

THE SHARIA COMPLIANCE OF SECURITIES CROWDFUNDING: A CASE STUDY ON SME

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Abstract

The growth and development of Small Medium Enterprises (SME) have various challenges that must be overcome. Financing is one of the most challenging issues to be funded. Traditional finance is a funding instrument that is somewhat difficult to penetrate for SME as they are not yet bankable and are in the stage of business initiation. This is resolved by the stipulation of POJK regulation Number 37/POJK.04/2018 which was amended to POJK Number 16/POJK.04/2021 and becomes alternative funding for SME in Indonesia. This study uses empirical research method with a qualitative study approach. Primary data was obtained based on interviews and secondary data using desk research. There are two products issued by Securities Crowdfunding Sharia: Shares and Sukuk. These two products must fulfill the requirements of sharia principles, which should not incorporate with syariah compliance. The result of this research is that the products in SCF Syariah do not violate Sharia Compliance. Four categories have been analyzed, and the results show that they do not contain four categories that violate Sharia Compliance.

Keywords: SME; Securities Crowdfunding Sharia; Sharia Compliance

1. Introduction

The development of sharia fintech is deemed to have positive potential since sharia fintech becomes an innovation,¹ therefore the comparison value is very low.² In 2022, the Indonesian Sharia Fintech Association (AFSI) has recorded that, 20 sharia fintech operators have been registered, recorded, or licensed to have started operating in Indonesia. AFSI Chairman, Ronald Yusuf Wijaya, stated that the 20 fintech consist of a combination of Peer to Peer Lending (P2PL), Digital Financial Innovation (IKD), and Crowdfunding.³

Crowdfunding is an alternative method that can be adopted by start-up companies and Small Medium Enterprises (SME) to expand their business activities.⁴ Start-up businesses and SME are

¹ Septarina Budiwati, Muhammed Junaidi, and Wisnu Tri Nugroho, "The Principle of Pacta Sunt Servanda in Fintech Transactions Is Reviewed Through The Perspective of Ushul Fiqh," *Al-Iktisab: Journal of Islamic Economic Law* 4, no. 1 (2020): 35–43.

² Septarina Budiwati, "Akad Sebagai Bingkai Transaksi Bisnis Syariah," *Jurnal Jurisprudence* 7, no. 2 (2018): 152–159.

³ Noverius Laoli, "Ada 20 Penyelenggara Fintech Syariah Yang Beroperasi Di Indonesia," *Kontan.Co.Id*, last modified 2022, accessed January 23, 2023, <https://keuangan.kontan.co.id/news/ada-20-penyelenggara-fintech-syariah-yang-beroperasi-di-indonesia>.

⁴ Qizhen Zhang et al., "Predicting Startup Crowd Funding Success through Longitudinal Social Engagement Analysis," *International Conference on Information and Knowledge Management, Proceedings Part F1318* (2017): 1937–1946.

small-scale businesses and are frequently challenged by loan or capital matters.⁵ Access to funding for most SME is still largely untouched by formal financial institutions, including banks. This occurs due to several factors: (1) Geographical barriers; (2) Administrative barriers for SME actors as they are often regarded less bankable; (3) The minimum knowledge of financial literacy among SME actors. These reasons prompt SME actors to use the traditional microfinance services, such as moneylenders with high risks and burdens to maintain business sustainability.⁶ Along with the existence of new financing alternatives such as crowdfunding, this provides a new path for start-up businesses and SME to be funded. Crowdfunding has a relatively lower cost than that of banks.⁷

At the closing of 2020, OJK has recorded an increased flow in SME credit, which indicates that it will grow following the high demand for new capital in 2021. This has become a concern for the Indonesian government showing how influential SME are for Indonesia's economic growth. In 2022 SME currently reached 64.2 million USD.⁸ Overall, the scale of SME economic activity has contributed 61,07% to Indonesia's total Gross Domestic Product (GDP). In March 2021, total income of SME was 564,365,570 million USD.⁹ This business sector is able to recruit 97% of the total workforce, and is able to collect up to 60.42% of the total investment in Indonesia.¹⁰ SME have a significant role to support the steadiness and stability of the Indonesian economy.¹¹

The crowdfunding fintech industry starts to bloom and is widely known by people of all ages. Investments have become popular among generation Z, and even generation X because they now are fully aware of how important investment is for the future.¹² The development of capital market is intensifying, supported by various forms of investment instruments that seize the welfare

⁵ Lerong Lu, "Promoting SME Finance in the Context of the Fintech Revolution: A Case Study of the UK's Practice and Regulation," *Banking & Finance Law Review* 33, no. 3 (2018): 317–343.

