world (Choirunnisak and Disfa, 2020: 62). Helping is one of the most essential ways in which humans can express kindness and make the world a better place for all of us. This can be in the form of a gift and it can be in the form of a loan (pawn), for example, if a person does not have money to set up a business or to meet his daily needs but still has some valuables such as motorcycles, laptops, mobile phones and so on, then the person can come to banks or non-bank institutions or even to his neighbors to borrow money and then the person gives his valuables to be collateral for debts that he had borrowed (Rustam *et al.*, 2018: 117).

Sharia Pawnshop is one of the institutions in which there are products that use the *Rahn* contract and non-bank financial institutions that provide loans to the public with special characteristics, namely legal pawns in accordance with Islamic law. Where the customer must hand over an item in accordance with the agreement and the agreed conditions, namely to be used as collateral or collateral for the debt borrowed by the customer. And customers can redeem the goods that have been collateral to the sharia pawnshop if they have paid off the debt borrowed at the beginning of the transaction, but if the customer is unable to pay off the debt, the goods that have been collateralized will be handed over to the sharia pawnshop to be confiscated or even auctioned (PT Pegadaian, 2022). PT Pegadaian (Persero), the owner of the brand on April 1, 1901, was the beginning of the establishment of PT Pegadaian, precisely in Sukabumi City, while PT Pegadaian was included in one of the State-Owned Enterprises or what we often hear as SOEs. Convey that currently there are more than 4,100 PT Pegadaian outlets that have been spread throughout Indonesia. Eleven thousand (11,000) agents spread throughout Indonesia have been accessible

for products and services available at PT Pegadaian. Pegadaian has also developed electronic services with the Pegadaian digital application that can be downloaded on the Playstore or App Store (Friends of Pawnshops, 2022).

One of the products that has just been launched by PT Pegadaian syariah is the financing of the Sharia People's Business Credit (KUR) on June 10, 2022 which is intended for various businesses that belong to the small and micro categories that can obtain financing from Sharia KUR, such as the agriculture, plantation and forestry, marine and fisheries, people's salt mining, processing industry, production services and other production. Micro, Small and Medium Enterprises (MSMEs) can get loans with nominals starting from Rp 1 million to Rp 10 million with a loan term of 12 months to 36 months, and subject to a margin or *mu'nah* rate of 6% per year or 0.28% flat per month from the financing value (PT Pegadaian, 2022).

According to Islamic law, *rahn* is a loan and borrow agreement by handing over goods as collateral, which if the goods can be used, pay all or part of the existing debt. So the borrower must hand over the goods to the pawnshop where the goods are goods, assets that are concrete goods, the opposite of debts that have value according to the view of sharia' (Al-Zuhaili, W. 180 : 1985). While the practice of people's business credit (KUR) products at the Sharia Pawnshop Kusumanegara Branch Yogyakarta uses a *rahn* contract, but there is no item that is used as collateral or collateral for the loan that must be given by the customer to the Sharia Pawnshop at the start of the contract (Interview Results, 2022).

In accordance with the background that has been analyzed by the researcher, the author of this study aims to analyze the mechanism of people's business credit (KUR) products at Pegadaian Syariah Kusumanegara Branch Yogyakarta, and analysis of *fiqh muamalah* on people's business credit products (KUR) with *rahn* contracts at Pegadaian Syariah Kusumanegara Branch Yogyakarta.

LITERATURE REVIEW

Definition, Constitution, and Constitutionality

The word contract is taken from the Arabic word which has the meaning of "Bond" or can be interpreted as a reinforcement or binder of the agreement made between several parties involved in it in a matter or relationship that occurs between the parties concerned, either in real or tangible matters and in accordance or in matters that are still abstract, either in personal relations or involved with other parties, a contract or contract is a commitment or agreement that occurs between two or even more people (Al-Zuhaili, W. 80 : 1985).

