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Nor Fadilah Bahari¹, Zurina Shafii², Mustafa Mohd Hanefah³

Optimizing Shariah Governance Practices in Ar-Rahnu Cooperatives: Insight into Structure, Guideline Adherence, and Challenges

ABSTRACT

This paper aims to examine Shariah governance practices in Ar-Rahnu cooperatives. It would also analyse the challenges encountered by Ar-Rahnu cooperatives in implementing effective Shariah governance, including regulatory constraints, and operational complexities. The study employed multiple case studies and selected four different categories of Ar-Rahnu cooperatives as a sample. Data collection strategies were based on interviews with Ar-Rahnu cooperatives' key governance organs and documents. The data was analyzed using thematic analysis and content analysis. The study's results indicate that the Ar-Rahnu cooperatives have progressively strengthened their Shariah governance. However, a few areas, like Shariah risk and audit, demand greater focus from Ar-Rahnu cooperative management. The recommended strategies that may bolster Shariah governance and compliance procedures are to entrench Shariah culture, enhance awareness, improve Shariah competency within the management of cooperatives and regulators' duties to reinforce the current Shariah legal elements for cooperatives. Also, together with positive support from regulators who provide a comprehensive Islamic legal and regulatory system. This study provides valuable insights for practitioners, policymakers, and researchers working in the Islamic pawn broking industry and cooperative studies. Furthermore, it would propose potential future directions and innovative solutions to improve Shariah governance and assurance in Ar-Rahnu cooperatives.

Keywords: Shariah Governance, Ar-Rahnu, Cooperatives, Challenges

Ar-Rahnu Kooperatiflerinde Şer'i Yönetişim Uygulamalarının Optimizasyonu: Yapı, Kılavuzlara Uyum ve Zorluklara İlişkin Bir Bakış

ÖZ

Bu makale, Ar-Rahnu kooperatiflerindeki Şeriat yönetim uygulamalarını incelemeyi amaçlamaktadır. Ayrıca, etkili Şeriat yönetişimini uygulamada Ar-Rahnu kooperatiflerinin karşılaştığı düzenleyici kısıtlamalar ve operasyonel karmaşıklıklar gibi zorlukları analiz etmektedir. Çalışma, birden fazla vaka çalışması yöntemi kullanmış ve örneklem olarak dört farklı kategoriye ait Ar-Rahnu kooperatiflerini seçmiştir. Veri toplama stratejileri, Ar-Rahnu kooperatiflerinin temel yönetim organlarıyla yapılan görüşmeler ve belgeler üzerine dayandırılmıştır. Veriler tematik analiz ve içerik analizi yöntemleriyle incelenmiştir. Çalışmanın sonuçları, Ar-Rahnu kooperatiflerinin Şeriat yönetimlerini giderek güçlendirdiğini göstermektedir. Bununla birlikte, Şeriat risk yönetimi ve denetim gibi birkaç alan, Ar-Rahnu kooperatifi yönetiminin daha fazla odaklanmasını gerektirmektedir. Şeriat yönetişimi ve uyum prosedürlerini güçlendirebilecek önerilen stratejiler arasında Şeriat kültürünün yerleşik hale getirilmesi, farkındalığın artırılması, kooperatif yönetimi

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İçinde Şeriat yeterliliğinin geliştirilmesi ve düzenleyicilerin kooperatifler için mevcut Şeriat hukuki unsurlarını güçlendirme görevleri yer almaktadır. Ayrıca, düzenleyicilerden gelen kapsamlı bir İslami hukuki ve düzenleyici sistem desteğiyle pozitif katkı sağlanması önerilmektedir. Bu çalışma, İslami rehin finans sektörü ve kooperatif çalışmaları alanında çalışan uygulayıcılar, politika yapıcılar ve araştırmacılar için değerli bilgiler sunmaktadır. Ayrıca, Ar-Rahnu kooperatiflerinde Şeriat yönetişimini ve güvencesini iyileştirmeye yönelik potansiyel gelecek yönelimleri ve yenilikçi çözümleri önermektedir.

Anahtar Kelimeler: Şer'i Yönetişim, Ar-Rahnu, Kooperatifler, Zorluklar

1. INTRODUCTION

Since the flourishing growth of Islamic finance sectors in Malaysia, Shariah governance has been the utmost priority and consideration in creating the Islamic finance ecosystem in Malaysia. The Malaysian government has been at the forefront of embarking on the industry's growth with structured regulatory systems, frameworks, legislation, guidelines, and a holistic Islamic finance ecosystem. These efforts aim to ensure that the Islamic finance sector complies with Shariah laws in all aspects of legal, prudential, operational, and governance matters.

In recent years, there has been extensive research on Shariah compliance and Shariah governance, especially in the Islamic banking sectors (IBs). Despite this, there are still few studies focusing on the Shariah governance aspects of Ar-Rahnu cooperatives. Ar-Rahnu must conduct its business and activities in accordance with Shariah principles, prioritizing the economic and social dimensions. As an Islamic financial sector, Ar-Rahnu business's fundamental principle is to achieve *maqasid al-shariah*.

The five common dimensions of *maqasid al-shariah* based on Al Ghazali 1937, as cited in Chapra (2008), are: i) safeguarding their faith (*din*), ii) their self (*nafs*), iii) their intellectual ('*aql*), iv) their posterity (*nasl*), and v) their wealth (*mal*). Shariah governance is one of the special elements that distinguish the Islamic financial sectors from their conventional counterparts. Ar-Rahnu cooperatives not only focus on the material elements, but they are also obligated to adhere to Shariah rules.

The absence of a solid Shariah governance structure and insufficient laws might lead to Shariah risk, thereby tarnishing Ar-Rahnu's reputation as one of the country's most respected Islamic pawnbrokers. The roles of key Shariah governance organs in the Ar-Rahnu cooperative are important to assure that all aspects of the cooperative's business are in line with Shariah rules, which indirectly strengthens Shariah governance in Ar-Rahnu cooperatives.

Ar-Rahnu, an Islamic pawn broking institution in Malaysia, contributes significantly to the country's economy. Various institutions, such as banking institutions, government link companies (GLCs), credit cooperatives, state link companies, and other private companies, have served Ar-Rahnu operators up to this day. The number of Ar-Rahnu operators keeps increasing over the years, and cooperatives are among the pioneers in the business of Ar-Rahnu.

According to the Malaysia Co-operative Commission Societies (MCSC), in 2022, out of 15,315 registered cooperatives, 595 conduct credit activities and *takaful*, or insurance services, which have recorded RM 140.76 billion of assets with 2.4 million members. Furthermore, Ar-Rahnu's operations generated revenue of RM37.6 million, involving over 100 cooperatives and disbursing a total funding of RM369.9 million (SKM, 2022).

Along the growth, it undeniable that the business of Ar-Rahnu was exposed to Shariah non-compliance issues. Shariah non-compliance may happen if the Ar-Rahnu business is improperly conducted from beginning to end and there are elements such as *riba*, *gharar*, and *maysir*. The business process and operation of Ar-Rahnu and must be clear from unlawful items or any elements contradicted with the rules of Shariah.

Previous studies Md. Yusuff (2015), Musa et al. (2018), Rasmin and Markom (2014), and Shah et al. (2018), have claimed that the absence of specific regulations and a lack of control and supervision, coupled with minimal Shariah governance practices, contribute to the emergence of Shariah issues in the business of Ar-Rahnu.

Meanwhile, Nik Azman and Kassim (2017), remarked on the issues of pricing practice and the criticisms of the application of Shariah contracts in Ar-Rahnu discussed by Fairouz and Khir (2012) and Mohamad et al. (2008). Significant changes occurred when the SC's of BNM announced their intention to restructure the former Ar-Rahnu scheme to a new Ar-Rahnu scheme due to the non-Shariah compliance factor. The implications of these issues prompted BNM to enforce the restructuring of the former Ar-Rahnu scheme into the new Ar-Rahnu scheme for all Islamic Financial Institutions (IFIs) under its purview, which became effective in February 2020.

In conjunction with the enforcement, the regulatory body of cooperatives, the MCSC, announced the enforcement of the new alternative of the Ar-Rahnu scheme on May 1, 2021, for all cooperatives. In June 2021, the MCSC streamlined the Ar-Rahnu scheme into a new Shariah scheme. Therefore, one of the ways to minimise Shariah issues in Ar-Rahnu cooperatives is to strengthen the implementation of Shariah within the Ar-Rahnu cooperatives. The application of the new scheme is still in its early stages, and proper conduct is required to prevent any potential Shariah issues. For those reasons, the study aims to examine the current Shariah governance practices in Ar-Rahnu cooperatives, including their perspectives on the available guidelines and acts, and further identify the challenges faced by the cooperatives.

2. LITERATURE REVIEW

In Malaysia's financial system, the demand for Ar-Rahnu was influenced by the Muslim community, which needs Shariah-compliant pawn broking services. Studies by Amin et al. (2007) and Abdul Hamid et al. (2014) proved that the Shariah element is one of the factors that influenced the community's request for Ar-Rahnu. Besides, Ar-Rahnu provides an attractive alternative to the local banking system and best credit alternative for customers to overcome their financial difficulties. Flexible services, minimal credit evaluation, and fast credit approval were 32 factors that made Ar-Rahnu the best choice for its customers (Skully, 1992).

For Islamic credit cooperatives that served Rahnu micro-financing, the jurisdiction of cooperatives in Malaysia is under the supervision of *Suruhanjaya Koperasi Malaysia* (SKM). In the early stages of its establishment, Ar-Rahnu operators were governed by the Pawn Broking Act of 1972. However, the existence of certain sections that allow the permissible practise of charging interest on the loan was inconsistent with Islamic rules (Abu Bakar et al., 2018; Rasmin & Markom, 2014). The practice of interest, or *riba*, is not practicable for Ar-Rahnu and is absolutely *haram*, thus must be avoided.

In 2013, the SKM introduced GP 25 - *Garis Panduan Aktiviti Pajak Gadai Islam* (Ar-Rahnu). The introduction of this guideline acts as guidance to all cooperatives to conduct the business of Ar-Rahnu in an orderly and prudent manner. Nevertheless, the guideline was cancelled by SKM in 2020 for the restructuring of a new Ar-Rahnu scheme. For Islamic banks that serve Ar-Rahnu scheme, they are guided by *Rahn* Policy document by BNM.

To date, the development of Shariah governance has increased demand not only for Islamic banking sectors but also for other non-banking sectors that are currently active in serving Islamic financing products. Following the growing effort to embark on the practice of Shariah governance in Islamic banking sectors in the country, the regulators of the cooperatives have taken similar actions and continue to make an effort to strengthen the Shariah governance practice within Islamic cooperatives. The Shariah governance guideline was established in 2015

to strengthen Shariah governance and assurance practices in Ar-Rahnu cooperatives. However, issues related to Shariah compliance continue to arise. Therefore, this study examines the Shariah governance and assurance practices within Ar-Rahnu cooperatives. The findings provide significant contributions to the cooperatives, policymakers, and society as a whole, ensuring that the business operations of Ar-Rahnu cooperatives align with Shariah principles.

2.1. SECOND-LEVEL HEADING IN THE TEXT

GP28 Shariah Governance Guideline for cooperatives is applicable to Islamic cooperatives that conduct banking activities, offering credit, financing, and Ar-Rahnu. The introduction of the GP 28 guideline aims to enhance the effective responsibility and accountability of the members in the organization, including the board of directors, management, and Shariah Committee, to lead to business according to Islamic rules.

