Ijarah Contracts From The Time Of Rasulullah To The Present Day

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ABSTRACT

The Islamic banking industry in Indonesia continues to experience significant development. With this development, innovation in products and services in Islamic banking is very important to answer the needs in contemporary banking and financial transactions. One of the many products that have been applied and developed is ijarah. However, practitioners and scholars are still discussing different points of view regarding the legal basis of ijarah and its types. This research aims to review the development process of the ijarah principle and its variance from the early Islamic period to the present. This study is a qualitative research with a literature study approach and library research with descriptive analysis. This research concludes that, The concept of ijarah has existed since the time of the apostle of Allah, namely with the wage system given by the Rasulullah for the services received. For its application in the industry, there are 2 main products, namely Ijarah Muntahiya Bittamlak (IMBT) and Ijarah Maushufah Fi Al Dzimmah (IMDF).

Keywords: Ijarah, Islamic Banking, IMBT, Development
INTRODUCTION

The improvement of Islamic banking is extremely compelling on the advancement of Islamic financial aspects and economy. With the advancement of Islamic banking, the economy of a country also develops. To ensure the advancement of sharia banking towards a positive direction, it must be ensured that every use and advancement of various items and administrations in Islamic banking should in any case allude to the standards and arrangements of sharia as a kind of perspective (Hafizah, 2020; Rohim & Hakim, 2023). In general, Islamic banking is an institution that functions as a bridge or intermediary between customers with excess funds and customers with a lack of funds, with its main activities being collecting funds (funding), channeling funds (financing), and services (Ana & Zunaidi, 2022; Anan, 2021).

The standards and functional exercises of sharia banking which are presently generally applied in Islamic financial business exercises can be separated as follows funding (wadiah and mudharabah), financing (murabahah, salam, istishna, ijarah, musyarakah, and mudharabah), and service (wakalah, kafalah, sharf, qardh, rahn, hiwalah, ijarah) (Akbar, 2018; Balgis, 2017; Putra & Hasbiyah, 2020).

Fiqh provisions play a major role in the advancement of sharia banking products and services (Ghazaly, 2016). The ijarah agreement can be an alternative for customers who want to start a business, especially for customers who do not yet own capital goods, because customers can lease these goods through Islamic banks. Because of this, it can be said that for some customers ijarah financing is more attractive than mudharabah and musyarakah contracts (Maulana, 2021; Putra & Hasanah, 2018). In addition, in the ijarah contract in Islamic banking, customers are not charged with the obligation to submit collateral, this makes it easier for customers or entrepreneurs who want to start their business (Kurniawan & Syahrani, 2021). Looking at the DSN-MUI fatwas, ijarah has been carried out in different items, for example, multi-administration funding, Hajj financing management and others, even outside of banking, ijarah contracts are the most commonly used contracts in Islamic bonds. More than 60% of
the total Islamic bonds outstanding in 2020-2021 are Islamic bonds using ijarah contracts (Romaisyah et al., 2023).

Currently, the application of ijarah contracts has begun to develop in line with the popularity and consumer needs. One of the new forms of contracts from financial institutions sharia financial institutions that exist today is the financing contract ”Ijarah Muntahiya Bi Al Tamlik (IMBT)”. In IMBT there are two forms of combining contracts (hybrid contracts) at once, namely leasing with sale and purchase and lease with hibah (Dzubyan, 2019). In addition to the IMBT contract, DSN MUI also issued a fatwa related to the Ijarah Al-Maushufah Fi Al- Dzimmah contract, which is the latest contract model developed from the ijarah contract. This contract is a lease transaction for goods or services, but when the contract is only explained the criteria, specifications, characteristics, and quality of the object of lease of the rental object (Syaichoni, 2020). In practice, muamalah transactions are tathawwur, which means dynamic and always evolving. This means that muamalah transactions will always accept changes in accordance with the times changes in accordance with the times. Likewise with the ijarah contract in practice in Islamic banking is also also experienced developments with the concept of hybrid contract such as ijarah muntahiyah bi al - tamlik and ijara h maushufah fi al – dzimmah (Burhanudin, 2018; Insawan, 2017).