The definition of the term above explains the existence of a bond between the will and the process of the occurrence of the will from what is promised. Furthermore, a contract is defined as a binding force in a certain form that affects the purpose of the contract, between *ijab* (statement of will to promise an agreed contract) and *qabul* (statement of willingness to accept a contract that has been formed and agreed) (Sudiarti, 2018: 53).

The definition and explanation of the contract in the language above has included the meaning of the contract in terms as well. According to *fiqh* experts, the explanation of the contract has two meanings, namely the meaning in general and the meaning in particular, which will be discussed as shown below (Sudiarti, 2018: 53).

Ar-Rahn linguistically means *ats-Tsubuut* and *ad-Dawaam* (fixed), it is said, "*maa'un raahinun* (water that is still, stagnant, does not flow)," "*haalatun raahinatun* (a fixed state), or sometimes it means *al-Habsu* and *al-Luzuum* (to hold). Meanwhile, the definition of *ar-Rahnu* contract according to the term is to withhold something because there is a right that allows that right to be fulfilled from that thing (Al-Zuhaili, W. 180 : 1985).

Rahn can be interpreted as withholding goods that are used as collateral where the goods are material belonging to the borrower who wants to borrow money as collateral for the loan he receives, the goods received must have economic value so that the party who gives the loan or pawn can get a guarantee to take back all or part of his debt from the goods in question if the pawning party cannot pay the debt for pay off at the specified time (Hariman and Khoerudin, 2019: 164).

Islam adheres to justice and honesty in the economic field. According to Islam, man is the caliph or God's representative in all of God's plans, and has been given limited ownership rights over the means of production.

The scholars of jurisprudence state that the basis for the granting of *Rahn* is: In Surah Al-Baqarah 283:

وَإِنْ كُنْتُمْ عَلَىٰ سَفَرٍ وَلَمْ تَجِدُوا كَاتِبًا فَرِهَانٌ مَّقْبُوضَةٌ ۖ فَإِنْ أَمِنَ بَعْضُكُم بَعْضًا فَلْيُؤَدِّ
الَّذِي أَوْثِقَ أَمَانَتَهُ وَلْيَتَّقِ اللَّهَ رَبَّهُ ۗ وَلَا تَكْتُمُوا الشَّهَادَةَ ۗ وَمَنْ يَكْتُمْهَا فَإِنَّهُ آثِمٌ قَلْبُهُ ۗ
وَاللَّهُ بِمَا تَعْمَلُونَ عَلِيمٌ (البقرة: 283)

Meaning: *If you are on a journey (and do not mu'amalah in cash) and you do not get a writer, then there should be a dependency held (by the debtor). But if some of you believe in others, then let the one who is trusted fulfill his mandate (his debt) and let him fear Allah his Lord. And do not hide your testimony. And whoever conceals it, he is a sinner in his heart; and Allah is Aware of what you do (Al-Baqarah : 283).*

The second is a hadith narrated by Abu Hurairah r.a:

عَنْ أَبِي هُرَيْرَةَ رَضِيَ اللَّهُ عَنْهُ، قَالَ: قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ: (الرَّهْنُ يُرَكَّبُ بِنَفَقَتِهِ، إِذَا كَانَ مَرَهُونًا، وَلَبْنُ الدَّارِ يُشْرَبُ بِنَفَقَتِهِ، إِذَا كَانَ مَرَهُونًا، وَعَلَى الَّذِي يَرْكَبُ وَيَشْرَبُ النَّفَقَةَ)

Meaning: "From Abu Hurairah RA, the Prophet PBUH said: Pawned animals can be ridden with a fee if they are pawned and animal milk can be drunk with a fee if pawned. The one who rides the animal and drinks its milk is obliged to pay the price" (Ahmad Ibn Hanbal 2001:110)

Some of the opinions of *madzahib* scholars about *rahn*:

