

**PROBLEM SOLVING ANALYSIS OF PEOPLE'S BUSINESS
CREDIT FINANCING BASED ON MURABAHAH AGREEMENT
AT PT. BANK SYARIAH INDONESIA TBK. MAGELANG
SINGOSARI SUB-BRANCH OFFICE**

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Abstract

This study aims to determine the resolution of murabahah contract problems related to the factors that influence the micro-financing of the People's Business Credit (KUR) carried out by the financial institution PT Bank Syariah Indonesia Tbk., Magelang Singosari Sub-Branch Office in channeling People's Business Credit (KUR) funds. The method used in this study is descriptive qualitative and data analysis used in this study uses primary and secondary data. The results of the analysis of customer funding of Bank BSI Magelang Singosari Sub-Branch Office are inseparable from the factors and risks. One of them is bad money, which causes a decrease in bank liquidity and affects the reliability of customer savings. In the case of non-performing loans, banks must analyze the factors that affect bank liquidity so as not to cause losses and provide an analysis of bad credit settlement through time relief and installment assistance, especially if the creditor is affected by a disaster, if it is not paid on purpose, it will be confiscated.

***Keywords:** Financing Problems, Islamic Banks, KUR, Murabahah Contracts*

1. INTRODUCTION

Financing is a payment provided by one party to another, either alone or through an institution, to support an investment proposal (Ilyas, 2019). In practice, the bank provides funds to support investment or business activities proposed between the customer and the bank, including profit sharing agreements. Sharia financing in an agreement/contract that has a role in financing which forms the basis of the financing activity.

One type of financing that uses sharia principles that is financed by a bank is a murabaha contract. A murabahah contract that follows funding guidelines, namely guidelines for buying and selling goods, shows the purchase price and profit (margin) agreed between the seller (bank) and the buyer (customer), and the bank funds what must be purchased and then will provide raw materials or other equipment that the customer needs then the customer will return the bank's selling price (bank's purchase price + profit margin) at the specified time. The price agreed upon by both parties is the selling price, but the purchase price must be notified to the customer (Anshori, 2018).

BSI Magelang Singosari Sub-Branch Office provides a murabahah contract in KUR credit financing for MSME working capital. People's Business Credit (hereinafter referred to as KUR) is an MSME credit or loan in the form of providing working capital and investment supported by guarantee facilities for productive and viable businesses, but must follow the requirements set by the bank and there are limits that must be agreed upon (Azharudin et al., 2021). Even though the KUR program comes from the

government, the funding source for the KUR program is 100% from the bank's own funds, unless the government participates in determining subsidies and margins. However, this does not eliminate credit risk in lending. Credit risk in financing activities through KUR is indicated by the level of problem loans or Non-Performing Financing (NPF).

Non-performing financing is the channeling of funds by sharia institutions that do not meet the permissible requirements and do not follow the installment plan when making payments, which has a negative impact (Ibrahim & Rahmati, 2017). The causes of financing problems are due to internal and external factors. Internal factors are factors that exist within a company, and the most dominant and main factors are managerial factors. Externally, Non-performing Financing is financing that is included in the category of substandard, suspicious and deficit quality. This may be due to a decrease in business factors.

As for NPF of Bank BSI Magelang Singosari Sub-Branch Office data for the last two years, in 2020 was 2,30% and in 2021 was 2,20%. In accordance with Bank Indonesia regulations, the NPF level may not exceed 5%. In 2020 the NPF of the BSI Magelang Singosari Sub-Branch Office reached 2.30%, but in 2021 it will reach 2.20%. This amount certainly does not exceed BI provisions, but will continue to be a decrease for the BSI Magelang Singosari Sub-Branch Office.

There are indicators of problems with KUR credit financing, such as non-current financing, financing where the debtor does not meet the promised requirements, and the financing does not meet the installment schedule. Therefore, BSI Magelang Singosari Sub-Branch Office solves the problem by providing support to problem debtors so that they intend to return receivables and carry out intensive collection activities with problem debtors so that they do not experience a decrease in liquidity, then save finances and complete customer financing in securing funds (restructuring funding) can be done by way of rescheduling, Reconstruction, Restructuring.

