

The Paradigm of the *Musharakah Mutanaqishah* Contract: Between Theory and Practice

Abstract

Syafiul Umam,¹ Zakiyyah
Ilma Ahmad,² Muhammad
Syafi'i Budi Santoso,³ Ahmad
Zainul Abidin⁴

^{1,2,3} Sekolah Tinggi Ilmu
Ekonomi Syariah Babussalam
Jombang, Indonesia
email:
umamsyafi@gmail.com,¹
zakiyyahilmaahmad@gmail.com,²
muhammad.syafii.b.s@gmail.com,³

⁴ Universitas Islam Negeri
Sunan Ampel Surabaya,
Indonesia
email:
abiedaladdin@gmail.com⁴

Background. The *Musyarakah Mutanaqishah* (MMQ) contracts have become one of the leading products in the global Islamic Banking industry, especially for financing long-term assets such as property, vehicles, and as a refinancing scheme.

Aim. Its partnership-based concept is considered to better represent the principles of fairness and risk-sharing than debt-based contracts. However, in its implementation, various challenges and debates have arisen regarding the compatibility of the theoretical framework in Islamic jurisprudence with practices in Islamic financial institutions (IFIs).

Methods. This qualitative research aims to examine the theoretical paradigm of the MMQ contract, analyze its practical application in Indonesian Islamic Banking, and identify potential gaps between the two. Using a literature review and field study approach through document analysis and in-depth interviews with practitioners, this study found that while conceptually MMQ offers a true partnership scheme, its practice often exhibits tendencies closer to lease-based (*ijarah*) or debt-based (*murabahah*) financing models.

Results. Gap This seen the more clear in application refinancing scheme, the structure of which can cause debate jurisprudence related ban on *bai' al-'inah*. Gaps This identified in aspects ownership assets, mechanisms distribution risks and benefits, as well as structure contract dual (hybrid contract). Implications touch aspect sharia compliance, protection consumers, and challenges regulation. Research This recommend the need strengthening framework regulation, innovation more products substantial, as well as improvement literacy for practitioners and clients for ensure MMQ implementation in line with *maqashid sharia*.

Keywords: *Musyarakah Mutanaqishah*, Sharia Banking, Muamalah Fiqh, Sharia Refinancing, Hybrid Contracts, Sharia Compliance

INTRODUCTION

Development industry global Islamic finance in two decades final show trend significant growth, driven by increasing request to products and services appropriate finances with principles of Islam.¹ Among them diverse products offered, MMQ contracts, or diminished partnership in a way gradually, appearing as alternative promising innovation, especially in sector financing asset term long.² MMQ offers scheme financing ownership house (Sharia mortgage), vehicle, assets productive for business, until facility financing repeat or *refinancing* for customers who have own asset in a way paid off with runway different philosophies fundamentally from loan interest-based loan system conventional.³

¹ Islamic Financial Services Board, *Islamic Financial Services Industry Stability Report 2023* (Kuala Lumpur: IFSB, 2023), 15.

² Muhammad Taqi Usmani, *An Introduction to Islamic Finance* (Karachi: Maktaba Ma'arifur Qur'an, 1998), 113.

³ Ascarya, *Islamic Banking Contracts & Products* (Jakarta: Rajawali Pers, 2011), 205.



MMQ concept is based on the principle *syirkah* (partnership), where the Islamic Bank and the customer together own something assets. Portion ownership customers in a way gradually will increase along with purchase portion Bank ownership in general periodically, until finally asset the fully become owned by customers.⁴ During period partnership, customers who occupy or utilise asset the will pay rent (*ujrah*) to the appropriate Bank with portion Bank ownership that is still remaining.⁵ This scheme in a way theoretical considered fairer because reflect spirit work equal (*ta'awun*), division risk (risk sharing), and avoid element forbidden usury.⁶

MMQ popularity and massive application in Lembaga Keuangan Islam (LKS) has emerged discourse critical about harmony between idealism theoretical with reality in practice. Implementation of MMQ in the field often cause complex issues and problems. One of them issue main is his status as contract mixture or *hybrid contract* (*al-'uqud al-murakkabah*), which combines element *syirkah* (partnership), *ijarah* (rent), and *bai'* (sale) buy in One series transactions.⁷ Challenge sharia compliance becomes more sharp in application refinancing, where the transaction buy and sell asset between customers and Banks can risky resemble *bai' al-'inah* (buying and selling) back), a practices that are prohibited by the majority of scholars because considered as engineering (*hilah*) for transaction loan flowering.⁸