⁶ Suryanto and Herwan Abdul Muhyi, "Profile and Problem of Micro, Small and Medium Enterprises in Bandung," *Advance in Social Science, Education and Humanities Reserch (ASSEHR) Atlantis Press* 141 (2017): 48–52.

⁷ Dhoni Siamasyah Fadillah Akbar, *Mendorong Crowdfunding Untuk Peningkatan Investasi Di Indonesia*, 2016, https://www.kemenkeu.go.id/sites/default/files/mendorong_crowdfunding_untuk_peningkatan_investasi_di_indonesia.pdf.

⁸ Syaiful, "KUR: Bantu UMKM Bangkit, Topang Ekonomi Tumbuh," last modified 2022, https://djpb.kemenkeu.go.id/portal/images/2022/MTI/MTI_2_2022.pdf.

⁹ Kementerian Keuangan Republik Indonesia, "PIP Dukung Penguatan Kontribusi UMKM Terhadap Ekonomi Indonesia," last modified 2022, <https://pip.kemenkeu.go.id/id/data-publikasi/berita-terbaru/123-pip-dukung-penguatan-kontribusi-umkm-terhadap-ekonomi-indonesia.html#:~:text=Berdasarkan data Kementerian Koperasi dan,senilai Rp 8.573%2C89 triliun.>

¹⁰ Yosephus Mainake, *Dukungan Memperkuat Umkm, Working Paper Pusat Penelitian Badan Keahlian Sekretariat Jenderal DPR RI* (Jakarta, 2022), https://berkas.dpr.go.id/puslit/files/isu_sepekan/Isu_Sepekan---II-PUSLIT-Februari-2022-2047.pdf.

¹¹ Dewi Meisari Haryanti and Isnati Hidayah, "Potret UMKM Indonesia: Si Kecil Yang Berperan Besar | UKM Indonesia," last modified 2018, accessed February 5, 2022, <https://www.ukmindonesia.id/baca-artikel/62>.

¹² Mukhlis et al., "The Effect of Indonesia Philanthropy's Regulation Towards the Welfare State," *Bestuur* 10, no. 2 (2022): 123–136.

of SME amid the COVID-19 pandemic. Crowdfunding is one of the options provided by the government. Easy access to investments facilitated by applications, indeed, requires clear and strict rules. The regulations regarding crowdfunding are mentioned in POJK Number 37/POJK.2018 on Technology-based Crowdfunding Services and Equity Crowdfunding (ECF) which was perfected into POJK Number 16 /POJK.04/2021 concerning Amendments to POJK Number 57/POJK.04/2020 concerning Securities Offerings Through Information Technology-Based Crowdfunding Services.¹³

The regulation on crowdfunding in Indonesia begins with the provision of POJK Number 37/POJK/2018 on Share Offering through Information Technology Based Crowdfunding Services (Equity Crowdfunding). Based on Article 1 number 1, it is stated that Share Offering through Information Technology Based Crowdfunding Services (Equity Crowdfunding) is the provision of share offering services carried out by issuers to sell shares directly to investors through an open electronic system network.¹⁴ The rules regarding ECF are not compatible or unfitting with the climate in Indonesia where most businesses are SME and Start-up Companies, while this business is based on partnership or kinship so that it is not in form of a legal entity or Limited Liability Company. Hence, the main purpose of establishing ECF regulation is insignificant because only a few companies can take advantage of the ECF platform as it collides with the form of business they have. To be able to eliminate the limitations of the rules regarding the ECF, the rules were amended by the issuance of POJK Number 57/POJK.04/2020 on Securities Offerings through Information Technology Based Crowdfunding Services. SCF is regarded as a compatible instrument to be used with the climate of business entities in Indonesia because the form of business by the issuer can be in a legal entity or other business entity.