Based on the description above, the authors are interested in studying the settlement of People's Business Credit (KUR) credit financing problems. This study aimed to find out the resolution of murabahah contract problems related to the factors that influence the micro-financing of the People's Business Credit (KUR) carried out by the financial institution PT Bank Syariah Indonesia Tbk., Magelang Singosari Sub-Branch Office in channeling People's Business Credit (KUR) funds.

2. LITERATURE REVIEW

2.1. Financing

Law Number 10 of 1998 Article Paragraph 11, financing is the provision of money or bills or the equivalent, based on the agreement of the creditor and debtor or bank with other parties which obliges the debtor to pay the bill within a stipulated period accompanied by interest. Law Number 21 of 2008 concerning sharia banking provides the meaning of financing, namely the provision and or equivalent claims in the form of profit sharing transactions in the form of *mudharabah* and *musyarakah*, leasing transactions in the form of diplomas or lease purchase in the form of *ijarah muttahiya bittamilk*, sale and purchase transactions in the form of qard receivables and leasing transactions in the form of *ijarah* for multi-service transactions based on agreements between sharia banks or sharia business units and other parties that require the party being

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financed or a fund facility to collect the funds after a certain period of time in return for *ujrah*, without reward or profit sharing.

Based on the type of contract, financing is divided into four groups, namely profit-sharing based financing, namely *mudharabah* and *musyarakah* contracts, sale and purchase based financing, namely *murabahah*, *istishna*, and *salam*, lease-based financing, namely *ijarah* and *IMBT (Ijarah Mutahiya Bit Tamik)* and financing with contracts complementary namely *hiwalah*, *rohn*, *qard*, *wakalah* and *kafalah* (Nofinawati, 2014).

2.2. Credit

Definition of credit according to Banking Law No. 10 of 1998 is a gift of money or a request that can be calculated with the level of profit of both parties based on a loan agreement or contract between the bank and another party that requires the borrower to pay off the loan after a certain period of time. Financing is a belief in the ability of the debtor (credit recipient) to pay a sum of money in the future (Turmudi, 2016). In other words, credit is the provision of money or bills made within a certain period based on the agreement of the recipient of the credit along with a guarantee by paying a certain amount of interest.

2.3. People's Business Credit (KUR)

People's Business Credit (hereinafter referred to as KUR) is credit or financing to MSMEs in the form of providing capital and investment supported by guarantee facilities for productive businesses (Gustika, 2016). The government guarantees 70% of KUR risk, while the remaining 30% is borne by the implementing bank. KUR guarantees are provided in order to increase MSME-K access to sources of financing in order to encourage national economic growth. KUR is distributed by 6 implementing banks namely BNI, BRI, Mandiri, Bukopin, BTN, and Bank Syariah Mandiri.

2.4. Murabahah Contract

According to Sutan Remy Sjahdeini in the book by Usanti & Shomad (2022) entitled "*Transaksi bank syariah*" stated that *murabahah* is a purchase period by taking the form of a sale and purchase transaction in installments. *Murabahah* is a sale and purchase contract between two parties where the buyer and seller agree on a selling price which consists of the purchase price plus the cost of the purchase and profit for the seller. *Murabahah* can be done in cash or in a deferred payment or in installments.

2.5. Islamic Bank

The operating model of Islamic or Sharia banks does not rely on interest (Arinta, 2016). Islamic banks can be said to be financial institutions that are based on the Al Quran and Hadith SAW. Principal financing and other services in payment traffic and circulation of money whose operations are in accordance with Islamic law. Based on Law Article 2 PBI No 6/24/PBI/2004 concerning commercial banks that carry out business activities based on sharia principles, Islamic Commercial Banks are banks that carry out business activities based on sharia principles which in their activities provide services in payment traffic. Islamic banks are intermediary institutions and financial service providers that work based on ethics and Islamic systems and values, especially those that are free from interest (usury), free from non-productive speculative activities such as gambling, free

from things that are unclear and doubtful, principled justice and only finance halal business activities (Sebayang, 2020).