In addition, the problematic sharia compliance becomes highlight main. Many critics stated that MMQ practices in several LKS tend to engineered such appearance so that the result resemble financing conventional, where the portion rent determined in advance and in nature remains, so that profile risk and return become similar with fixed interest.⁹ This is blur essence distribution the risks that should be become soul from contract partnership. Aspects laws and regulations also become challenges, where the framework law positive and regulatory from authority like The Otoritas Jasa Keuangan (OJK) must capable accommodate uniqueness MMQ contract, especially related ownership together on assets and mechanisms the diversion.¹⁰ Therefore, research deep about paradigm MMQ agreement, which compares in a way critical between runway theoretical and manifestation in practice, it becomes very important and relevant.¹¹

LITERATURE REVIEW

The root of *Musyarakah Mutanaqishah* is draft *partnership* (or *musyarakah*), which is etymological means mixing (*al-ikhtilath*).¹² Partnership in terminology jurisprudence transactions defined as cooperative contract between two parties or more for something business certain, where each party give financial contribution or expertise (or both), with agreement that advantages and disadvantages will covered together in accordance with agreement.¹³ Foundation juridical there is in the al-Qur'an, as-Sunnah, and *Ijma'* of the *fuqaha*, which basically encourages equal work for the common welfare.¹⁴

In a way in general, the *fuqaha* divide *partnership* into two categories big: *Syirkah al-Milk* (partnership) and *Syirkah al-'Aqd* (contractual). *Syirkah al-Milk* happen because ownership together on

⁴ Muhammad Ayub, *Understanding Islamic Finance* (West Sussex: John Wiley & Sons, 2007), 331.

⁵ Adiwirman A. Karim, *Islamic Banking: Analysis Fiqh and Finance, Edition Fifth* (Jakarta: Rajawali Pers, 2016), 452.

⁶ Wahbah al-Zuhayli, *Al-Fiqh al-Islami wa Adillatuhu*, Volume 5 (Damascus: Dar al-Fikr, 1985), 834.

⁷ Ali Muhyidin al-Qaradaghi, "Al-' Uqud al-Murakkabah fi al-Fiqh al-Islami," *Majallah Majma' al-Fiqh al-Islami*, Vol. 15, no. 2 (2004), 215.

⁸ Ibn Taymiyyah, *Majmu' al-Fatawa*, Volume 29, (Riyadh: Dar 'Alam al-pole, 1991), 63.

⁹ Habib Ahmed, "Product Development in Islamic Banks: A Critical Look," *International Journal of Islamic Financial Services*, Vol. 2, no. 1 (2000), 9.

¹⁰ Financial Services Authority, OJK Circular Letter No. 36/SEOJK.03/2015 concerning Products and Activities of Islamic Commercial Banks and Islamic Business Units.

¹¹ Ahmad Zainul Abidin & Zakiyyah Ilma Ahmad. Sharia Compliance (Sharia Compliance) Sharia Leasing Products. *Tijaratana : Journal of Islamic Economics and Business* Volume 4 No. 1 2023

¹² Ibn Manzur, *Lisan al-'Arab*, Volume 10 (Beirut: Dar Sader, n.d.), 448.

¹³ Sayyid Sabiq, *Fiqh as-Sunnah*, Volume 3 (Cairo: Dar al-Fath li al-I'lam al-'Arabi, 1999), 255.

¹⁴ See QS. An-Nisa' [4]: 12 and QS. Shad [38]: 24 as argument implicit about ability share.

something asset without existence formal agreement, for example through legacy. Meanwhile that, *Syirkah al-'Aqd* formed through agreement aware between the parties for partner.¹⁵ *Syirkah al-'Aqd* this is what it is base for products financing in LKS, which will then divided Again become a number of types like *syirkah 'inan, mufawadhah, abdan, and wujuh*.¹⁶ MMQ is basically is development contemporary that combines essence from *Syirkah al-Milk* (because existence ownership together on assets) and *Syirkah al-'Aqd* (because existence contract partnership for buy assets and manage them).¹⁷

Musyarakah Mutanaqishah is contract partnership in which the portion ownership of one of the party (LKS) will reduce in a way gradually Because purchased by the party others (customers), until finally all over ownership asset switch to customers The Fatwa of the Dewan Syariah Nasional Majelis Ulama Indonesia (DSN-MUI) Number 73/DSN-MUI/XI/2008 defines¹⁸ *Musyarakah Mutanaqishah* as *musharakah* or *syirkah* where the capital part is one of the partners diverted in a way gradually to partners other.

