DEVELOPMENT OF THOUGHTS ON FINANCING NORMS AND THEIR REALIZATION IN ISLAMIC FINANCIAL PRODUCTS IN ISLAMIC FINANCIAL INSTITUTIONS

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ABSTRACT
Financing carried out with contracts that are in accordance with the Shari’ah in modern times has now become part of the tradition of Muslims at the time of the apostle. Since the time of the Prophet Muhammad. Practices such as accepting deposited assets, lending money for consumption and business purposes, as well as making money transfers, have been common since the time of the Prophet Muhammad. This study aims to develop ideas about financing norms and their embodiment in Islamic financial products in Islamic financial institutions. The research method used in this research is normative juridical with a statute approach or a norm/law approach. The technique used to collect the data is through literature/library studies. In this type of research is historical research. The result of the research is that there is a change in thinking about the existing financing in Islamic financial institutions, especially in Indonesia, including financing in the profit sharing principle, financing in the lease principle, financing in the sale and purchase principle, and financing for complementary equipment. These 4 financings are the flagship products of Islamic financial institutions in Indonesia.

Keywords: Financing, Norms, Islamic Financial Institutions

INTRODUCTION
Economic activities that exist in the community of each country aim to improve the welfare of the community, which of course will also have an impact on the welfare of the state. When talking about economic problems, inevitably the smooth process is greatly influenced by the existence of financial institutions as institutions that participate in facilitating economic activities. One of the current financial institutions whose development is showing rapid progress is an Islamic financial institution in the form of baitul maal which is now completely called baitul maal wat tamwil. The development of fund-raising since the time of the Prophet was only limited to collection and zakat, infiq, alms, and waqf (ZISWAF), jizyah, fai' and so on. It happened when prophet is at in Medina was the center of Islamic civilization at that time. The collection/raising of funds was carried out at the mosque as the forerunner of the birth Baitul mall. After the death of the Prophet, Abu Bakr as the first Caliph to continue the Baitul Maal, even Abu Bakr's family was managed by the wealth of the Baitul Maal. And for the next Baitul Maal was developed by Umar bin Khattab whose role was to manage state finances for the benefit of society in general.

¹Agus Marimin, Baitul Maal as an Islamic Financial Institution in Streamlining Economic Activities, STIE Ass Journal, 39
²Ahmad Munir Hamid, The Role of Baitul Mal in Public Finance Policy. ADILLA: Journal of Islamic Economics Vol. 1 No. January 1 2018
The birth of Islamic financial institutions in Indonesia was officially marked by the establishment of Bank Muamalat Indonesia (BMI) in 1991. The establishment of BMI, and along with the increasing public awareness of sharia-based financial services, motivated the birth of other sharia financial institutions. For example, in early 1994, a sharia insurance company was established called Syarikat Takaful Indonesia. The company was founded by ICMI, Abdi Bangsa Foundation, Bank Muamalat Indonesia, Tugu Mandiro Life Insurance and several Muslim entrepreneurs and the Government through the Ministry of Finance. In 1997, PT Danareksa Investment (DIM) launched a sharia mutual fund which was the first sharia capital market product in Indonesia. In 1998, the dual banking system was implemented with the amendment of the Banking Law no. 7 of 1992 with Law No. 10 of 1998. This banking system allows conventional banks to operate based on sharia principles by opening a Sharia Business Unit (UUS) thereby accelerating the growth of sharia banking.

In addition, in 2000, the Jakarta Stock Exchange, together with PT. Danareksa Investment Management (DIM), launched the Jakarta Islamic Index (JII) which consists of blue chip stocks that have sharia compliance. The issuance of Corporate Sukuk is another major achievement in the Islamic finance industry in Indonesia. This happened when Indosat (a telecommunications company) issued its first Sukuk (based on Mudharabah) in 2002. This step was followed by another corporation, namely Matahari Putra Prima, which issued the Sukuk Ijarah in 2004. An important contribution of the government was realized in 2008 when the House of Representatives The people issued the State Sukuk Law no. 19 of 2008 and the Sharia Banking Law No. 21 of 2008. The first State Sukuk was issued in 2008 followed by the world's first Retail Sukuk in 2009.

