

The Strategic Role of Fatwa DSN-MUI in the Development of Islamic Banking in Indonesia: An Analysis of Banking Regulations and Products Based on the Provisions of Islamic Law

Alfiandi Zikra¹⁾, Muhammad Syukri Albani Nasution²⁾ & Ramadhan Syahmedi Siregar³⁾

¹⁾Universitas Muhammadiyah Mahakarya Aceh, E-mail: alfianzikra070@gmail.com

²⁾Universitas Islam Negeri Sumatera Utara, E-mail: muhammadsyukrialbani@uinsu.ac.id

³⁾Universitas Islam Negeri Sumatera Utara, E-mail: ramadhansyahmedi@uinsu.ac.id

Abstract. *This journal discusses the role of the Indonesian Ulama Council (MUI) and the birth of Bank Muamalat Indonesia (BMI) as the first step in the establishment of Islamic banks in Indonesia. Bank Muamalat became a pioneer, followed by other Islamic banks. The focus is on the DSN-MUI fatwa which has a strategic role in shaping Islamic banking regulations and products, especially related to the collection and distribution of funds. This research uses descriptive qualitative methods with secondary data from related journals and books. The DSN-MUI fatwa is an important guideline for Islamic financial institutions in Indonesia. The analysis reveals that DSN-MUI plays a central role in dealing with the problems of Islamic banking practices. The research presents the background of the birth of DSN-MUI, the method of fatwa determination, and various fatwa products covering banking products, capital markets, Islamic insurance, export/import, and others. There are 116 fatwas that help form the legal basis of Islamic banking in Indonesia. This study underlines the importance of synchronization between fatwa as theory and practice in the field, especially in the collection and distribution of Islamic banking funds.*

Keywords: Bank; Fatwa; Islamic; MUI.

1. INTRODUCTION

Seeing the strong encouragement from the community towards the establishment of Islamic banks in Indonesia, the Indonesian Ulama Council (MUI) gave a positive response and was proactive,¹ by holding a Workshop on Bank Interest and Banking on August 18-20, 1990 in Cisarua Bogor, West Java. The result of the workshop was discussed in the National Conference IV of MUI in Sahid Jaya Hotel Jakarta on August 22-25, 1990. Based on the mandate of the National Conference IV MUI, a working group was formed to establish an Islamic bank in Indonesia, and in 1992 Bank Muamalat Indonesia (BMI) was born as the first bank in Indonesia that is based on

¹ The initiative to establish an Islamic bank in Indonesia was only taken in 1990. MUI held a Workshop on Bank Interest and Banking on August 18-20, 1990 in Cisarua Bogor, West Java. The results of the workshop were discussed at the National Conference IV of MUI at Sahid Jaya Hotel Jakarta on August 22-25, 1990. The National Conference mandated the establishment of a working group to establish an Islamic bank in Indonesia. See Syafii Antonio, (2001), *Islamic Banks: From Theory to Practice*, Jakarta: Gema Insani Press, p.25.

sharia in its transaction activities.

The presence of Bank Muamalat Indonesia was then followed by the birth of other Islamic banks, both in the form of full service sharia banks (*full branch sharia*) or only in the form of divisions or *sharia* business units from conventional banks (*dual banking system*).² Not only that, the same influence was also experienced by other financial institutions such as insurance and investment institutions which then also issued sharia-based products. Even in 2001, the Ministry of Finance of the Republic of Indonesia, now renamed the Ministry of Finance of the Republic of Indonesia, initiated the Team 17 meeting in Bali to solidify the vision of Islamic economics in Indonesia.

The number of Islamic banking products in Indonesia with various nomenclature equivalents with the banking world, requires serious efforts on two things as follows, namely (1) ensuring that these products already have direct terminology in the Qur'an and Sunnah and (2) ensuring that products whose terminology is not or has not been found explicitly in the Qur'an and Sunnah. Regarding the first problem, Abdul Wahhab Khallaf (d. 1206 AH) asserted that it is not allowed to make *ijtihad* on laws that already have definite information in the Qur'an and Sunnah,³ in accordance with the *qa'idah usûl al-fiqh* which states "*Lâ Masâga li al-Ijtihâdi fîmâ fîhi Nash-shun Sharîh*" which means that there is no need for legal *ijtihad* on matters that have clear *nash* instructions on them. As for the second issue, namely the law of something that is not certain in the Qur'an and Sunnah, *ijtihad* is needed from scholars who have authority in their fields in the form of fatwas.⁴