The main characteristics of MMQ are: First, a combination of contracts. MMQ is a hybrid contract involving at least three contracts: partnership (forming an asset purchase partnership), *ijarah* (leasing part of the LKS ownership to the customer), and *bai'* (selling part of the LKS ownership to the customer in stages).¹⁹ Second, ownership. From the outset, the asset being financed is jointly owned by the LKS and the customer, with clear portions corresponding to each party's capital contribution. This differs from a debt agreement where the lender does not have ownership rights to the asset.²⁰ Third, a gradual transfer of ownership. The transfer of ownership occurs in stages, rather than at the end of the period as in some other schemes. Each payment installment by the customer consists of a rental payment component (*ijarah*) and a capital purchase component (*hishshah*) of the LKS.²¹ Fourth, risk distribution. Ideally, as a partnership contract, all risks arising from asset ownership (e.g., damage to the asset due to negligence of the customer or a decline in market value) should be shared by the LKS and the customer in proportion to their respective ownership portions.²²

The uniqueness of MMQ is important to understand by differentiating it from other similar contracts. The difference with contract *musharakah* normal lies in the nature ownership. In *musyarakah* regular portion ownership of partners generally still during period contract, except There is agreement for increase capital. Meanwhile In MMQ, there are promise (*wa'd*) from customers for buy LKS portion and promise from LKS for sell it, so that ownership nature dynamic and will end with ownership single customers.²³

Temporary that's the difference with *Ijarah Muntahiyah Bittamlik* (IMBT) often more substantial in practice, but very fundamental in theory. In IMBT, LKS buys asset completely (100%) and then rent it out to customer. Ownership new switch to customers at the end of the lease period, either through grant or sale.²⁴ On the other hand, in MMQ, customers is owner part asset since day First. Consequently, in IMBT, LKS is owner single and bear all over risk ownership, whereas in MMQ risk ownership covered together since beginning.²⁵ Difference fundamental this is what often happens become point critical in analysis Sharia compliance in practice in the field

¹⁵ Ibn Qudamah, *Al-Mughni*, Volume 5 (Riyadh: Dar 'Alam al-pole, 1997), 3.

¹⁶ Muhammad Syafi'i Antonio, *Sharia Banking: From Theory to Practice* (Jakarta: Gema Insani Press, 2001), 95.

¹⁷ Karim, *Islamic Bank*, 450.

¹⁸ Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), *Shari'ah Standards* (Manama: AAOIFI, 2017), No. 12 (Shirkah and Modern Corporations).

¹⁹ DSN-MUI Fatwa No. 73/DSN-MUI/XI/2008 concerning *Musyarakah Mutanaqishah*, grain third.

²⁰ Ayub, *Understanding Islamic Finance*, 332.

²¹ Ascarya, *Contracts & Products*, 207.

²² Usmani, *An Introduction*, 115.

²³ Veithzal Rivai and Arviyan Arifin, *Islamic Banking: A Theory, Concept, and Application* (Jakarta: Bumi Aksara, 2010), 781.

²⁴ DSN-MUI Fatwa No. 27/DSN-MUI/III/2002 concerning *Al-Ijarah Al-Muntahiyah bi Al-Tamlik*.

²⁵ Haneef, R. "Comparative Analysis of *Musharakah Mutanaqisah* and *Ijarah Muntahia Bittamleek*," *Journal of Islamic Banking and Finance*, Vol. 32, No. 2, 2015, 45-58.

METHOD

This descriptive qualitative research uses a literature review and field study approach to deeply understand the phenomenon, explore its complexity, and interpret reality. The implementation of the MMQ cannot be measured quantitatively.²⁶ The relationship and differences between the theory and practice of MMQ implementation are analyzed descriptively-analytically to obtain a systematic factual picture.²⁷

The primary data of the study are sourced from in-depth interviews with sharia Banking practitioners responsible for product development, financing analysis, and sharia supervision (manager level), as well as members of the Sharia Supervisory Board in two large sharia Banks in Indonesia; contract documents, such as examples of MMQ financing contract drafts, product brochures, and installment simulation illustrations provided to customers, and; DSN-MUI Fatwa, specifically Fatwa Number 73/DSN-MUI/XI/2008 on *Musyarakah Mutanaqishah*, which is considered the primary source of law in the context of sharia finance in Indonesia.