RESEARCH METHOD

The research method used in this research is normative juridical with a statute approach or a norm/law approach. The technique used to collect the data is through literature/library studies. In this type of research is historical research. Historical research is research that understands past events, the data collected is the result of observations of others, such as past documents. (statutory regulations and DSN-MUI fatwas). The data processing technique used is qualitative data analysis. This paper examines the norms of fundraising, both through the development of laws and the fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). In this study, it provides a limitation that is only in the realm of Islamic banking, it is not included in non-bank LKS.

RESULT AND DISCUSSION

A. Development of Islamic Financial Institution Thought

Economic activity in each generation has a difference in responding to the cases that existed at that time. It depends on who is in charge, because the leader will have an effect on economic activities in the community.

In Indonesia, economic activities, whether carried out by individuals or by the state, must be in the form of a legal entity. Of course, such thinking is considering because

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3 Mul Irawan, Politics of Sharia Economic Law in the Development of Islamic Financial Institutions in Indonesia, Vol 25, No 1 2018
4 Masterpaln Islamic Finance Architecture in Indonesia, 2015
5 ibid
6 Suwandi Arham and Ahmad Saleh, Omnibus Law in the Perspective of Indonesian Law, Vol 7, No October, 2019.
7 Beni Ahmad Saebani, Legal Research Methods, (Bandung: Setia Pustaka, 2009), 56
Indonesia is a legal state, everything must refer to the regulations in force at that time. If it is related to the economy or public finance, it must be in the form of a financial institution as stipulated in the Decree of the Minister of Finance of the Republic of Indonesia NO. KEP-792/MK/IV/12/1970 concerning Financial Institutions. The regulation discusses financial institutions in general, while in Islamic financial institutions the principles of sharia are sharia. In Indonesia, Islamic Financial Institutions (LKS) can be found with various kinds of institutions, in the form of banking and non-banking. LKS in the form of banking, namely Islamic banking, both Islamic Commercial Banks (BUS) and Sharia Business Units (UUS). Meanwhile, non-banking LKS in the form of BMT, Sharia Capital Market, Sharia Mutual Funds, Sharia Bonds. So what are the differences in the thinking of financial institutions at the time of the Prophet until now?

B. Thoughts of Financial Institutions during the Prophet’s Period

Financing carried out with contracts that are in accordance with the Shari‘ah in modern times has now become part of the tradition of Muslims at the time of the apostle. Since the time of the Prophet Muhammad, practices such as accepting deposited property, lending money for consumption and business purposes, and making money transfers, have been common since the time of the Prophet Muhammad. Thus, the main functions of modern banking, namely collecting funds, channeling funds, and transferring funds have become an inseparable part of the lives of Muslims, even since the time of the Prophet Muhammad. At the time of the Prophet (PBUH), there are also financial institutions and institutions that take care of the interests of the community, namely Baitul Maal and Wilayatul Hisbah.

This institution manages state revenues and expenditures sourced from zakat, kharaj, jizyah, fai‘i, ghanimah, kaffarat, waqf for the benefit of the people. All property belongs to all Muslims and does not belong to any of them, then the property belongs to Baitul Mal. What is carried out by the apostle is a process of receiving revenue (revenue collection) and expenditure (expenditure) in a transparent and purposeful manner as is now known as welfare oriented. This was something new, considering that taxes and levies from other societies were collected by the rulers and only for the kings. The rulers around the Arabian Peninsula such as Rome and Persia drew tribute from the people and divided it for the kings and the interests of the kingdom. Meanwhile, the Baitul Maal mechanism was not only for the benefit of Muslims, but also to protect the interests of the dhimmis and infidels that existed at that time.

