

Akad qardh in Islamic accounting perspective

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Abstract

In the development of Islamic financial institutions, Qardh products are products that are in demand by the public, especially by middle to lower class people who need loan funds to meet their needs, the use of Qardh products as a solution to reduce usury practices and prevent people from loan sharks as well as other illicit loans. Borrowing and lending instruments themselves are not prohibited in Islamic economics, but it becomes unlawful if the lending and borrowing instruments are accompanied by interest instruments. Because in the perspective of Islamic law, the addition of the principal loan is categorized as usury. And the law of usury itself in Islam is haram, the purpose of this research is expected that the Qardh Akad can be an alternative for borrowing and borrowing instruments. The method used is descriptive analysis, data sources taken primary and secondary. The results show that the implementation of the qord in the basic Islamic financial institution using accounting still refers to PSAK No. 59 of 2002. So there are still improvements in the accounting recording system that is adjusted to the standard of PSAK

Keywords: sharia accounting, qardh, qardhul hasan, sharia financial institutions

Introduction

Islamic accounting is very important for the progress of the State of Indonesia, because it conducts transactions in accordance with the Qur'an and Sunnah. The concept of accounting itself was first taught by Rasulullah SAW, the guidelines are in the Al-Qur'an verse Al-Baqrah verse 282 which is the longest verse in the Al-Quran. This indicates that accounting is very important for muamalah fellow human beings. Therefore, if a financial transaction involves illicit transactions, the impact will affect many people, then let us not only think of profits through usury and think that Islamic finance is the same as conventional finance, because between Islamic economics and conventional economics is clearly different.

Borrowing and lending in conventional financial institutions is one of the most dominant financial instruments. This is because if the financial institution does not use a loan and loan instrument, then the financial institution will not run effectively and it will be difficult to finance its operational expenses. Borrowing and lending instruments themselves are not prohibited in Islamic economics, but it becomes unlawful if the lending and borrowing instruments are accompanied by interest instruments. Where the borrower is required to pay excess money from the principal of the loan, while in the perspective of Islamic law, the addition of the principal is categorized as usury. And the law of usury in Islam is haram.

Aqad Qardh is expected to be an alternative for lending and borrowing instruments commonly used in conventional financial institutions. For this reason, the researcher intends to examine further the understanding of the Qardh contract, how the implementation of Qardh in Islamic financial institutions, and how the recording of Islamic accounting in the Qardh contract as referred to in PSAK No. 59 of 2002 which regulates the recognition and measurement of qardh loans.

Material and Method

Understanding Islamic Accounting (financial institutions) according to Muhamad (2019: 337) is accounting that has a relationship with various aspects of the environment. Where sharia covers all aspects of human life, be it economic aspects, political aspects, social aspects, and aspects of moral philosophy. Meanwhile according to Moh. Mufid (2018: 204) Al-Qardh is a financing facility provided by Islamic banks with the aim of helping small entrepreneurs. Qardh financing itself is provided without the addition of any compensation. Al-Qardh can be interpreted as giving assets to other people where the assets that have been given can be collected or requested back in accordance with the amount of money that has been lent, without any additional or compensation requested by Islamic banks.

In this study the authors used a qualitative method. Qualitative research methods are research conducted with a view to knowing and understanding phenomena experienced by research subjects by means of descriptions in the form of words and languages, in a special natural context by utilizing various natural methods.

Result

Description of Qardh

In the language of the meaning of Qardh is qath or pieces, property is placed on the borrower as a loan, because the muqrid (lender) deducts part of the asset. In terms of Qardh means ownership of something in another, where there is no additional replacement. Where repayment can be made in installments or all at once.

Qardh can also mean a loan without being charged, where the borrower is only required to pay the principal amount only. Loans for money like this are based on sharia principles because there is no usury, when someone lends money, then that person must not ask for a greater return than the loan given. However, the borrower may give advantages over the principal of the loan, as long as it is

done of his own free will.

Al-Qardh is the gift of a number of assets to others that can be collected back in accordance with the amount given, in other words lending without expecting anything in return. In fiqh literature, qard is categorized in the tathawwui contract or mutual help contract, this contract is not a commercial transaction

Qardh's Legal Foundation

The basis for which Qardh was hinted was the Koran, Al-Hadith and Ijma.