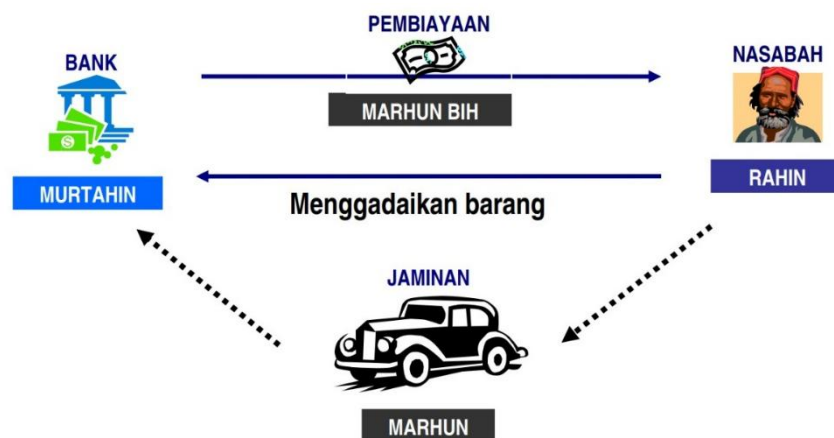
1. *Rahn* in the view of the Hanafi devotees is to hold the valuables belonging to the *rahin* which the goods can be taken advantage of by apostates.
2. *Rahn* in the view of the Maliki scholars is to hold *Rahin's* property as evidence and collateral for debts borrowed from apostasy.
3. *Rahn* in the view of the Shafi'i scholars is to make the goods given by *rahin* as collateral or collateral for the borrowed debt, and make *marhun* as a tool to pay off the *marhun bih* if the *rahin* cannot meet the payment of the *marhun bih*.
4. While the last opinion about the meaning of *Rahn* is from among the scholars of Hanabilah, namely guaranteeing *marhun bih* with an item that can be taken in its entirety, part or value of its price when the *rahin* has not been able to pay off the debt (Alfaqih. A. u. 1434:236)

Before making a transaction or starting a contract in *rahn*, we must first understand the harmony that exists in *rahn*. The harmony in *rahn* in Islamic fiqh is as follows :

1. The person who makes the contract is *Ar-Rahin* (the person who pawns) and *Al-Murtahin* (the person who receives the pawn), and the two perpetrators of the contract must have reached puberty and have a sense of humour, not in a state of forced and known to be able to pay off debts.
2. *Al-Marhun* (pawned goods) or collateral items which have been established as something that can be sold, known, can be handed over to some persons, are owned by the person who pawns, are a right to use the proceeds, and are not something that accelerates corruption unless the debt is immediate or suspended, and becomes lawful before corruption, and which is taken by the mortgagee or his agent and the mortgaged goods are not related to the rights of others.

3. *Al-Marhun Bih* (debt). And it is required to be a fixed debt, that is, it needs to be known and specific which debt must be repaid by *Rahin* to *Murtahin*.
4. *Shigah* (*ijab* and *qabul*) which has the meaning of everything related to *ijab* and *qabul* and the conditions contained in it (Al faqih. A. U 1406:427).

Gambar. 1



People's Business Credit at Shariah Pawnshop

Sharia pawnshops in Indonesia began with the issuance of the MUI Fatwa on December 16, 2003 which contained the prohibition of interest in every financial transaction. So, Perum Pegadaian began to open branches with Islamic nuances, by establishing a sharia pawn service office or by converting a conventional pawn service office into a sharia pawn service (PT Pegadaian, 2023).

CPS Kusumanegara Sharia Pawnshop is the first sharia pawnshop established in Yogyakarta and also the fourth sharia pawnshop established in Indonesia. The Sharia Pawnshop oversees 10 sharia service units (UPS) spread across the Yogyakarta and Magelang areas, namely UPS Ngapilan, UPS Pasar Tello, UPS Bareng Klaten, UPS Pasar Bantengan, UPS Mlati, UPS Sariharjo, UPS Terban, UPS Munggur Godean, UPS Mertoyudan and UPS Kebondalem (PT Pegadaian, 2023).

The Kusumanegara branch sharia pawnshop is located on Jl. Veteran No. 27 Muja Muju, Umbulharjo, Yogyakarta. The establishment of this sharia pawnshop is to meet the needs of the people of Yogyakarta for fast and profitable sharia financial products.