The second is that Wilayatul Hisbah is a government controlling institution. At the time of the prophet, the function of this control institution was held directly by him. The concept of this control institution is a new phenomenon for Arab society, considering that time. The kingdom has almost absolutely no controlling body. The Prophet played a direct role as a counterweight to muamalat activities, both economic, political and social. The Prophet always reprimanded and even outright prohibited business practices that undermined prices and oppressed. The prohibition of usury, monopoly, and hoarding of goods and the like is clear evidence that there are institutions that control business activities.

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8Eid, B., History of the Development of Sharia Financial Institutions, Journal of IAIN Bengkulu, 6
9Dedi Junaedi and Faisal
10Nur Rahmah and Mudai Idris, The Golden Age of Islamic Finance (Historical Perspective), Journal of Sharia Business Economics (2019) 2 (1), 1 -21,
11Muhammad, Sharia Banking Management, H. 123.
The existence of Baitul Mal was increasingly established during the Caliph Umar bin Khattab, the administrative system was orderly and it increased the basis for collecting zakat funds and other sources of revenue. The Caliph has full power over financial management in Baitul Mal and is not allowed to use Baitul Mal's assets for personal gain. So that the annual allowance of the Caliph is 5,000 dirhams, two sets of clothes usually used in the summer, two sets of clothes in winter and one animal to ride on to go on pilgrimage. Baitul Mal is considered the property of the Muslims while the amil only serves as a trustee. At the time of Umar bin Khattab the role of Biatul Maal was still the same at the time of Baitul Maal during the Prophet's time.12

Henceforth Baitul Maal was continued by the next caliphs, namely Uthman and Ali. Even today Baitul Maal in Indonesia its existence can be proven by the development of BMT which is experiencing development. If you look at the description above between the time of the Prophet and the time of the Companions, there are differences in implementing sharia-based financial activities. At the time of the Prophet Muhammad was only in Medina because indeed at that time Medina became the beginning of the development of Islam and in his thoughts it was not as extensive as the thoughts of the friend of Umar bin Khattab who had expanded the network of the Islamic economic system through Baitul Maal. This means that there are developments in the aspect of financial institutions between the time of the Prophet and the time of the Companions.

C. Thoughts on Financial Institutions in Indonesia

The idea of establishing an Islamic bank in Indonesia has actually been around since the mid-1970s. This was discussed at a national seminar on Indonesia-Middle East Relations in 1974 and in 1976 at an international seminar organized by the Institute for the Study of Social Sciences (LSIK) and the Bhineka Tunggal Ika Foundation. However, there are several reasons that hinder the realization of this idea:

1. Operations of Islamic banks that apply the profit-sharing principle have not been regulated, and therefore, are not in line with the applicable Basic Banking Law, namely Law No. 14/1967.

2. The concept of Islamic banking from a political perspective has an ideological connotation, is part of or is related to the concept of an Islamic state, and is therefore not desired by the government.

3. It is still questionable who is willing to invest in such a venture, while the establishment of new banks from the Middle East is still being prevented, including restrictions on foreign banks wishing to open their offices in Indonesia.

Finally, the idea of Islamic banks emerged again in 1988, when the government issued the October Policy Package (Pakto) which contained the liberalization of the banking industry. The scholars at that time tried to establish an interest-free bank, but there was not a single legal instrument that could be referred to, except that banks could charge an interest rate of 0%. After the recommendation from the ulama workshop on bank and banking interest in Cisarua, Bogor on 19-22 August 1990, which was then discussed in more detail at the IV National Conference of the Indonesian Ulema Council (MUI) which took place at the Sahid Jaya Hotel, Jakarta, 22 -25 August 1990, a working group was formed to establish Islamic banks in Indonesia.13

