

Analysis of Efforts to Settle Problem Financing in Murabahah Contract at Kospin Bulakamba Sharia Services of Brebes

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Abstract. *This research is about "Analysis of Troubled Financing Settlement Efforts in Murabahah Contracts at the Bulakamba Sharia Service Kospin Brebes" with the problem of what are the procedures for solving problem financing in murabahah contracts at the Bulakamba Sharia Services Kospin Brebes? This research is a descriptive research with a sociological juridical approach. The types of data used are primary data and secondary data by collecting primary data through observation and interviews while collecting secondary data through literature studies and the theory used is the theory of legal certainty and the theory of legal protection.*

Keywords: *Financing; Contract; Murabaha.*

1. Introduction

One type of sharia financing carried out by sharia savings and loan cooperatives is financing with a *murabaha* contract. *Murabahah* contract is a contract of buying and selling goods at the original price with the addition of profits mutually agreed between the recipient of the financing and the party providing the financing, namely the cooperative. In general, the *murabahah* contract has been carried out based on an agreement regarding the price of the goods, the length of payment, the amount of profit earned or accrued by the seller or the amount of installments in terms of payment of the price of goods and profits made in installments.

Sharia savings and loan cooperatives in providing financing to customers will conduct an assessment of the customer's ability to repay financing. The customer's ability to return financing will affect the amount of financing that will

be provided by the financial institution. The higher the level of the customer's ability to repay the financing, the higher the financing that will be provided. And vice versa, the lower the customer's ability to repay the loan, the smaller the financing that will be provided. Assessment of the ability of customers or members of cooperatives to pay off financing leads to the level of trust cooperatives have in their customers.

In fact, the return on financing does not always go smoothly as expected by the parties. There are times when problems occur from customers in returning financing. Problems that generally arise in the return of financing include customers not being able to carry out their obligations to pay off the financing they receive or are often said to be problematic financing. This can be caused by various things such as termination of employment, disruption of business or other causes related to the customer's economic condition. Problems in the obligation to return financing can certainly be detrimental to Islamic savings and loan cooperatives.

If problems arise in financing, financial institutions will make various efforts to rescue customer financing. This is because financial institutions also do not want to take the risk of experiencing losses. Based on this, the financial institution does not directly terminate the financing agreement by selling the collateral which is then calculated with the obligation to pay off the financing that must be paid. However, financial institutions will make efforts so that customers can return to their obligations to pay off the financing they are responsible for. In essence, financial institutions will try to maintain good relations with their customers by making various efforts to resolve problem financing.

Based on Bank Indonesia Regulation Number 13/9/PBI/2011 concerning Amendments to Bank Indonesia Regulation Number 10/PBI/2008 concerning Financing Restructuring for Sharia Banks and Sharia Business Units in the efforts made by banks in order to help customers to complete their obligations, through scheduling Rescheduling is a change in the customer's payment schedule or time period. Then there are reconditioning requirements, namely changes in part or all of the financing requirements without adding to the remaining principal of the customer's obligations that must be paid to the bank. Which includes changes to payment schedules, changes to the number of installments, changes to the time period, changes to ratios in mudharabah or musyarakah financing, changes to

profit sharing projections in mudharabah or musyarakah financing, and/or granting of discounts.¹

Based on these Bank Indonesia regulations, it appears that Bank Indonesia provides several alternative solutions to the problematic financing experienced by Islamic financial institutions. Interestingly, Islamic financial institutions when faced with problematic financing problems have a tendency to do one of them by converting contracts compared to existing alternatives. Like other financial institutions, Kospin Jasa Syariah Bulakamba Brebes also makes various efforts to solve problem financing problems.

Kospin Jasa Syariah Bulakamba Brebes in dealing with the problems of customers who experience financing with problematic *murabahah* contracts, will make efforts to save the problematic financing, one of which is by converting the contract. However, not all customers can convert the contract, only customers who meet certain qualifications set by the Kospin Syariah Bulakamba Brebes Service. This was done bearing in mind that there are several ways that Kospin Jasa Syariah Bulakamba Brebes can choose to resolve the problematic financing.