3. RESEARCH METHODS

This research method used qualitative data types, the data obtained from PT. BSI Magelang Singosari Sub-Branch Office, in the form of oral and written information. The data used in this study was data regarding KUR credit financing.

There were several sources of data in this study, including: Primary data, which is a data that was obtained directly from data sources with direct observation (Sugiyono, 2017). The primary data in this study came from interviews and direct observation by researchers at PT. BSI in Magelang Singosari Sub-Branch Office. Secondary data that was supporting data obtained from other sources or through other intermediaries related to research. Secondary data in this study comes from websites, newspapers, news and others that make information important.

Data analysis was the process of systematically searching for and compiling data obtained from interviews, field notes, and documentation. The data analysis method used in this research was descriptive analysis. The descriptive method was a method used to analyze data by describing the data collected as if it were not intended to draw generally accepted conclusions or generalized generalizations (Soendari, 2012). This study described how to solve the problem of KUR credit financing based on a murabaha contract at PT. BSI Magelang Singosari Sub-Branch Office.

4. RESULTS AND DISCUSSION

4.1. Sharia Micro KUR Financing at BSI Magelang Singosari Sub-Branch Office

Muhamad Syafiudin as Barnce Manager of BSI Magelang Singosari Sub-Branch Office said KUR Micro Syariah is a productive and feasible government loan program for individual debtors and corporate groups sponsored by Bank Syariah Indonesia (BSI).

4.1.1. KUR Syariah Microfinance can be divided into two categories, namely:

- 1) Working capital loans with a maximum loan term of 3 years Working capital loans are used to meet various needs such as increased production and trade.
- 2) Investment loans with a maximum repayment term of 5 years Investment loans are used to cover the need for capital goods and equipment.

4.1.2. KUR Financing Products at BSI Magelang Singosari Sub-Branch Office

Table 1. KUR Financing Categories at BSI Magelang Singosari Sub-Branch Office

Information	BSI Super Micro	BSI KUR Micro	Small BSI KUR
Financing Limits	Rp1 to 10 million	Rp.	Rp.
Financing Tenor	6 to 36 Months	6 to 60 Months	6-60 Months
Guarantee/Collateral	No Collateral	collateral	collateral

Source: BSI Magelang Singosari Sub-Branch Office

- a. BSI Super Micro Financing is a collateral-free fund that is given to entrepreneurs or traders for additional business capital up to a ceiling of Rp1 million to Rp10 million within a period of 6 to 36 months.
- b. BSI KUR Micro financing is financing for entrepreneurs or traders for additional business capital with a ceiling of 10 million to 50 million rupiah in a period of 6 months to 60 months and accompanied by collateral.
- c. Small BSI KUR Financing is financing provided to entrepreneurs or traders for additional business capital, with a ceiling of 50 to 500 million rupiah and accompanied by collateral for 6 to 60 months.

4.1.3. Financing Assessment

Financing assessment is an analytical process carried out by Islamic banks to evaluate funding applications submitted by prospective customers. By analyzing financing applications, Islamic banks can be sure that banks can target prospective customers to get proper financing. The financing assessment is based on the 5 C principle as follows:

- 1) Character
Describing the potential and personality of prospective customers, the Bank conducts an analysis of the personality of prospective customers in knowing the obligation to return funds received when the prospect is paid.
- 2) Capacity
Intended to determine the financial ability of prospective customers to fulfill their obligations, according to the funding period. After an Islamic bank provides a loan, the bank needs to ensure that the ability of the prospective customer is the main source of payment.
- 3) Capital
Capital or assets that need to be adjusted for funding purposes require a more detailed analysis. Capital is the amount of assets owned by the prospective customer or the amount of funds involved in the loan project.
- 4) Collateral
Collateral or guarantee is collateral provided by prospective customers who receive funds for the proposed financing. Collateral is a second source of payment. In this case, the customer cannot pay the installments and the Islamic bank can sell the collateral.
- 5) Conditional of Economy
Conditional of Economy is an analysis of the economic situation. Banks need to consider the prospective customer's business scope in relation to economic conditions, and banks need to analyze the impact of the economic situation on the prospective customer's business in the future.