As the base of one of the largest Islamic organizations in Indonesia, namely Muhammadiyah and as a student city, Yogyakarta is a potential place for the development of sharia pawnshops. Pegadaian Syariah

Kusumanegara stands to serve pawn transactions that are fast, safe and without usury (Princess, 2023).

Sharia People's Business Credit or what we often hear by the term Sharia KUR is a loan facility provided by PT Pegadaian to customers (*rahin*) who have a productive business to be used as a fund for their business development. This KUR is distributed with a repayment system within a certain period of time based on the sharia pawn contract (*rahn*). The People's Business Credit financing is one of the supports provided by the government to people's business actors (micro, small, and medium) or MSMEs.

The limit on the nominal amount of loans that can be submitted for Sharia KUR products found at Sharia Pawnshops is up to IDR 10 million with a margin or *mu'nah* (interest rate) of 6 percent per year. The financing period that can be chosen by the public can start from 12 months, 18 months, 24 months or even 36 months (at least the business has been running for 6 months) (PT Pegadaian, 2023).

Loan applications for People's Business Credit products at Pegadaian Syariah can be done at all Pegadaian Syariah branch offices and service units spread throughout Indonesia. The objectives of the launch of the People's Business Credit product at Pegadaian Syariah are as follows:

1. Increasing the productivity of MSMEs (micro, small and medium enterprises);
2. Provision of business capital to MSME owners (micro, small and medium enterprises);
3. Coaching and development of MSMEs (micro, small and medium enterprises);
4. Improving the welfare of the community;
5. Support for local economic growth;
6. Job creation;
7. Development of the potential of the sharia economy (Interview Results, 2023);

RESEARCH METHODS

This research is a descriptive-qualitative research. The data obtained is in the form of qualitative data developed by descriptive methods. The descriptive method is a type of research that provides an overview of the description of a situation as clearly as possible without any treatment of the object being studied. Where data in the form of words, interview results, field notes, and archives of official documents from related companies will be collected, then processed, and explained as they are (Lexy, 2009: 4).

The type of research used by the researcher is field research. Field Research is a method to find out specifically and realistically about what is happening in the field (Suyitno, 2018: 90).

Based on the above definition, it can be understood that descriptive research is describing or explaining events carefully. In this study, the researcher tried to describe or explain the results of the interviews and compare them with existing book or literature. The object of research that will be researched by the researcher is the People's Business Credit (KUR) product at the Sharia Pawnshop Kusumanegara Branch Yogyakarta.

To collect the data and information obtained in this study, the following data sources are used: Primary data sources are data obtained directly from the research object by using direct data collection tools on the object as the source of information sought can be obtained from the results of interviews, observations and discussions with the research object (Sayidah, 2018: 73). The primary data of this study was taken by interviewing managers, employees of Pegadaian Kusumanegara Branch Yogyakarta.

Secondary data sources are data obtained indirectly from the research subject but through other parties (Sutikno, 2020: 163). The secondary data of this study was obtained from a book written by Wahbah Az-Zuhaili with the title *Islamic Fiqh wa Adillatuhu*, brochures, the official website of the Sharia Pawnshop Kusumanegara Branch Yogyakarta, and the research related to the Sharia Pawnshop Kusumanegara Branch Yogyakarta.

The data collection method is a systematic and standard procedure for obtaining the data obtained. In data collection, the research methods used by the researcher in this study are observation, interview and documentation.

Data analysis is the process of systematically collecting and compiling data from the results of field notes, interview results, documents, and so on, by organizing them into categories, exposing them into units, synthesizing, compiling them into patterns, choosing which ones to study and which are important, and making conclusions that can be understood by researchers themselves and others (Sutikno, 2020: 136).

Qualitative data analysis is an effort that is carried out by processing data, organizing data, finding patterns, sorting them into manageable units, finding and finding what is important and what is learned and deciding what can be told by others (Lexy, 2009: 248).