Qualifications of customers in solving problematic financing are related to the continuity of cooperation between the Bulakamba Brebes Sharia Services Kospin and customers. Customers who are considered to have potential in repayment of financing will maintain their cooperation with the Bulakamba Brebes Sharia Services Kospin, so one of the efforts taken is to provide a conversion option in the event of experiencing financing problems. Vice versa,

Based on the description above, the research in the context of compiling this thesis will discuss further regarding: Analysis of Troubled Financing Settlement Efforts in *Murabahah* Contracts at Kospin Sharia Services Bulakamba Brebes with the problem of what are the procedures for solving problematic financing on *murabahah* contracts at Kospin Syariah Services Bulakamba Brebes?

2. Research Methods

This research approach method used is the method of sociological juridical approach. The sociological juridical approach is an approach to the sociology of law, that is, if the target of the study is law as a dependent variable or what is

¹PBI Number 13/9/PBI/2011 concerning Amendments to Bank Indonesia Regulation PBI/10/18/PBI/2008 Concerning Financing Restructuring for Sharia Banks and Sharia Business Units.

called the study of law and society.² The specification of this research is descriptive analytical namely research that describes a symptom, event, event that is happening now.³

In accordance with the approach method used, namely sociological juridical, this research wishes to discuss empirical facts about the analysis of efforts to resolve problematic financing in *murabahah* contracts at the Bulakamba Sharia Services Boarding School, Brebes. Collecting data through observation, literature study and documentation study. Interview is an activity carried out to obtain information directly by asking questions to respondents.⁴ Literature study is a data collection tool that is carried out through a literature review intended to obtain complete information.⁵ Documentation study, namely the study of documents such as financing agreements in research objects.

3. Results and Discussion

Every financing institution, both bank and non-bank, such as Kospin Jasa Syariah Bulakamba Brebes, cannot be avoided from having problem financing. Non-performing financing is financing that does not pay smoothly until the payment of installments stops altogether. *Murabahah* financing often results in a breach of contract, namely the member does not carry out the obligation to pay/pay off the member's debt on time as agreed in accordance with the due date of payment as stated in the attachment to the Details of Installments for *Murabahah* Financing.

The classification in *murabahah* financing is based on the collectability portfolio criteria and is divided into four types of categories, namely the current category, the non-current category, the doubtful category, and the loss category. Problematic *murabahah* financing falls into three categories, namely the substandard category, the doubtful category, and the loss category.⁶

²Ronny Hanitijo Soemitro. 1988. Legal and Jurimetric Research Methodology, Ghalia Indonesia, Jakarta, p. 34-35.

³Farida Novita Sari and Umar Ma'ruf, "Legal Protection of Assets in the Deed of Marriage Agreement Made by a Notary for Indonesian Citizens Who Are Muslim", Journal of Deeds, Vol. 4 No. 2 June 2017, p. 266

⁴Ronny Hanitijo Soemitro, City Op, p. 39.

⁵Ibid., p. 109.

⁶Bayu Sedy Pratama and Sukarmi, "Regulation and Implementation of the Murabahah Financing System in Islamic Rural Banks", Journal of Deeds, Vol. 4 No. 2 June 2017, p. 138

The procedure for settlement of troubled financing in the *Murabahah* contract at the Bulakamba Sharia Services Kospin Brebes is carried out based on the collectibility of the financing as follows:⁷

1. Current Financing Category (0-30 days)

Regarding financing in the current category, the efforts taken are to monitor the business and provide guidance to members. This is done to maintain the ability of members to make smooth installment payments and even to increase the ability of members to make financing installment payments.