AL-QUR'AN:

"Whoever wants to give a loan to Allah subhanahu wata'ala, a good loan, then Allah subhanahu wata'ala will multiply the payment to him as much as possible" (Surat Al-Baqarah: 245)

"If hardship approaches a person who is in debt, then give him tough time until he is free to pay. In fact, offering from part or all of the debt is better for you, if you know." (Surat al-Baqarah: 280)

AL-HADIST

Rasulullah SAW said:

"There is no Muslim who exchanges with a Muslim qardh twice, so like almsgiving"

"Whoever releases a Muslim from difficulties (distress) in the world, then Allah will release his difficulties on the Day of Resurrection; and Allah always helps His servant as long as he likes to help his fellow brothers." (HR. Muslim)

From Abu Qatadah "O Messenger of God, what will happen if I strive with my soul and also with my treasure, I fight with mindfulness just to expect the reward of Allah SWT, I will fight bravely, move on unyielding, will I go to heaven? " then the Messenger of Allah answered: "yes" he said three times, then the Prophet said: "unless you die leaving a debt, without paying it." (HR. Muslim)

"The best person among you is the person who is the best at paying debts." (Bukhari History)

Ijma

Muslims have an agreement about qard, because the need for human qardh is in the context of ta'awun in goodness and piety. The Muslims namely the scholars have agreed that Al-Qardh is permissible in Islam. This cleric agreement is based on human nature that cannot live alone, so lending and borrowing become one part of human life. Islam is a religion that is very concerned about all the needs of its people.

Pillars and Qardh terms

The validity of the Qardh contract needs to be supported by the fulfillment of the pillars and qardh requirements themselves, the qardh pillars are as follows: Muqridh (creditor), muqtarid (the person who owes), ma'qud alayh (items owed), and sighat ijab qabul (remarks) accept. Qardh is considered valid if it meets the following conditions:

1. Muqtarid is eligible to do tabbaru, because qardh is ownership of property which is part of the tabbaru agreement without any compensation.
2. Muqtarid assets come from Islamic assets, which are assets that can be measured, weighed, or counted individually
3. There is a handover of goods, because qardh is part of the tabbaru, while tabbaru is only perfect if there is a handover of goods (qabdh)

4. Qardh provides benefits to muqtarid, so it is not allowed in qardh, muqtarid requires additional (ziyadah) to muqtarid at the time of return.

Legal Products About Qardh

In the legal context, in Indonesia several products related to qardh have been found, both in the form of legislation and in the form of Fatwa issued by the National Sharia Council (DSN) of the Indonesian Ulema Council. Among them:

1. The first law that mentions the term Qardh is Law Number 21 Year 2008 concerning Islamic banking. In this law, Qardh is mentioned as one of the financing products in a loan transaction.
2. The second legal product concerning Qardh is stated in Bank Indonesia (PBI) regulations, namely PBI Number 6/24 / PBI / 2004 concerning commercial banks whose business activities are based on sharia principles and PBI Number 7/46 / PBI / 2005 concerning the contract for the collection and distribution of funds for Banks conducting business activities based on sharia principles. In the PBI, it is stated that what is meant by Qardh is borrowing and borrowing funds without compensation with the obligation of the borrower to return the loan principal in one lump sum or installments within a certain period. aspects that are publicized in this PBI relate to the issue of qardh requirements and fund distribution activities in the form of loan funds based on qardh
3. PAPSI 2003
4. Based on the Indonesian Islamic Banking Accounting Guidelines (PAPSI 2003), which was ratified in July 2003, part III, Qardh loans are the provision of funds or bills that can be equalized based on agreements or agreements between borrowers and lending parties that require borrowers to repay their debts after the term certain time.
5. DSN-MUI Fatwa No: 19 / DSN-MUI / IV / 2001 concerning Al-Qardh which states that Al-Qardh is a loan agreement to the customer (muqtaridh) which requires provided that the customer is obliged to return the funds received to the LKS at the time has been agreed by the LKS and the Customer. The second fatwa is DSN-MUI fatwa Number 79 / DSN-MUI / III / 2011 concerning Qardh, in the second fatwa about Qardh regulates qardh using customer funds. In this fatwa outlines that qardh consists of two kinds, namely qardh which stands alone for social purposes only and qardh which is carried out as a means or completeness for other transactions that use mu'awadhah contracts, the first qardh is not allowed to use customer funds, whereas there is a second qardh that is allowed to use customer funds.
6. PSAK No. 59

PSAK No. 59 concerning Islamic banking accounting listed in paragraphs 139 - 141 gives an explanation of the characteristics of Qardh, as follows:

2. Qardh loans are the provision of funds or bills, which are based on an agreement between the borrower and the lender. where the party lending funds requires the borrower to pay off the debt within a certain period that has been mutually agreed upon. The lending party can receive a reward but is not allowed to be required in the

agreement

- Besides providing qardh loans, Islamic banks can also distribute loans in the form of qardhul hasan.