Besides, it aims to strengthen the identity and development of each component of governance in order to form more competitive and competent cooperatives that operate with integrity (Hassan et al., 2018). The GP 28 contains the framework and roles of each governance organ in cooperatives to achieve the completion of five aspects of Maqasid Shariah, particularly in the aspect of governance. The enforcement of this guideline able to empower the regulatory functions of SKM against cooperatives in conducting business and Shariah compliant activities. This effort was in line with the aims of Malaysia's government to strengthen Shariah compliant practice within the Islamic financial sector.

In addition, GP 28 stipulates that all related cooperatives must at least appoint their own Shariah officers, having a Shariah secretariat that carry out an audit function that includes aspects of Shariah compliance. According to GP 28, implementing of Shariah compliant practice in Islamic cooperative are the responsibilities and duties of each component, including:

1. Cooperative Boards,
2. Shariah Committee,
3. Cooperative Management,
4. Internal Audit Committee.

This guideline automatically effective to all cooperatives including Ar-Rahnu cooperatives. Number of previous research emphasizes the need for a Shariah governance framework for Islamic cooperatives. Studies by Issyam et al. (2016) suggested the establishment of a Shariah Committee as a mechanism to ensure Shariah compliance in the business and operation of the Islamic cooperative and Shariah Advisory Council of Bank Negara as a reference/consultation body. This is in line with Section 26(1) of the Malaysia Cooperative Societies Commission Act 2007, which stipulated that SKM consult the SAC of BNM on any matters related to Shariah for advice.

3. METHODOLOGY

The multiple case study approaches employed were to obtain the perspective of industry practitioners and observe the real practices within the selected cooperatives. The sampling methodology was based on purposive sampling. The study's scope was limited to four categories of Ar-Rahnu cooperatives. The cooperatives involved were:

- i. Cooperative bank (ABC)
- ii. Cooperative by state link company (ACM)
- iii. Cooperative under Islamic bank's subsidiaries (ACK)
- iv. Cooperative by foundation company (ACY)

All selected cooperatives are currently active in serving and conducting Ar-Rahnu businesses. The study excluded Ar-Rahnu providers from Islamic commercial banks and private companies. The exclusion of these two categories of institutions was due to certain limitations, including time constraints and the readiness of the institutions to be involved in the study. The respondents involved in the study were the key governance organs in the cooperatives, which include board members, the Shariah Committee, senior management, and the branch manager. All the selected samples and respondents were selected based on their willingness to participate in the study.

The interview session began by inquiring about the cooperative's present implementation of Shariah governance, specifically their compliance with Shariah governance guideline GP 28, their perspective on the existing legal frameworks in Ar Rahnu cooperatives, and the obstacles encountered by the cooperatives in upholding Shariah governance. The study employed two methods of conducting interviews: face-to-face and online. The online interview was carried out using the Zoom platform. The interview ran between one and two hours. Each participant received a semi-structured question that aligned with the specified objectives. Each level of key governance organs received a different set of questions.

After the interviews were conducted, the researcher transcribed the data, and the transcripts were submitted to the respondents via two approaches: email or face-to-face checking for validation purposes. If the information recorded was different from what was said during the interview sessions, respondents are free to comment on or correct the data. Furthermore, if the information is incomplete and uncertain, the researcher will make a telephone call to the respondents to obtain or reconfirm it. The respondents were previously apprised of these matters. The details of interviews conducted with key organs of four Ar-Rahnu cooperatives are illustrated in Table 1.

Table 1: Details of the Interviewees

No.	Interviewees Profile	
1.	Interviewee1 (I1ACM)	General Manager Cooperative ACM (GM_ACM)
2.	Interviewee 2 (I2ACM)	Shariah Committee Members/ BOD ACM
3.	Interviewee 3 (I5ACM)	Internal Auditor ACM
4.	Interviewee 4 (I1ABC)	Branch Manager Cooperative ABC, Bangi Branch
5.	Interviewee 5 (I1ACY)	Branch Manager ACY
6.	Interviewee 6 (I2ACY)	Head of Shariah Department/ Shariah Secretariat ACY
7.	Interviewee 7 (I1ACK)	Head of Division/ BOD Cooperative ACK
8.	Interviewee 8 (I2ACK)	General Manager Cooperative ACK

Source: Authors

Also, to verify the absence of Shariah governance organs and structures in the Ar-Rahnu cooperatives, data was also collected from related documents such as their annual report and official website. The individuals who were interviewed validated the accuracy of this material.

Data obtained from both sources was further refined and analysed based on content analysis and thematic analysis. The study employed ATLAS.ti-22 to perform qualitative data analysis.

3. DISCUSSION AND FINDING

According to the findings, the study deduces three themes from the data. The first theme is the organizational Shariah structure in each cooperative; the second theme is the adherence and relevancy of the available guidelines and acts in Ar-Rahnu cooperatives; and the third theme is related to constraints faced by the Ar-Rahnu cooperatives in conducting Ar-Rahnu businesses in accordance with Shariah.

ROI: The current practices of Shariah governance within the Ar-Rahnu cooperatives

The study examined the existing organisational framework of Ar-Rahnu cooperatives to achieve its first objectives. One of the elements of Shariah governance is the presence of Shariah governing bodies within cooperatives. The study obtains information from their financial reports, official websites, and other pertinent documents. The results are as follows:

Table 2: Shariah Organizational Structure of Ar-Rahnu Cooperatives

Internal Shariah Governance Organs	ABC	ACY	ACM	ACK
Internal Shariah Committee	√	√	√	√
Number of SCs	5	5	3	3
Shariah Audit	√	n/a	n/a	n/a
Shariah Review	√	n/a	n/a	n/a
Shariah Risk	√	n/a	n/a	n/a
Shariah Secretariat	√	√	√	√

Source: Authors.

Based on the information in Table 1, each of the four Ar-Rahnu cooperatives has its own internal Shariah Committee (SC), which is responsible for overseeing and monitoring all Shariah-related activities within the firms. The main function of the Shariah Committee (SC) in the cooperative is to issue guidance and advice regarding Shariah matters internally. With regards to the SC compositions, each institution abides by the guidelines outlined in GP 28, where the composition of the Shariah committee should consist of at least three members. This minimum standard is determined by the complexity and size of the cooperatives. Comparatively, the composition of SCs in GP 28 is less than the requirements imposed in SGPD 2019 by BNM.

For IFIs, the composition of SC members, as stated in Paragraph 13.2 of SGPD 2019, requires at least five SC members. For cooperative banks, ABC allocates five SC members as per the guidelines set by BNM, which exceeds what is required in GP 28. For the other cooperatives, ACY, ACM, and ACK, the SC compositions typically consist of three individuals. Nevertheless, ACY went beyond the GP 28 standard when they assigned five SC members to their company. Cooperative ACY relies on the SC in their company. This has been acknowledged by their Head of Shariah or Shariah Secretariat officer at ACY:

“Based on the standard in GPS 28, the required number of members is 3, but in our foundation, we have a total of 5 Shariah Committee members to make sure that every activity runs smoothly.” (I2ACY)

Furthermore, the branch manager of ACY also added that Shariah governance was emphasised by the management. She commented:

“Yes, Shariah governance was emphasised.” (I1ACY)

Meanwhile, both ACM and ACK cooperatives have three SCs, which are in line with the requirements of GP 28. The ACM relies on the SCs in its corporation, whereas ACK has its own SCs and Shariah Officer or Secretariat in its cooperative. It was confirmed by the Head of Ar-Rahnu Division and Deputy Chairman of ACK as follows:

“We have appointed a Shariah officer, and we already have a Shariah Advisor.” (IACK)

In addition, the study also identifies the implementation of a Shariah control function in each cooperative. Only ABC completes the components of Shariah advisors: Shariah audit, Shariah risk, Shariah review, and Shariah secretariat. This was in line with the SGPD 2019 requirement. While for other cooperatives that are not under the bank cooperative category, the functions of Shariah control functions such as Shariah audit, Shariah review, and Shariah risk are not mandatory, and the enforcement is not effective for them. The cooperatives are not required to have these three Shariah-compliant control functions. However, GP 28 stipulates that the cooperatives must designate at least one Shariah officer to act as the Shariah committee's secretary.

In summary, all the Ar-Rahnu cooperatives possess a Shariah Secretariat and only the cooperative bank possesses all four components of the Shariah control function; Shariah audit, Shariah risk, Shariah review, and Shariah secretariat. This was in line with the SGPD 2019 requirement. For other cooperatives that do not fall under the bank cooperative category, the functions of Shariah audit, Shariah review, and Shariah risk are not mandatory, and their enforcement is not effective. However, GP 28 stipulates that the cooperative must designate at least one Shariah officer to act as the Shariah committee's secretary.

Although the requirement stipulated in GP 28 does not require cooperatives to have complete Shariah advisors, a few Ar-Rahnu cooperatives have taken the initiative to conduct Shariah reviews and Shariah audits. A Shariah review was conducted by the internal Shariah unit. Meanwhile, some cooperatives seek Shariah certification on the products by ANGKASA and ISRA upon MCSC's approval. Similar findings were reported by Mahmud Sabri et al. (2023).

RO2: The perspectives of cooperatives on available acts and guidelines.

The second objective of the study was to examine the perspectives of the key governance organs on the available guidelines regarding Ar-Rahnu business and Shariah aspects. Table 2 illustrates the findings from the interviews.

Table 2: Perspectives on the available guideline and Act for Ar-Rahnu cooperatives

Interviewees	Quotations.
Ar-Rahnu Guideline & Act	

11ACY	“For me, so far, it's been good. The current regulations and legislation in Ar-Rahnu provided by MCSC are good and do not interfere with the operation.”
11ABC	“For me, it's good. The current rules and laws make things easier.”
11ACM	“It’s good so far. It's just that if there are a lot of regulations and laws in place, they restrict the business that is conducted to some extent.” (I4ACM)
12ACK	“Ar Rahnu’s regulation is still lame. The qualification allowed is only RM 50,000, but our cooperatives offered up to RM 500,000. So, the guideline and the standard are no longer suitable.
11ACK	“Current regulations are highly retrograde and prevent cooperatives from implementing Shariah governance. I also would like to comment regarding GP25 <i>Garis Panduan Pajak Gadai Islam</i> ; it no longer suits the current market situation because when <i>tawarruq</i> was introduced as the current Shariah contract in Ar-Rahnu, there was no guideline to be referred to. GP 25 is lame and does not suit the current market at the moment.
12ACM	“We do not yet have a specific act for Ar-Rahnu. Previously, we used the Pawn Broking Act of 1972. If it is an Islamic banking institution, they refer to IFSA 2013, but for Ar Rahnu cooperative, if there is a dispute, it will be taken to the tribunal, and I am not sure which act to refer to. So, this is something that needs attention.”
Shariah Aspects	
12ACY	“For the first question, we have complied with the Shariah governance elements prior to the establishment of GP 28.
11 ABC	“Alhamdulillah, we have obeyed. We have made sure from the beginning that we comply with the guidelines of GP 28.
11 ACK	“The implementation of Shariah has already been done.”

Source: Authors

The findings led to the expression of diverse perspectives on the current legal system in Ar-Rahnu. Some of them are satisfied with the existing laws, as they are perceived as fair and do not restrict the ability of Ar-Rahnu cooperatives to conduct business. It makes it easier for cooperatives to move and manage their businesses. Most of them demonstrate that they comply with MCSC's guidelines: GP 25 *Garis Panduan Pajak Gadai Islam* and Shariah Governance Guideline GP 28 in their operations. Nevertheless, two interviewees asserted that the existing laws and regulations in the Ar-Rahnu and cooperative sectors were antiquated and unable to support the present needs and competitive environment. One of the participants expressed concerns about the appropriate act to use in the event of a dispute in Ar-Rahnu's business.