2. Potential Problem Financing Category (31-61 days)

For financing in the potentially problematic category, efforts are made that are not much different from the current financing category, namely by monitoring business activities and providing guidance to members. This is done to find out the problems faced by members in running a business, then solving the problems faced is carried out to minimize the potential for problematic financing.

This is done to provide enthusiasm for members so that their business can be more advanced so as to increase the ability of members to carry out their obligations to make financing installment payments.

3. Substandard Financing Category (61-91 days)

For the category of substandard financing, the efforts taken are to issue a warning letter and the financing section pays visits to members. Such efforts are made to pay attention to members so that they have the attention and willingness to carry out problem solving financing. Such efforts are also to find the best solution or settlement for both parties, namely the Kospin Jasa Syariah Bulakamba Brebes as the financing provider with the members as the recipient of the financing.

Settlement of problematic financing in *Murabahah* contracts is also carried out through financing risk management which includes the following efforts:⁸

1. Minimize risk

⁷Interview with Azka Rosyadi, ST., Head of Kospin Syariah Services Bulakamba Brebes, June 1 2023.

⁸Interview with Satria Anggara, S.Com, Bulakamba Sharia Service Kospin Financing Section, Brebes, June 1, 2023.

Kospin Jasa Syariah Bulakamba Brebes in an effort to minimize the risk of *murabahah* financing by carrying out a financing analysis using the 5C principles (Character, Capacity, Capital, Collateral and Condition). In addition to using the 5C principles of Kospin Syariah Services, Bulakamba Brebes uses the 3R actions (Rescheduling, Reconditioning and Restructuring). This is intended so that the eligibility of prospective members who apply for financing can be known. When assessing the eligibility of members who apply for *murabahah* financing, Kospin Jasa Syariah Bulakamba Brebes places restrictions on submitting requests for member financing.

2. Rescheduling

Rescheduling is a change in the payment schedule of members' obligations or the time period. Rescheduling is a method that is carried out by the Bulakamba Syariah Kospin Jasa Brebes when the members do not have the ability to carry out their obligations in terms of repaying the principal installments or profit sharing in a new schedule that has been mutually agreed upon, namely:

a. Extending the *murabahah* financing period.

In this option, Kospin Jasa Syariah Bulakamba Brebes makes an offer to members who receive *murabahah* financing to extend the financing period so that the installment amount will be reduced or smaller when compared to the initial financing period with a shorter period. This will provide relief for members in making financing installment payments.

b. Extending the term of *murabahah* financing installments. In this option, Kospin Jasa Syariah Bulakamba Brebes makes an offer to members who receive *murabahah* financing to extend the *murabahah* financing installment period so that the installment amount will be larger than the previous installment because the installment payment period is extended while the financing period is fixed. This will provide relief for members regarding payment terms, namely members have a longer period of time in making installment payments but the amount of installments that must be paid is more than the previous installment.

c. Make a combination of timeframe changes, for example from monthly to quarterly. In this option, Kospin Jasa Syariah Bulakamba Brebes makes an offer to members who receive *murabahah* financing to make changes to the term of both the financing period and the installment payment term. In this case the member can give a choice regarding which time period will be changed. Members can make a choice of both time periods according to the member's ability to make financing installment payments.

d. Reconditioning Requirements

Reconditioning is a change in part or all of the financing requirements, including changes in the payment schedule, number of installments, term and/or granting of deductions as long as they do not add to the remaining obligations of members that must be paid to Kospin Jasa Syariah Bulakamba Brebes. This method is carried out in order to carry out changes in the condition of members' financing in implementing projects or business activities with the condition that *murabahah* financing is postponed.

e. Restructuring

Kospin Jasa Syariah Bulakamba Brebes in rescuing troubled *murabahah* financing is carried out through changes to the terms of the financing agreement.

f. Carry out risk control through guaranteed *murabahah* financing

Kospin Jasa Syariah Bulakamba Brebes in carrying out risk control, through the use of guarantees. In this case, the Bulakamba Brebes Sharia Services Kospin requires collateral which can be in the form of a land/building or motorized vehicle certificate to guarantee payment of *murabahah* financing.