The development of ijarah contracts that produce positive products and services on the one hand results in differences of opinion among fiqh scholars and Islamic economists, because the basis of ijarah contracts since the early days of Islam there have been differences of opinion among the scholars of mazhab. Hanfiyah scholars define ijarah as a contract to express the permissibility of ownership of a known and deliberate benefit from an object that is rented in exchange for a fee, the Malikiyah scholars defined ijarah as a name for several contracts to provide benefits that are human in nature and for a movable part. some of which can be transferred (Al Jaziri, 1994). Meanwhile, the Shafi’iyyah scholars define ijarah as a transaction for an intended, certain, permissible benefit that can be utilized in exchange for a certain reward (Al-Zuhayli, 1997). Due to the many differences in opinion, according to the author, further discussion is needed regarding the contract, starting from its basis to
its application in the Islamic banking industry (Baktiar & Aedy, 2017; Suharyat et al., 2023).

For some time now, research and discussion on the application of ijarah contracts have begun to be carried out. Miko Polindi (2017) in his research stated that for the needs of customers in home ownership (KPR), the ijarah and Ijarah Muntahiya Bi Tamlik (IMBT) contracts are used. It's just that in fact this contract is still rarely used by Islamic banks. However, the focus of this study is more limited to the implementation of ijarah and IMBT in mortgage financing products. In another study, Hasanuddin and Yaqin examined the ijarah contract from the basic concept to its application in Islamic banking products. The research found that ijarah contracts are generally applied in several products, especially services (Yaqin, 2019). Further research on ijarah was also carried out by Santoso & Anik (2015) which focuses on the application of ijarah and imbt contracts in Islamic banking. In addition, there are several studies that focus again on the implementation of ijarah contracts in Islamic banking, such as research by Fuadi (2019) which focuses on the implementation of ijarah in Islamic banks which examines the reasons for the non-optimal application of ijarah contracts in Islamic banking products, there is also research from Syaichoni (2020) on the implementation of the ijarah masuahfah contract on infrastructure projects in Indonesia. This research will focus on the development and changes in ijarah contracts from the basis of fiqh to the latest regulations which include regulations and fatwas and contemporary Islamic banking products. Based on previous research related to ijarah, this focus has not been widely discussed and researched.

RESEARCH METHOD

The research approach used in this research is qualitative using a literature study approach and library research. Meanwhile, to analyse this research, the author uses descriptive analysis method (Rohman et al., 2019). Descriptive analysis aims to provide an overview of the research subject literature sourced from books, articles and regulations as well as fatwas. Qualitative descriptive analysis, namely analysis that...
RESULTS & DISCUSSION

Ijarah In Al-Qur’an And Hadith

The word ijarah comes from the word *al-ajru*, meaning *al-iwadh* (wages or compensation). Wahbah Az-Zuhaili explained that ijarah according to the language is *bai’ al-manfaah* which means buying and selling benefits (Al-Zuhayli, 1997). Meanwhile, in terms of terminology, there are differences among fiqh scholars in defining it. According to the Hanafiyyah scholars, ijarah is a contract for benefits in return for money. According to Malikiyyah, ijarah is a contract that gives property rights to the benefits of a permissible good for a certain period of time in return for a fee that is not derived from the benefit of the good. According to Syafiiyyah, ijarah is *akad* of a benefit that contains a certain purpose and is permissible, and accepts a substitute or permissibility with a certain substitute. According to Hanabilah, ijarah is a contract for a benefit that can be valid with the words ijarah and *kara’* and the like (Muslich, 2022).