Understanding of Qardhul hasanis a loan without a return that allows the borrower to use the funds he borrowed for a certain period of time and repay the same amount at the end of the mutually agreed period. If the borrower suffers a loss, where the loss is not due to negligence, then the loss can reduce the amount of the loan. Qardhul hasan reporting is presented separately

Islamic Accounting

Accounting (financial institutions) is accounting that has relationships with various aspects of the environment. Where sharia covers all aspects of human life, be it economic aspects, political aspects, social aspects, and aspects of moral philosophy. In other words, sharia is related to all aspects of human life, including accounting.

If usually the focus of accounting is on the specific role of accounting in terms of: the usefulness of decision making, economic information and reporting income correctly. Sharia paradigm actually includes the concept of accountability in the field of accounting, with an anthropological / deductive paradigm. This paradigm uses a single valuation basis in determining income (the true-income / deductive paradigm), the importance of financial accountants as parties who provide financial information services. The Islamic paradigm emphasizes between extreme holistic-automistic and radical-descriptive dimensions of sociological theory.

Thus, in accounting, the Islamic paradigm will consider various paradigms by showing differences in accounting ideology. Based on this, there are three interrelated dimensions, namely (1) seeking the pleasure of God as the main goal in determining socio-economic justice, (2) realizing the benefits for society, namely by fulfilling obligations to society, and (3) pursuing personal interests, that is fulfilling one's own needs. Fulfillment of these three parts is included in worship, so in other words accounting is considered appropriate as a religious activity carried out by a Muslim. These three dimensions are interconnected to fulfill obligations to God, society, and individual rights, based on observable sharia principles.

Discussion

Qardh Implementation in Islamic Financial Institutions

Several Islamic financial institutions (LKS) have implemented Qardh as one of the Islamic financial instruments. Among the Islamic financial institutions are Bank Baitul mal wa Tamwil, Islamic Loan Unit, and Sharia Bank

Flow of Qardh Loan Transactions and Applications in Financial Institutions; In the qardh contract, the customer as the borrower comes to the Financial Institution, then proposes the loan as needed, then the Financial Institution evaluates and the customer's eligibility (Evaluation and selection is seen from the aspect of customer compliance with the criteria applied to Qardh recipients who are social in nature) after it has been declared feasible, then the Customer and the Financial Institution agree on the qardh agreement and do the qabul consent. The financial institution then hands over the qardh funds as agreed to the customer, the customer (the borrower) will return the loan

amount in accordance with the amount borrowed, both directly as a whole and by installments. The customer is not charged an additional fee from the total nominal borrowed (so that there is no usury), only the customer pays the administration fee determined by the financial institution (this is the profit of the Islamic financial institution). Customers (borrowers) are allowed to provide rewards or overpayments that were not promised in advance. By the will of the customer himself.

The application of the Qardh Agreement to Islamic Financial Institutions (LKS) consists of two types, namely:

- The Qardh contract stands alone for social purposes. As explained in the DSN-MUI / IV / 2001 Fatwa regarding Al-Qardh, it is not a means or completeness for other transactions, with other products that have the purpose of making a profit.
- The Qardh contract is carried out as a means or a tool for other transactions that use the mu'awwadah contract (exchange and can be commercial) with products that are intended to benefit. Where the use of third parties is only permitted for commercial purposes, such as products for Islamic Financial Institution Pilgrimage Financing, Debt Transfer, Syariah Charge Card, Syariah Card, factoring, and Rahn Emas. As explained in the DSN-MUI fatwa number 79 / DSN-MUI / III / 2011.

Implementation of Qardh in BMT (Baitul mal wa Tamwil)

Apart from being a financial institution or business institution, BMT is also understood as a social institution. BMT can invest funds to develop its business but at other times BMT can also develop itself to help in solving social problems.

Qardh products are considered as good products that BMT provides to the community because after all Qardh in BMT is part of a mechanism of work that further emphasizes social and non-profit roles. so the term that is often used is called Qardh Hasan, in its implementation BMT acts as muqarridh (lender), while the customer acts as Muqtaridh.

However, BMTs should not suffer losses from this product and therefore the funds used for this Qardh Product are not taken from BMT capital, but are taken from other sources of funds such as infaq, alms and zakat collection from the BMT itself or from outside parties who entrusted infaq, alms, and zakat to BMT. efforts to minimize losses that may be experienced by BMT in this product can be done by stipulating that the administrative costs are fully borne by the customers. This is in accordance with the fatwa of DSN MUI Number 19 / DSN-MUI / IV / 2001 that the administrative costs charged to the customer.

