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**Submission date:** 06-Apr-2023 10:34AM (UTC+0700)

**Submission ID:** 2057213193

**File name:** 13011-46853-3-PB.pdf (308.16K)

**Word count:** 5560

**Character count:** 31984

## THE IMPLEMENTATION OF HYBRID CONTRACTS FOR RESTRUCTURING NON-PERFORMING FINANCING IN SHARIA BANKS

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### Abstract

*Studies perusing the implementation of hybrid contracts for restructuring non-performing financing in sharia banks from the Fatwa in Indonesia are anticipated. Restructuring non-performing financing is one solution for maintaining financing performance, which is one of the most important contributors to Sharia banking revenue. However, it is difficult for Sharia banks to do so in practice because Sharia banks must consider the precautionary principle, which has implications for future risks. Furthermore, the use of hybrid contracts in the restructuring mechanism for non-performing financing is critical to mitigating these risks.*

*This study explores the implementation of hybrid contracts in the restructuring of non-performing financing in Sharia banks. This study examines the primary data source in the form of Legislation Fatwa National Sharia Board-Indonesian Council of Ulama (DSN-MUI) through a normative legal approach.*

*The findings of this study indicate that the implementation of the hybrid contract in restructuring non-performing financing in Sharia banks provides several options of collected contracts (*al-'uqud al-Mujtami'ah*) such as a hybrid contract that combines the *tabarru' (qordb)* contract with the *mu'awadhab* contract (*sale and purchase, ijarah, IMBT, mudharabah and musyarakah*).*

**Keywords:** *Hybrid Contracts, Restructuring, Non-performing Financing and Islamic Banks*

### Introduction

The Islamic economy in Indonesia has grown and developed significantly. Its growth is inextricably linked to the existence of Islamic financial institutions, specifically sharia banks and non-banks. Sharia banks and non-banks play an important role as indicators of an intermediation institution that operates on sharia values and norms. Sharia banking, as one of the intermediation institutions, performs the same functions as banks in general, namely the collection of funds, the distribution of funds through financing mechanisms, and the delivery of services ([Harahap et al., 2010](#)). The position of the contract used is one of the differences between Sharia banking and conventional banking in carrying out these three functions ([Dolgun et al., 2019](#)). The contract runs based on the sharia principles. The contracts used are used as references for Sharia banks in obtaining profits. One of the driving wheels of Sharia banking is the channeling of funds through the financing mechanism. That is, through this function, Sharia banks will obtain the primary source of income that will have an impact on the long-term viability of their business ([Erlindawati, 2017](#)). Sharia banks are established as providers of funds and customers as users of facilities in the financing mechanism. The financing contracts executed vary depending on the needs

of the customer. As a result, Sharia banks earn different types of income, such as margin income from financing through a sale and purchase contract, *ujrab* from financing through an *ijarah* contract, and profit sharing from financing through a cooperation agreement.

In practice, the financing does not always run well. Sometimes there is a breach of contract or the customer default. Defaults are typically found in the behavior of customers who fail to fulfill their obligations to Sharia banks (Hariyanto et al., 2018). For example, if the customer is unable to pay the obligations for the financing provided as a result of the customer's business going bankrupt or a compelling situation affecting the customer's business continuity, such as natural disasters, epidemics, and others, the customer will be unable to pay the obligations. As a result, the financing position is classified as non-performing financing, which has an impact on Sharia banks' business continuity.

The risk of non-performing financing differed significantly during the COVID-19 pandemic (Kholik, 2021). There was a decrease in financing using *mudharabah*, *murabahah*, *istisbna'*, and *qordb* contracts, while *musyarakab* contract remained relatively stable and *ijarah* contracts increased, with the total composition of financing contracts standing at 3.26%. Although it remains below 5%, as determined by the Financial Services Authority (OJK), it demonstrates the pressure on economic growth, which has an impact on the profit of the financing performed.

To save the performance of Sharia banks' main product through the financing mechanism. Sharia banks can take steps to restructure financing. Financing restructuring is a step taken by financial institutions to improve financing activities in response to a customer who is unable or experiencing difficulties in meeting payments as obligations for previous financing transactions (Nafi'ah & Widyaningsih, 2021). This step was taken by Sharia banks to improve the position of customer financing. This policy is expected to be able to solve problems and allow customers to settle the remaining obligations that are Sharia bank rights. As confirmed by Fauziah et al. (2018), to save on non-performing financing, Sharia banks may undertake restructuring to improve financing.