Most of the scholars of jurisprudence are of the same opinion that the legal basis for ijarah comes from the Qur’an, the Qur’an, Sunnah, and consensus (Hidayah, 2017). Verses in the Qur’an that are used as a source of ijarah law: Then if they nurse your children for you, then give them their wages (Ath-Thalaq/65: 6). When viewed from the whole verse, this verse is talking about the divorce of husband and wife while the child is still breastfeeding, so the mother is entitled to a wage for breastfeeding. But there are words that read give them their wages which according to the author means that the wage-hire transaction is allowed. Based on the verse above, it can be concluded that all forms of work certainly have their own wages, be it small or large jobs. The workers must be paid according to the wages they should receive. Therefore, this verse
is used as the shara basis for the ijarah contract. The second Quranic verse is “One of the two women said: O my father! Hire him! For the best (man) that thou canst hire in the strong, the trustworthy” (Al-Qashash/28:26). Based on the verse above, according to the author it can be drawn a red thread that in choosing workers, they must have a trustworthy nature because the work that will be assigned to that will be charged to is his responsibility to complete it to complete it. In addition to being trustworthy, workers must be physically and non-physically strong so that everything goes according to plan. so that everything goes according to plan.

Apart from that, Rasulullah saw has also practiced the concept of ijarah. This refers to the hadith narrated by Bukhari (2117 and Muslim from Ibn Abbas, he said: “That the Prophet Saw. Had himself cupped and gave the cupper his pay” (narrated by Ahmad, Bukhari, and Muslim). The author argues that from the hadith above it can be concluded that wage and salary transactions were practiced directly in the daily life of the prophet. Then again, Rasulullah SAW reminded his kin to regard the laborers. He requested Muslims who utilize their Muslim siblings to pay their wages to them on time and not to defer the installment of their wages. A Muslim is obligated to uphold the rights of their fellow Muslims. This was stated by Rasulullah SAW in a hadith, “Give the hireling his wages before his sweat dries” (narrated by Ibnu Majah and Imam Thabrani) (Al-Asqalani & Bassam, 2014).

Author argues that based on the Hadith above, it can be explained that in the case of leases, especially in using someone’s services, after the work is completed, the Prophet strongly recommends paying the wages immediately or not to be delayed. Regarding the arrangement of compensation for administrations given by an individual, Rasulullah affirms to illuminate the right regarding wages to be given to individuals who work. This is confirmed in the hadith of the Prophet Muhammad “Whoever employs a worker should inform his wages” (narrated by Ibnu Majah). Because ijarah is a form of taking advantage of a good or service, wages are closely linked to ijarah. Therefore, wages must be submitted at the beginning of the contract in ijarah transactions. It is affirmed in a few hadiths above. In any case, it is conceivable that how much wages is not expressed toward the start of the agreement, yet giving
an equivalent wage is as yet required. In another hadith, Rasulullah likewise reminds with respect to clear wages and doesn't hurt the gatherings in the agreement. This is as expressed in a hadith described by Abu Daud (3391), Rasulullah said: “In the past, we used to lease land for what grew by the streamlets and for what was watered from them. The Messenger of Allah (saw) forbade us to do that, and commanded us to lease it for gold or silver” (narrated by Abu Daud).

As indicated by the creator's comprehension the hadith contains a restriction on compensation taken from crops developed from land which are objects of lease. This restriction is deciphered as a worry that the idea might actually hurt the lessor in the event that the nature of the harvests that develop isn't equivalent with the rental worth of the land. On this premise, Rasulullah SAW requested the installment of land lease in cash (Hafizah, 2020; Sumiati & Sutrisno, 2018). Leaving from different stanzas in the al-Qur'an and Sunnah, it is known that ijarah has been carried out at the hour of the Prophet Muhammad. The advancement of the execution of ijarah happened from the singular scale, ijarah in the family circle, to ijarah in the public degree. Counting presently, the act of ijarah has been broadly applied to sharia monetary and banking items (Insawan, 2017).