RO3: Challenges in strengthening the Shariah governance practices

The cooperatives faced a few challenges in maintaining the Ar-Rahnu business. The main issue was the absence of guidance on the new Ar-Rahnu scheme. The available guidelines are not applicable to the present situation. The SKM has cancelled GP 25 *Garis Panduan Pajak Gadai Islam* and has not yet proposed any new guidelines. The need for a new guideline is vital, and responses received from the interviewees claimed that they lacked expertise and guidance on how to conduct the new Ar-Rahnu scheme, which was one of the obstacles to immediately streamlining their Ar-Rahnu product.

The interviewees remarked:

“GP25 should be amended to be consistent with the concept of tawarruq.” (I2ACK)

“GP25 Garis Panduan Pajak Gadai Islam; it no longer suits the current market situation because when tawarruq was introduced as the current Shariah contract in Ar-Rahnu, there was no guideline to be referred to.” (I1ACY)

“There are still no guidelines on tawarruq from the MCSC. However, we already conduct internal research and bring it to our Shariah committee and fatwa council for approval.” (I1ACM)

Most of them suggested that the MCSC, as the main regulator that supervises the cooperatives, should play a proactive role in providing guidelines that match the current situation and environment. The execution of the *tawarruq* contract in the Ar-Rahnu scheme must be conducted in proper arrangement, and the elements in the contract should be conducted properly to avoid the risk of non-Shariah compliance.

The second challenge was financial scarcity. To simultaneously engage in Ar-Rahnu business and adhere to Shariah, cooperatives are required to keep a consistent stream of income. The issues also mentioned by Othman et al., (2013) and Maslinawati et al., (2013). The cooperatives having a problem in getting and having sufficient capital to fund their activities and to sustain in the market. The majority of cooperatives rely on their internal capital resources; share capital, fees, and accumulated profit.

Shariah governance aspects can be efficiently implemented if cooperatives have complete Shariah advisors, including Shariah review, Shariah risk, Shariah audit, and Shariah secretariat, especially for the cooperatives under the categories of "premier" and "100 best cooperatives." But some responses from the interviewees claimed financial constraints were the main obstacles for cooperatives. The description is as follows:

“In cooperatives, the issue is that when they want to establish a Shariah control function in the cooperatives, the cost is high.” (I1ACK)

“We must tighten our operational process to ensure its accordance with Shariah and further refine our practices. However, in achieving this purity, it is a fact that the cost will increase.” (I2ACM)

Last but not least, there is the Shariah competency challenge. Ar-Rahnu business necessitates ability and understanding in both Ar-Rahnu and Shariah matters to all cooperative members. Few of the interviewees admitted that Shariah knowledge is still minimal among cooperative managers and Shariah training was needed. The interviewees revealed:

“I just have basic knowledge of Shariah.” (I1ACK)

“My position is currently as an accountant and member of the team for internal audit. I don't have experience with Shariah auditing.” (I5ACM)

“We do not yet have a Shariah audit certificate. However, the bank provides training, and they give a brief on the Shariah audit function for front-line officers.” (I2ABC)

In a cooperative setting, the appointment was also influenced by political considerations, which were based on voting rather than abilities and knowledge. The interviewees mentioned:

“As far as I’m concerned, some of the management members do not have high qualifications. A branch manager only requires experience and certain training to become qualified to become a branch manager. However, I am not sure how soon it will be. I heard that they would like to strengthen their academic qualifications.” (I2ACY)

“However, there’s an issue where the designation of the board corporation is based on votes. So, there’s a political game, and there are people who want to be designated but are not skilled and have no expertise.” (I1ACK)

Furthermore, with regard to the qualifications and expertise of Shariah Committee members, the majority of respondents disclosed that the appointment process for their SCs adhered to the stringent requirements set forth by the SKM. Nevertheless, the support of a Shariah control function is required to assist the roles of SCs thus to ensure effective implementation of Shariah governance and assurance within the cooperatives. This was claimed by interviewee;

“But SC in the cooperative itself is still not ready to run a business based on Shariah. It does not have a complete Shariah advisor, and they just follow the Central Bank rules. Unlike a bank, a bank is an intermediary institution between depositors and customers, so it has a greater responsibility to take care of customers.” (I2ACM).

The absence of a solid Shariah governance structure and insufficient laws might lead to Shariah risk, thereby tarnishing Ar-Rahnu’s reputation as one of the country’s most respected Islamic pawnbrokers. Findings indicates that, the Shariah governance practices has improve and majority Ar-Rahnu cooperatives were adhered to the GP 28 Shariah governance guideline imposed by SKM. Most Ar-Rahnu cooperatives started to have their own internal Shariah committees. Nevertheless, diverse perspectives were expressed on the current legal system in Ar-Rahnu. Some of them are satisfied with the existing laws, and several said current regulations are less relevant to the current context and must be revised.

To sustain competitiveness and ensure long-term viability, Ar-Rahnu cooperatives encounter various challenges that require collaborative efforts from both internal and external stakeholders. The holistic Shariah awareness and culture should be instilled in the management of cooperative’s management at all level. Besides, the management of Ar-Rahnu cooperative can improve its competency by implementing effective strategies. Regulators play a crucial role in establishing a comprehensive legal and regulatory framework that promotes adherence to Shariah principles and ensures sound governance within Ar-Rahnu cooperatives.

5.CONCLUSION

Strengthening Shariah governance is crucial for maintaining adherence to Sharia rules, enhancing the integrity and credibility of Ar-Rahnu cooperatives. The growing number of Ar-Rahnu providers demands greater attention from regulators and the institutions themselves to ensure they uphold a good reputation and image as Islamic pawn-broking providers. A robust Shariah governance framework ensures compliance with Islamic principles, distinguishing Ar-Rahnu from conventional pawn-broking and building trust and confidence among stakeholders. By upholding these standards, Ar-Rahnu can continue to serve as a reliable and ethical financial solution, contributing positively to the Islamic financial ecosystem and society as a whole.

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KARJIEF

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**The Performance of Zakat Management Organizations in Jambi Province-Indonesia
Based on Maqashid al-Syariah: A Mediated Model**

ABSTRACT

This study explores the influence of Human Resource (HR) competencies, Islamic organizational culture, and information technology on the performance of zakat management organizations (KOPZ) with values of Sharia Management Accounting Information System (SIAMSy) as a mediating variable. This study aims to understand how these factors interact and contribute to improving the effectiveness of zakat management in sharia-based organizations, especially in Jambi Province. This research uses a quantitative approach with a survey method through a questionnaire distributed to 121 respondents from 19 Zakat Management Organizations (OPZ) in Jambi Province. The data analysis technique used is Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach. The results showed that HR competence and Islamic organizational culture significantly influence the KOPZ based on *maqashid al-syariah*. However, information technology has a negative impact, indicating the need for special attention in its selection based on Sharia principles. The results also show that values SIAMSy has an influence as a mediator of HR competencies, Islamic organizational culture, and information technology on the KOPZ based on *maqashid al-syariah*. This research emphasizes the importance of a more structured and sharia-based zakat management, by strengthening HR competencies, Islamic culture, and appropriate technology.

Keywords: Islamic Organizational Culture, KOPZ, HR Competence, Information Technology, Values of SIAMSy

JEL Codes: L31, M12, M15, P46, Z12

Endonezya'nın Jambi Eyaletindeki Zekat Yönetim Organizasyonlarının Makâsidü'ş-Şerîa'ya Dayalı Performansı: Aracılı Model

ÖZ

Bu çalışma, İnsan Kaynakları (İK) yetkinliklerinin, İslami örgüt kültürünün ve bilgi teknolojisinin, Şeriat Yönetim Muhasebe Bilgi Sistemi (SIAMSy) değerleri aracılığıyla Zekat Yönetim Organizasyonlarının (KOPZ) performansı üzerindeki etkisini incelemektedir. Bu çalışma, bu faktörlerin nasıl etkileşime geçtiğini ve şeriat esaslı organizasyonlarda, özellikle Jambi Eyaleti'nde zekat yönetiminin etkinliğini artırmaya nasıl katkıda bulunduğunu anlamayı amaçlamaktadır. Araştırma, 19 Zekat Yönetim Organizasyonundan (OPZ) 121 katılımcıya dağıtılan bir anket yoluyla nicel bir yaklaşımla ve anket yöntemiyle gerçekleştirilmiştir. Veri analizi tekniği olarak Kısmi En Küçük Kareler (PLS) yaklaşımıyla Yapısal Eşitlik Modellemesi (SEM) kullanılmıştır. Sonuçlar, İK yetkinliklerinin ve İslami örgüt kültürünün, maqashid al-syariah temelinde KOPZ üzerinde önemli bir etkiye sahip olduğunu göstermektedir. Ancak, bilgi teknolojisinin olumsuz bir etkisi olduğu, bu

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nedenle şariat prensiplerine uygun olarak seçilmesine özel önem verilmesi gerektiği belirlenmiştir. Ayrıca, SIAMSy değerlerinin, İK yetkinliklerinin, İslami örgüt kültürünün ve bilgi teknolojisinin maqashid al-syariah temelli KOPZ üzerindeki etkisinde aracı bir rol oynadığı görülmüştür. Bu araştırma, insan kaynakları yetkinliklerini, İslami kültürü ve uygun teknolojiyi güçlendirerek daha yapılandırılmış ve şariat esaslı bir zekat yönetiminin önemini vurgulamaktadır.

Anahtar Kelimeler: İslami Örgüt Kültürü, KOPZ, İK Yetkinliği, Bilgi Teknolojisi, SIAMSy Değerleri

JEL Kodları: L31, M12, M15, P46, Z12

1. INTRODUCTION

As the country with the largest Muslim population in the world, Indonesia has nearly 600 OPZ throughout the country, from the national level to districts/cities. OPZ is a public sector institution that manages community funds based on Islamic law and must report all its financial and non-financial operations (Santo Hartono, 2022). The foundation of Islamic economic studies and zakat management, *maqashid al-syariah*, makes measuring OPZ performance all the more important (Hidayati & Tohirin, 2019; Mufidah et al., 2022).

The goals of Islamic law, or *maqashid al-syariah*, apply not only to Islamic jurisprudence but also to many facets of life, including economics. According to Al Ghazali, religion, life, intelligence, lineage, and money are the five fundamental aspects that *maqashid al-syariah* concentrates on preserving (Asmarani & Kusumaningtias, 2019; Nurwahidah et al., 2024; Pertiwi & Herianingrum, 2024). This idea is crucial to zakat management, as OPZ needs to meet its mandate and preserve confidence by ensuring that zakat monies are managed according to *maqashid al-syariah* (Umam, 2021).

However, fraud in Islamic financial institutions—including OPZ—occurs frequently; examples include the Indonesian National Amil Zakat Agency (BAZNAS) South Bengkulu (kompas.com), Dumai City, Riau (ANTARA News Riau), West Pasaman (jawapos.com), and East Tanjung Jabung Regency (jambi-independent.co.id). This fraud lowers public confidence in OPZ, adversely affecting the effectiveness of zakat distribution and collection (detik.com, 2022). These fraud incidents show that zakat administrators are not applying and comprehending *maqashid al-syariah*, which should be the central manual for running zakat organizations (Abidin, 2020; Sunarya & Al Qital, 2022).

To stop misappropriation and enhance OPZ effectiveness, a solid understanding of *maqashid al-syariah* is essential. Zakat managers who comprehend and appropriately apply *maqashid al-syariah* will be more equipped to uphold the zakat's mandate and improve the efficacy of its distribution, hence fostering public faith in zakat institutions (Asmarani & Kusumaningtias, 2019; Komariyah, 2013; Lutfi, 2023). Numerous instances of zakat monies being misappropriated in different parts of Indonesia demonstrate this, underscoring the significance of managing zakat according to the principles of *maqashid al-syariah*.