Data were analyzed descriptively and comparatively, following the Miles and Huberman²⁸ model. Data reduction was performed by summarizing, selecting, and focusing relevant data from interview transcripts, field notes, and documents. Irrelevant data were discarded. Data were presented in descriptive narratives, matrix comparisons, and process flowcharts for ease of understanding. Data were grouped based on key themes (e.g., asset ownership, distribution risk, contract structure).

RESULT

The MMQ paradigm is theoretically built on a solid foundation of *muamalah* jurisprudence, which prioritizes the principles of justice, transparency, and true partnership. Its primary foundation is the permissibility (*javaz*) of *syirkah* contracts, which is reinforced by the jurisprudential rule that states that "basically all forms of transactions are permissible, unless there is evidence that prohibits them" (*al-ashlu fi al-mu'amalat al-ibahah illa ma dalla al-dalilu 'ala tahrimihi*).²⁹ MMQ is seen as a contemporary *ijtihad* to meet the needs of modern society, asset financing will be carried out without falling into usury practices.³⁰

The justice plan at MMQ is realized through three main pillars. First, joint ownership of assets. This must be real (*haqiqi*), not merely a formality. This means that both parties (LKS and customers) are legally and substantively the rightful owners of the assets, which has implications for shared rights and obligations.³¹ Second, the transfer process must be transparent. The LKS-owned portion of the purchase process must be based on a clear agreement on price and timing, separate from the rental contract.³² The DSN-MUI requires that the transfer of rights (*bai'*) over *hishshah* in the contract be conducted separately from the *musharakah* contract itself. Third, the benefits and risks are shared proportionally. The benefits in MMQ are represented by rental income (*ujrah*) from the use of the asset. This rent should ideally be shared between the LKS and the customer according to their ownership portion. However, since the customer utilizes the asset, the customer pays rent on the portion owned by the LKS.³³ On the other hand, risks, especially ownership risks such as asset damage due to force majeure or a decline in market value, should theoretically be borne jointly according to each party's share of capital ownership.³⁴

²⁶ John W. Creswell, *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 4th ed. (Thousand Oaks: SAGE Publications, 2014), 185.

²⁷ Sugiyono, *Research Methods Qualitative* (Bandung: Alfabeta, 2018), 205.

²⁸ Matthew B. Miles and A. Michael Huberman, *Qualitative Data Analysis: An Expanded Sourcebook*, 2nd ed. (Thousand Oaks: SAGE Publications, 1994), 10-12.

²⁹ Al-Suyuti, *Al-Ashbah wa al-Naza'ir*, (Beirut: Dar al-pole al-Ilmiyyah, 1990), 60.

³⁰ Taqi Usmani, *Islamic Finance: A Contemporary Perspective* (London: Palgrave Macmillan, 2020), 98.

³¹ Ayub, *Understanding Islamic Finance*, 334.

³² DSN-MUI Fatwa No. 73/DSN-MUI/XI/2008, point fifth.

³³ Ascarya, *Contracts & Products*, 208.

³⁴ AAOIFI, *Shari'ah Standards*, No. 12.

DISCUSSION

The MMQ implementation scheme in Islamic Banking can be divided into two main models: new asset purchase financing and refinancing financing. The home and productive assets (new purchase) financing scheme is the most common scheme, with six stages (streams). The first stage, the customer applies for financing to buy a house. The second stage, after approval, the Islamic Bank and the customer sign a MMQ contract. The Bank provides funds amounting to, for example, 80% of the house price and the customer provides 20% as a down payment or part of the initial capital. The third stage, the Bank and the customer jointly buy a house from the developer. Legally, the ownership certificate should ideally include the names of both parties to the division, although in practice it is often in the name of the customer with binding rights of responsibility by the Bank.³⁵ The fourth stage, the customer occupies the house and pays monthly installments to the Bank. Installments are divided into a rental payment component (*ujrah*) amounting to 80% of the Bank's ownership, and an installment component for the capital purchase (*hishshah*) owned by the Bank. The fifth stage, as time goes by, the share of customer ownership increases and the share of Bank ownership decreases. *Ujrah* payments will also be reduced proportionally along with the decrease in the Bank's ownership portion. The sixth stage, at the end of the financing period, the entire portion of Bank ownership has been purchased, and the house is 100% owned by the customer.

In the MMQ Home Ownership Loan product offered by one Islamic Bank, the above scheme is implemented with several practical adjustments. The contractual clause states that the wage for the first year is fixed. For subsequent years, contributions can be reviewed based on market indicators. However, one practitioner acknowledged that, "To provide certainty for customers and ease cash flow management, the installment scheme is often equated with conventional floating-rate installments, where interest rate adjustments are communicated periodically."³⁶ This suggests there is a strong appeal towards pricing models based on benchmark interest rates, even though it is referred to as an "*ujrah* review."