*Ijarah In Regulation and Fatwa*


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agreement. In the mean time, on the off chance that this isn't expressed with assurance, then the object of ijarah is utilized in light of overall guidelines and propensities (Rohim & Hakim, 2023). KHES likewise controls ujrah installments in ijarah exchanges. Ujrah can be paid as cash, protections, and different articles in view of an arrangement. Furthermore, ujrah installments in ijarah exchanges can likewise be made regardless of an up front installment, starting installment, installment after the ijarah object has been utilized, or owed in view of an understanding. Furthermore, various things are additionally specified in the KHES, including the circumstances for executing and finishing the ijarah, the utilization of the ijarah object, the support of the ijarah item, and responsibility for harms and the worth and term of the ijarah (Ullah et al., 2017).

Different clarifications specified in the KHES are the sorts of ijarah objects, the arrival of ijarah objects, al-ijarah al-muntahiyah bi al-tamlik (IMBT), and safe store boxes (Fitriani, 2020). Alongside the improvement of current exchanges, ijarah in different structures, for example, IMBT has brought forth fatwa orders from different associations and relationship of researchers in the field of fiqh. For instance, the fatwa gave by Al-Nadwah al-Fiqhiyyah al-Ula in Kuwait in 1987 reasoned that IMBT is a passable agreement with an ijarah agreement and awards. Furthermore, IMBT has likewise resolved its reasonability in view of Declaration Number 44 associations of global fiqh researchers in Majma' al-Fiqh al-Islamiy al-Dauliy which was held in Kuwait in 1988 (Rohim & Hakim, 2023). Based on point of view of Indonesian Positive Regulation, the IMBT contract is remembered for the unknown understanding in the Common Code (Article 1319) which emerging from the standard of opportunity of agreement (Article 1338) and IMBT likewise satisfies the necessities of a lawful understanding prerequisites of a substantial arrangement (Article 1320) as well as component arrangements (Dzubyan, 2019). Transfer of ownership after the lease period period may be done with a separate contract through a separate ijarah muntahiya bittamlık scheme which has been legitimized through fatwa number 27/DSN-MUI/III/2002 (Hidayatullah & Hidayati, 2021).
Ijarah's Application To Islamic Banking

As a rule, ijarah is applied to a few items and administrations in Islamic Financial Organizations. Leasing services are covered by Islamic banks' implementation of ijarah. In any case, the ongoing execution of ijarah is more overwhelmed by IMBT contracts since it makes it simpler for bank tasks (Muahimin & Mudzakkir, 2014; Sumiati & Sutrisno, 2018). According to information provided by the OJK in December 2022, Indonesia's ijarah financing has reached IDR 6.7 trillion (OJK, 2022).

Ijarah

The contracts used in Indonesian Islamic banking are contracts that do not cause controversy and have been agreed upon by the majority of scholars. The contracts include contracts for funding, financing, product services, operational services, and investment services (Ascarya, 2015). According to letter circular No. 10/14/DPBS issued by Bank Indonesia dated March 17, 2008, in providing ijarah financing Sharia bank or sharia business unit must fulfill the following steps:

a. The Bank goes about as the owner and/or the party that has the right command over the rent object either as labor and products, which rents the object of the rent to the client as per the arrangement

b. Goods in ijarah transactions are movable or immovable goods that can be taken for rent

c. Banks are obliged to make sense of for clients about the qualities of funding items based on ijarah, as well as the privileges and client commitments as specified in the arrangements of Bank Indonesia with respect to straightforwardness of data Bank's item data straightforwardness and the utilization of individual information of clients

d. Banks are required to analyze financing plan on the basis of ijarah to customers which, among others include personal aspects in the form of analysis of character and/or business aspects which includes, analysis of business capacity capacity, financial and/or business prospects
e. The lease object must be assessable and identified specifically and clearly stated including the amount of the rental value and the term time

f. The bank as the party that provides object of lease, must guarantee fulfillment of quality and quantity rental object as well as the timeliness of provision of the lease object in accordance agreement

g. The Bank is obliged to give and to understand the arrangement of the rent object requested by the client

h. Banks and customers are obliged to pour agreement in the form of a written agreement in the form of a financing contract on based on ijarah

i. Lease payments can be made either in installments or at once

j. Lease payments cannot be made in the form of receivables nor in the form of release of debt

k. The bank can request the client to keep up with the honesty from the rent article, and bear the expense of keeping up with the rent object as per the arrangement object as per the understanding wherein the depiction of material and primary support should be framed in the agreement, and the Bank can't request that the client be answerable for harm to the rented object that happens not in light of the rent object that happens not because of infringement of the agreement or carelessness client.