If the customer is unable to fulfill his obligations, BMT can sell the customer's guarantee and the amount of funds borrowed by the customer, while the excess is not taken by the BMT but is handed over to the customer

Qardh Implementation in Sharia Loan Savings Unit (USPS)

USPS was built by its members with the aim to help each other (ta'awun) in overcoming economic problems, so that the social aspects of USPS (Sharia savings and loan units) are greater than those in Islamic Banks and BMTs. This

Islamic financial institution, according to its name, prioritizes the types of savings and loan businesses. linguistically, saving is termed wadiah, and borrowing is termed Qardh. therefore in the context of channeling funds to the public, USPS made Qardh products one of the businesses offered. In its technical level, the Implementation of Qardh on USPS is not much different from the implementation carried out by Islamic Banks and BMT. USPS occupies its capacity as muqarrid while customers occupy the position as muqtaridh.

Qardh Implementation in Islamic Banks

The implementation of Qardh in Islamic banking is one form of the function of Islamic Banks as a social institution. Apart from being a business institution in the field of Islamic banking, it also functions as a social institution that helps develop banking products that are tabarru but even though Qardh as a social product, Islamic banks must not suffer losses because of the existence of this product, so the administrative costs associated with it are borne entirely by the customer.

In implementing Qardh, Islamic banks must meet the conditions set by the MUI DSN fatwa. in the MUI DSN fatwa Number 19 / DSN-MUI / IV / 2001 concerning Al-Qardh Mentioned several provisions, namely:

1. Qardh is a loan given to customers who need it
2. The customer is obliged to return the principal amount received at the agreed time
3. Customer bears the burden of administrative costs
4. Can request guarantees from customers if deemed necessary
5. Qardh customers can make additional or voluntary contributions to LKS as long as they are not agreed in the contract
6. If the customer is unable to return part of his obligations or all obligations at the time agreed by both parties, and the LKS has confirmed its inability, the LKS party can extend the period of its return or write off some obligations or all obligations

In the case if a customer is unable to return the obligation because it does not show good faith to fulfill his obligations, even though materially able to pay, then in this case the Islamic bank can impose sanctions on the customer. the most sanction is to sell collateral. but if the customer's collateral value is insufficient to pay its obligations, the customer must still fulfill its obligations in full.

Funding sources that are usually used by Islamic banks for Qardh products are taken from the Bank's share of capital before investing in other Islamic banking products, sources of funds can also be taken from the profits of Islamic banks that are deliberately set aside for the benefit of Qardh products, zakat from Islamic bank investment can also be entered In this funding source, the last funds can be taken from zakat, infaq, and alms both individual and institutional funds entrusted to Islamic banks.

Qardh applications in banking are usually provided by banks to their customers as a bailout facility when the customer experiences an overdraft. This facility can be part of one other financing package to facilitate customers' transactions. Qardh product applications in banking are usually done in the following 4 things, i.e.

1. As a bailout loan pilgrimage

The Islamic bank provides a pilgrimage bailout loan to

prospective Hajj customers to meet the conditions of depositing the cost of Hajj travel. Repayment is done before the customer makes the pilgrimage departure

2. as a loan to small entrepreneurs, because according to calculations from Islamic banks will burden these small entrepreneurs if given financing with a profit-sharing sale or Ijarah scheme.
3. As cash advance or cash loans from Sharia credit card products, because customers are given the freedom to withdraw cash from the Islamic Bank through an ATM. refunds will be made by the customer based on the specified time
4. as a loan to the bank's management, where the needs of the bank's management will be fulfilled with the existence of this qardh product, repayment of the loan will be made by the bank's management in installments through monthly deductions from his salary.

In this regard, Islamic banks are allowed to charge administrative fees in accordance with the National Sharia board fatwa number 19 / DSN-MUI / IV / 2001 concerning Al-Qardh which allows lenders to charge administrative costs to customers. However, the determination of the amount of administrative costs in a qardh product must not be based on a percentage of the amount of Qardh funds provided.