The sharia refinancing scheme is an MMQ refinancing application aimed at customers who own assets (e.g., a house that has been paid off) and need cash for consumptive or productive needs. The Sharia Refinancing Scheme in MMQ is implemented through five transaction flows. First, assessment and offer. The customer comes to the Bank with an asset (a house) as the object. The Bank conducts an assessment (appraisal) of the asset's fair market value. Second, Sale of part of the asset to the Bank. The customer sells part of their ownership of the asset to the Bank. For example, if the house is worth IDR 1 billion and the customer needs IDR 700 million in funds, the customer sells 70% of their ownership of the house to the Bank. The Bank then pays IDR 700 million in cash to the customer. Third, Formation of a partnership: After this sale and purchase transaction, a home ownership partnership is formed, with the customer holding 30% and the Bank holding 70%. Fourth, Rent and Buy Back. The customer remains in the house and then pays monthly installments to the Bank. This installment, the same as the purchase scheme, consists of a rental fee (*ujrah*) for 70% of the Bank's ownership, and installments for the gradual buyback of 70% of the Bank's shares. Fifth, end of contract. At the end of the financing period, the customer returns all shares of Bank ownership and asset ownership to 100% of the customer.

This scheme functionally provides cash liquidity to customers, similar to secured loan products at conventional Banks. However, this scheme has sparked heated Sharia debate. The main criticism is that this transaction has the potential to resemble *bai' al-'inah*, where the customer sells an asset to the Bank for cash and then commits to repurchasing it at a higher price (the cash sale price plus the total rental payment). The majority of 'ulemas from the Hanafi, Maliki, and Hanbali schools of thought prohibit *bai' al-'inah* because it essentially constitutes a loan that generates profit (*qardh bi al-ziyadah*), which constitutes *riba* (*usury*). While the Shafi'i school permits it as long as the pillars and conditions of the sale and purchase are met, many modern Sharia Supervisory Boards take a more cautious stance to avoid accusations of legal manipulation (*hilah*).³⁷

³⁵ Interview with Manager Sharia Bank Financing, 15 September 2025.

³⁶ Interview with Sharia Bank Product Analyst, September 18, 2025.

³⁷ Interview with Member of the Sharia Supervisory Board, September 20, 2025.

A comparison between the theoretical framework and practical application reveals a number of significant gaps. The first gap concerns asset ownership and management. In theory, LKS and customers are partners in ownership. However, in practice, customers often view themselves as debtors and Banks as creditors. This perception is reinforced by the fact that all asset maintenance and tax obligations (such as land and building tax) are generally borne entirely by customers.³⁸ According to Islamic jurisprudence (*fiqh*), costs associated with ownership (ownership costs) must be shared proportionally, while costs associated with use (maintenance/usage costs) are not sufficiently borne by the user (customer).³⁹ The practice of charging all costs to customers obscures the Bank's role as a partner in the asset ownership.

The second gap concerns risk and profit/loss sharing. This gap is the most significant. MMQ theory emphasizes risk sharing. If an asset's market value declines (capital loss), the loss should ideally be shared. However, no clauses were found in the analyzed contracts that explicitly regulate the distribution mechanism for this capital loss. Practitioners assert that Banks are almost never willing to bear the risk of asset price declines.⁴⁰ The practice tends to resemble interest-based financing in terms of profit (*ujrah*). The initial fixed price, or the determination of a benchmark rate (highly correlated with Bank Indonesia's interest rate), makes Bank income predictable and insulated from the actual performance of the leased asset. A fair *ujrah* should reflect a fair market rental price (*ujratul mitsl*), which can fluctuate.⁴¹ The predominance of fixed or predictable installments makes MMQ, in the IMBT or even *Murabahah* contract approach, almost resemble an installment plan, rather than a true partnership.⁴²