The BAZNAS Strategic Studies Center created the National Zakat Index (IZN) to gauge Indonesia's zakat performance. Macro and micro dimensions critical to assessing OPZ performance at different levels are included in IZN, which has developed into IZN 2.0. IZN is a crucial metric for assessing how much zakat contributes to enhancing the welfare of mustahik

and the overall effectiveness of zakat institutions (Fatmawatie et al., 2020; Nurzaman & Khanifa Kurniaeny, 2019).

The macro and micro dimensions are the primary dimensions used to calculate the IZN. Only National Amil Zakat Agency of the Republic of Indonesia (BAZNAS RI), Provincial BAZNAS, and Regency/City BAZNAS—all associated with the coordination function required by Law Number 23 Year 2011—are eligible to use the macro dimension of IZN. In the meantime, all zakat management organizations, including Amil Zakat Institution (LAZ) and Regency/City BAZNAS, must consider the micro dimension. The IZN value for Jambi Province based on the macro and micro dimensions is displayed in the table below. Jambi Province's IZN value in 2023 is only 0.45, down from 0.61 in 2022—a value that is considered growing or good. This figure is lower than the national average of the Indonesian provinces. In the meantime, the Jambi Province's IZN has developed less during the last four years—it even reached a value of -26.23%—far less than the -22.19% national average.

Table 1. IZN and Development in Indonesia 2020-2023

No	Province	IZN				Development		
		2020	2021	2022	2023	2020-2021 (%)	2021-2022 (%)	2022-2023 (%)
1	Aceh	0.36	0.63	0.64	0.48	75.00	1.59	-25.00
2	North Sumatera	0.57	0.54	0.51	0.43	-5.26	-5.56	-15.69
3	West Sumatera	0.56	0.60	0.59	0.47	7.14	-1.67	-20.34
4	Riau	0.64	0.72	0.71	0.62	12.50	-1.39	-12.68
5	Jambi	0.59	0.64	0.61	0.45	8.47	-4.70	-26.23
6	South Sumatera	0.56	0.61	0.56	0.46	8.93	-8.20	-17.86
7	Bengkulu	0.43	0.51	0.58	0.35	18.60	13.73	-39.66
8	Lampung	0.48	0.65	0.66	0.45	35.42	1.54	-31.82
9	Bangka Belitung	0.79	0.61	0.58	0.46	-22.78	-4.92	-20.69
10	Riau Islands	0.63	0.65	0.65	0.46	3.17	0.00	-29.23
11	DKI Jakarta	0.47	0.53	0.81	0.76	12.77	52.83	-6.17
12	West Java	0.60	0.68	0.69	0.53	13.33	1.50	-23.20
13	Central Java	0.52	0.67	0.68	0.56	28.85	1.50	-17.65
14	DI Yogyakarta	0.57	0.67	0.63	0.52	17.54	-5.97	-17.46
15	East Java	0.51	0.55	0.59	0.52	7.84	7.30	-11.90
16	Banten	0.64	0.68	0.66	0.58	6.25	-2.94	-12.12
17	Bali	0.44	0.37	0.39	0.48	-15.91	5.41	23.10
18	West Nusa Tenggara	0.59	0.72	0.73	0.61	22.03	1.39	-16.44
19	East Nusa Tenggara	0.38	0.47	N/A	0.34	23.68	N/A	N/A
20	West Kalimantan	0.54	0.60	0.53	0.43	11.11	-11.67	-18.87
21	Central Kalimantan	0.59	0.47	0.46	0.30	-20.34	-2.13	-34.78
22	South Kalimantan	0.46	0.65	0.62	0.52	41.30	-4.62	-16.13
23	East Kalimantan	0.50	0.55	0.56	0.47	10.00	1.82	-16.10
24	North Kalimantan	0.50	0.55	0.58	0.43	10.00	5.45	-25.86
25	North Sulawesi	0.53	0.57	0.60	0.32	7.55	5.26	-46.67

26	Central Sulawesi	0.49	0.55	0.47	0.36	12.24	-14.55	-23.40
27	South Sulawesi	0.58	0.65	0.69	0.58	12.07	6.15	-15.94
28	Sulawesi Tenggara	0.64	0.74	0.73	0.47	15.63	-1.35	-35.62
29	Gorontalo	0.57	0.63	0.59	0.59	10.53	-6.35	0.00
30	West Sulawesi	0.44	0.59	0.67	0.36	34.10	13.56	-46.30
31	Maluku	0.22	0.45	0.47	0.34	104.55	4.44	-27.66
32	North Maluku	0.32	0.48	0.43	0.30	50.00	-10.42	-30.23
33	Papua	0.46	0.49	0.77	0.26	6.52	57.14	-66.23
34	West Papua	0.35	0.53	0.40	0.37	51.43	-24.53	-7.50
Average		0.52	0.59	0.60	0.46	18.07	2.11	-22.19

Source: National Amil Zakat Agency Study Center (Puskas BAZNAS), 2024

Institutions and the influence of zakat comprise the two primary components of the micro dimension. In order to manage zakat successfully and efficiently, institutions must have several crucial components, including distribution, reporting, collection, and management. However, several indicators, including the Center of Islamic Business and Economic Studies (CIBEST) welfare index, the human development index modified, and the degree of independence, show the effects of zakat (Aninda, 2021; Solahuddin et al., 2023). Measuring tools like the IZN must be readily available to evaluate the effectiveness of zakat development achievements. It is anticipated that IZN will serve as a standard metric by which scholars, zakat organizations, regulators, and the general public can assess the progress of zakat nationwide. According to the table, the micro dimension IZN value for Jambi Province in 2023 is less than the national average. This suggests that deviations in the effectiveness and efficiency of zakat management in different regions are directly impacted by the performance of the OPZ in each province, which in turn significantly impacts variations in IZN values.

This means that internal elements like HR competency are critical in figuring out how effective the SIAMSy (Mauludin & Soimah, 2024). These competencies encompass a range of topics, such as a deep comprehension of pertinent sharia concepts, technical proficiency with the system, and managerial abilities necessary for efficiently administrating and applying the system. Zakat collectors and managers must possess sufficient proficiency in these three domains to maximize SIAMSy (Hizazi & Putra, 2020; Parida et al., 2024; Supriyadi, 2020). The lack of ability to properly manage and apply sharia principles can lower the quality of SIAMSy implementation in the area, leading to a decline in the Province of Jambi's IZN. Therefore, enhancing HR expertise is essential to guarantee that this information system can operate effectively and significantly influence zakat administration.

Furthermore, SIAMSy's development and execution are greatly influenced by Islamic corporate culture. Sharia ideals will be reflected in every operational facet of Sharia-based enterprises, including the management accounting information system if they have a strong and consistent culture. The poor IZN score in Jambi Province may be attributed to a weak organizational culture that does not uphold sharia standards.

SIAMSy in Islamic financial institutions may be impacted by the interaction of information technology, Islamic organizational culture, and human resource skills (Lestari, 2021). By maximizing the use of information technology to enhance HR competencies and

fortify Islamic organizational culture, organizations can raise SIAMSy scores and indirectly raise IZN scores (Agustin, 2019; Maelani et al., 2021; Sonia, 2017).

On the other hand, the SIAMSy plays a significant role in strengthening the KOPZ by providing a systematic framework for the transparent and accountable management of zakat money. Zakat administrators can make quicker and more accurate judgments by using SIAMSy, which gives them access to real-time data and information (Maulana, 2024). Organizations allocate resources more effectively when they can access timely and reliable information, which also helps with budget planning and management (Abd Wahab et al., 2020).

The potential for enhancing the IZN can be realized through the practical implementation of SIAMSy, provided that it is bolstered by HR competency and a suitable organizational culture (Nurhayati et al., 2017). To put it another way, SIAMSy is a recording and reporting tool that also serves as a facilitator to help enterprises more successfully achieve sharia goals and ideals in zakat management (Jaiyeoba et al., 2024).

This research is important because it examines the benefits of SIAMSy and its mediating role in the relationship between human resource competence, Islamic organizational culture, the utilization of information technology, and non-financial performance based on *maqashid al-syariah* at the Jambi Provincial OPZ, Indonesia. It is expected that Islamic organizational culture, HR competence, and information technology will contribute to the improvement of the performance of zakat management institutions. Furthermore, because the religious social fund sector in the Islamic finance industry in Indonesia plays an important role in the development and dynamics of the Islamic economy and finance in Indonesia, SIAMSy is needed to perform its tasks efficiently by conducting various assessments in different administrative situations. Utilizing SIAMSy helps organizations make wise decisions regarding the use of information technology, Islamic organizational culture, enhancement of HR competencies, and performance (Alfawaire & Atan, 2021; Almahirah, 2022). Therefore, this research emphasizes the role of SIAMSy as a mediator between HR competence, Islamic organizational culture, information technology, and organizational performance in the Jambi Province OPZ, Indonesia. This is considered one of the current topics because there is not much research discussing SIAMSy and its relationship with HR competence, Islamic organizational culture, information technology, and non-financial performance in OPZ.

Thus, this study aims to empirically investigate how HR competencies, Islamic organizational culture and information technology affect the KOPZ and how SIAMSy values mediate these impacts. This method is expected to provide a thorough understanding of the dynamics affecting SIAMSy values and KOPZ within Islamic organizations, particularly in Jambi Province. The findings of this study will advance the theoretical and practical aspects of creating more effective and efficient KOPZ.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The finest SIAM theory, the contingency theory, is one of the most widely applied ideas in management accounting (Araral, 2020). According to Jesmin Islam (2012), the contingency theory examines how technology, culture, and the external environment affect an organization's structure and operations. Additionally, according to the contingency theory,

every component of the organization needs to work together (Donaldson, 2006). Christen and Lovaas (2022) assert that there is no perfect design for SIAM. Instead, they discovered correlated factors like HR competency, Islamic corporate culture, and information technology. Hence, an organization's information requirements change based on a number of impacting circumstances. In this instance, the discrepancy may cause the business to perform poorly (Saleh and Safari, 2020).

Consequently, this contingency theory can aid in comprehending how OPZ can apply SIAMSy to deal with changing environmental issues. According to the contingency theory, the SIAMSy that is used needs to be customized to the specific environmental circumstances, including the organization's resources, technology usage, and current organizational culture. As demonstrated by the contingency theory, this study also highlights the fact that certain OPZ cannot employ the same SIAMSy values to obtain optimal performance.

Research on the connection between performance and the utilization of management accounting data, both directly and indirectly, is crucial, claim Mong Le et al. (2020). This analysis is possible to illustrate the overall effect of SIAM on performance thanks to mediation variables. This study used a median model to examine how the SIAM mediates the relationship between information technology, Islamic organizational culture, HR competences, and organizational performance. Overall, it is anticipated that this contingency theory foundation will support organizational sustainability through pertinent and adaptable SIAMSy values, supply OPZ with a flexible and dynamic SIAM perspective, and aid in overcoming competitive environmental obstacles.

2.1. HR COMPETENCE, ISLAMIC ORGANIZATIONAL CULTURE, INFORMATION TECHNOLOGY, SIAMSY, AND ORGANIZATIONAL PERFORMANCE

The effectiveness of SIAM and the overall performance of the organization are influenced by the competence of HR. Human resources who are proficient in using technology and meeting the organization's needs can maximize the use of SIAM to enhance efficiency and accuracy. Competent HR can optimize the use of SIAM so that the system produces more accurate, relevant, and needs-based information. Thus, better decision-making and improved operational efficiency will yield better results (Sulaiman & Ahmad, 2023; Mohammad & Ahmed, 2021; Hasan & Rahman, 2020; Hasan & Ahmad, 2018). Therefore, it can be concluded that if HR are inadequate, the implementation of SIAMS will be ineffective and may even be irrelevant due to improper operation. Conversely, if competent HR can be enhanced, the implementation of SIAMS will be more efficient and effective in the management of zakat funds.