Based on the SOP submitted by sharia bank, the stages of implementation ijarah is as follows:

a. There is a solicitation to rent specific products with clear determinations details, by the client to the bank shari "ah

b. Wa'ad among bank and client to rent products at a concurred rental cost and concurred rental time

c. Bank Syari "ah searches for the goods desired to be rented by the customer

d. The shari’ah bank rents the products from the proprietor of the merchandise

e. The shari’ah bank cover the lease ahead of time

f. The owner of the goods gives them to the shari’ah bank.

g. Lease agreement between the customer and the bank
h. The client pays the lease at the back in portions
i. Products are given over from the bank shari'ah bank to the client
j. Toward the finish of the period, the merchandise are given over from the client to the sharia bank, which thus will be given over to the proprietor of the products.

**Ijarah Muntahiyah Bittamlik**

IMBT is the most by and large applied ijarah contract in Islamic banks. The IMBT contract process is as yet advancing to where it is presently accessible in Muslim countries also. This idea is likewise viewed as one of the answers for Islamic monetary organizations to fulfill the needs of ongoing exchanges (Rohman et al., 2019). In its execution, the IMBT idea resembles credit trading when seen from the example of installments made in portions. This agreement is a blend of renting portable and resolute property by giving the resident a choice to buy the item for rent toward the finish of the rent term. Ijarah funding can be utilized to fund the renting of merchandise and rent them back to clients, as per PSAK 59 in the recording. In different structures, it can likewise be applied by buying merchandise and leasing them out to clients (Anan, 2021).

IMBT is currently being used by a number of Islamic banks. In IMBT agreement, there is a renting understanding between the sharia bank and its client and a choice to move possession privileges to the merchandise rented by the Islamic bank toward the finish of the rent time frame. The purpose of the IMBT is to prevent Islamic banks' products and services from involving two contracts for the same leased object. The exchange of possession privileges to the rented products is done with two choices. To begin with, offering the rented products to the tenant toward the finish of the rent time frame. Second, giving the leased merchandise to the resident at the finish of the rent. It is the differentiation among ijarah and IMBT (Majid & Hasin, 2014).

IMBT shares many characteristics with a murabahah contract. The transaction's object is the difference between the two. The objects of murabahah exchanges are merchandise, while the objects of ijarah exchanges are labor and products. The likeness among ijarah and murabahah causes their application in Islamic banks in supporting
to have a similar treatment. Despite the fact that ijarah contracts and IMBT can benefit both the customer and the Islamic bank, their application in Islamic banks is still relatively uncommon. From the client side, the benefit is extra cash-flow to increment speculation, while for sharia banks this agreement can speed up the dissemination of assets and further develop wise venture designs. Under specific circumstances, IMBT is done with a wakalah contract. For this situation, the Islamic bank, as the party that will rent the merchandise, should possess the rent object ahead of time. As a result, Islamic banks must purchase. Alluding to the DSN MUI fatwa number 04 concerning murabahah, it is underlined that the deal and buy agreement of murabahah is done after the merchandise on a fundamental level become the property of the Islamic Financial Organizations (Darus et al., 2017). After the Islamic bank endorses the client's application for home funding, on a fundamental level arrangements in possession are deciphered as proprietorship. Therefore, the Islamic bank has in principle purchased the house when it confirms the purchase to the developer. In any case, there has been no progression of assets to the engineer in bookkeeping (BP & Wijaya, 2018). Moreover, Islamic banks are focused on making installments for purchasing houses to engineers who are addressed by clients. The utilization of a wakalah contract is planned to demonstrate lawfully that the client has gotten supporting from an Islamic bank. Furthermore, this is likewise expected to show that the client definitely realizes that Islamic banks have bought houses from engineers. At present, numerous Islamic financial organizations apply IMBT to contract funding. IMBT is viewed as an agreement as per contract items since it makes it simple for clients to possess a house toward the finish of the rental time frame (Novitarani, 2018).