From the description above, the data analysis technique that the researcher wants to use is the qualitative analysis technique. The researcher will try to present the survey results data from interviews, field notes and important documents and then compare them with existing library data.

This study explains the analysis of *Fiqh Muamalah* on one of the products that use the *Rahn* Contract in sharia pawnshops, namely people's business credit products (KUR) found in the Sharia Pawnshops of the Kusumanegara Branch Yogyakarta.

Based on the information above, thinking to draw conclusions in making a new and general statement based on a special statement that is known to be true in this study will later discuss specifically the Analysis of *Fiqh Muamalah* on one of the products in the sharia pawnshop, namely the people's business credit product (KUR) found in the Sharia Pawnshop Kusumanegara Branch Yogyakarta.

DISCUSSION

Mechanism on People's Business Credit (KUR) Products at Sharia Pawnshop Kusumanegara Branch Yogyakarta

When applying for People's Business Credit (KUR) products at Sharia Pawnshops, MSME (micro, small and medium enterprises) owners as customers must meet several requirements that must be completed before applying for a loan on People's Business Credit (KUR) products at Sharia Pawnshops, where these requirements are divided into two parts, namely general requirements and also submission document requirements, here the researcher explains a little about the requirements that must be met by MSME owners (businesses micro, small and medium) as customers before applying for a loan on People's Business Credit (KUR) products at Sharia Pawnshops:

1. General Requirements, the general requirements that must be met by MSME (micro, small and medium enterprises) owners as customers before applying for a loan on People's Business Credit (KUR) products at Pegadaian Syariah are:
 - a. Having a business where the business has met the requirements, usually KUR People's Business Credit is intended for small and micro businesses, so the business must meet the criteria set by the sharia pawnbroker.
 - b. Prospective borrowers need to provide valid identity documents, such as electronic ID cards.
 - c. Age restrictions applicable to borrowers. Borrowers must reach the minimum age set by Islamic financial institutions, which is 17 years old.
 - d. And the maximum age is 65 years old at the time of maturity of the contract.
 - e. Earn daily, weekly or monthly routine income from MSMEs (micro, small and medium enterprises) that they currently own.
 - f. Have a permanent residence.

Fiqh Muamalah is a legal law related to all procedures related to human relations, whether the relationship is related to an alliance or agreement or related to material things (Hariman and Khoerudin, 2019 : 6). Pegadaian Syariah Kusumanegara is one of the Islamic financial institutions (LKS) that offers money loans. The pawnshop provides loans to the entire community to meet the needs of daily life. Pegadaian Syariah Kusumanegara since its inception has been running for more than 15 years carrying out various products and services. During that time, Pegadaian Syariah Kusumanegara serves customers well and smoothly (PT Pegadaian, 2023).

Regarding the contract used by Pegadaian Syariah Kusumanegara Branch Yogyakarta for the practice of People's Business Credit (KUR) reviewed based on *fiqh muamalah* to analyze the *ar-rahm* contract as a contract used in People's Business Credit (KUR) products, the word '*aqdu*' results in the occurrence of two or more agreements, namely if someone makes a promise then there is another person who agrees to the promise and also states a promise related to the first promise, So there is an alliance of two promises from two people who have a relationship between one and the other called an alliance (Ahmad ibn Hanbal 1985:71).

The contract is one of the most important benchmarks in an agreement, if one of the conditions or the pillars is not met, the contract will be damaged and become a *fasid* contract. Because the basis in the agreement is the certainty agreement. In general, the jurists state that the condition for the validity of the contract is that there are no five things that damage the validity (*mufsid*) in the contract, namely: the unclear type of thing that causes quarrels (*jahalalah*), the existence of coercion (*ikrah*), limiting the ownership of an item (*tawqif*), there is an element of deception (*gharar*), there is danger in the implementation of the contract (Ahmad ibn Hanbal 1985:71)

In the application of financing for People's Business Credit (KUR) products at Pegadaian Syariah Kusumanegara Yogyakarta, technically using a *rahm* contract. The *rahm* contract at the Shariah Pawnshop is used on several products available in the Shariah Pawnshop where at the beginning of the contract the customer or *rahin* must hand over the movable goods that will be used as *Al-Marhuun* for the borrowed debt (Jefry, 2019: 70).