Currently, 3 Sharia SCF institutions in Indonesia have successfully obtained permits from the Financial Services Authority (OJK), namely LBS Urun Dana and Bizhare, and Shafiq. Shafiq, as a Sharia SCF was entirely developed in Indonesia. Until January 2024, the funds that Shafiq distributed amounted to IDR 363.3 billion. In addition, the number of investors is 32 thousand active investors. Meanwhile, in the third quarter of 2023, Shafiq succeeded in disbursing Islamic funding of IDR 178.61 billion. This figure shows an increase where previously, as of July 2022,

¹³ Andini Astarianti Soemarsono and Ukhti Dyandra Sofianti, "Perspektif Hukum Mengenai Penggunaan Securities Crowdfunding Pada Masa Pemulihan Ekonomi Akibat Pandemi," *Rewang Rencang : Jurnal Hukum Lex Generalis* 2, no. 8 (2021): 607–626.

¹⁴ Wardah Yuspin and Nur Rohmah Wati, "The Urgency of a Legal Protection on Equity Crowdfunding Services Based on the Regulation of the Indonesian Financial Service Authority No. 57/POJK.04/2020," *International Journal of Multicultural and Multireligious Understanding* 9, no. 2 (2022): 412–423.

Shafiq had reached a nominal disbursement of IDR 56 billion. The platform becomes a facilitator for SME to issue Sharia Sukuk and Shares. In 2022, crowdfunding/SCF securities companies licensed by the OJK were recorded to have helped 302 SME issue securities in the context of raising capital in the capital market. On the other hand, Deputy Chairman of the Indonesian Crowdfunding Service Association (ALUDI) Heinrich Vincent explained, the issuance was divided into 238 conventional SME shares, 4 sharia-based SME shares, 3 SME bonds, and 57 SME sukuk.¹⁵

Indonesia is a country with the largest Muslim population. Data from the Ministry of Home Affairs, the percentage of Muslims in Indonesia as of 31 December 2021 was 86.9%.¹⁶ The Islamic finance industry has experienced significant and progressive growth in recent decades in both Muslim and non-Muslim countries. Based on the Fatwa of DSN MUI Number 140/DSN-MUI/VIII/2021 concerning Sharia Securities Offering through Information Technology Crowdfunding Services Based on Sharia Principles (Sharia Security Crowdfunding), sukuk is a proof of ownership or certificate that has equal value to and represents an indeterminate share of ownership (musya') of the underlying asset (Sukuk assets/ushul al-shukuk) after Sukuk funds are received, orders are closed, and funds are used as intended.¹⁷ The Figure 1 is a comparison table for the largest sukuk issuance based on countries in the world as expressed in million of USD.

Research conducted by Muhammad Rusydi Kadir in 2021 with the title “Shariah Compliance on Sukuk Investments in Securities Crowdfunding in Indonesia” resulted that the practice of securities crowdfunding in Indonesia has not been supervised by the Sharia Supervisory Board (DPS). The study hopes that DPS can play a role in screening products issued through sukuk so that sukuk activities in securities crowdfunding run in accordance with sharia. Meanwhile, this author's research shows that the sharia securities crowdfunding platform has been supervised by the Sharia Supervisory Board (DPS) whose task is to ensure that every investment does not violate sharia provisions. Apart from the sharia side, there are 6 parties that oversee Sharia SCF in Indonesia, namely the Financial Services Authority (OJK), the National Sharia Council of the Indonesian Ulema Council, the Indonesian Central Securities Depository (KSEI), the Bank

¹⁵ Aziz Rahardyan, “Mantap! 302 UMKM Raih Modal Usaha Alternatif Lewat Securities Crowdfunding,” last modified 2022, <https://finansial.bisnis.com/read/20220817/563/1567786/mantap-302-umkm-raih-modal-usaha-alternatif-lewat-securities-crowdfunding>.

¹⁶ Viva Budy Kusnandar, “Sebanyak 86,88% Penduduk Indonesia Beragama Islam | Databoks,” last modified September 30, 2021, accessed February 5, 2022, <https://databoks.katadata.co.id/datapublish/2021/09/30/sebanyak-8688-penduduk-indonesia-beragama-islam>.

¹⁷ Faisal Fajar, Rizali, and Noor Rahmini, “Kontribusi Saham Syariah, Sukuk, Reksadana Syariah Dan Saham Konvensional Terhadap Pertumbuhan Ekonomi Nasional,” *Syntax Idea* 4, no. 1 (2022): 77–96.