SIAM that aligns with Islamic principles will be driven by a strong organizational culture that implements Sharia values such as justice, transparency, and accountability. By avoiding riba, gharar, and unethical transactions, SIAM can design financial and management reports that comply with Sharia standards. SIAM reflects the vision, mission, and values of the organization based on *maqashid al-syariah*, in addition to being an operational tool. SIAM is used in the Islamic organizational culture to ensure compliance with sharia principles in every aspect of the company's operations. SIAM can implement Islamic culture to enhance stakeholder trust and achieve performance that aligns with sharia principles and is financially

profitable (Rahman & Mansor, 2023; Ali & Khan, 2022; Mohd Zaki & Amin, 2020; Al-Qudah & Al-Nimer, 2020; Sulaiman & Ismail, 2019; Zurida & Rahman, 2016).

The main infrastructure of SIAM to improve company performance is information technology. SIAM operates optimally through increased speed, accuracy, and flexibility in generating managerial information. IT enables SIAM to process data more quickly and accurately, which accelerates decision-making. Organizations can enhance operational efficiency, resource management, and the ability to adapt to environmental changes with the help of SIAM supported by IT (Abdullah & Mollah, 2022; Nor & Rahman, 2021; Rahman & Zain, 2019).

In the aspect of value creation in management networks, recording, and reporting, the Sharia Management Accounting Information System (SIAMSy) is a set of knowledge and practices for creating information throughout the value network process. These Islamic value creation activities are used as prayers and dhikr to meet human economic, mental, and spiritual needs as a form of worship and to enhance awareness of God (Tuffour et al., 2021). Furthermore, it is hoped that AMSy can function as an information dissemination tool that can help develop the values of worship and Islamic culture throughout the company's network of activities. This is used to fulfill the duty of achieving spiritual and material well-being for Allah SWT (*taqarrub*) (Sonhaji, 2017).

SIAMSy plays a mediating role by providing accurate and precise information. SIAMSy transforms inputs from information technology, organizational culture, and human resources into relevant information for management. With SIAMSy, management can make better strategic and operational decisions, which directly impact the organization's performance. SIAMSy helps organizations meet their obligations to internal and external stakeholders (Al-Qudah & Al-Nimer, 2020). SIAM, as a management tool, mediates the relationship between these factors and organizational performance. Islamic organizational culture, HR competencies, and information technology are mutually supportive factors that influence the success of SIAM. When SIAM is designed and used correctly, organizations can achieve performance improvements in terms of financial aspects and in accordance with Sharia values (Sulaiman & Ismail, 2021).

The framework that SIAM offers guarantees that businesses achieve their social, environmental, and spiritual obligations in line with Islamic principles in addition to their commercial objectives. SIAM can be a useful instrument for attaining Sharia-compliant and comprehensive organizational performance with proper planning and execution (Zain & Aslam, 2021). In the Islamic banking industry, zakat, or Islamic-based non-profit organizations, using maqashid al-shariah as a measurement tool can be a useful framework for evaluating and enhancing organizational performance. In order for organizations to accomplish more balanced and sustainable long-term goals, the concepts of maqashid al-shariah—such as social welfare, fairness, and transparency—are essential (Zain & Aslam, 2023; Mohammad & Abid, 2022; Mohammad & Rahman, 2021; Ali & Khan, 2020; Al-Qudah & Al-Nimer, 2020; Sulaiman & Ismail, 2018; Ahmed, 2019; Salleh & Zain, 2017).

Based on literature review, previous research and research models, the hypothesis of this study is:

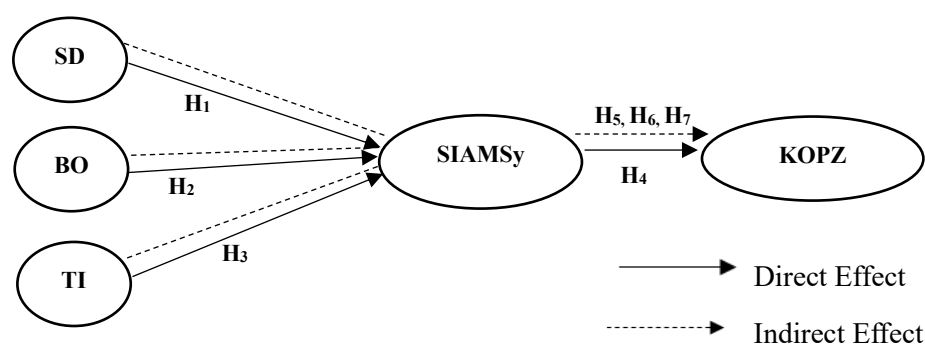
H1 : There is a significant relationship at ($\alpha \leq 5\%$) between HR competence and values of SIAMSy.

H2 : There is a significant relationship at ($\alpha \leq 5\%$) between Islamic organisational culture and values of SIAMSy.

- H3 : There is a significant relationship at ($\alpha \leq 5\%$) between information technology and values of SIAMSy.
- H4 : There is a significant relationship at ($\alpha \leq 5\%$) between values of SIAMSy and KOPZ.
- H5 : There is a significant mediating role of values of SIAMSy at ($\alpha \leq 5\%$) on the relationship between HR competence and KOPZ.
- H6 : There is a significant mediating role of values of SIAMSy at ($\alpha \leq 5\%$) on the relationship between Islamic organisational culture and KOPZ.
- H7 : There is a significant mediating role of values of SIAMSy at ($\alpha \leq 5\%$) on the relationship between information technology and KOPZ.

The following describes the research model in this study:

Figure 1. Research Framework and Model



3. RESEARCH METHOD

3.1. DATA TYPE AND SOURCE

This research is a quantitative study, which is a form of research that collects numerical data and analyzes it using statistical procedures or other mathematical measurement methods (Muijs., 2022). In this case, this research uses the survey method, which involves studying a portion of the population members known as a sample to describe the characteristics of the population. This research also falls into the category of explanatory research, which aims to explain the relationships between variables so that it can be used to determine the acceptance or rejection of the hypothesis (Hair et al., 2017).

The types of data used in this research consist of primary data and secondary data. Primary data is obtained directly from respondents as research subjects through the distribution of questionnaires. Meanwhile, secondary data is obtained indirectly through literature studies or document analysis relevant to this research, such as books, reports, and websites.

3.2. DATA COLLECTING METHOD

This research is a management accounting study that uses a quantitative methodology. Data is collected through in-person interviews, telephone interviews, or questionnaire-based interviews. Questionnaires can be distributed to respondents in person or through online tools such as google forms. According to South et al. (2022), the Likert scale is the measurement

scale used because it is considered more reliable and produces more data than other measurement scales, offering data in the form of intervals (South et al., 2022).

3.3. RESEARCH POPULATION AND SAMPLE

The total component that study conclusions are directed toward is the population. A population might be a collection of individuals, occasions, or pertinent items researchers wish to examine (Casteel & Bridier, 2021). Zakat Management Organizations in the province of Jambi comprised the study's population of 19. Four managers who oversaw collecting, distribution, finance, administration, and application operators were among the study subjects, along with one leader or chairman. There were 121 responders in all, making the population total.

Research that uses Structural Equation Modeling (SEM) analysis requires a minimum sample size of 5 times the number of indicators used in the model overlap (Ferdinand, 2014; Hair et al., 2017). In this study, there are 23 indicators, so the minimum sample size required is $23 \times 5 = 115$ samples. To ensure the sample size exceeds the minimum limit, the researcher added 6 respondents, bringing the total sample size to 121 people. This sample size is in accordance with the statement by Hair et al. (2017), which states that an appropriate sample size for variance-based or component-based SEM ranges from 100-200 respondents.

Purposive sampling was the sampling strategy used in this investigation. With this approach, the sample is selected according to predetermined standards, and specific people who can provide relevant data and understand and summarize the research objectives are the center of attention. This study investigates the influence of contingency factors – HR competencies, organizational culture, and information technology – on the KOPZ. The variable of SIAMSy values mediates these aspects. Therefore, OPZ that use information technology through applications built by OPZ in Jambi Province to collect and distribute zakat and prepare financial statements are the criteria for selecting samples in this study.

3.4. DATA ANALYSIS METHOD

SEM is the data analysis technique used in this study. The use of SEM in this research has an advantage, namely the ability to simultaneously test the structural model and the measurement model. The structural model shows the relationship between independent constructs and the dependent variable, while the measurement model shows the relationship between indicators and their constructs (Bollen, 1989).

Regarding Ghozali's (2014) assertion, SEM provides significant flexibility in bridging theory and facts. This work's primary data analysis method is Smart PLS version 4.1, and the SEM model used is the second-order model. Because it does not require many assumptions, Partial Least Squares (PLS) is a valuable method for analysis. It does not require multivariate customarily distributed data, and it can include indicators with scales that are categorical, ordinal, interval, and ratio in the same model without requiring a significant sample size (Ghozali, 2014). PLS helps explain whether or not correlations exist between latent variables, even though it can also validate theory.

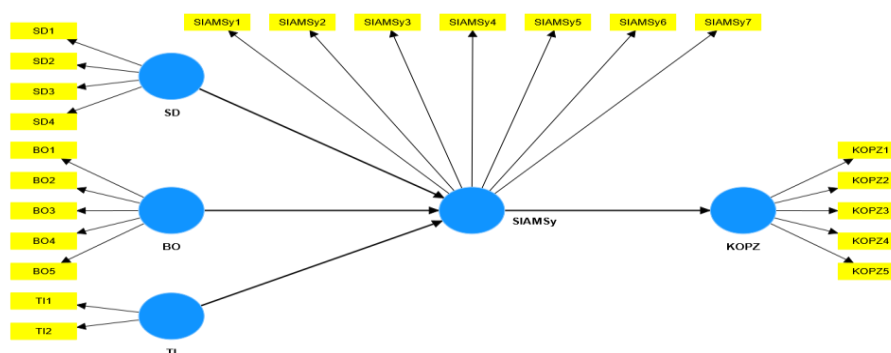
$$KOPZ (Y) = \gamma_1 y_1 + \beta_1 SD + \beta_2 BO + \beta_3 TI + \beta_4 SIAMSy + \beta_5 SD*SIAMSy + \beta_6 BO*SIAMSy + \beta_7 TI*SIAMSy + z$$

Keterangan:

- KOPZ (Y) = Organizational Performance of Zakat Management
- SIAMSy (Z) = Sharia Management Accounting Information System
- SD (X1) = Human Resource Competence
- BO (X2) = Islamic Organizational Culture
- TI (X3) = Information Technology
- z = Error term

Based on the equation model above, the model structure can be arranged as follows:

Figure 2. Research Structural Model



Source: Data processed, 2024

The operationalization of the research variables using a Likert scale with a range of 1-6, showing values from Strongly Disagree (1) to Strongly Agree (6), can be explained as follows:

Table 2. Variable Measurement

No.	Variable	Variable Measurement
1.	Human Resources/HR Competence (SD)	This variable assesses the ability of individuals and organizations to carry out tasks effectively and efficiently. Dimensions measured include (1) technical competence, (2) managerial competence, (3) Islamic competence, and (4) attitude.
2.	Islamic Organisational Culture (BO)	This variable measures the application of Islamic values in the organization. The dimensions assessed include (1) compliance with laws and regulations, (2) justice and equality, (3) social responsibility, (4) respect and cooperation, and (5) balance of the world and the hereafter.
3.	Information Technology (TI)	This variable measures the fit between the technology used and the task. The dimensions assessed include (1) technology characteristics (quality, locality, access authorization, compatibility, system reliability) and (2) task characteristics (ease of use, timeliness, and relationship with users).