12 Nur Rahmah and Mudai Idris, The Golden Age of Islamic Finance (Historical Perspective),
Bank Muamalat Indonesia is the first Islamic bank in Indonesia which was born before the enactment of Law Number 7 1992 which allows the establishment of banks that fully carry out activities based on sharia principles.\textsuperscript{14} BMI was born as a result of the work of the MUI Banking team mentioned above. The deed of establishment of PT Bank Muamalat Indonesia was signed on November 1, 1991. At the time of this deed of establishment, a commitment to purchase shares of Rp. 84 billion. On November 3, 1991, during the President's gathering at the Bogor Palace, the total commitment of the initial paid-up capital was Rp. 106,126,382,000.\textsuperscript{14} The funds came from the president and vice president, ten ministers of Development Cabinet V, as well as the Pancasila Muslim Amal Bakti Foundation, Dakab Foundation, Supersemar, Dharmais, Purna Bhakti Pertiwi, PT PAL, and PT Pindad. Furthermore, the Development Da'wah Fund Foundation was designated as the foundation supporting Islamic banks. With the initial capital collected, on May 1, 1992, Bank Muamalat Indonesia (BMI) began operating.

D. Thoughts on Financing Financial Institutions in Indonesia

The basic concept that underlies the emergence of economic products in Islamic sharia financial institutions (banks and non-banks) must always be based on sharia sources and norms contained in Islamic teachings. Sources and norms must apply to all types of transactions by LKS and be applied to financial products issued by Islamic financial institutions along with the implementation mechanism. The sources and norms contained in Islamic financial institutions must of course be in line with the sources and norms contained in the Islamic economic system.\textsuperscript{15} The term norm comes from the word norm (B), which means "standard" or "benchmark" or guideline. The term norm (I) comes from the Latin nomos which means "value". Then the term "value" was narrowed down to "legal norms". Norms have two meanings, namely, first, regulations or provisions that bind all members of society; both rules are standard; size (to define something).\textsuperscript{16}

In Indonesian society, apart from being known as debts, the term credit is also known in conventional banking and the term financing in sharia banking. Debts are usually used by the community in the context of providing loans to other parties. A person who lends his property to another person can be said to have given him a debt. The term credit or financing is mostly used by the public in banking transactions and purchases that are not paid for in cash. Essentially, debt and credit or financing are not much different in their meaning in society.\textsuperscript{17}

Financing is always related to business activities. For this reason, before entering into the problem of understanding financing, it is necessary to know what business is. Business is an activity that leads to an increase in added value through the process of delivering services, trading or processing goods (production). In other words, business is an activity in the form of developing economic activities in the fields of services, trade, and industry in order to optimize the value of profits. Financing is funding provided by a party to

\textsuperscript{14} Sutan Remy Syahdeini. 2014. Islamic Banking: Products and Legal Aspects, Jakarta : Kencana. , 97
\textsuperscript{16} Wagiman, Values, Principles, Norms, and Legal Facts: Efforts to Explain and Clarify His Understanding, Journal Philosophy of Law Vo. 1 No.1 2016. 60
\textsuperscript{17} Rahmat Ilyas, The Concept of Financing in Sharia Banking, Research Journal, Vol. 9, No. 1, February 2015 , 185
another party to support planned investments, either by themselves or by institutions. In other words, financing is funding issued to support planned investments.  

1. Funding with the principle of profit sharing

This type of financing, if it refers to the agreement of the scholars, is one of the most important forms of financing in banking sharia. This financing can be mudharabah and musyarakah. Financing in Islamic banking is based on one principle where there is no the share of profits that can be enjoyed by certain parties if the related to not taking part in bearing a risk that might happen. Profit sharing financing in sharia can be done in form:

a. Musharaka Financing

This financing is a cooperation agreement between two or more parties to conduct a business in which each party contributes resources, both tangible and intangible. Musyarakah financing is a cooperation agreement between owners of funds to combine capital, through joint ventures and joint management in a partnership relationship. Profit sharing is determined according to the agreement (usually determined based on the amount of capital given and the participation of each party). The DSN MUI fatwa, in relation to financing, defines al-syirkat with, "financing based on a cooperation agreement between two parties" or more for a particular business which each party provides contribution of funds on the condition that the profits and risks will be shared responsibility in accordance with the agreement. Based on the above understanding, it can be concluded that al-syirkat is a transaction of two or more people, this transaction includes collection of funds and use of capital. Advantages and disadvantages in shared responsibility in accordance with the agreement. However, capital is not always in the form of money but can take other forms. But there are several versions in the Qur'an and also some information from the Prophet Muhammad, his companions and scholars who declare the validity of musharaka to be carried out in the business world becomes a term that is defined as the mixing of one of the types of property with other assets so that it cannot be distinguished between both of them. In the type of financing that uses a musharaka agreement, there are several things that must be known by the parties, for example, others are only allowed to join a certain job when There has been agreement from all parties involved. Besides, the owner capital is considered to have stopped the musharakah cooperation if he resigns themselves, become incapable of the law and die. However, the owner capital can divert the question to another person or position replaced by someone else. Musyarakah financing can be provided in the form of cash, cash equivalents, or non-cash assets, including intangible assets such as licenses or rights patent. In general, the purpose of financing is divided into two groups large, namely the purpose of financing for the macro level and the purpose of financing for the micro level. On a macro level, financing aims to:

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19 Khotibul Umam, Sharia Banking (Jakarta: Raja Grafindo, 2016)
1) Economic improvement of the people. This is intended so that people who do not have not had economic access, can do so so that able to improve their economic status.

2) Availability of funds for business improvement. The funds are used for business development obtained from carrying out activities financing.

3) Increase productivity. The existence of financing products can provide opportunities for the community to be able to increase competitiveness production. Because, production efforts will be very difficult to run if not supported by the availability of funds.

4) Open new job opportunities. The addition of financing funds has great opportunity to absorb labor. And this is usually in line by opening or adding new jobs.

b) Mudharabah Financing

*Mudharabah* comes from the word *dharb* which means hitting or hitting walk. Hitting or walking in this case is interpreted as a process while hitting or stepping foot in running a business to achieve profit. *Mudharabah* financing is a cooperation agreement between two parties, where the first party provides all the capital (*shahibul maal*) and the other party becomes the capital manager (*mudharib*). The profits obtained from the results of this collaboration are then divided according to the agreement contained in the contract but the entire loss will be borne by the owner of the capital as long as the loss that occurs is not due to *mudharib*’s negligence. If there is a loss, then the owner of the capital will suffer the loss of some or perhaps all of their capital while the *mudharib* will suffer a loss in terms of sacrifice energy, thought, time, self-esteem and so on. However, if the loss occurs due to negligence or fraud by the *mudharib*, then he must be responsible for the loss.

If you look at the form of transactions carried out by the owners of capital, with workers, the fiqh scholars divide the *mudharabah contract* into two forms, namely:

1) *Mudharabah Mutlaqah*

*Mudharabah mutlaqah*, namely unconditional surrender of capital. Entrepreneurs or *mudharib* have the freedom to manage capital according to what they had planned. In the world of banking, technical *Mudharabah mutlaqah* is a form of cooperation between banks and customers who have the expertise or skills to manage a productive and lawful business. The result of the use advantage funds, will be shared together based on a ratio or agreement that have agreed i.

2) *Mudharabah Muqayyadah*

*Mudharabah muqayyadah*, namely the delivery of capital with the following conditions: certain conditions. In the contract, for example, it has been stated that the capital which is only used for the business that has been determined.