However, restructuring is not an easy task in practice. Because Sharia banks must seriously consider the risk. This means that restructuring is analogous to saving risks, the consequences of which Sharia banks may face in the future. The customer's inability to pay his obligations has become a problem for Sharia banks because it involves Sharia banks' business continuity, let alone having to maintain it through restructuring steps. Thus, Sharia banks must adhere to the precautionary principle by assessing the customer's business potential and mitigating the risks that will be encountered (Harmoko, 2018). Furthermore, one of the things Sharia banks must pay attention to in mitigating these risks is the use of contracts carried out in the restructuring mechanism. In general, financing restructuring contracts use a hybrid contract, which is the use of several contracts that are interconnected with each other, such as carrying out several contracts whose legal consequences apply to one contract.

Many restructuring mechanisms in non-performing financing contracts have been explained previously in research (for instance [Harmoko, 2018](#); [Shobirin, 2016](#)) examining the mechanism of financing restructuring in non-performing financing of *murabahab* contracts. Previous research has also revealed a great deal about the method or mechanism for resolving financing issues ([Madjid, 2018](#); [Sudarto, 2020](#)) by applying non-performing financing in Islamic financial institutions. This study describes the use of hybrid contracts in the restructuring of non-performing financing in Sharia banks to provide a complete picture to add to the scientific treasures of Islamic economics concerning the use of hybrid contracts in the restructuring of non-performing financing in Sharia banks.

## Literature Review

### Hybrid Contract and Legal Position

A hybrid contract (*al-uqud al-murakkaabah*) is interpreted as an agreement between two parties to carry out a contract that includes several contracts (two or more contracts) that are related to one another so that the rights and obligations that arise are viewed as legal consequences of one contract made ([Hammad, 2005](#)). Concerning *al-uqud al-murakkaabah*, there are three hadiths to support this. First, the hadith narrated by Abu Hurayrah about the Prophet Muhammad forbade two purchases and sales in one transaction. Second, the hadith narrated by Ibn Umar regarding the prohibition of combining sale and purchase contracts with *salaf* contracts. Third, the hadith narrated by Ibn Mas'ud regarding the Prophet Muhammad forbade combining two transactions into one contract.

Many scholars believe that some of the hadiths mentioned above, which state that multi-contracts are prohibited by the Prophet Muhammad, will result in a lot of legal ambiguity regarding prices, which can lead to the concept of *riba'*. According to Ibn Qayyim, the prohibition on combining sale and purchase contracts with *salaf* contracts is simply to avoid usury, which is prohibited, even if the forming contract can be carried out separately ([Al-Imrani, 2006](#)). Similarly, multi-contracts with different contracts are prohibited by Malikiyah scholars.

Article Number 19 Paragraph (7) of *ma'ayir al-Syari'iyah/ Sharia* Standards regarding *qardh* issued by AAOIFI, states that Islamic financial institutions are not allowed to require sale and purchase contracts, *ijarah* contracts, or other *mu'awadhat* contracts which are combined with *qardh* contracts. This is because, when selling or leasing, the debtor is almost always paid more than the market price. As a result, it will develop a means to prevent *riba'* ([AAOIFI, 2017](#)).

Meanwhile, the majority of Hanafiyah scholars as well as some Syafiiyah, Malikiyah, and Hanabilah scholars, believe that multi-contract law is valid and permissible under Sharia law. The argument is that every *muamalah* contract is legally permissible as long as there is no evidence forbidding it. The three hadiths mentioned above are absolute, regardless of the contracts used or whether they are contrary to Sharia provisions ([Abdulahana, 2020](#)). To legalize multiple contracts, the basic principles that serve as the foundation for distinguishing between valid and fictitious multi-contracts must be established. Similarly, according to Nazih Hammad, the legal origin of multiple contracts is the same as that of a single contract, they can be valid and they can be *fasid*. Meanwhile, according to Al-Imrani, the merger of *qardh* and sale and purchase is not always forbidden,



as long as the collection of contracts is carried out with no conditions that will result in an addition to the *qardh* principal and no purpose to multiply the price of the *qardh* made (Al-Imrani, 2006).