*Ijarah Al-Maushufah fi Al-Dzimmah*

*Ijarah Maushufah fi al-Dzimmah* contract is composed of three words, namely Ijarah (إيجارة) which means a lease contract (Fuadi, 2019). Al-Mausuf (المعصوف) means that which is characterized, Al-Mausuf can be interpreted as something that is defined and limited by certain characteristics. So that the form of goods is not yet available, but its existence is very easy to find in the market. Fi al-dzimmah (في الذمة) means under
warranty, in the sense that the seller or service provider guarantees to provide the goods in question according to the agreed properties.

The National Sharia Council defines Akad Ijarah Maushufah fi al-Dzimmah as a lease contract for the benefits of goods and services that when the contract is made, only the characteristics and specifications of the goods or services are mentioned (Asbi & Sulong, 2018). IMFD is another aqad in the ijarah plot. IMFD agreement is a lease agreement for products or services. In any case, when the understanding is made, the item for lease is just made sense of regarding details, measures, nature, attributes, and quality. To take out gharar, the particulars for the rented thing should be expressed at the hour of the agreement. The DSN MUI fatwa Number 101/DSN-MUI/X/2016 regulates the IMFD contract's implementation (Syaichoni, 2020). The shortfall of a rented object at the hour of the agreement is the fundamental trait of IMFD. The IMFD and buying and selling greetings, or istishna', share this similarity. The fiqh researchers settle on the admissibility of hello and istishna' due to the requirements and requests of contemporary exchanges. In this manner the idea of IMFD, which is like the idea of salam and istishna', makes a similar legitimate end for IMFD. In Islamic financial items, the IMFD contract is applied as corresponding to the MMQ contract in the home loan item area. IMFD is dedicated to lodging units that poor person yet been assembled. The state of lodging units that poor person been finished can't turn into an item for lease under an unadulterated ijarah conspire. Thus, this is a distinction in the IMFD which might be applied despite the fact that the lodging unit that is the object of the rent has not yet been finished. In particular, IMFD has commonly applied to Indent Lodging Supporting (PPR) items. This item is presented for home supporting purposes where the property being funded has not been finished or is under development. Since occupants can't do the utilization of merchandise, Islamic banks apply IMFD so it is feasible to apply for portion installments while hanging tight for the culmination of the undertaking advancement. Additionally, education financing products, such as Sukuk, can be financed with IMFD (Selim, 2015).
**Ujrah Determination**

In DSN fatwa Number 09/DSN MUI/IV/2000 in regards to Ijarah Funding expressed that adaptability in deciding compensation lease can be acknowledged in the size of time, spot and distance. As indicated by Book 2 Accumulation of Sharia Financial Regulation Section X on Ijarah Section Six Article 271 passages 1 and 2 expresses that (1) Ijrah's price and value, among other things, are determined by units of time and (2) Minutes, hours, days, and/or years are the time units mentioned in paragraph 1. In addition, in article 272 stated material (1) The start of the ijarah time is specified in the agreement or based on custom (2) The ijarah time can be changed in light of the arrangement of the gatherings. While in article 273 stated: Abundance time in ijarah made by the occupant should be paid in view of understanding or custom (Julita & Hasibuan, 2022; Mawaddah et al., 2023).

**CONCLUSION**

The concept of ijarah has existed since the time of the apostle of Allah, namely with the wage system given by the Rasulullah for the services received. The scholars of fiqh differ in opinion about the definition of ijarah but the point is the same and justified in Islamic sharia. In positive law, regulations on ijarah contracts are regulated in many places such as KHES, Fatwa MUI and Bank Indonesia. For its application in the industry, there are 2 main products, namely Ijarah Muntahiya Bittamlik (IMBT) and Ijarah Maushufah Fi Al Dzimmah (IMDF).

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