Qardh Akad Transaction Recording System in Islamic Financial Institutions

1. At the time the loan qardh was given
2. DB qardh loans
3. Cr. Cash / customer accounts / clearing
4. At the time of receipt of administration fee income
5. DB Cash
6. Cr. Administrative income is received in advance
7. Administration of revenue recognition
8. DB Administrative income is received in advance
9. Cr. Administrative income
10. At the time of bonus / reward income
11. DB Cash
12. Cr. Bonus income / rewards
13. At the time of repayment / installments
14. DB cash / customer accounts / clearing
15. Cr. Qardh loans
16. At the time of establishment of allowance for write off assets on qardh loans
17. DB Burden of losses on write-off assets of qardh loans
18. Cr. Allowance for write-off of qardh loan assets
19. At the time of the allowance for possible losses on assets written off for a qardh loan
20. DB Allowance for write-off of asset-qardh loans
21. Cr. Expense of write-off assets - qardh loans / correction of allowance for write-offs of assets - qardh loans

Illustration of Customer Journal

1. When the Qardh Loan is Received
 - a. Customer Cash / Account / Clearing
 - b. Cr. Loans received - qardh loans
2. At the time of payment of Rewards
 - a. Db Qardh Rewards received - qardh loans
 - b. Card / Customer Account / clearing
3. At the time of repayment / installments
 - a. DB Loans received - qardh loans

- b. Cr. Cash / customer accounts / clearing

4. Recording by the Bank

5. When the Bank acts as an institution that provides loans, the Bank will make a journal entry as follows:
6. When giving qardh loans
 - a. Dr. Qardh Receivables
 - b. Cr. Cash
7. At the time of receipt of repayment plus excess payment
 - a. Dr. cash
 - b. Cr. Qardh Receivables
 - c. Qardh income
 - d.
8. When the Bank acts as a qardh borrower, the bank will make a journal entry as follows:
9. When receiving a loan
 - a. Dr. Cash
 - b. Cr. Qardh debt
10. At the time of repayment of qardh debt plus overpayment
 - a. Dr. Qardh debt
 - b. Dr. Qardh burden
 - c. Cr. Cash

Qardh Accounting Disclosures:

Matters that must be disclosed in the notes to the financial statements of Islamic banks that have qardh loan transactions are as follows:

- a. Breakdown of qardh loan amount based on funding source, type of use and economic sector;
- b. The amount of qardh loans given to parties who have a special relationship;
- c. Management policies in implementing qardh loan risk control; and
- d. Highlights of book qardh loans written off showing an initial balance, write-off during the year, receipt of written off qardh loans and write off qardh loans and the ending balance of written off qardh loans.

Qardh Accounting Treatment

Recognition and measurement

- a. The amount of funds lent at the time of the contract is recognized as a qardh loan
- b. Ujrah, bonuses, and administrative costs for which funds are derived from bank capital are recognized as other operating income in the amount received
- c. Bonus exams and administrative fees with funds sourced from third parties are recognized as the main income and then divided by the amount received

Conclusion

Accounting can be considered as a religious activity carried out by a Muslim, because based on the basis of religion there are three interrelated dimensions, namely (1) seeking the pleasure of Allah SWT as the main goal in determining socio-economic justice (2) realizing the benefits for the community, namely by fulfilling the obligation to the community, and (3) to pursue personal interests, namely to meet their own needs.

Qardh means loans made without additional costs from the principal, where the borrower is only required to pay the principal amount only. Loans like this money are based on Islamic principles because there is no usury. But in practice

the existence of qardh products must not be detrimental to the bank or other financial institutions. thus, the bank or LKS can charge administrative costs to the customer, and ask for debt guarantees if needed. Determination of the amount of administrative costs in qardh products must not be based on a calculation of the percentage of the amount of Qardh funds provided

Several Islamic financial institutions (LKS) have implemented Qardh as one of the Islamic financial instruments. Among the Islamic financial institutions are Bank Baitul mal wa Tamwil, Islamic Loan Unit, and Sharia Bank.

Application of qardh products in banking is usually done in 4 cases below, namely: As a haj bailout loan, as a loan to small entrepreneurs, as cash advance or cash loans from Sharia credit card products, as loans to bank management, where loan repayments will be made by the management the bank installments through monthly salary deductions.

In the Qardh accounting treatment, the recognition and measurement of the amount of funds lent at the time of the contract are recognized as qardh loans. While Ujrah, bonuses, and administrative costs with funds sourced from bank capital are recognized as other operating income in the amount received. However, for ujarah, bonuses, and administrative costs for which funds are sourced from third parties, they are recognized as the main income and then divided by the amount received.

Lending and borrowing transactions using the Qardh contract which is accompanied by the recording of Shariah accounting on the Qardh contract can be a solution for people who want to borrow funds without interest and without usury. Because loans with qardh contracts are loans without additional costs from the principal debt. However, the use of Qardh Products has not been maximized, it is hoped that Islamic financial institutions can be more vigorous in informing the existence of qardh products to the wider community so that their utilization can be felt by all levels of society in Indonesia.

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