The third gap concerns the legal-formal aspect (contracts and regulations). The dual contract structure in MMQ should theoretically be executed with a clear separation between the partnership, *ijarah*, and *bai'* contracts. However, in practice, the three are often combined in one master document or made interconnected and inseparable (a conditional contract). There are concerns that this combination of practices could lead to the prohibition of *shafqatain fi shafqah* (two transactions in one).⁴³ This gap becomes even more pronounced in refinancing schemes. A series of "sell" transactions to the Bank, then "rent" from the Bank, and then "buy" with a return from the Bank, all occurring within a short period of time and in a single package, reinforces the argument that the primary objective (*maqashid*) is not partnership property investment, but rather the provision of cash. This tests the boundaries between permissible financial manipulation (such as *tawarruq*) and prohibited manipulation (such as *'inah*).⁴⁴ Regulations from the OJK and fatwas from the DSN-MUI have attempted to provide guidance, but they are often insufficiently detailed to address highly technical operational aspects, leaving room for LKS to interpret them for the sake of business efficiency and unilateral risk mitigation.⁴⁵

The fourth gap, implications and challenges. The gap between theory and practice carries several implications. First, there are implications for Sharia compliance. If the substance of the transaction reflects more of a receivable in return than a partnership, the essential goal of avoiding *riba* (usury) is compromised. In the case of refinancing, the risk increases to accusations of prohibited *'inah* practices. This can damage the integrity and reputation of the Islamic Banking industry in general.⁴⁶ Second, there are legal implications. Ambiguity in ownership and distribution status risks can lead to future disputes, for example in the event of default or asset damage. The main challenges lie in several areas. Customer education and literacy are still low; many customers do not understand the fundamental differences

³⁸ Based on analysis "Obligation" clause Customer "on draft MMQ contracts obtained researcher.

³⁹ Usmani, *An Introduction*, 116.

⁴⁰ Interview with Member of the Sharia Supervisory Board, September 20, 2025.

⁴¹ Karim, *Islamic Bank*, 455.

⁴² El-Gamal, Mahmoud, A. *Islamic Finance: Law, Economics, and Practice* (Cambridge: Cambridge University Press, 2006), 75.

⁴³ Hadith narrated by Abu Dawud, Tirmidhi, and Nasa'i, which prohibits "two sales in One sale".

⁴⁴ Visser, H. *Islamic Finance: Principles and Practice*, (Cheltenham: Edward Elgar Publishing, 2009), 72.

⁴⁵ Rahman, A. "Regulatory Challenges in Implementing Hybrid Contracts in the Indonesian Islamic Banking Sector," *Indonesian Journal of Sharia Economics*, Vol. 9, no. 2, 2022, 145.

⁴⁶ Cihak, M., & Hesse, H. "Islamic Banks and Financial Stability: An Empirical Analysis," *Journal of Financial Services Research*, 2010, 95-113.

between MMQ Sharia Home Ownership Loans and Conventional Sharia Home Ownership Loans, beyond the terminology used.⁴⁷ Substantial product innovation is also a challenge. Islamic Banks are under pressure to compete with conventional Banks, which pushes LKS to create products that "look" different but "feel" the same in terms of installment certainty and risk profile for the Bank.⁴⁸ The breakthrough needed is to develop an MMQ model that truly implements a variable-based index of real rental prices and a fair capital loss risk absorption mechanism.

CONCLUSION

MMQ contract is theoretically an ideal financing design that aligns with Sharia principles, as it is built on the foundations of partnership (*syirkah*), justice ('*adl*), and risk distribution. This paradigm theoretically promises a substantially different alternative to debt- and interest-based financing. However, in Islamic Banking practice in Indonesia, a significant gap has been identified between theory and implementation. MMQ practice demonstrates a strong tendency to replicate conventional financing features to mitigate risk for Banks and provide certainty of installment payments to customers. This gap is even more pronounced in the application of MMQ to refinancing products, where the sale-purchase scheme has the potential to blur the line with the practice of *bai' al-'inah*, which is prohibited by the majority of Islamic scholars. The main gaps are identified in three critical areas. First, ownership. The concept of ownership is often formalized, and the rights and obligations associated with ownership are not distributed proportionally. Second, distribution risk. The principle of distribution risk, which is at the heart of the *syirkah* contract, is rarely implemented, particularly with regard to the risk of asset depreciation. Third, the contract structure. The combination of several contracts into a single, interconnected set of conditions has the potential to blur sharia boundaries, particularly in refinancing schemes. As a result, many MMQ products on the market are substantially similar to IMBT contracts or even debt-based financing schemes, despite formally using the MMQ name and contract.

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⁴⁷ National Survey of Literacy and Inclusion OJK Finance, 2022, shows that understanding public to complex sharia products Still limited.

⁴⁸ Beck, T., Demirgüç-Kunt, A., & Merrouche, O. "Islamic vs. conventional Banking: Business models, efficiency and stability," *Journal of Banking & Finance*, 2013, 433-447.

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