In Islam, in the context of *muamalah* and in transactions, it is basically permissible such as buying and selling, renting, pawning, cooperation (*mudharabah* or *musyarakah*), representation, etc., except for those that are strictly prohibited such as causing harm, deceit, gambling, and usury, such as the rules of *fiqh* that are often used, namely:

الأَصْلُ فِي الْمَعَامَلَاتِ الْإِبَاحَةُ إِلَّا أَنْ يَدُلَّ دَلِيلٌ عَلَى تَحْرِيمِهَا

Meaning: Basically, all forms of muamalah (relationships between humans) are permissible unless there is evidence that prohibits it.

(Al-Dubyan, D. M. 1433 : 357) The *Rahn* contract in Islamic law can be interpreted as withholding the goods that are used as collateral where the goods are material belonging to the borrower who wants to borrow money as collateral for the loan he receives, while the goods received must have economic value so that the party who gives the loan or pawn can get a guarantee to take it back all or part of the debt of the goods in question if the mortgagor does not pay the debt at the specified time. Or *ar-Rahnu* is a *watsiiqah* (guarantee) contract of property, meaning a contract that is based on the taking of guarantees in the form of concrete property, not guarantees in the form of one's dependents (Al-Zuhaili, W. 1985 : 180)

One of the products that uses *rahn* contracts at Sharia Pawnshops includes People's Business Credit (KUR), People's Business Credit (KUR) is a working capital or investment financing to individual or individual debtors, business entities or MSME business groups (micro, small and medium enterprises) that are productive and feasible but do not have collateral. People's Business Credit (KUR) is one of the products that has just been issued by PT Pegadaian Syariah where this product is intended for MSME owners (micro, small and medium enterprises) Currently, KUR is one of the leading products in banks, both bank institutions and non-bank institutions in Indonesia. There are so many customers who want to apply for this KUR financing. This is because KUR has a very low margin level compared to other financing products (PT Pegadaian, 2023).

Financing for People's Business Credit products at Sharia Pawnshops is one of the products in Sharia Pawnshops which is of course based on principles in accordance with Islamic law based on the Qur'an, Hadith, *Ijma* and *Qiyas*. And of course, in the transaction there is a prohibition of *riba* (interest), *gharar* (excessive uncertainty) and also *maysir* (gambling). Which contract is used in people's business credit (KUR) products at sharia pawnshops using *rahn* contracts (PT Pegadaian, 2023).

In practice, Pegadaian Syariah Kusumanegara applies the *rahn* contract to people's financing products (KUR). As explained by Mrs. Lia as the Area Responsible Person in charge of the Kusumanegara Sharia Pawnshop Branch Office which stated that the *rahn* contract at the Kusumanegara Sharia Pawnshop is a contract or agreement that offers loan services for MSME owners (micro, small and medium enterprises) with applicable terms and conditions without any guarantees or other costs that need to be incurred by MSME owners (micro businesses, small and medium) at the start of the contract on people's financing products (KUR). The sharia pawnshop as a *murtahin* or the person who gives the loan and

who receives the guarantee and the owner of MSMEs (micro, small and medium enterprises) or the customer as the *rahn* or the person who receives the loan and also the person who submits the collateral. However, what happens to people's financing products (KUR) in sharia pawnshops where sharia pawnshops are in charge of providing loans to MSME owners (micro, small and medium enterprises) as customers, MSME owners (micro, small and medium enterprises) who receive financing and without the handover of an item that is collateral or guarantee to the sharia pawnshop as a *murtahin* where the collateral or collateral must be in accordance with the financing he receives (Interview Results, 2023).

The explanation shows that the *rahn* contract offered by Pegadaian Syariah Kusumanegara in people's financing products (KUR) to its customers is not in accordance with the provisions of the *rahn* contract in Islamic law because it has not fulfilled the *rahn* pillars that must exist at the time of the contract.