(Custodian Bank and Investor Fund Account), the Crowdfunding Service Association. Indonesian Fund (ALUDI), Information Security (ISO 27001).¹⁸

In 2022, research on sharia compliance discusses more about sukuk in general, not sukuk in Securities Crowdfunding as in the results of this study. Most articles that discuss Sharia Compliance are banking products only, so the research entitled " The Sharia Compliance of Securities Crowdfunding: A Case Study On SME " is still new and not many researchers have researched this. In fact, many SME feel restless because they cannot make funding through banks due to various factors. When viewed, Indonesia is a country with the largest Muslim population in the world, which is around 84% or about 229 million people who are Muslim. Indonesia has rooted in spirit of cooperation thus makes Indonesia a very suitable country to conduct funding through sukuk which of course must be in accordance with Islamic principles or Sharia Compliance.

The public as investors who will invest their funds in sharia platforms are concerned whether the funds that have been invested will be sharia compliance. This research responses the problems above. Investors do not need to concern about the funds that will be invested through the Securities Crowdfunding platform that will be channeled to the Issuer. Because Securities Crowdfunding in Indonesia has been supervised by six authorized parties with their respective duties and ensures that all procedures are carried out properly and sharia principles are complied with MUI. Sharia compliance is an absolute requirement that must be carried out by financial institutions that carry out sharia principles as with Sukuk products in Securities Crowdfunding. As a Muslim, it is obligatory to avoid forbidden by the Sharia.

The products in SCF, especially on the SCF platform consist of 2 products, namely Shares and Sukuk. Shares are only issued by the issuer, which is a company of a Limited Liability Company (PT), while sukuk can be issued by business entities, whether PT, CV, cooperatives, and other business entities. Guidelines or references to distinguish the conventional capital market and the Islamic capital market have been provided by the government through a regulation, namely POJK Number 35/POJK.04/2017 concerning Criteria and Issuance of Sharia Securities List.

The platform that is engaged in the economy has been described through an application that aims to support the lower class economy or SME by using products that do not belong to the capital market in order to improve the welfare of SME. Based on the above background, how is the implementation of sukuk in Sharia SCF?

¹⁸ Muhammad Rusydi Kadir, "Shariah Compliance Pada Investasi Sukuk Dalam Securities Crowdfunding Di Indonesia," *Jurnal Ilmu Perbankan dan Keuangan Syariah* 3, no. 1 (2021): 15–29.

2. Method

This article uses empirical research methods. According to Hilman Hadikusuma (1995), empirical research is explorator, descriptive, and explanatory research. The empirical research method is a method that examines social facts. Qualitative research is empirical research that is descriptive and tends to use analysis. This qualitative research emphasizes the process and meaning of the subject perspective. Qualitative research is conducted using interviews and observation methods. Researchers use this method to analyze data obtained from the field in detail. The data obtained in this article are in the form of observations and interviews.¹⁹ Observations were made on the SCF Shafiq platform website.²⁰ Choosing Shafiq as the object of research is due to the consideration that 2 SCFs, namely LBS Urun Dana, only received permission from OJK on March 18, 2022, while Bizhare is a Sharia business unit so Shafiq is felt to be the most appropriate object of research on Islamic SCF. The second data search is by interviewing one of the investors in Shafiq who invested with two contracts, namely Mudharabah and Musyarakah in two sukuk products that experienced congestion. Until the writing of this article was completed, only one investor was willing. The interview was conducted by direct message on social media, namely Instagram.

3. Results and Discussion

3.1. Implementation of Sukuk in Sharia SCF

Every Islamic transaction should be in accordance with Islamic law which is in Indonesia it has been regulated in DSN MUI decree.²¹ The decree mentioned the transaction have to be avoid gambling, riba, gharar, and maysir. In Islamic fintech supposed to have Sharia Supervisory Board to make sure the transaction compliance with Islamic law. Based on the provisions of Law Number 40 of 2007 concerning Limited Liability Companies (Law No. 40/2007), DPS must also exist in every Limited Liability Company that carries out its business activities, not only in Islamic finance. This is by the provisions in Article 109 paragraph (1).