DSN-MUI is the only institution that has the authority to issue fatwas on the types of Islamic financial activities, products or services in Indonesia and supervise the application of the fatwas by Islamic financial institutions in Indonesia.⁵ Since its establishment on February 10, 1999 until 2008, DSN-MUI has issued 75 fatwas which have become the sharia foundation for Islamic Financial Institutions.⁶ Among the 75 DSN-MUI fatwas, there are 39 fatwas that provide Islamic legal provisions for Islamic banking practices, especially for the three types of Islamic bank products, namely fund raising, fund distribution and services.⁷ Through Regulation Number: 7/46/PBI/2005, Bank Indonesia has regulated the fund raising and distribution contracts for banks that carry out business activities based on sharia principles.⁸

DSN-MUI fatwas related to the collection of funds can be seen in 3 fatwas, namely fatwas about current accounts⁹, savings¹⁰ and deposits.¹¹ While the DSN-MUI fatwas

² Dual Banking System is the implementation of two banking systems (sharia and conventional) side by side, the implementation of which is regulated in various applicable laws and regulations. Read Heri Sudarsono and Hendi Yogi Prabowo, (2004), *Terms of Banks and Islamic Financial Institutions*, Yogyakarta: UII Press, p.37.

³ Abdul Wahhâb Khallâf, (2004), *'Ilm Ushûl al-Fiqh*, Jiddah: al-Haramain, p.216.

⁴ Yusuf al-Qardhâwî, (1997), *Fatwa: Antara Ketelitian dan Kecerobohan*, alih bahasa As'ad Yasin, Jakarta: Gema Insani Press, p.v.

⁵ Heri Sudarsono and Hendi Yogi Prabowo, *Istilah-istilah Bank...*, p.36.

⁶ *Fatwas of DSN-MUI*, www.dsn-mui.com, accessed August 13, 2010.

⁷ Abdul Ghofur Anshori, (2009), *Payung Hukum Perbankan Syari'ah, UU di Bidang Perbankan, Fatwa DSN-MUI, dan Peraturan Bank Indonesia*, Yogyakarta: UII Press, p.115-220.

⁸ Abdul Ghofur Anshori, *Payung Hukum...*, 284-295

⁹ DSN Fatwa No. 01/DSN-MUI/IV/2000 concerning *Giro*.

¹⁰ DSN Fatwa No. 02/DSN-MUI/IV/2000 concerning *Savings*.

¹¹ Fatwa DSN No. 03/DSN-MUI/IV/2000 regarding time *deposits*.

on the distribution of funds that will be widely discussed in this study are found in 22 fatwas, which have then been grouped into eight parts,¹² namely (1) fatwas on financing on the basis of *mud.ārabah*,¹³ (2) fatwa on financing based on *musyarakah contract*,¹⁴ (3) fatwa on financing based on *murabahah contract*,¹⁵ (4) fatwa on financing based on *salām contract*,¹⁶ (5) fatwa on financing based on *istis.nā* contract,¹⁷ (6) fatwa on financing based on *ijārah contract*,¹⁸ (7) fatwa on financing based on *qard contract*, and (8) fatwa on financing based on *qard contract*,¹⁹ and (8) fatwa on multi-service financing.²⁰ As for the DSN-MUI fatwas in the field of services, there are 14 fatwas, namely fatwas on *Wakalah*,²¹ *Kafalah*,²² *Safe Deposit Box*,²³ *Rahn*,²⁴ *Gold Rahn*,²⁵ *al-Sharf*,²⁶ *Debt Transfer*,²⁷ *Syari'ah Import Letter of Credit*,²⁸ *Shariah Export Letter of Credit*,²⁹ *Bank Indonesia Wadiah Certificate*,³⁰ *IMA Certificate (Interbank Mudharabah Investment)*,³¹ *Shariah Charge Card*,³² *Line Facility (at-Tashilat)*³³ and *al-Qardh*.³⁴

Based on the description above, it is clear how important the position of the DSN-MUI

¹² Wiroso, (2009), *Produk Perbankan Syari'ah, dilengkapi UU Perbankan Syari'ah dan Kodifikasi Produk Perbankan Syari'ah*, Jakarta: LPFE Usakti, p.573.