In relation to hybrid contracts, Al-Imrani (2006) divides them into five types. First, dependent or conditional contract (*al-'uqud al-mutaqabilah*), which is multi contract through a reciprocal process. That is, the perfection of the first contract is based on the perfection of the response from the second contract. Second, the collected contract (*al-'uqud al-mujtami'ah*) is multi-contracts arranged in one contract. Third, the opposite contract (*al-'uqud al-mutanaqidbab wa al-mutadbadab wa al-mutanafiyah*) is a multi-contract with contradictory characteristics between the contracts. Fourth, different contract (*al-'uqud al-mukhtalifah*) is the collection of multiple contracts with different legal consequences resulting from the execution of two or more contracts. Fifth, a similar contract (*al-'uqud al-mutajanisah*) is multi-contracts bundled into one contract, the legal consequences of which are unaffected by the two. According to Al-Imrani, only two of the five contracts mentioned above are generally carried out, which are *al-'uqud al-mutaqabilah* and *al-'uqud al-mujtami'ah* (Isfandiar, 2013).

### Restructuring Non-performing Financing

Financing is defined as the provision of funds by Sharia banks to customers through the use of facilities or payments that are similar to them (Pemerintah Indonesia, 2008). First, cooperation (profit sharing) in the form of *mudharabah* and *musarakabah* contracts. Second, exchange contract transactions (*ijarah*) in the form of rental of goods with an *Ijarah Muntahiya Bit Tamlik* (IMBT) contract and rental of services with a multi-service *ijarah* contract. Third, the exchange contracts (sales and purchases) in the form of *murabahah*, *salam*, and *istishna* contracts generate accounts receivable. Fourth, the debt transaction (*qardh*) generates *qardh* receivables.

Customers' loan repayment obligations to Sharia banks are established through this financing mechanism. The obligation to pay the loan stems, among other things, from the contract transactions described above. First, the debt is the result of financing with a profit-sharing scheme, which requires the customer to pay the profit sharing, which is the Sharia bank's right following the agreed ratio. Second, a loan originates from financing using a sale and purchase contract whose payment is made in cash. Third, a loan for the payment of *ujrah* for *ijarah* financing that is done in cash. Fourth, debt for financing using a *qardh* contract. The customer repays or pays the debt in installments over the agreed-upon period. In practice, however, customers are unable to meet their obligations. As a result, the customer defaults, causing the non-performing financing.

Non-performing financing is defined as financing that falls into the categories of substandard financing (arrears exceeding 90 days), doubtful financing (arrears exceeding 180 days), and non-performing financing (some arrears exceed 270 days) (Madjid, 2018). Only group 1 (current financing) and class 2 (financing with special attention) are considered healthy financing among the three financing statuses. Determining the quality of financing is a criterion used by Sharia banks to assess customers' ability to pay their obligations (Nafi'ah & Widyaningsih, 2021). The determination of financing quality is also based on the evaluation of several important components, such as the customer's business prospects, performance, and ability to pay their obligations.

The non-performing financing is caused by internal and external factors ([Musdalifah & Rahim, 2020](#)). First, internal customer factors, namely the weakness of the customer's character, which is characterized by the absence of good faith, inability to compete in doing business, and even the character of the customer who has disappeared. The customer is negligent, as evidenced by the misallocation of financing funds. The customer's ability is damaged, as evidenced by the customer's inability to pay obligations due to a non-current business situation.

The second internal factor originating from Sharia banks is weakness in the financing analysis mechanism as well as the provision of financing documents, which are characterized by a financing process that does not use accurate data, incomplete financing requirements, and poorly documented financing processes. Third, external factors such as an unstable economic situation, political situations that cause socioeconomic turmoil, and coercive and detrimental situations such as natural disasters and epidemics affect the economic structure ([Ubaidillah, 2018](#)). Sharia banks can take steps to restructure financing as one solution to non-performing financing.

Financing restructuring is interpreted as a bank's effort to assist customers in fulfilling their obligations ([Pemerintah Indonesia, 2011](#)). The restructuring was carried out to preserve the status of Sharia bank financing provided to customers using facilities against the customer's inability to pay the remaining Sharia bank obligations. Restructuring can be accomplished several steps ([Lestari & Setiawati, 2018](#)). First, there is rescheduling, which is the process of determining changes in the payment schedule for customer obligations or adding payment terms. The second is restructuring the requirements (reconditioning) by changing some of the financing requirements that are not related to the addition of the customer's principal obligations. This step may include structuring the obligation payment schedule, the period, the amount of installments, changing the determination of the profit-sharing ratio, and providing discounts for liability. The third is structuring changes in the overall financing requirements which include additional financing funds and conversion (making new contracts) in financing. However, if the restructuring process does not result in the customer having good faith, non-performing financing can be settled through the auction of collateral objects and dispute resolution through litigation and non-litigation channels.