¹⁹ Yati Nurhayati, Ifrani Ifrani, and M. Yasir Said, "Metodologi Normatif Dan Empiris Dalam Perspektif Ilmu Hukum," *Jurnal Penegakan Hukum Indonesia* 2, no. 1 (2021): 1–20.

²⁰ Jonaedi Efendi and Johnny Ibrahim, *Metode Penelitian Hukum : Normatif Dan Empiris* (Jakarta: Prenadamedia Group, 2016).

²¹ Mahdiah Aulia, Aulia Fitria Yustiardi, and Reni Oktavia Permatasari, "An Overview of Indonesian Regulatory Framework on Islamic Financial Technology (Fintech)," *Jurnal Ekonomi & Keuangan Islam* 6, no. 1 (2020): 64–75.

Every transaction that uses the sharia concept is required to have conformity or compliance with sharia principles (sharia compliance). According to the article number 2 POJK Number 15/POJK.04/2015 in the Issuance of Sharia Securities, the transactions that are prohibited in the capital market are gambling and any plot classified as gambling or prohibited trading; secondly, providing financial services that apply usury, buying and selling risks that contain gharar and or maysir; thirdly, manufacturing, distributing, trading, and/or providing: (1) Prohibited goods and or services not because of their substance (*haram li-dzatihi*); (2) Prohibited goods and or services not because of their substance (*haram li-ghairihi*) as stipulated by the DSN-MUI; and (3) Moral damaging goods and or services and are harmful; lastly is investing in a company when the transaction level (ratio) of the company's debt to usury financial institutions is more dominant than its capital unless the investment is pronounced shariah by the DSN-MUI. The Figure 2 is the sukuk issuance scheme.

The issuance of sukuk through SCF involves several parties. From the regulator side, the issuance of sukuk involves the Financial Services Authority, which has the authority to make licensing rules for the implementation of SCF. In addition, OJK also has the authority to monitor and report on the activities of SCF organizers. Furthermore, from the organizer side, the SCF organizer is a platform that becomes a forum for offering SCF products. SCF organizers have the policy to select prospective issuers and conduct a selection process for eligible investors. The next party is the investor or financier, and the investor is the party who will invest in the products offered by the SCF organizer. Investors also have an obligation to have a share account at the Custodian Bank. In addition, the next party is the issuer, the issuer is a business entity in the form of a legal entity or other business entity that issues securities through the SCF organizer.

3.2. Implementation of SCF Syariah Crowdfunding on the Shafiq Platform

Based on information from investors there was a bottleneck in return on capital and ROI because the business (EXAB-SMD01) Electrical Installation Services of PT Riau Andalan Paperboard International is a Sukuk with Mudharabah and (CITI-SMY02) Procurement of Boiler System Metering Device at Plant Banjaran PT Kimia Farma Tbk is a Sukuk with Musyarakah Akad running not by initial expectations.

The Akad used in Shafiq is Mudharabah and Musyarakah. Mudharabah is one of the cooperation contracts in which one party acts as a provider of funds (shahibul maal) and the other party acts as a fund manager (mudharib). The concept of profit sharing in mudharabah uses a profit

loss sharing system. According to the term mudharabah contract is an agreement (business cooperation) made by two parties, the first party as the owner of the capital who provides his capital to the other party so that the capital can be developed and the profits will be shared by both parties by the agreed provisions.²² Meanwhile, the Musyarakah contract is a form of cooperation carried out by two or more people with profit sharing on a profit-sharing basis. In this case, each party contributes and the provisions are divided based on the agreement, while the losses will be divided based on the contribution of funds. The musyarakah agreement is a cooperation agreement on a business carried out by an investor who provides part of the capital and acts as a passive partner with an issuer who provides capital while acting as a manager or active partner. Regarding business profits will be divided between the parties by the agreement. Business losses are the responsibility of the investor and the issuer by the percentage of capital ownership of each unless the loss occurs because the issuer defaults.²³ The following is the implementation of sukuk based on POJK number 15/POJK.04/2015 concerning the Application of Sharia Principles in the Capital Market:

1. Gambling and Games Classified as Gambling

Maysir comes from Arabic which means gambling. The elements contained in gambling in terms of transactions can be understood as an attempt to predict the future outcome of an event. In Islamic law, this practice is prohibited because it is not supported by any analysis or appropriate information. This is in line with the surah Al-Baqarah verse 219 that Allah SWT has strictly prohibited gambling activities and consuming wine (khamr).²⁴ In simple terms, matter can also be referred to as gambling, which is a game that makes one party bear the burden of the other party due to a game. Every game must avoid the occurrence of a zero sum game, which is a situation where one party must bear the burden of the other. In the SCF platform, the funds raised are used for projects that are engaged in the real sector or in the social sector that contain useful values. Speculation is an implementation of maysir. Speculation is a form of transaction based on lottery and not based on reality. The main goal of this practice is

²² Febrina Nur Ramadhani, "Equity-Based Crowdfunding: Alternatif Penerapan Akad Mudharabah Berbasis Non Bank," *Imanensi: Jurnal Ekonomi, Manajemen, dan Akuntansi Islam* 4, no. 2 (2019): 9–15.

²³ Heru Maruta, "Akad Mudharabah, Musyarakah, Dan Murabahah Serta Aplikasinya Dalam Masyarakat," *Iqtishaduna: Jurnal Ilmiah Ekonomi Kita* 5, no. 2 (2016): 80–106.

²⁴ Ahmad Yusri Aiman Mat Yusof and Bank Islam Malaysia Berhad, "The Concepts of Riba, Gharar and Maysir in Islamic Finance," *Chief Executive Officer Chairman Malaysian Institute of Accountants MIA Islamic Finance Committee* 5 (2019): 5–16.

to get the maximum profit. While on the SCF platform the practice of *maysir* is not allowed, the Platform and the Publisher have compiled a Prospectus with careful analysis and supervised by the Sharia Supervisory Board. In Sukuk products issued are Electrical Installation Services and Procurement of Boiler System Metering Devices. Both products are not gambling activities or games that are classified as gambling games.

2. Ribawi Financial Services

The SCF platform has a role in bridging to obtain shares with 0% non-usury in line with sharia provisions. Interest is a practice that is pronouncedly prohibited in sharia transactions (*muamalah*) so it is necessary to the issuer whether there is cooperation with conventional banks because conventional banks contain usury, similar to deposits, loans, and leasing.²⁵

In addition, *riba* can be in the form of an addition to the goods being traded. Quantitative criteria are a set of financial ratios that must be examined in detail. During the first offering sukuk and shares, the SCF platform is offered in the amount per share and investors will earn a profit-sharing return based on the initial agreement stated in the prospectus once the investor owns a product. The SCF platform has clearly displayed the issuer's profile, the funded object, risk mitigation, and the financial year highlight of the issuer. In sukuk offering contained in the prospectus, the profit-sharing ratio is not a number that will be obtained in the future but the form of a percentage. There is an addition at the beginning of share or sukuk investment, or there will be an addition at the end when the profit is shared.

In addressing the conventional purchase of shares, it can be performed in daily trading. Shares can be traded for a year and then open on the secondary market every 6 months. SCF tries to bridge zero interest on stock products. In ownership, investors have a share in a company. Investment in the SCF platform implements zero tolerance for *riba* in every issuance of SCF products. Every issuer that will give securities will be ensured by DPS that every company or project to be issued does not contain debt interest or interest receivables, or any transaction that contains other usury. This

²⁵ Samsul Rizal et al., "Jurnal Ekonomi Dan Bisnis, Vol. 9 No. 1 Januari 2022," *Jurnal Ekonomi dan Bisnis* 9, no. 1 (2022): 146–156, <https://caritulisan.com/media/394513-none-a7372c04.pdf>.

happens when the issuer goes through its sharia screening process by ensuring that companies and projects offer stocks and Sukuk that do not possess usurious activity. Therefore, interest in the SCF transaction is not fulfilled. Electrical Installation Services and Procurement of Boiler System Metering Device is a service sector engaged in construction and heavy equipment so it is not a ribawi financial service.