4.1.4. Factors Causing Poor Financing (Losses)

Bad credit can occur due to several problem loans caused by things that happen to the debtor, namely:

- a. Worsening of the company's business conditions due to a downturn in economic conditions.

- b. There is mismanagement in the company's business performance, or because they lack experience in the business in which they are involved.
- c. Family problems such as divorce, death, long-term illness, or wastage of money by the debtor's family, the debtor has failed in business.
- d. Serious financial liquidity problems.
- e. The occurrence of events beyond the control of the debtor such as natural disasters.
- f. The debtor has a bad personality (I plan not to repay the loan in the first place)

4.2. Solving Bad Credit Problems

Settlement of bad credit problems through preventive efforts, Muhammad Shafiudin said, bad funding needs to be addressed as soon as possible to avoid further decline in funding. Therefore, a strategy is needed to deal with bad credit situations in 3 ways, namely fostering bad loans, rescuing financing and solving the following non-performing loans:

- 1) **Bad Credit Management**

Bad Credit Management is the first effort that must be made for bad credit debtors so that they can maintain and secure bank interest on disbursed and billed loans, obtaining optimal results as expected in accordance with the original credit.

- 2) **Financing Security**

Financing security is a technical term commonly used in banking circles to refer to the efforts and actions taken by banks to remedy a cash shortage situation. Islamic Commercial Banks (hereinafter referred to as BUS) and Islamic Business Units (hereinafter referred to as UUS) can carry out financial restructuring for customers who experience a decrease in their ability to pay and still have good business prospects and are able to fulfill their obligations in the future during restructuring.

- 3) **Troubled Financing Settlement**

Troubled Financing Settlement is an effort and action to withdraw financing from debtors with problematic categories, especially those that have matured or have met the repayment requirements based on the provisions of Article 55 of the Sharia Banking Law which are basically carried out and the elucidation of the article, the resolution of sharia banking disputes is basically carried out by the Court Religion. However, banks and customers can agree to settle disputes in accordance with the contents of the contract and must not conflict with sharia principles.

The provisions of Bank Indonesia in the explanation regarding the restructuring of bad debts based on Sharia Principles apply, namely:

- a. Rescheduling, is changing the customer's payment schedule or term, excluding the extension of a mudharabah contract that meets the current quality and maturity for payments that are not due to a decrease in the customer's ability to pay.
- b. Resconditioning, is changing some of the entire financial needs without adding to the remaining main obligations of the customer to the bank, including changes to the registration schedule, changes to the frequency of installments, changes to the time period, changes to mudharabah or musyarakah interest rates, changes to predictions of mudharabah or musyarakah financing results and discount giving.
- c. Restructuring, is changes in financial needs which include: additional capital for BUS or UUS funding facilities, financial conversions, financial conversions to

medium-term sharia securities, and asset conversions Temporary equity financing in client companies may be accompanied by rescheduling or re-conditioning.

5. CONCLUSION

One of the most important aspects of Islamic banking is a solid financing process. This aspect has an impact on halal investment and generates returns that meet expectations. A healthy financing process not only impacts the health of the bank, but also improves the actual performance of the sector. For this reason, it is very important to choose the right policy to address the funding problem. The selection of these policies must be carried out carefully based on the results of accounting analysis. The results of the research and analysis conducted at BSI Magelang Singosari Sub-Branch Office show that there are three factors that encourage problematic murabahah financing, namely customer factors, bank internal factors, and conceptual factors.

Based on the results and conclusion above, we suggest that Bank BSI Magelang Singosari Sub-Branch Office must be careful in monitoring customer installments on a regular basis so that problematic financing does not occur in murabaha micro financing. In the financing restructuring process, Bank BSI Magelang Singosari Sub-Branch Office needs to analyze the constraints faced by its customers more thoroughly and carefully. This will reduce the factors that cause problematic financing in micro murabaha financing in the implementation of financing and allow it to be managed properly. Furthermore, Bank BSI Magelang Singosari Sub-Branch Office needs to be more careful and thorough in assessing potential customers who wish to apply for and receive loans. Therefore, the financing mechanism that will be implemented according to sharia principles is expected to continue to run smoothly and correctly.

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