The restructuring is not always carried out by Sharia banks, but must also consider the principle of prudence, which has implications for risk considerations that Sharia banks can control in the financing of customers experiencing problems ([Hariyanto et al., 2018](#)). As a result, Sharia banks can carry out the restructuring for customer financing ([Wahyuni & Werastuti, 2013](#)). First, using a financing facility, restructuring can be carried out based on a written request from a customer. Second, restructuring can be done on any type of financing. Third, restructuring can be carried out by taking into account customer criteria such as inability to pay obligations, good faith, and good business prospects, so that customers can pay their Sharia bank obligations after restructuring. Fourth, restructuring can be carried out by paying attention to documentary evidence that can analyze the risks that Sharia banks will face. Fifth, financing restructuring can be carried out while considering the frequency of restructuring based on the financing's quality status.

## Research Method

This article uses a descriptive literature research method obtained from the analysis of primary data sources in the form of two legislation, one international regulation (Syariah Standard of AAOIFI), and six Fatwas of the National Sharia Board-Indonesian Council of Ulama (DSN-MUI). The implementation of a hybrid contract in restructuring non-performing financing in Sharia implementation was studied using a normative legal approach based on primary data. Furthermore, the data for the analysis came from four books, two leading books of scholars (*al-Kitab al-Mu'tabarab*), and 17 journal articles related to the subject of research. Data related to the concept of hybrid contracts, the concept of restructuring of non-performing financing, and the settlement mechanism, as well as hybrid contracts in the restructuring of non-performing financing that can be chosen by Islamic financial institutions, particularly Sharia banking, were analyzed.

## Results and Discussion

### The Implementation of Hybrid Contracts in Non-performing Financing

Based on the previous explanation that restructuring can be carried out through the stages of resolving non-performing financing in the form of rescheduling, reconditioning, and restructuring. This is in line with Article 7 PBI Number 13 of 2011 concerning Restructuring of Financing for Islamic Banks and Islamic Business Units. As a result, the hybrid contract agreement is based on the form for completing the financing restructuring, which includes:

#### *Rescheduling*

Rescheduling is defined as a change in the payment schedule of obligations provided by Sharia banks to customers who are unable to pay obligations to pay loan ([Suhaimi & Asnaini, 2018](#)). In this case, there is a rescheduling step because of receivables addressed to customers as a result of previous transactions, and these transactions create debt obligations for customers to Sharia banks. Regarding rescheduling of *murabahab* bills, the DSN-MUI Fatwa Number 48 of 2005 applies, which states that rescheduling of payments may be made according to the agreement of both parties without adding to the principal amount of the debt obligation. If there is an addition, it falls under the category of usury, which is prohibited. The cost in question is the actual cost if there is a charge for the rescheduling mechanism ([DSN-MUI, 2005](#)).

The actual costs allocation for the rescheduling mechanism refers to the DSN-MUI Fatwa Number 134 of 2020 regarding the Actual Costs as a Result of Rescheduling. Actual costs are interpreted as actual costs incurred by Islamic financial institutions in the financing restructuring mechanism due to customer inability to pay obligations. The actual costs in question, namely the addition of accounts payable, which is included as *riba'*, are not included in *faskh al-dain*. So that the actual costs in the substance of the Fatwa meet several criteria, the actual costs must be costs that can be traced, actually occur due to the rescheduling mechanism, and the amount is consistent with fairness and commonplace principles. The actual costs mentioned are divided into ten cost components caused by the rescheduling mechanism, which are costs for communication, correspondence, stationery, travel, notary services, and legal consultation, collateral objects binding, piracy and



insurance, and re-estimating collateral objects. These ten components are included in services due to the rescheduling mechanism used (DSN-MUI, 2020).

As a result, a hybrid contract is formed by combining the *Qardh* contract as the main contract, which establishes a rescheduling mechanism, and the *Ijarah* contract for the actual cost of services. The customer can be charged for these actual costs. As a result, in addition to receiving an additional payment period, the customer must also pay the remaining obligations as well as the actual costs incurred by the Sharia bank for the rescheduling mechanism, and actual costs can be recognized as Sharia bank income.