One of the pillars in the *rahn* contract that must be fulfilled is *Al-Marhun* (pawned goods), *Al-Marhuun* is property held by *al-Murtahin* to get the fulfillment or payment of his rights (*al-Istifaa'*) which becomes *al-Marhuun bihi*. Or an item that is used as collateral which has been established as something that can be sold, known, can be handed over to some people, is owned by the person who mortgages, is a right to use the proceeds, and is not something that accelerates corruption unless the debt is immediate or suspended, and becomes lawful before the corruption, and which is taken by the mortgagee or his agent and the mortgaged goods are not related to the rights of others (Al Faqih. A. U 1406 : 427)

The conditions of *al-marhuun* in Islamic law are as follows:

- a. *Al-Marhun* must be able to be sold, where *al-marhuun* must be present when the contract is signed and can be handed over, then it can be said that the contract is invalid if it pawns something that does not exist when the contract begins.
- b. *Al-Marhun* must be in the form of property, so it is not permissible to pawn something that is not in the form of property.
- c. Pawning benefits, it is illegal to pawn benefits for example someone pawns the benefits of occupying their house for a month or even more.
- d. *Al-Marhuun* must be *mutaqawwam* (have value).
- e. *Al-Marhuun* must be known clearly and definitively in its form.
- f. *Al-Marhuun* must have the status of *ar-raahin*.
- g. *Al-Marhuun* must be *mufanagh* (not affixed to something that is not pawned).
- h. *Al-Marhuun* must be *muhawwaz* (not sticking to something that is not pawned).

- i. *Al-Marhuun* must be *mutamayyiz* (distinguished and determined), meaning not in the form of a common part of something (*musyaa'*) (Al-Zuhaili, W. 202 : 1985 .).

In practice, People's Business Credit (KUR) products at Pegadaian Syariah Kusumanegara Branch Yogyakarta use the *ar-rahn* contract. *Ar-rahn* in his terms of harmony explains about work or efforts to find out the validity of the contract. With the terms and pillars of *ar-rahn* in Chapter II, it states whether the *rahn* contract becomes valid or not in this People's Business Credit (KUR) product.

Sharia Pawnshops provide People's Business Credit product services and using this *rahn* contract makes a *fasid* contract. *Fasid* is an agreement that has fulfilled the principles and conditions of the formation of an agreement, but does not meet the requirements for the validity of the agreement. Its invalidity is caused because the contract is not in accordance with the actual practice that occurs with *fiqh muamalah*. The concept of the People's Business Credit (KUR) product service is not continuous with the *rahn* contract, where there are no goods that become *Al-Marhuun* or goods that are pawned when the contract takes place.

From the various explanations above, the author can conclude that the *rahn* contract applied at the Kusumanegara Sharia Pawnshop is not in accordance with *Fiqh Muamalah* because it has not fulfilled one of the pillars of the *rahn* contract used in People's Business Credit products.

CONCLUSION

Based on the results of the research and the discussion in the previous chapter, conclusions can be drawn as follows:

1. Sharia People's Business Credit (KUR) is a loan facility provided by PT Pegadaian to customers (*rahin*) who have productive businesses to be used as funds for their business development. As for the mechanism for applying for financing for People's Business Credit (KUR) products at sharia pawnshops, customers as *rahin* prepare and complete the necessary terms and conditions, followed by customers coming to the outlet to fill out forms and submit required documents for verification by the Sharia Pawnshop micro team, followed by signing the contract, then the pawnshop will approve the transaction and then the customer or *rahin* can receive loans on People's Business Credit (KUR) products at Sharia Pawnshops.
2. The practice of *rahn* contracts on People's Business Credit (KUR) products at Pegadaian Syariah Kusumanegara is not in accordance with *Fiqh Muamalah* because there is no *Al-Marhun* (Guarantee) submitted by customers to the sharia pawnshop. The contract that is more suitable for

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use in people's financing products (KUR) at sharia pawnshops is the *Murabahah Bil Wakalah* Contract.

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