¹³ The DSN fatwa on Financing on the Basis of Mudhārabah is DSN Fatwa No. 07/DSN-MUI/IV/2000 concerning *Mudhārabah Financing (Qirad)*

¹⁴ The DSN fatwa on Financing on the Basis of the Musyarakah Agreement is DSN Fatwa No. 08/DSN-MUI/IV/2000 concerning *Musyarakah Financing*.

¹⁵ The DSN Fatwas on Financing based on Murābahah are DSN-MUI Fatwa No. 04/DSN-MUI/IV/2000 on *Murābahah*; DSN-MUI Fatwa No. 13/DSN-MUI/IX/2000 on *Cash Advances in Murābahah*; DSN-MUI Fatwa No. 16/DSN-MUI/IX/2000 on *Discounts in murābahah*; MUI No. 46/DSN-MUI/II/2005 on *Murābahah Billing Deductions*; DSN-MUI Fatwa No. 47/DSN-MUI/II/2005 on *Settlement of Murābahah Receivables for Customers who are Not Customers*. 46/DSN-MUI/II/2005 on *Discounts in Murābahah*; MUI Fatwa No. 47/DSN-MUI/II/2005 on *Settlement of Murābahah Receivables for Customers unable to Pay*; MUI Fatwa No. 48/DSN-MUI/II/2005 on *Rescheduling Murābahah Bills*; MUI Fatwa No. 49/DSN-MUI/II/2005 on *Conversion of Murābahah Agreements*.

¹⁶ The DSN Fatwa on Financing on the Basis of Salām Agreement is Fatwa No. 05/DSN- MUI/IV/2000 on *Salām Sale and Purchase*.

¹⁷ The DSN fatwas relating to financing on the basis of this *istis.nā'* contract are DSN fatwa No. 06/DSN-MUI/IV/2000 on *Istisnā' Sale and Purchase* and DSN fatwa No.22/DSN-MUI/III/2002 on *Parallel Istis.nā' Sale and Purchase*.

¹⁸ The DSN fatwas relating to financing on the basis of this *ijārah* contract are DSN Fatwa No. 09/DSN-MUI/IV/2000 on *Ijārah Financing* and DSN Fatwa No. 27/DSN- MUI/III/2002 on *al-Ijārah al-Muntahiya bi at-Tamfīk*. While other DSN fatwas that have relevance to this multiservice financing are DSN Fatwa No. 29/DSN- MUI/VI/2002 on *Financing Hajj Management of Shari'ah Financial Institutions* and DSN fatwa No. 30/DSN-MUI/VI/2002 on *Financing Shari'ah Current Accounts*.

¹⁹ The DSN Fatwa relating to Financing on the Basis of *Qardh* is DSN Fatwa No. 19/DSN-MUI/IV/2001 concerning *Qardh*.

²⁰ The DSN Fatwa relating to Multijasa Financing is DSN Fatwa No. 44/DSN- MUI/VII/2004 on *Multijasa Financing*.

²¹ DSN Fatwa No. 10/DSN-MUI/IV/2000 concerning *Wakalah*.

²² DSN Fatwa No. 11/DSN-MUI/IV/2000 concerning *Kafalah*.

²³ DSN Fatwa No. 24/DSN-MUI/III/2002 concerning *Safe Deposit Box*.

²⁴ DSN Fatwa No. 25/DSN-MUI/III/2002 concerning *Rahn*.

²⁵ DSN Fatwa No. 26/DSN-MUI/III/2002 on *Gold Rahn*.

²⁶ DSN Fatwa No. 28/DSN-MUI/III/2002 on *Currency Sale and Purchase (al-Sharf)*.

²⁷ Fatwa DSN No. 31/DSN-MUI/VI/2002 concerning *Debt Transfer*.

²⁸ Fatwa DSN No. 34/DSN-MUI/IX/2002 on *Sharia Import Letter of Credit (L/C)*.

²⁹ Fatwa DSN No. 35/DSN-MUI/IX/2002 concerning *Sharia Export Letter of Credit (L/C)*.

³⁰ Fatwa DSN No. 36/DSN-MUI/X/2002 on *Bank Indonesia Wadiah Certificate*.

³¹ DSN Fatwa No. 38/DSN-MUI/X/2002 concerning *IMA*.

³² DSN Fatwa No. 42/DSN-MUI/V/2004 concerning *Sharia Charge Card*.