4.	Sharia Management Accounting Information System (SIAMSy)	This variable measures the application of accounting information system values by sharia principles. The dimensions measured include (1) prayer (hope for Allah's pleasure), (2) dhikr (remembering Allah), (3) taqarrub (increasing awareness of God), (4) honesty (honesty in presenting information), (5) clean (correct information), (6) da'wah (following Allah's orders), and (7) tabayyun (self-reminder).
5.	Performance of Zakat Management Organization (KOPZ)	This variable measures the operationalization of <i>Maqasid al-Syariah</i> in zakat management organizations, (1) preserving religion (ensuring compliance with Islamic principles), (2) preserving the soul (employee welfare), (3) preserving the intellect (encouraging continuous learning), (4) preserving offspring (supporting family-friendly policies), and (5) preserving property (protecting financial assets), all of which aim to achieve overall human welfare (<i>maslahah</i>).

Source: Extracted from previous research, 2024

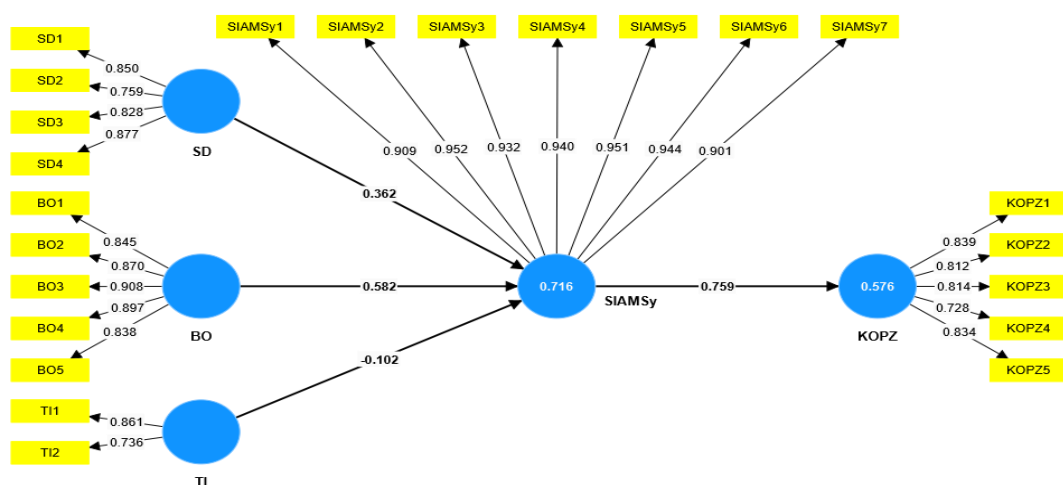
4. RESULTS AND DISCUSSION

4.1. DATA ANALYSIS RESULT

4.1.1. OUTER MODEL ANALYSIS

Assessing the validity and reliability of the indicators that measure constructs or latent variables is the goal of the outer model analysis in SEM research (Alfa et al., 2017). The two main components of this approach are the evaluation of convergent validity and discriminant validity. Convergent validity measures the extent to which indicators of a single construct have a strong correlation with that construct. Meanwhile, discriminant validity evaluates the extent to which different constructs have minimal overlap (Hair et al., 2017; Rhois et al., 2024). By ensuring that every indicator correctly represents the measured construct, this approach produces a more accurate and dependable model output. These are the findings from the examination of the outer model.

Figure 3. Outer Loading



Source: Data processed, 2024

The factor loading value for each indicator greater than 0.70 indicates that the indicator has good convergence and can be used to identify convergent validity valid model (SD1 = 0.850 and KOPZ1 = 0.839, for example) (Hair et al., 2017). Based on each indicator's loading factor value in the following variables: HR competence, Islamic organizational culture, information technology, SIAMSy, and KOPZ, with values greater than 0.7 indicating convergence of all indicators in each variable.

Apart from the factor loading value, the Average Variance Extracted (AVE) value also provides insight into the convergent validity of the model. A variable is considered valid if its AVE value exceeds 0.5. Furthermore, a model is considered reliable if both its composite reliability and Cronbach's alpha values are ≥ 0.6 , according to the outer model analysis (Hair et al., 2017; Fornell & Larcker., 1981). The validity values of the research model in the outer model analysis are as follows :

Table 2. Convergent Validity and Reliability Test

Indicators	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
SD	0.850	0.868	0.688
BO	0.921	0.922	0.760
TI	0.882	0.898	0.641
SIAMSy	0.975	0.976	0.870
KOPZ	0.870	0.922	0.760

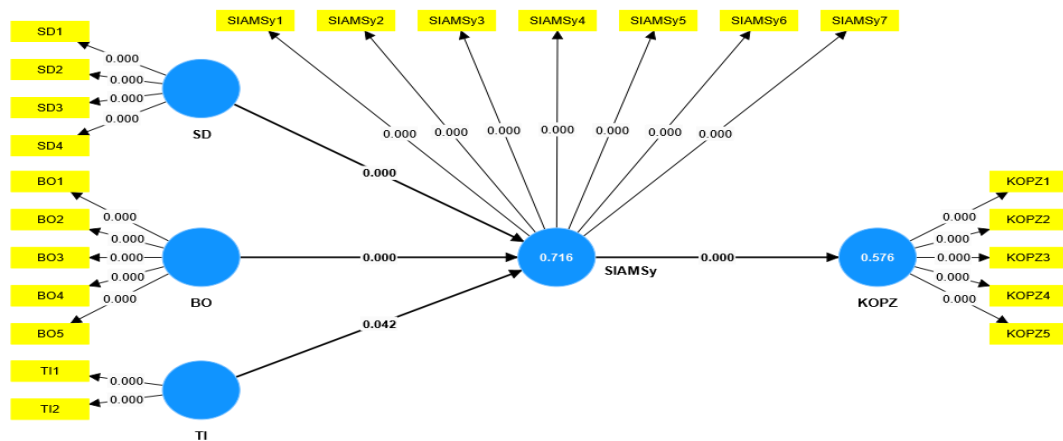
Source: Data processed, 2024

It is evident from the validity test findings using AVE in the above table that all variable AVE values are more than 0.5, indicating that all variables are legitimate. The composite reliability test for all variables also shows values > 0.6 . Thus, all variables are deemed reliable based on construct dependability.

4.1.2. INNER MODEL ANALYSIS

As part of the SEM analysis, the inner model—also referred to as the structural model—looks at the connections between latent variables or study constructs. The R-square (R^2) number can be used to assess the inner model and determine how well the independent variables account for the dependent variable's variability. The inner model analysis's findings are as follows:

Figure 4. Inner Model



Source: Data processed, 2024

The following are the findings from the R-square or coefficient of determination analysis:

Table 3. Coefficient of Determination

Variable	R-square	R-square adjusted
SIAMSy	0.716	0.709
KOPZ	0.576	0.573

Source: Data processed, 2024

Table 3's determination coefficient results indicate that the SIAMSy variable has an R-square of 0.716 and an adjusted R-square of 0.709, indicating that the variables of information technology, Islamic organizational culture, and HR competency can explain 71.6% of the variation in SIAMSy. The remaining 29.4% is affected by variables not included in the model. An R-square of 0.576 and an adjusted R-square of 0.573 are found for KOPZ; this indicates that the variables of HR competence, Islamic organizational culture, information technology, and SIAMSy can explain 57.6% of the variation in KOPZ. Other factors not included in the model may impact the remaining 42.4%.

4.1.3. HYPOTHESES TESTING

Path coefficients are used in the SEM-PLS model to test hypotheses. In a structural model, a route coefficient is a number that indicates the direction and degree of a direct relationship between latent variables. The route coefficient in a SEM analysis shows how much one latent variable influences another latent variable. The findings of this study's hypothesis testing are listed below:

Table 4. Path Coefficient

Hypothesis	Original sample	T statistics	P values	Conclusion
H1 SD → SIAMSy	0.362	4.332	0.000	Significance
H2 BO → SIAMSy	0.582	6.825	0.000	Significance
H3 TI → SIAMSy	-0.102	2.033	0.042	Significance
H4 SIAMSy → KOPZ	0.759	28.121	0.000	Significance

Source: Data processed, 2024

With a path coefficient value of 0.362, a t-statistic value of 4.332, and a p-value of 0.000, which is below the significance threshold of 0.05, the analysis results show that HR competence has a significant effect on SIAMSy. This finding implies that increasing HR competencies can significantly improve the success of SIAMSy implementation (Astuti & Themba, 2020). According to sharia principles, increased staff competence will result in more accurate and efficient administration and utilization of information systems (Khan & Khan, 2018).

With a path coefficient value of 0.582, a t-statistic value of 6.825, and a p-value of 0.000, Islamic organizational culture also substantially impacts the SIAMSy. This significance level indicates that the greater the adoption of an Islamic organizational culture, the more significant the impact of SIAMSy implementation. This indicates that integrating technology and sharia-compliant managerial procedures is greatly aided by corporate cultures aligning with sharia values (Ekawati et al., 2019; Talib et al., 2024).

Furthermore, with a path coefficient value of -0.102, a t-statistic value of 2.033, and a p-value of 0.042, information technology, another independent variable, exhibits a substantial adverse effect on the SIAMSy. Information technology may only help SIAMSy sometimes, despite the negative coefficient's significance at 0.05 (Ngadiman et al., 2014). This could happen due to difficulties integrating technology into the sharia system or a requirement to match contemporary technological features with the particular requirements of sharia-based management (Arwani, 2020).

The mediating variable SIAMSy, has a significant influence on the KOPZ, according to the analysis results, which also show a p-value of 0.000, a path coefficient of 0.759, and a t-statistic value of 28.121. With a high level of relevance, SIAMSy implementation directly and significantly contributes to better KOPZ. The more successful and efficient an organization manages zakat, the better the implementation of information systems that comply with sharia principles (Mutamimah et al., 2021; Zakiy et al., 2023).

The particular indirect effect, which illustrates the relationship of the mediating variable in the research model as follows, can also be used to evaluate the results of the hypothesis testing in addition to the path coefficient:

Table 5. Specific Indirect Effect

Hypothesis	Original sample	T statistics	P values	Conclusion
H5 SD -> SIAMSy -> KOPZ	0.275	4.264	0.000	Significance
H6 BO -> SIAMSy -> KOPZ	0.442	6.425	0.000	Significance
H7 TI -> SIAMSy -> KOPZ	-0.077	2.029	0.042	Significance

Source: Data processed, 2024

Through the SIAMSy, HR competence has a significant influence on the KOPZ, according to the examination of the particular indirect effect. With a p-value of 0.000, an indirect effect coefficient of 0.275, and a t-statistic value of 4.264, it is clear that HR significantly impacts SIAMSy, which in turn enhances KOPZ. This suggests that having HR competence will implement SIAMSy more successfully, improving the KOPZ (Astutik & Priantono, 2020; Nurhayati et al., 2017).

Moreover, Islamic organizational culture, with a coefficient of 0.442, a t-statistic value of 6.425, and a p-value of 0.000, has a significant indirect effect on KOPZ through SIAMSy. Sharia-aligned organizational culture promotes the best possible use of SIAMSy (Satria & Yuliansyah, 2020), which improves KOPZ (Ekawati et al., 2019). Improving Islamic company culture can foster an atmosphere that facilitates SIAMSy implementation, increasing zakat management's efficacy and efficiency.

Conversely, the SIAMSy analysis reveals a substantial but negative relationship between information technology and KOPZ, with a coefficient of -0.077, a t-statistic value of 2.029, and a p-value of 0.042. This detrimental influence, while noteworthy, raises the possibility that information technology still needs to be entirely in line with SIAMSy's requirements for improving KOPZ (Hidayah et al., 2023). This can be because it is challenging to adapt contemporary technology to the unique sharia system; therefore, technological development and integration need more focus.