g. Share the risk through insurance

Kospin Jasa Syariah Bulakamba Brebes in anticipating the possibility of risk arising, risk sharing is carried out through the use of insurance services. In this case, Kospin Jasa Syariah Bulakamba Brebes insures *murabahah* financing from members. This is intended in the event of a bad financing will get a guarantee from financing insurance.

h. Perform Risk Funding

Kospin Jasa Syariah Bulakamba Brebes in carrying out risk management is also carried out through risk funding. In this case, the Kospin Jasa Syariah Bulakamba Brebes has an alternative through its risk reserves to fund members' financing.

The actions taken by Kospin Jasa Syariah Bulakamba Brebes in handling problematic *murabahah* financing are carried out through the following efforts:

1. Make bills by phone

To streamline billing for financing members of the Kospin Jasa Syariah Bulakamba Brebes, installment billing is done by telephone. Notification by telephone is carried out by providing information that the member's installments are due, late or even in arrears to be paid immediately. Billing by telephone is quite effective because billing can be done at any time, thereby saving time and costs.

2. Direct visits to members with troubled financing

Kospin Jasa Syariah Bulakamba Brebes made direct visits to members' homes. Visits to members' homes are carried out in the case of billing via telephone or warning letters without receiving a response from members. Visits to members' homes are carried out to find out about the causes of delays and arrears in financing.

Through the direct visit referred to by Kospin Jasa Syariah Bulakamba Brebes, they made an offer regarding the efforts that could be made to resolve the problematic financing.

3. Through periodic billing

Periodic billing is one of the efforts made by Kospin Jasa Syariah Bulakamba Brebes to finance members who are experiencing problems. This is to pay attention to members so that they have a business to make payments for the intended financing installments.

4. Issue a Warning Letter

If it is found that there is problematic *murabahah* financing that is already at the level of arrears and efforts to approach it in a family manner do not get good results, the Bulakamba Brebes Sharia Services Kospin issues a Warning Letter (SP) in the form of a verbal or written warning. Warning Letters are given 2 (two) times.

5. Insurance

To anticipate the occurrence of problematic financing, Kospin Jasa Syariah Bulakamba Brebes uses insurance as part of the financing agreement to provide guarantees in the event of problematic financing. For example, in the case of financing the purchase of a motorized vehicle, the said motorized vehicle is insured. This is intended when there are problems in financing, such as a lost vehicle or non-performance financing, the insurance can be claimed to minimize losses and can even return the financing capital that has been issued by the Bulakamba Syariah Kospin Services Brebes.

6. Conduct collateral auctions

The provision of financing by the cooperative is accompanied by the submission of guarantees by prospective members of the financing and binding guarantees

at the time of the financing agreement.⁹Submission of collateral is an effort to provide guarantees for repayment of financing. The auction of collateral is the last step taken by the collectibility of the financing if the various efforts made do not produce results and or the member does not have good faith to carry out his obligations to make financing installment payments. In this regard, the Bulakamba Brebes Sharia Services Kospin made an offer regarding the auction mechanism, namely whether members will conduct the auction themselves or will it be auctioned by the Bulakamba Brebes Sharia Services Kospin whose auction is carried out in the Auction Execution at the State Assets and Auction Service Office (KPKNL) according to the financing agreement.

The proceeds from the auction for collateral are used to make payments for the cost of financing and for the results. If the total proceeds from the auction of collateral items are greater than the principal amount and profit sharing that is the responsibility of the member to be paid, then the remaining proceeds from the auction of collateral items will be returned to the member. However, if the total proceeds from the auction of collateral items are not sufficient to pay for the financing in the form of principal costs and production sharing costs, then it is the responsibility of the member to continue to make payments for the said underpayment.