³³ DSN Fatwa No. 45/DSN-MUI/II/2005 concerning *Line Facility (at-Tashilat)*.

³⁴ DSN Fatwa No. 19/DSN-MUI/IX/2002 concerning *al-Qardh*.

fatwa is for Islamic banking in carrying out all its business activities in Indonesia. Fatwa DSN-MUI has an important role in weighting every regulation and banking product and as an effort to develop Islamic banking legal products while maintaining the principles of shari`at in it. This means that the DSN-MUI fatwa is a strategic factor for the progress of Islamic economics and banking in Indonesia. Therefore, in the author's opinion, the DSN-MUI fatwa is interesting to study considering: (1) At the theoretical level, this council explores, examines, studies, discusses and decides issues that are very urgent to determine legal certainty in Islamic banking practices; (2) Whereas at the practical level, the DSN-MUI fatwa is used as a basis for Islamic law in Islamic banking practices in particular and Islamic economics in general, both by practitioners of Islamic Financial Institutions (LKS) and the Indonesian people, especially those who are Muslim.

Based on the description above, the author is interested in conducting research and providing an analysis to see the position of the DSN-MUI fatwa with the sharia foundation it uses, the methods applied in making its fatwas, as well as the products of fatwas on the problems of Islamic banking practices in Indonesia.

Through analysis with such a framework, it is expected to understand the synchronization between the DSN-MUI fatwa as a theory with its practice in the field in dealing with the problems of the people in the practice of implementing shari`ah banking, especially in efforts to collect and distribute funds as a form of banking services to the community.

2. RESEARCH METHODS

This research uses a qualitative descriptive method, where the method is a series of writing steps that produce data that can be described from certain problems in the form of written problems and phenomena that are observed directly.³⁵ The type of data used is secondary data sourced from journals and books related to the research topic. These data were obtained using library research techniques, namely data collection methods by exploring the theories of several previous studies that have relevance to the research being conducted.³⁶ The data analysis technique used has three stages, namely data reduction, data display and data verification. data The interactive data analysis model by Miles and Huberman with these stages focuses on data or information related to the Position of Fatwa as a Solution to Muslim Problems in Indonesia.

3. RESULT AND DISCUSSION

3.1 The Background to the Birth of DSN-MUI

DSN-MUI emerged thanks to the Ulama workshop on Sharia Mutual Funds organized by MUI Central on July 29-30, 1997 in Jakarta recommending the need for an institution that handles issues related to the activities of LKS (Islamic Financial Services Institution). After that, MUI held a meeting of DSN Establishment Team on October 14,

³⁵ Farida, A. (2021). Analisis Mekanisme Jual Beli Mata Uang (Al-Sharf) Menurut Fatwa DSN-MUI No. 28/MUI/III/2002. *Malia (Accredited)*, 12(2), 137- 150. <https://doi.org/10.35891/ml.v12i2.2659>

³⁶ Fadli, M. R. (2021). Memahami desain metode penelitian kualitatif. *Humanika*, 21(1), 33-54. <https://doi.org/10.21831/hum.v21i1.38075>

1997. This meeting then implied the issuance of Decree No. Kep-754/MUI/II/1999 dated February 10, 1999 on the Establishment of DSN-MUI by MUI Leadership Council. As a follow-up to the issuance of the decree, MUI Leadership Council held a ta'aruf event with DSN-MUI Board on February 15, 1999 at Hotel Indonesia Jakarta. The Board of DSN-MUI for the first time held the First Plenary Meeting of DSN-MUI on April 1, 2000 in Jakarta by ratifying the Basic Guidelines and Bylaws of DSN-MUI. The current composition of the DSN-MUI Board is based on MUI Decree No. Kep-487: Kep-487./MUI/IX/2010 on the Composition of the Management of DSN-MUI, Period 2010-2015. The leadership of DSN-MUI *ex-officio* is held by the Chairman of MUI, Dr. K.H. Mohammad Ahmad Sahal Mahfudz (b. 2014) as chairman and Secretary General of MUI Drs. H. M Ichwan Syam as secretary, and Dr. K.H. Ma'ruf Amin as executive chairman.