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21 Any Widayatsari, Wadiah and Mudharabah Contracts in Islamic Bank Third Party Funds, Wadiah and Mudharabah Agreements in Islamic Bank Third Party Funds. (2013). Economics: Journal of Economic and Islamic Law, 3(1)

22 Sufyan, Institutional Financing Products, Vol. 6, No. 2, September 2020

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Businessman or the customer is required to follow the conditions that have been determined by the owner of the capital. Apart from the conditions that have been set then the Shahibul Maal funds are not allowed to be used. In banking technical terms, mudharabah muqayyadah is a form of cooperation agreement between Shahibul Maal and a bank. Capital that received, managed by the bank to be invested in projects that has been determined by Shahibul Maal. Profit sharing carried out according to a mutually agreed ratio, between the parties involved in the collaboration.  

2. **Financing with the principle of Lease (Ijarah)**
   
   Ijarah can be understood as the right to use all at once take advantage of goods or services that are carried out by paying compensation to the owner of the goods or services. In financing In this ijarah, the financing that occurs is a usufructuary or benefit (not ownership) from the owner of the goods or services to the lessee. 

   According to Sayyid Sabiq in Sunnah Fiqh, al ijarah comes from the word al-ajru (wages) which means al-iwadh (replace/compensate). According to understanding Syara' ijarah means a contract for the transfer of usufructuary rights of goods or services that are followed by payment of wages or rental fees without being accompanied by transfer of property.  

   Hanafiyyah scholars argue that ijarah is a contract or a benefit with a replacement. While the Shafi'iyyah scholars argue that ijarah is a contract for a benefit that contains a specific purpose and permissible, as well as accepting a substitute or permissibility with a certain substitute. The Maliki and Hanabilah scholars state that ijarah is make possession of a permissible benefit within a certain time with replacement.

   There are two types of ijarah in Islamic law:
   a. Ijarah related to the rental of services, namely hiring services someone with a certain salary in exchange for services hired.
   b. Ijarah relating to the lease of assets or property, namely: transfer the usufructuary rights to a certain asset to another person in exchange for a rental fee a.  

   In the ijarah system, the rental payment method can be done by: two methods, namely, first, ijarah with the rental payment method based on the performance of goods and secondly, with a method not based on rental goods performance.

3. **Financing with the principle of buying and selling**
   
   Financing with the principle of buying and selling can be done in various ways forms such as murabaha financing, istishna financing or financing regards. The difference between these three financings can be seen from the form of payment carried out and also the time of delivery to the customer. In principle buying and selling financing there is a transfer of ownership of goods or objects to the new owner. This form of

25 ibid  
28 Ibid  
buying and selling financing has its own advantages. Each and the customer can choose one of the most suitable forms or the most profitable. 

a. **Murabaha** financing

*Murabaha* is one of the forms of banking transactions. Technically, banks buy goods and then resell them to customers. The mechanism is carried out in installments with notifying the amount of profit taken by the bank. In transactions of this kind, the bank must openly notify customer related to the profit margin that will be taken. In addition, the selling price and term of payment must be stated and written in the sale and purchase agreement. It was agreed that between the two of them should not change during the time period the sale and purchase agreement. In a transaction like this it is justified charge indirect costs to customers if the intended does not add value to the goods or the costs are not related to useful things according to the Shari’ah. In terms of submission goods, the goods purchased by the customer in installments must be submitted after the contract is made so that it can be used or customer operated.

b. **Istisna** financing

*Istishna* financing can be defined as a sale and purchase contract in form of orders for the manufacture of certain goods and with requirements agreed upon between the orderer or the buyer and the maker or seller. In Islamic banks, this financing scheme is generally applied to manufacturing and construction financing. In its implementation, *istihsna financing* can be done through two ways: various ways, namely the producer is determined by the bank, or the manufacturer is determined by the customer. Execution of one of the two methods must be determined in advance in the contract, based on both side agreement.

c. Financing greetings

Salam financing is a form of buying and selling transactions against a company goods where the goods being traded do not yet exist. Therefore, the goods being traded are delivered in a tough manner, while payments are made directly/cash. Banks act as the buyer, while the customer as the seller. In transaction regards financing, price, quality, quantity, and delivery time goods must be determined in advance with certainty. In practice, when the goods have been handed over to the bank, the bank will sell it back to the customer partner or to the customer himself. The selling price to be determined by the party bank is the bank’s purchase price from the customer which is then added with profit. This type of financing is done in cash but item purchased does not exist. In this case the purchased item will be submitted by the seller at a future time in accordance with both side agreement. In this transaction, the buyer is the bank while the customer is considered a seller. In This greeting transaction must clearly and explicitly state the specifications goods purchased, delivery and so on so that it is different from buying and selling bonds.