If the member who receives the *murabahah* financing really does not have the ability anymore and has shown his good faith attitude to carry out his obligations to make payment, but due to other factors, the Bulakamba Syariah Service Board of Brebes will release the member from the obligation to make profit sharing payments.

The Bulakamba Brebes Sharia Services Kospin only imposes the obligation to pay off the principal to members with good intentions. This is implemented by remembering that Kospin Jasa Syariah Bulakamba Brebes implements Islamic principles in its business activities such as guidance in a verse of the Qur'an which obliges us to always help one another.

Based on the description of the problem solving financing procedure for the *murabahah* contract at the Bulakamba Sharia Services Kospin Brebes above, this legal settlement fulfills Satjipto Raharjo's theory of legal protection that basically the settlement of *murabahah* financing is carried out to provide protection to both parties, namely the Bulakamba Syariah Services Kospin Brebes as the financier and the members as the recipient of the financing. On the side of Kospin Syariah Services Bulakamba Brebes is making efforts so that the financing

⁹Muhammad Zaky Mushaffa Lathifah Hanim, "The Role of Notaries in Binding Collateral with Mortgage Rights (Case Study on KSPPS BMT Bahtera, Pekalongan City)", Journal of Deeds Vol. 4. No. 1, March 2017, p. 41

provided to members can run smoothly until the end of the financing period and get profit margins as planned.

This is in line with the theory of preventive legal protection. The form of preventive legal protection is contained in statutory regulations to prevent a violation from occurring and to provide limitations in carrying out obligations.

Legislation as a means of preventive legal protection in relation to the settlement of troubled *murabahah* financing, namely Bank Indonesia Regulation Number: 10/18/Pbi/2008 concerning Restructuring of Financing for Sharia Banks and Sharia Business Units. In the provisions of Articles 1 to 7 it is stated that: financing restructuring is an effort made by the Bank in order to help customers to complete their obligations, including through: a. Rescheduling, namely changes to the customer's payment schedule or the time period; b. Reconditioning, namely changes in part or all of the Financing requirements, including changes in the payment schedule, number of installments, term and/or granting of deductions as long as they do not add to the remaining customer obligations that must be paid to the Bank; c. Restructuring, i.e. changes to requirements for Financing, not limited to rescheduling or reconditioning, including but not limited to: 1) additional funds for Bank Financing facilities; 2) Financing contract conversion; 3) conversion of Financing into medium term sharia securities; 4) conversion of Financing to temporary equity participation in the customer's company. This is as carried out by the Bulakamba Brebes Sharia Services Kospin in carrying out problem solving *murabahah* financing.

Furthermore, repressive legal protection functions to resolve disputes that have arisen as a result of violations. This protection is the final protection in the form of imposing sanctions on violations that have been committed. In the settlement of *murabahah* financing by Kospin Jasa Syariah Bulakamba Brebes, a final attempt is made in the form of an auction for financing guarantees when preventive efforts cannot be carried out or meet a stalemate. This is a form of sanction against members who cannot carry out their obligations to pay off the financing they receive.

Regarding repayment of financing through collateral auctions in the form of land encumbered with Mortgage rights, legal protection is provided for in Article 6 of Act No. 4 of 1998 concerning Mortgage rights which states that if the debtor is under a promise, the holder of the First Mortgage right has the right to sell the Mortgage object on his own power through an auction general public and collect the settlement of its receivables from the proceeds of the sale. Then Article 1156 of the Civil Code, states that "Property rights to movable goods to take payment of said goods take precedence".

4. Conclusion

The procedure for settlement of troubled financing in *murabahah* contracts at the Bulakamba Sharia Services Kospin Brebes is carried out by collectibility of financing through financing risk management, a financing rescue approach through coaching and providing options for solving problematic financing which includes Rescheduling, Reconditioning, Restructuring) to conduct an auction of collateral for financing in the event that members are unable to carry out their obligations to pay off the financing.

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