DSN-MUI was established in order to realize the aspirations of the Muslim community regarding economic issues and to encourage the application of Islamic teachings in the economic/financial sector which is carried out in accordance with the guidance of Islamic law. The establishment of DSN-MUI is a step of efficiency and coordination of scholars in responding to issues related to economic/financial issues. Various problems/cases that require fatwas are accommodated and discussed together in order to obtain a common view in handling them by each DPS in LKS. To encourage the application of Islamic teachings in economic and financial life, DSN-MUI always plays a proactive role in responding to the dynamic development of Indonesian society in the economic and financial fields.³⁷

3.2 The Method of Determining Fatwa of DSN-MUI

The DSN-MUI fatwa determination method follows the guidelines or guidelines set by the MUI fatwa commission. Based on the Guidelines for Determining MUI fatwas No. U-596/MUI/X/1997 dated October 02, 1997, every issue discussed by the fatwa commission (including fatwas on Islamic economics) must be based on the Qur'an, Sunnah, *Ijma* and *Qiyas*. Before a fatwa is stipulated, the opinions of the imams of the *Madzhab* should be carefully reviewed on the issue to be determined, along with their arguments.³⁸

Every problem that has a clear law in the *qat'i text*, then MUI convey it as stated in the text. In issues where there are differences of opinion among the *madzhab* (khilafiah issues), then the determination of fatwa is based on the results of efforts to find common ground between the opinions of the *madzhab* through the *al-jam'uwa al-tawfiq* method. If the attempt to find the meeting point is unsuccessful, then the determination of fatwa through the method of *muqar>ranah al-mazhab* by using the rules of *usul al-Fiqh al-Muqar>ran*.

Regarding issues where there is no scholarly opinion on the law among the *madzhab*, and no *ilhaqi* can be done because there is no scholarly opinion, then the determination of fatwas is based on the results of collective *ijtihad (jama'iy)* through the *manhaji* method, namely the *bayaniy*, *ta'liliy* and *istislahiy* methods. In addition,

³⁷ Overview of DSNMUI", <https://www.dsnmui.or.id/diaksestanggal28Oktober2017>.

³⁸M. Cholil Nafis, (2011), *Teori Hukum Ekonomi Syariah*, Jakarta: UI Press, p.92.

the fatwa issued must always pay attention to the public good (*masalih al-'ammah*) and the objectives of Shariah (*maqasidal-shari'ah*).³⁹

With the explanation that has been stated, it can be concluded that the method of determining fatwa by DSN-MUI has represented the steps of Islamic law *istinbat*. This can be seen in the following chart:

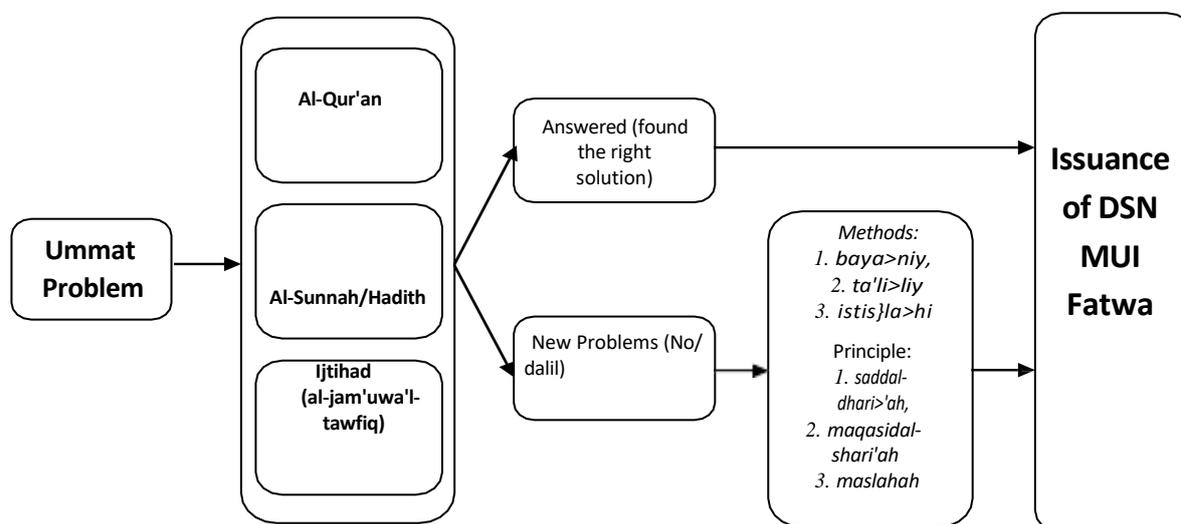


Figure 1. Fatwa Determination Method of DSN-MUI

3.3 The Various Fatwa Products of DSN-MUI

In an effort to substantially oversee the sharia and in order to facilitate the development of Islamic Banking, the DSN-MUI has issued various fatwa products related to the principles and implementation of services to the community. To date, DSN-MUI has issued 116 fatwas related to various matters in the development of Islamic economics today. Thematically, these fatwas can be grouped into several points as follows:

Other fatwas recently released by DSN-MUI include fatwas on sale and purchase contracts (110), *Murabahah* sale and purchase contracts (111), *Ijarah* contracts (112), *Wakalah bi'l-ujrah contracts* (113), *shirkah* contracts (114), *Mudarabah* contracts (115) and sharia electronic money (116). This shows that the DSN-MUI is really increasingly showing its existence in the world of Indonesian Islamic economics.

- 1) Fatwat on Deposits, there are four of them:
 - a. Fatwa No. 1: Current Account
 - b. Fatwa No. 2: Savings
 - c. Fatwa No. 3: Deposits
 - d. Fatwa No. 97: Islamic Certificate of Deposit
- 2) Fatwa on Mudharabah, there are three:
 - a. Fatwa No. 7: *Mudarabah (Qiradh)* Financing
 - b. Fatwa No. 38: Interbank *Mudarabah* Investment Certificate (IMA)
 - c. Fatwa No. 50: *Mudarabah Musyarakah* Akad
- 3) There are 3 fatwas on *Musyarakah*, namely:

³⁹Ibid, p. 93.

- a. Fatwa No. 8: *Musyarakah* Financing
- b. Fatwa No. 55: Syariah *Musyarakah* Current Account Financing
- c. Fatwa No. 73: *Musyarakah* Mutanaqisah
- 4) Fatwa on *Murabahah*, there are 10 of them:
 - a. Fatwa No. 4: *Murabahah*
 - b. Fatwa No. 13: *Murabahah* Advance
 - c. Fatwa No. 16: Discount in *Murabahah*
 - d. Fatwa No. 23: Repayment Discount in *Murabahah*
 - e. Fatwa No. 46: *Murabahah* Bill Deduction
 - f. Fatwa No. 47: Settlement of *Murabahah* Receivables for Customers Unable to Pay
 - g. Fatwa No. 48: Rescheduling of *Murabahah* Bills
 - h. Fatwa No. 49: *Murabahah* Akad Conversion
 - i. Fatwa No. 84: Methods of Recognizing *Murabahah* Financing Profits in LKS
 - j. Fatwa No. 90: Transfer of *Murabahah* Financing between LKS (LKS)
- 5) Fatwa on *Salam* and *Istisna*, there are 3, namely:
 - a. Fatwa No. 5: Sale and Purchase of *Salam*
 - b. Fatwa No. 6: *Istisna* Sale and Purchase
 - c. Fatwa No. 22: Parallel *Istisna* Sale and Purchase
- 6) There are 5 fatwas on *Ijarah*, namely:
 - a. Fatwa No. 9: *Ijarah* Financing
 - b. Fatwa No. 27: Al-*Ijarah* al-Muntahiyah bi al-Tamlik (IMBT)
 - c. Fatwa No. 56: Provisions of Ujrah Review on LKS
 - d. Fatwa No. 101: Akad al-*Ijarah* al-*Maushufah* fi al-*Dzhimmah*
 - e. Fatwa No. 102: Akad al-*Ijarah* al-*Maushufah* fi al-*Dzhimmah*
- 7) There are five fatwas on debts and receivables, namely:
 - a. Fatwa No. 19: *Qardh*
 - b. Fatwa No. 17: Sanctions on Able Customers who Delay Payment
 - c. Fatwa No. 31: Transfer of Debt
 - d. Fatwa No. 67: Syariah Factoring
 - e. Fatwa No. 79: *Qardh* Using Customer Funds
- 8) Fatwa on *Hawalah*, there are 2:
 - a. Fatwa No. 12: *Hawalah*
 - b. Fatwa No. 58: *Hawalah* bil Ujrah
- 9) There are 3 fatwas on *Rahn* (Pawn), namely:
 - a. Fatwa No. 25: *Rahn*
 - b. Fatwa No. 26: Gold *Rahn*
 - c. Fatwa No. 68: *Rahn* Tasjiliy
- 10) Fatwa on Bank Indonesia Certificates, there are 3, namely:
 - a. Fatwa No. 36: Bank Indonesia Wadiah Certificate (SWBI)
 - b. Fatwa No. 63: Sharia Bank Indonesia Certificate
 - c. Fatwa No. 64: Bank Indonesia Syariah Ju'alah Certificate
- 11) Fatwa on Cards, there are 2, namely:
 - a. Fatwa No. 42: Syariah Charge Card
 - b. Fatwa No. 54: Sharia Card
- 12) Fatwa on Money Market, there are 3 of them:
 - a. Fatwa No. 28: Currency Sale and Purchase (al-*Sharf*)
 - b. Fatwa No. 37: Interbank Money Market Based on Sharia Principles
 - c. Fatwa No. 78: Interbank Money Market Mechanisms and Instruments Based on Sharia Principles