3. Buying and Selling Risks that Contain Elements of Uncertainty (Gharar) and/or Gambling (Maisir)

Gharar comes from Arabic, Gharar, Taghrir, or Yaghara. Gharar can be defined in terms of danger. Gharar is defined as obscurity or danger. For every transaction activity in Islam (muamalah), the practice of gharar is prohibited in every transaction. In fiqh, gharar is defined into three categories, namely: (a) gharar specifically applies to a thing whose results are obscure, can or cannot. According to the opinion of Ibn 'Abidin, gharar is shak or doubt about a product with unknown specifications; (b) gharar is a transaction in which the buyer does not know what he is purchasing; (c) Gharar obscure consequences.²⁶ Gharar has clarity nor guarantee nor provide certainty about its existence mathematically and rationally, whether in the form of goods, prices, or the payment due money or delivery of goods.

Gharar is uncertainty in a contract both regarding the quality or quantity of the object or regarding its delivery. Sukuk or Islamic bonds are proof of ownership of an asset or underlying asset. For every sukuk offered through the SCF platform, there is an underlying asset in the sukuk transaction. Thus, the underlying asset offered has a clear object. The SCF platform in offering sukuk explains in detail objects that attract investors to invest their assets in the issuer. A project that can be the basis for the issuance of sukuk is a work that produces goods, services, and/or other benefits. It can be in the form of an ongoing project or a project to be worked on. The SCF platform has transparently presented the project to be worked on or funded clearly so that potential investors or investors can easily get clear information about the project from the issue so the element of gharar or ambiguity is irrelevant. This element is not

²⁶ Rudiansyah Rudiansyah, "Telaah Gharar, Riba, Dan Maisir Dalam Perspektif Transaksi Ekonomi Islam," *Al-Huquq: Journal of Indonesian Islamic Economic Law* 2, no. 1 (2020): 98.

fulfilled because it is clear that this Sukuk product is an Electrical Installation Service and Procurement of a tangible Boiler System Metering Device.

4. Producing, Distributing, Trading, and/or Providing, among others: a) Haram goods or services (haram lidzatihi); b) Haram goods or services not because of their substance (haram li-ghairihi) as determined by the National Sharia Council - Indonesian Ulema Council; and/or, c) Goods or services that damage morals and are mudarat

Tadlis is an act that contains elements of something that is not known to one party (unknown to one party). Tadlis is divided into 4 namely (1) Quantity; (2) Quality; (3) Price; (4) Time. Acts that can be categorized as Tadlis are Misleading Information is an act by making a statement or providing material information that is not true or an action that is detrimental so that it affects the price of securities in the capital market and Front Running is the act of a member of the stock exchange (brokerage company) conducting a transaction beforehand on a certain security on the basis of information that the customer will conduct transactions with a sufficiently large number of these securities which are expected to affect the market price with the sole purpose of obtaining or reduce losses.

Tadlis is a transaction that contains unknowns to one party. Every transaction in Islam must be based on a principle of the willingness of both parties and they must have the same information (complete information) so that no party being deceived or party is deceiving since one party does not know. Tadlis is divided into four, namely tables in terms of quantity, quality, price, and time.²⁷ On the SCF platform before making an offer, the website and the issuer have compiled a Prospectus which is a proposal made in detail and can later be studied by investors. The contents of the Prospectus itself consist of an investment overview, market overview, issuer profile, financial highlights, information on Sukuk offerings, Sukuk schemes, plans to use funds, return schemes, risk analysis, and how to purchase sukuk.

An immoral act is an act related to activities that do not violate the laws of Allah SWT and His Messenger. Examples include establishing a Khamr factory, establishing

²⁷ Utari Rahayu Lubis and Ismaulina, "Tadlis Dalam Bisnis Jual Beli Online Perspektif Ekonomi Syariah," *Jurnal JESKaPe* 4, no. 2 (2020): 247–256.

a drug factory that is illegal, opening a place for prostitutes, conducting gambling competitions, and practicing shamanism or paranormal practices. Distributing permissible goods to buyers who are known to use them for immoral acts is also unlawful, such as selling illegal weapons to robbers. Then in the rental contract, if it is used to rent out his house as a place for sex workers, it is also prohibited by law. Issuance of shares and sukuk on SCF ensures that it cannot commit immoral acts. For each sukuk issued, a selection of the future projects is selected. If the product contains haram things that are haram, then SCF will automatically refuse to issue the sukuk. So far, there are no prohibited projects or objects.