4.2. DISCUSSION

The results of testing all hypotheses indicate that, from the perspective of *maqashid al-syariah* at OPZ in Jambi Province, Indonesia, there is a significant correlation between HR competence, Islamic organizational culture, information technology, the values of SIAMSy, and KOPZ. The findings show that HR capability is crucial for the successful implementation and utilization of SIAMSy at OPZ in Jambi Province, Indonesia. With good HR competence, a better understanding of the system can be achieved, leading to increased efficiency and effectiveness in the use of SIAMSy. In this context, HR competence includes technical expertise in information systems, management expertise, Islamic expertise, and attitudes.

The findings can be interpreted that the higher the competency of zakat management HR, the greater the implementation of the values of the SIAMSy will increase. This indicates that HR competency is the main substance for the enhancement of the values of the SIAMSy. The results of this research strengthen the contingency theory proposed by Otley in 1980. The findings of this research align with previous studies that state that HR competence supports the implementation of more effective management systems, especially in sharia-based organizations (Adillah & Zaky, 2022; Ahmadun et al., 2024).

Although Islamic organizational culture has ideals, it can be said that Islamic organizational culture can improve zakat manager's SIAMSy values in terms of following the law, equality and justice, social responsibility, respect for one another, cooperation, and maintaining a balance between this world and the next. Accordingly, if the Islamic organizational culture is strengthened or properly implemented, the SIAMSy values used by zakat managers in Jambi Province will improve. This demonstrates how crucial it is to have a strong corporate culture that is in line with Islamic principles in order to facilitate SIAMSy's implementation and success (Prasetyo et al., 2023). If the company culture aligns with Islamic principles, it can enhance employee commitment and system compliance (Cahyati & Adelia, 2024).

Although significant, the impact of information technology on SIAMSy shows a negative effect. Based on the estimated values, it can be concluded that the use of information

technology will enhance the application of SIAMSy values from the indicators of technology characteristics and task characteristics. The results indicate that although information technology is important in the application of SIAMSy, its success highly depends on the alignment with organizational needs, human resource capabilities, and infrastructure support. Organizations must ensure that the information technology used truly supports the application of Sharia values and balances function and technology. Theoretically, this finding raises the question of whether contemporary technology is compatible with the requirements of Sharia-based information systems. Current technology may need to be fully adapted to the requirements or principles of OPZ sharia, thereby hindering SIAMSy. Empirically, this indicates challenges in implementing information technology so that it can optimally support SIAMSy (Mukarramah, 2024; Setiawan et al., 2023; Khairi & Baridwan, 2015).

Task-Technology Fit (TTF) theory, also known as TAM, provides a strong foundation for understanding the finding that, although information technology is important, the outcomes can be negative if it does not align with task requirements, user capabilities, or organizational values. To achieve optimal results, the use of SIAMSy technology must be planned with this alignment in mind.

SIAMSy also has a significant impact on KOPZ. This shows that SIAMSy directly and significantly improves KOPZ. Theoretically, this emphasizes the importance of accounting information systems for non-profit organizations like KOPZ, especially in maintaining transparency and accountability in the management of zakat funds (Saad et al., 2014). Empirically, this evidence underscores the significance of implementing an effective sharia-based information system.

On the contrary, the analysis of indirect effects shows how SIAMSy, as a mediating variable, plays an important role in mediating the relationship between independent variables and KOPZ. Theoretically, this indirect effect indicates that the influence of HR competencies, Islamic organizational culture, and IT on KOPZ does not occur directly through SIAMSy; in other words, SIAMSy bridges the qualification between independent variables and KOPZ. The idea that an integrated and sharia-based management system is an important mechanism for more effective and efficient zakat management is supported by these findings (Muda & Thalib, 2024; Mutamimah et al., 2021; Widiastuti et al., 2021).

The results of the research empirically show that HR competencies significantly affect KOPZ indirectly through SIAMSy; therefore, HR competencies directly affect KOPZ through the role of SIAMSy. This finding emphasizes the theoretical idea that a skilled and experienced workforce helps optimize the information system, resulting in better performance (Antoni et al., 2020). SIAMSy is a tool that enables HR to play a larger role in creating a transparent and accountable KOPZ.

SIAMSy also indirectly influences KOPZ through the Islamic organizational culture. This result indicates that Islamic values must be applied within the organization. This will support SIAMSy and improve the organization's performance in zakat management (Hamidi & Suwardi, 2013). Practically, building trust and integrity is the foundation of a strong organizational culture, which is very important in a sharia-based management system. With the right cultural support, SIAMSy can work better, which positively impacts KOPZ.

Using SIAMSy, information technology has an indirect effect on KOPZ. Theoretically, this raises questions about how well the technology supports sharia principles in OPZ. Empirical results show that although information technology has a significant impact, there are difficulties in regulating or implementing it, which negatively affects KOPZ (Utami et al., 2020). This negative effect underscores the importance of better implementation of information technology (Saad et al., 2023). Considering the previously discussed path coefficient analysis and indirect effects, zakat management in sharia-based organizations is greatly influenced by the relationship between human resource competence, Islamic organizational culture, and the accounting system used.

The results of this study demonstrate the importance of these components in enhancing KOPZ by implementing SIAMSy. However, the issues arising from information technology, which have negative effects, indicate that technology must be chosen and implemented more carefully in accordance with the underlying sharia principles. To address the challenges posed by information technology that is not in line with Sharia values, OPZ must continuously evaluate and modify the information systems they use. This study also emphasizes the importance of strengthening the Islamic organizational culture and the training and development of HR competencies as strategic actions to ensure that every component of the organization supports each other in achieving common goals. Therefore, it is hoped that these elements work well together to create a beneficial ecosystem for clearer, fairer, and more responsive zakat management. In the long term, this method will strengthen the legitimacy and sustainability of OPZ while also increasing public trust in the institutions managing zakat funds.

5. CONCLUSION

The results of this study, based on the perspective of *maqashid al-syariah*, provide deep insights into the influence of SIAMSy and KOPZ on HR competencies, Islamic organizational culture, and information technology. The results show that both independent variables, HR competencies and Islamic organizational culture, have a significant impact on SIAMSy, which in turn enhances KOPZ performance. Conversely, the negative results indicate that the use of information technology should be more cautious to align with sharia principles.

Therefore, this research emphasizes the importance of integrating quality HR, a strong organizational culture, and useful information systems in the management of zakat. Additionally, this research provides an opportunity to further explore how information technology can be used to support SIAMSy and address existing issues. It is hoped that OPZ can enhance transparency, accountability, and public trust, as well as make a greater contribution to the welfare of the community through continuous efforts to improve synergy among these elements. The SIAMSy values greatly assist OPZ in making decisions about collecting zakat funds in Jambi Province, Indonesia.

This research has limitations because its results only apply to OPZ in Jambi Province, Indonesia; therefore, the findings related to SIAMSy values may vary depending on the region's demographics. This study uses cross-sectional data collected over a specific period. Therefore, the findings of this research only reflect the conditions during the data collection period and cannot measure the variables used continuously over time. Because there are still other variables

that can affect the performance of organizations in zakat institutions, future researchers are expected to add other variables related to organizational performance. Future research can also conduct comparative studies with other provinces that have different cultures and zakat systems. This can provide deeper insights into the relevance and effectiveness of information technology in various regions.

6. SUGGESTIONS

Finally, this research provides the following recommendations: First, the research findings can be used by the Regional Government/BAZNAS in Jambi Province to formulate policies and strategies to improve the performance of OPZ, especially considering the ongoing changes in regulations and technology that require more time to address. Second, the influence of information technology was found to be significant but negative, therefore a thorough evaluation of technology utilization was conducted with a focus on training programs and technology adaptation that better meet the needs of users in the Jambi Province OPZ. This makes zakat managers start to pay attention to various developments and changes in the ever-evolving world of technology that disrupt their work patterns. Therefore, the government and BAZNAS must embrace technology to improve the performance of zakat managers. By using technology in various OPZ, the activation profile of SiMBA in the region itself will be indirectly enhanced.

Third, when the OPZ leadership invites zakat managers to participate in socialization, technical guidance, or training, they must consider the needs and abilities of each manager. In other words, the managers sent to participate in the training should not only acquire knowledge directly, but they should also be able to disseminate that knowledge to other managers so that it is not dominated by one person. The goal is to use the information obtained for the benefit of the organization. This will enable other zakat managers and organizations to improve their own performance.

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KARJIEF

KARATAY JOURNAL OF ISLAMIC ECONOMICS AND FINANCE

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**Designing Productive Waqf-Based Financing Model for Renewable Energy
Investments Project: Empirical Evidence from Indonesia**

ABSTRACT

This research examines the potential of productive waqf as an innovative financing solution for renewable energy projects, particularly Solar Power Plants (PLTS) in Krandegan Village, Central Java. With an approach of cash, asset, and land waqf, this research offers a sustainable financing model that not only supports agricultural efficiency through renewable energy-based irrigation but also enhances the overall well-being of the community. This study uses qualitative methods with a case study approach, involving in-depth interviews with various stakeholders. The results show that productive endowments have great potential in overcoming the funding limitations of renewable energy projects, supporting national energy mix targets, and providing extensive social and economic benefits. The proposed model can be replicated in other regions with similar solar energy potential.

Keywords: Waqf Productive, Renewable Energi, Investment

**Üretken Vakıf Tabanlı Finansman Modeli Tasarımı: Endonezya'dan Yenilenebilir
Enerji Yatırımları İçin Ampirik Bulgular**

ÖZET

Bu araştırma, üretken vakıf modelinin, özellikle Orta Java'nın Krandegan Köyü'nde Güneş Enerjisi Santralleri (GES) için yenilikçi bir finansman çözümü olarak potansiyelini incelemektedir. Nakit, varlık ve arazi vakfı yaklaşımlarıyla bu araştırma, yenilenebilir enerjiye dayalı sulama yoluyla tarımsal verimliliği destekleyen ve aynı zamanda toplumun genel refahını artıran sürdürülebilir bir finansman modeli sunmaktadır. Çalışma, nitel araştırma yöntemlerini ve durum analizi yaklaşımını kullanarak çeşitli paydaşlarla yapılan derinlemesine görüşmeleri içermektedir. Sonuçlar, üretken vakıf modelinin, yenilenebilir enerji projelerinin finansman sınırlamalarını aşmada, ulusal enerji karışımı hedeflerini desteklemede ve geniş kapsamlı sosyal ve ekonomik faydalar sağlamada büyük bir potansiyele sahip olduğunu göstermektedir. Önerilen model, benzer güneş enerjisi potansiyeline sahip diğer bölgelerde de uygulanabilir.

Anahtar Kelimeler: Üretken Vakıf, Yenilenebilir Enerji, Yatırım

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INTRODUCTION

Global warming and climate change have become a concern for countries around the world, starting with the 21st UN Conference in 2015, which discussed climate change issues in Paris, resulting in an agreement among several countries to commit to addressing global warming by reducing greenhouse gas emissions with a target of 25% by 2025 and 29% by 2030. (Lisbet, 2015). The Indonesian government also demonstrates its commitment and contribution by setting a national renewable energy mix target of 23% by 2025 and achieving net zero emissions by 2060 (Ministry of Energy and Mineral Resources, 2021). However, unfortunately, the development of renewable energy in Indonesia is still relatively slow and lagging behind, as seen from the achievement in 2023, While the achievement of 13.1% falls short of the 2023 target of 17.9%, it still signifies meaningful progress, reaching approximately 73% of the goal. This demonstrates a solid step forward in efforts to enhance renewable energy development in Indonesia (Paramita & Pranchiska, 2024).