- 13) There are 8 substances regarding Sharia Insurance, namely:
 - a. Fatwa No. 21: General Guidelines for Sharia Insurance
 - b. Fatwa No. 39: Hajj Insurance
 - c. Fatwa No. 51: *Mudarabah Musyarakah* Agreement in Sharia Insurance
 - d. Fatwa No. 52: Akad *Wakalah* bil Ujrah in Sharia Insurance and Sharia Reinsurance
 - e. Fatwa No. 53: *Tabarru'* Akad in Sharia Insurance
 - e. Fatwa No. 81: Return of *Tabarru'* Funds for Insurance Participants who Quit Before the End of the Agreement Period
 - f. Fatwa No. 98: Guidelines for the Implementation of Sharia Health Social Security
 - g. Fatwa No. 106: *Waqf* of Insurance Benefits and Investment Benefits in Sharia Life Insurance
- 14) Fatwas on Islamic Capital Markets, there are 5 of them:
 - a. Fatwa No. 20: Investment Guidelines for Islamic Mutual Funds
 - b. Fatwa No. 40: Capital Market & General Guidelines for the Implementation of Sharia Principles in the Capital Market Sector
 - c. Fatwa No. 65: Sharia Pre-emptive Rights (HMETD)
 - d. Fatwa No. 66: Sharia Warrants
 - e. Fatwa No. 80: Implementation of Sharia Principles in the Trading Mechanism of Equity Securities in the Regular Market of the Stock Exchange
- 15) Fatwa on Islamic Bonds, there are 4, namely:
 - a. Fatwa No. 32: Islamic Bonds
 - b. Fatwa No. 33: *Mudarabah* Islamic Bonds
 - c. Fatwa No. 41: *Ijarah* Islamic Bonds
 - d. Fatwa No. 59: Convertible *Mudarabah* Syariah Bonds
- 16) Fatwa on Government Securities, there are 6 viz:
 - a. Fatwa No. 69: Government Sharia Securities (SBSN)
 - b. Fatwa No. 70: Issuance Method of Government Sharia Securities (SBSN)
 - c. Fatwa No. 72: Government Sharia Securities (SBSN) *Ijarah* Sale and Lease Back
 - d. Fatwa No. 76: Surat Berharga Syariah Negara (SBSN) *Ijarah* Asset to Be Leased
 - e. Fatwa No. 94: Repo of Sharia Securities (SBS) based on Sharia Principles
 - f. Fatwa No. 95: State Sharia Securities (SBSN) *Wakalah*
- 17) Fatwa on Export/Import, there are 5 viz:
 - a. Fatwa No. 34: Shariah Import Letter of Credit (L/C)
 - b. Fatwa No. 35: Sharia Export Letter of Credit (L/C)
 - c. Fatwa No. 57: Letter of Credit (L/C) with Akad Kafalah bil Ujrah
 - d. Fatwa No. 60: Settlement of Receivables in Export
 - e. Fatwa No. 61: Settlement of Debt in Imports
- 18) Fatwa on Multi Level Marketing (MLM), there are 2, namely:
 - a. Fatwa No. 75: Sharia Leveled Direct Selling (PLBS)
 - b. Fatwa No. 83: Sharia Multi-level Direct Selling of Umrah Travel Services
- 19) Fatwa on Results of Business in LKS (LKS), there are 4, namely:
 - a. Fatwa No. 14: Profit Distribution System in LKS
 - b. Fatwa No. 15: Principles of Profit Distribution in LKS
 - c. Fatwa No. 18: Provisioning for the Write-off of Earning Assets of LKSs
 - d. Fatwa No. 86: Gifts in LKS Fund Raising
- 20) Fatwa on Financing, there are 8, namely:
 - a. Fatwa No. 29: Financing of Hajj Management by LKS
 - b. Fatwa No. 30: Sharia Current Account Financing