### **Reconditioning**

Reconditioning is defined as a modification of some or all of the financing requirements, such as changes in the payment schedule, the number of installments, the payment period, and the provision of discounts, as long as no increase in the remaining customer obligations must be paid to the Sharia bank (Asnaini, 2018). What must be considered is that if the payment schedule changes, as described above, it is permissible to change the payment schedule by increasing the period without increasing the amount of liability, except in the form of actual costs incurred by Sharia banks for the reconditioning mechanism. In terms of re-requirements, one example is financing through an *ijarah* contract, where Fatwa Number 56 of 2007 addresses the review of *ijrah* on Islamic financial institutions.

In terms of providing discounts on remaining customer liability bills, it refers to DSN-MUI Fatwa Number 23 of 2002 regarding *murabahah* payment discounts and DSN-MUI Fatwa Number 46 of 2005 regarding *murabahah* bill discounting. The difference between the two Fatwas is that in the 2002 Fatwa, Sharia banks may offer a discount on remaining customer obligations if each payment is made on time and earlier than the agreed-upon period at the start (DSN-MUI, 2002). Whereas, according to the 2005 Fatwa, Sharia banks may offer discounts on remaining customer obligations for reasons other than timely payment, such as inability or decrease in payment of customer obligations (DSN-MUI, 2005). However, the discount provided in the two Fatwas becomes Sharia bank policy and is not agreed upon in the substance of the agreement.

In addition, regarding the settlement of *murabahah* receivables for customers who are unable to pay, there is a DSN-MUI Fatwa Number 47 of 2005. When a customer is unable to pay, the object of *murabahah* or collateral is sold by the customer to or through a Sharia bank at a price that takes into account the market price, according to this Fatwa. The proceeds from the sale of these objects are used as Sharia bank payment obligations, with the following caution: If the proceeds from the sale of the two objects exceed the amount of their obligations, the Sharia bank must return the remainder to the customer. However, if the proceeds from the sale of the two objects are less than the total liabilities, the customer must still pay the remaining liabilities. If the customer is unable to pay, the Sharia bank may or is advised to waive the customer's obligations to him (DSN-MUI, 2005).

As a result, when referring to the Fatwa regarding payment and *murabahah* repayment discounts, the reconditioning mechanism's hybrid contract agreement is required. Then there was a hybrid contract between the *qardh* contract as the main contract which generates a reconditioning mechanism with the *al-ibra* contract (release) in the form of alms given by Sharia banks by giving a discount for obligations that must be paid by the customer. As for



referring to Fatwa number 47 of 2005, There was a hybrid contract between the main *qordb* contract, which generates a reconditioning mechanism with a sale and purchase contract for the sale of *murabahab* objects or collateral objects, and *al-ibra'* (release) contract in the form of alms for the release of the customer's remaining obligations after the sale of the object but has not covered its obligations, as well as the customer's condition, who is no longer able to pay his obligations.

### **Restructuring**

Restructuring is defined as a change in the overall requirements that includes more than just rescheduling and reconditioning mechanisms, such as adding an injection of Sharia-compliant facility funds and converting or creating new contracts (Asnaini, 2018). The contract used in connection with the additional injection of financing funds refers to Fatwa Number 89 of 2013 regarding Sharia refinancing. The Fatwa provides a choice of contracts that can be used, namely *musyarakah mutanaqishab*, *bai' wa al-isti'jar* and *bai'* contracts in *musyarakah mutanaqishab* contracts.

The conversion or the making of a new contract refers to Fatwa Number 49 of 2005 regarding the Conversion of *Murabahab* Contracts. The Fatwa explains that the settlement of *murabahab* obligations is carried out by selling the *murabahab* object to Sharia banks by taking into account the market price. The proceeds of the sale are used to pay the customer's obligations (Madjid, 2018). It should be noted that if the sale proceeds exceed the amount of the customer's obligations, the excess can be used as a down payment to perform an *ijarah* contract or as capital for a *mudharabah* and *musyarakah* contract. If, on the other hand, the sales proceeds are insufficient to cover the customer's obligations, both parties agree on the settlement of the remaining payments (DSN-MUI, 2005).