In general, the relevance of sharia principles that become the guideline in transactions is not seeking sustenance in the prohibited business, both in terms of the substance (object) or process (obtaining, processing, and distributing) and not being utilized for prohibited activities. The financing provided is used for productive financing, as working capital is needed to meet the need in order to increase production, both quantitatively to improve the amount of production and qualitatively to upgrade the quality of production and trade necessity. The type of business that can be proposed for financing is productive financing that generates profits and prohibits the distribution of capital for businesses that contain haram elements, such as the production of liquor, pig farming, and gambling. The services used in Sukuk products are not the type of services categorized as haram services. Because the services performed are electrical installations engaged in the electricity manufacturing sector and the procurement of Bolier System Metering devices at Kimia Farma, which is a company engaged in drug services.



Figure 1. Comparison of sukuk publisher from several countries

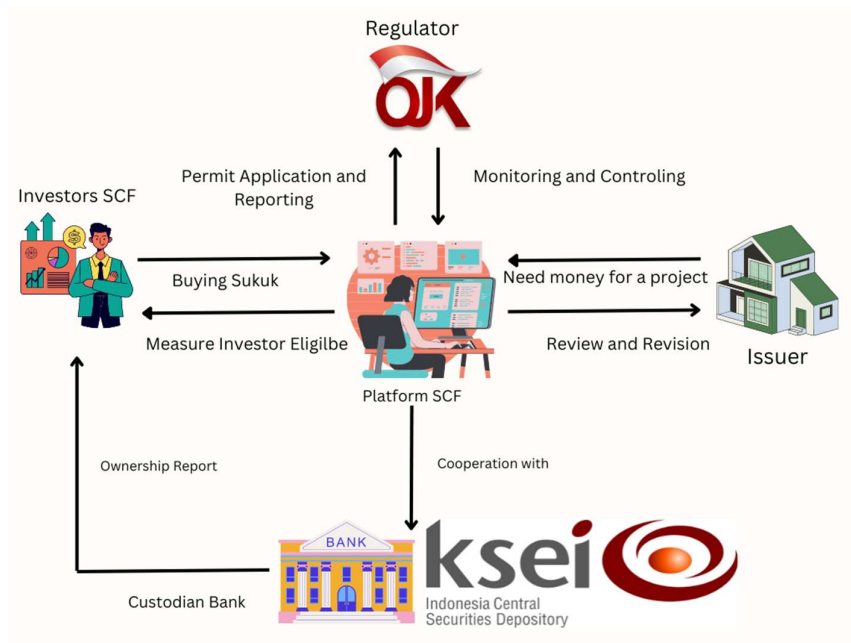


Figure 2. Sukuk Scheme

4. Conclusion

On the Sharia Securities Crowdfunding platform, two products have been held, namely sharia shares and sukuk. Products that are included in the Sharia Securities Crowdfunding have gone through a review and selection process by the Sharia Supervisory Board. Both of these products have complied with the principles of sharia compliance. Sukuk in SCF shares are based

on the Fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) Number 140/DSN-MUI/VIII/2021 regarding Sharia Securities Offerings Through Information Technology-Based Crowdfunding Services Based on Sharia Principles (Islamic Crowdfunding).

After analyzing the two products, it can be concluded that these products do not contain *riba* because the capital invested at the beginning is not added at the end when the return on capital and profit-sharing. Other products also do not contain *gharar* because every *sukuk* issued by SCF during the offering period has also been attached to a prospectus or important and relevant information regarding what is offered by the Issuer. Based on the analysis of this article, the existing products in SCF Syariah do not violate sharia provisions. In its implementation, the first category is gambling and games classified as gambling that do not violate Sharia compliance; the second category of Ribawi financial services also does not violate Sharia compliance provisions because the product is engaged in the construction and heavy equipment sectors. The third category is the sale and purchase of risks that contain elements of uncertainty (*gharar*) and/or gambling (*maisir*). It also does not violate sharia provisions because the product is tangible. The last category is goods or services that are haram in substance (*haram lidzatihi*), goods or services that are haram not because of their substance (*haram li-ghairihi*) determined by the National Sharia Council - Indonesian Ulema Council, and/or goods or services that damage morals and are *mudarat* also do not violate sharia provisions because they are not services categorized as haram services. It can be concluded that SCF products do not violate Sharia compliance following DSN MUI. In addition, to ensure that the products do not violate Sharia compliance, the implementation of SCF is supervised by the Sharia Supervisory Board owned by each organizer.

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