- c. Fatwa No. 44: Multiservices Financing
 - d. Fatwa No. 45: Line Facility (at-Tashilat as-Saqfiyah)
 - e. Fatwa No. 89: Sharia Refinancing
 - f. Fatwa No. 91: Syndicated Financing (al-Tamwil al-Mashrifi al-Mujamma')
 - g. Fatwa No. 92: Financing with *Rahn* (at-Tamwil al-Mautsuq bi al-*Rahn*)
 - h. Fatwa No. 105: Guaranteeing the Return of Capital for *Mudarabah*, *Musyarakah*, and *Wakalah bil Istitsmar* Financing.
- 21) Fatwa on Guarantee, there are 2, namely:
- a. Fatwa No. 11: Kafalah
 - b. Fatwa No. 74: Shariah Guarantee
- 22) Fatwa on Pension, there are 2, namely:
- a. Fatwa No. 88: General Guidelines for the Implementation of Pension Plans Based on Sharia Principles
 - b. Fatwa No. 99: Shariah Annuity for Retirement Program
- 23) Other Fatwas, there are 17 viz:
- a. Fatwa No. 10: *Wakalah*
 - b. Fatwa No. 62: Akad *Ju'alah*
 - c. Fatwa No. 24: Safe Deposit Box
 - d. Fatwa No. 43: Compensation (*Ta'widh*)
 - e. Fatwa No. 71: Sale and Lease Back
 - f. Fatwa No. 77: Non-cash Sale and Purchase of Gold
 - g. Fatwa No. 82: Commodity Trading Based on Sharia Principles in Commodity Exchanges
 - h. Fatwa No. 85: Promises (*Wa'ad*) in Sharia Financial and Business Transactions
 - i. Fatwa No. 87: Income Smoothing Method of Third Party Funds
 - j. Fatwa No. 93: Brokering (*wasathah*) in the Property Business
 - k. Fatwa No. 96: Islamic Hedging [*at-Tahawwuth al-Islami*] Transactions on Exchange Rates
 - l. Fatwa No. 100: Guidelines for Sharia Multi Benefit Voucher Transactions
 - m. Fatwa No. 103: Subjective Novation under Sharia Principles
 - n. Fatwa No. 104: Subrogation under Shariah Principles
 - o. Fatwa No. 107: Guidelines for Organizing Hospitals based on Sharia Principles
 - p. Fatwa No. 108: Guidelines for Organizing Tourism based on Sharia Principles
 - q. Fatwa No. 109: Sharia Short-Term Liquidity Financing

4. CONCLUSION

DSN-MUI emerged thanks to the Ulama workshop on Sharia Mutual Funds organized by the Central MUI on July 29-30, 1997 in Jakarta recommending the need for an institution that handles issues related to the activities of Sharia Financial Institutions (LKS). The method of determining DSN-MUI fatwas is based on the Qur'an, hadith and the opinions of scholars. Regarding issues where there is no scholarly opinion on the law among the *madzhab*, and no *ilhaqi* can be done because there is no scholarly opinion, the determination of fatwas is based on the results of collective *ijtihad (jama'iy)* through the *manhaji* method, namely the *bayaniy*, *ta'liliy* and *istislahiy methods*. In addition, the issued fatwa must always pay attention to the public good (*masalih al-'ammah*) and the objectives of Shariah (*maqasidal-shari'ah*). DSN-MUI has issued 116 fatwas related to various matters in the development of Islamic economics today. Thematically, these fatwas can be grouped into several points as follows: Other

fatwas recently released by DSN-MUI include fatwas on sale and purchase contracts (110), *Murabahah* sale and purchase contracts (111), *Ijarah* contracts (112), *Wakalah bi'l-ujrah* contracts (113), *shirkah* contracts (114), *Mudarabah* contracts (115) and *sharia* electronic money (116).

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