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32 ibid
34 Ibid
4. Complementary Equipment Financing
Financing with complementary contracts is a contract that belongs to as tabarru' contracts. That is, this type of contract or agreement not purely in the form of business transactions seeking profit alone, but this contract is done on the basis of helping in doing good.\textsuperscript{35} The tabarru' contract is usually applied in the form of:

a. \textit{Rahn} (pawning) is an act done by the customer to the bank with the aim of providing certainty of repayment to the parties bank for its financing. Pawn goods as safe referred to, must be owned by the customer himself with the same size and nature clear. Furthermore, the mortgaged goods will be controlled by the bank, but the bank is not allowed to take advantage of the goods the.

b. \textit{Qard} (loan) is a loan of money given by a third party Islamic banking to its customers \textsuperscript{36}. Another definition is owe property to others without expecting anything in return, to be returned by replacing the same and can be billed or requested back at any time by the debtor. \textsuperscript{41}

c. \textit{Wakalah} is an act of granting a mandate or power to another party to perform a job or service. In this case, The customer can authorize one or more banks if: deemed appropriate and possible.\textsuperscript{37}

d. \textit{Kafalah} (warranty) is a guarantee given by the parties guarantor to third parties to fulfill the obligations of the parties the second or the borne party. Kafalah (bank guarantee), can given with the aim of guaranteeing the payment of an obligation payment.

e. Hiwalah, namely the transfer of the obligation to pay a certain amount of debt receivables from people who are in debt (\textit{al Muhil}) to people who other debt (\textit{al muhtal alaih}).

5. Service Products
a. \textit{Ijarah} (Rent)
   In Islamic banking, one form of service product that is classified as as \textit{ijarah} is the rental of a safe box that can be used by customers to store valuables.

b. \textit{Sharf} (Foreign Exchange Trading)
   \textit{Sharf} is a sharia banking service product in the form of selling buy foreign exchange. This service is, of course, only available at banks that has been classified as a foreign exchange bank.

CONCLUSION
In financial institutions, the Qur'an provides basic rules, so that economic transactions in these financial institutions do not violate norms/ethics. Furthermore, economic and financial transactions are more oriented towards justice and the welfare of the people. During the time of the Prophet Muhammad SAW, practical activities such as accepting deposited assets, lending money for consumption and business purposes, as well as sending money, were common. The financial institutions that existed at the time of the Prophet were Baitul Maal and Wilayatul Hisbah. Rasulullah SAW was a person who highly respected the values

\textsuperscript{35} Ibid
\textsuperscript{36} Muhammad Turmudi, Troubled Financing Settlement Management
In Islamic Banking Institutions, Journal of Islamic Economics and Business Studies, Volume I, Number 1, June 2016.
\textsuperscript{37} Ibid
of the Qur'an in running his business (commercial activities). Then when the Prophet died, financial institutions were continued during the time of Khulafaur Rashidin. In practice it is still like the tradition carried out by the Prophet, but at this time, it is growing very rapidly. Furthermore, after the Khulafaur Rasyidin era ended, it was continued during the dynasty, namely the Umayyad dynasty and the Abbasid dynasty. During this dynasty, the function of financial institutions was almost the same as in previous eras, but at this time there was a change in economic patterns. After the dynasty's civilization ended, it continued in modern times, this modern financial institution leads to a financial system that is free of usury, where at that time the colonizers had introduced the usury system because this was in line with the disappearance of Baitul Maal in the state treasures.

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