In terms of contract provisions, both parties can use the contract options (Mubarak & Hasanudin, 2017). First, the IMBT contract which refers to Fatwa Number 27 of 2002 regarding IMBT. The use of this contract is the *murabahab* object that has become the property of the Sharia bank for the sale mechanism, which is leased back to the customer with an advance for the excess of the remaining payment of the customer's obligations. So that the customer can reclaim the object after the lease agreement expires, either through a grant contract or a sale and purchase agreement.

Second, the *mudharabah* contract refers to the DSN-MUI Fatwa Number 7 of 2000 regarding *mudharabah* financing. The position of the customer as *shahibul al-mal* with the use of funds from the remaining payment of previous contract obligations and Sharia banks as *mudharib* who use the remaining funds to carry out business activities. Third, the *musharakah* contract which refers to Fatwa Number 8 of 2000 regarding *musyarakah* financing. Customers and Sharia banks both have a *syarik* position.

Based on the explanation, the hybrid contract on the restructuring mechanism includes: First, the addition of financing funds. There is a hybrid contract between the *qordb* contract as the main contract which creates a restructuring mechanism with a refinancing contract through the three contract schemes above, namely the *musyarakah mutanaqishab*, *bai' wa al-isti'jar* and *bai'* contracts within the framework of the *musyarakah mutanaqishab* contract. Second, on the conversion or the creation of a new contract. A hybrid contract exists between the *qordb* contract as the main contract that generates a restructuring mechanism, the sale and purchase contract for the sale of *murabahab* objects, and contract

options, namely IMBT, *mudharabah*, and *musyarakah*, as a new agreement contract that shows a financing transformation from *murabahah* financing contracts to financing using these contract options.

**Table 1.**  
**Hybrid Contracts in Restructuring Non-performing Financing**

No	Restructuring	Shape	Fatwas DSN/MUI	Contracts Used	Type of Hybrid Contract
1.	Rescheduling	Change of Payment Schedule/Modification of Payment Term	Fatwas DSN/MUI No. 48 of 2005 and Fatwas DSN/MUI No. 134 of 2020.	<i>Qordb</i> and <i>ijarah</i> .	<i>Al-'Uqud al-Mujtami'ab</i>
2.	Reconditioning	Changes in Payment Schedule, Changes in Term and Payment Amount	Fatwas DSN/MUI No. 23 year 2002 and Fatwas DSN/MUI No. 46 year 2005	<i>Qordb</i> and <i>Al-ibra</i> '(Releasing) in the form of alms	
		Settlement and Deductions	Fatwas DSN/MUI No. 47 year 2005		
		Accounts Receivable Settlement	Fatwas DSN/MUI No. 89 year 2013	<i>Qordb</i> and <i>Musyarakah Mutanaqishah (MMQ)</i> , <i>bai' wa al-isti'jar</i> and <i>bai'</i> to <i>MMQ</i> .	
3.	Restructuring	Refinancing	Fatwas DSN/MUI No. 49 year 2005	<i>Qordb</i> , <i>al-bai'</i> and options ( <i>IMBT</i> , <i>Mudharabah</i> and <i>Musyarakah</i> )	
		Convention			

Source: Processed Researchers

Hybrid contracts in restructuring non-performing financing in Sharia banks is included in collected contract (*Al-'Uqud Al-Mujtami'ab*). In every Fatwa containing multiple contracts, the DSN/MUI accepts and justifies multiple contracts, namely multi contracts or *al-'uqud al-murakkabah* in the sense of multi-contracts gathered or *al-'uqud al-mujtami'ab* (Al-Hakim, 2019). There is a hybrid contract that combines the *tabarru'* (*qordb*) contract with the *mu'awadhat* contract (sale and purchase, *ijarah*, *IMBT*, *mudharabah* and *musyarakah*). Meanwhile, the hybrid contract on the restructuring of non-performing financing is still being implemented in line with the DSN-MUI Fatwa. The restructuring is expected to be a solution for converting non-performing financing into healthy financing as a means of maintaining financing performance as the primary source of revenue for Sharia banking.

**Conclusion**

Many different types of hybrid contracts are used in the restructuring of non-

performing financing (*al-'uqud al-mujtami'ab*). In terms of combining several contracts, such as the *tabarru'* (*qordh*) contract with the *mu'awadbat* contract (sale and purchase, *ijarah*, *IMBT*, *mudharabah*, and *musyarakah*), Sharia banks benefit from the *mu'awadbat* contract from the *al-bai'* margin, *ijarah* agreement, and profit sharing from the cooperation agreement.

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