Indonesia, as an archipelagic country and the fourth most populous in the world, has a significant impact on primary energy consumption and the depletion of natural resources. (Rudenko & Tanasov, 2022). Thus, it becomes a unique challenge in the equitable distribution of electricity access and achieving the renewable energy mix targets. In fact, the utilization of new renewable energy is one of the strategies in the context of equity and supporting Indonesia's commitment to emission reduction through the renewable energy mix targets. Based on 2023 data, Indonesia's primary energy is still dominated by the coal sector with a composition of coal (40.46%), crude oil (30.18%), natural gas (18.28%), and new renewable energy (13.09%) (Paramita & Pranchiska, 2024).

Indonesia has great potential in implementing renewable energy, reaching up to 419 GW, consisting of 75 GW of hydro energy, 23.7 GW of geothermal, 32.6 GW of bioenergy, 207.8 GW of solar, 60.6 GW of wind, and 19.3 GW of micro-hydro. (Rudenko & Tanasov, 2022). Solar Power Plants (PLTS) have great potential, but their utilization has not been maximized until now. One of the main factors is the financing issue, as it requires a large initial investment. Therefore, innovative and sustainable financing alternatives are needed (Muin, Z. A., Sapri, M., Sipan, I., Jalil, R. A., & Razak, 2024).

Based on the Climate Policy Initiative Report, the investment gap in Indonesia for generating electricity from renewable energy reaches up to 98% each year. (Wijaya, M.E., Haesra, A., Mecca, 2020) and recorded from 2011 to 2020, the RE project was mostly funded by debt (International Renewable Energy Agency, 2022) ironically causing unsustainability for those countries (Ari, I., Koc, 2018, 2019). Thus, through Islamic social finance, productive waqf has great potential in funding green energy projects by utilizing waqf land scattered across 440.5 thousand points with a total area of 57.2 hectares and a potential of 180 trillion rupiah per year in cash waqf, which has been realized at 1.4 trillion rupiah in 2022 (BWI, 2022)

Productive waqf refers to the utilization of waqf assets managed productively to generate profits that are then distributed according to Sharia objectives, one of which is the development of green energy infrastructure (Rahman et al., 2021). Waqf also has an inherent principle of sustainability, making it highly relevant for funding long-term projects (Cizakca, 1998; Hasan,

Z., & Abdullah, 2008). One of the uses of waqf is to finance renewable energy projects. Based on previous research, the concept of waqf has been applied in the energy sector as done by (Ari & Koc, 2021; Mukhtasor et al., 2023). However, empirical research on the application of waqf in the renewable energy sector, particularly using solar power plants (PLTS), is still rarely implemented, especially in Indonesia.

Krandegan Village, located in Central Java with high solar energy potential, can serve as an example of implementing productive endowments to fund solar power plant projects. In 2022, Krandegan Village successfully built a Solar Power Plant (PLTS) with a capacity of approximately 18 Kilowatts, funded by a grant from the Provincial Government. The solar power plant (PLTS) is utilized for agricultural irrigation, allowing the community to experience the impact of the PLTS in terms of efficiency. However, since not all agricultural land can be reached, the Krandegan Village Government is building another solar power plant unit to maximize the potential of the agricultural land. (Dwinanto, 2023) as one of the largest rice-producing regions in Indonesia, but due to funding limitations, the project has not yet been realized.

Thus, this research aims to design a productive waqf-based financing model as an alternative investment for solar power plants (PLTS) in Karandegan Village. It is expected that this research can produce a modeling of the productive waqf model to address funding issues in the management and utilization of renewable energy, and can be adopted and implemented in other regions with similar potential.

Literature Review

Productive Waqf

Waqf (plural = awqaf) comes from the root word waqafa-yaqifu-waqfan. The word means to stop, hold back, remain silent, or stand. Waqf, by definition, means protecting the principal of an asset and providing its benefits to others (Yaacob, H., Petra, S. and Sumardi, 2015). Another opinion defines waqf as an ethical mechanism to hold the principal asset so that it can be managed in such a way that its benefits can be obtained by the beneficiaries in the context of philanthropy (Ascarya et al., 2022). Waqf as the eternal charity of Islam is characterized by all the blessed qualities of charity and moral sustainability throughout social actions, which originate from the Quran (Choudhury, M.A., Pratiwi, A. and Hoque, 2019). Waqf can be categorized into social waqf, productive waqf, or integrated social and productive waqf (Ascarya, A., Sukmana, R. and Hosen, 2020).

Data from the Ministry of Religious Affairs for the year 2023 states that Indonesia has 440,512 locations of waqf land covering an area of 57,263.69 hectares. From this distribution, 14.87% of waqf land is utilized for schools and Islamic boarding schools (pesantren). Additionally, 9.37% is used for other socio-economic activities, including the empowerment of the agricultural sector, livestock, and micro, small, and medium enterprises (Sistem Informasi Wakaf, Sistem Informasi Wakaf Kementerian Agama, 2022). However, unfortunately, the utilization of land waqf in Indonesia is still largely oriented towards the development of mosques, cemeteries, and schools or Islamic boarding schools. (Ascarya et al., 2022).

In fact, the potential for productive waqf in Indonesia is very large, and making waqf productive is one way to provide greater socio-economic benefits to society, such as addressing

issues of poverty, hunger, inequality, lack of empowerment in gender issues, human resource development, and a sustainable ethical-economic future, in accordance with the theory of the unity of knowledge, Tawhid (Ascarya et al., 2022). And productive waqf has great potential in addressing the financial, ethical, and human capital deficiencies faced by conventional financial institutions (Haneef, M.A., Pramanik, A.P., Mohammed, M.O., Amin, M.F. and Muhammad, 2015). Productive waqf can also be considered an ethical business/investment, as it must comply with Islamic law, not only being free from *riba* (interest), *gharar* (unclear transactions), and *maysir* (gambling) but also upholding other Islamic ethical systems (Sadeq, 2002).

Productive waqf is the development of waqf where the represented assets will be invested to generate productivity through various means permitted by Sharia (Baharsyah, M. F. F., Yayuli, Y., Hakim, L., & Athief, 2022a). Productive waqf must be able to generate returns because, after all, the goal of productive waqf can only be achieved if the waqf assets have been created, and only then can the results be used for the intended purpose (Syakir, 2016). In managing productive endowments, it is necessary to have the right managers or *nadzir* so that what is endowed is not only handled as a trust but also can be produced, allowing the benefits from the results or surplus of the endowment to be continuously felt and disseminated. (Baharsyah, M. F. F., Yayuli, Y., Hakim, L., & Athief, 2022b).

Productive waqf can take the form of movable objects such as vehicles, cash, and jewelry, as well as immovable objects such as land, buildings, and houses. (Nur Iman, A. K., Najiyah, F., & Asshiddiqi, 2021). Some forms of waqf that can be productive today, besides land waqf, are cash waqf. Mohsin (2013) argue that cash waqf has the potential to function as a financial institution that provides funding for various goods and services in different countries, thereby reducing individuals' dependence on government assistance to meet their needs (Mohsin, 2013). According to Nurjannah and Abdullah (2020), provision of working capital assistance, donations to orphans, school building renovations, establishment of health facilities, and business capital assistance are examples of how cash waqf can help communities improve their welfare and economic prosperity (Nurjannah, N. and Abdullah, 2020). The explanation was supported by Mohsin (2013) which states that cash waqf, in addition to serving as a source of funding for public facilities such as education, health, social activities, and commercial ventures, can create new job opportunities by expanding employment opportunities for the wider community (Mohsin, 2013).

METHOD

Research Methodology

This research uses a qualitative research method with a case study approach in Krandegan Village. This study was conducted by reviewing previous literature that focuses on the potential of productive waqf for low-cost financing in the renewable energy sector by developing an integrative financing model. Due to the lack of literature discussing this topic and its specific nature (case study), in order to strengthen the analysis, the researcher conducted in-depth interviews. (Creswell, 2014) consisting of regulators, practitioners, and academics in the fields of waqf and renewable energy. In addition, the expertise of each respondent also

serves as input for designing the proposed model. (Yin, 1989) so that the developed model can be realistic and feasible (Implementable).

Data Types, Data Collection and Data Analysis

This research uses primary and secondary data. The primary data in this study comes from in-depth interviews with informants consisting of regulators, academics, and practitioners involved in endowments and agriculture. Based on the research by O. Nyumba, Wilson, Derrick, & Mukherjee (2018) also suggests that the number of participants in in-depth interviews/Focus Group Discussions should be a minimum of 3 and a maximum of 21, with a median of 10 (O.Nyumba, T., Wilson, K., Derrick, C. J., & Mukherjee, 2018). Therefore, the researchers chose 7 stakeholders.

Tabel 1. Daftar Narasumber FGD

No	Respondent Initial	Institutions/Expertise
1	AD	Waqf Administrators in Karandegan Village
2	EP	Head of the Renewable Energy Division, Department of Energy and Mineral Resources (ESDM) Purworejo Regency.
3	SI	Manager of the Solar Power Plant Grant in Krandegan Village.
4	RT	Farmers Benefiting from the Solar Power Plant in Kradegan Village.
5	RF	Community.
6	AF	Finance and Investment Manager, BMT Al-Falah Syariah.
7	DO	Head of Krandegan Village

Source: Processed, 2024

Researchers use data/source triangulation techniques and methods to strengthen the analysis. Data/source triangulation is carried out by using multiple data sources so that weaknesses in one data source can be compensated by the strengths of additional data to enhance the validity and reliability of the results (Rugg, 2010). In this research, data obtained through documentation will be cross-checked using the results of in-depth direct interviews with expert respondents and vice versa. Meanwhile, triangulation is conducted by cross-checking the results of documentation in previous journals/studies that need to be reviewed more thoroughly from the implementation perspective in the field, compared to data from in-depth interviews involving academics, regulators, and practitioners. This way, the in-depth interview method can cover the weaknesses of library research methods, so that the analysis to answer the problem formulation is expected to be more valid and worthy of review from both academic and practical perspectives.

RESULTS AND DISCUSSION

The geographical, social, and economic conditions of Krandegan Village in supporting the development of solar power plants.

Krandegan Village, located in Bayan District, Purworejo Regency. Known as an advanced and independent village in Central Java because it has successfully become a model smart village. The Krandegan Village Government for the period 2019-2025 has a vision to realize a self-sufficient and prosperous village, both physically and spiritually, by focusing on the agricultural sector, strengthening the people's economy, and developing the people's industry, supported by a professional governance system and backed by reliable natural and human resources.

Desa Krandegan is located in a lowland area and has quite extensive agricultural land, where out of the 161 hectares of the village, 70 hectares are rice fields based on rain-fed irrigation. Thus, this village is one of the contributors to food security in Central Java. Before 2013, land irrigation only utilized rainwater, resulting in one harvest per year and often experiencing crop failures. This led to suboptimal agricultural yields and frequent crop failures. Based on the interview results, the solutions and innovations implemented by the Village Head, in collaboration with various parties, initially utilized the river's potential using diesel for the agricultural irrigation system. However, using diesel was not effective and optimal in covering the entire agricultural land. And currently, they are starting to switch to utilizing solar energy with solar power plants (PLTS) for the agricultural irrigation system.

The Krandegan Village Solar Power Plant was obtained through collaboration with various parties. Until now, there are 3 solar power plants, the first of which is sourced from the Central Java Provincial Government with a large capacity of 18,000 watts, used to irrigate 35 hectares of agricultural land. The presence of these solar power plants has had a significant positive impact on agricultural land irrigation. So that farmers can maximize their harvests three times a year compared to previously only once a month. Another solar power plant was obtained through collaboration with academic institutions and is used for street lighting.

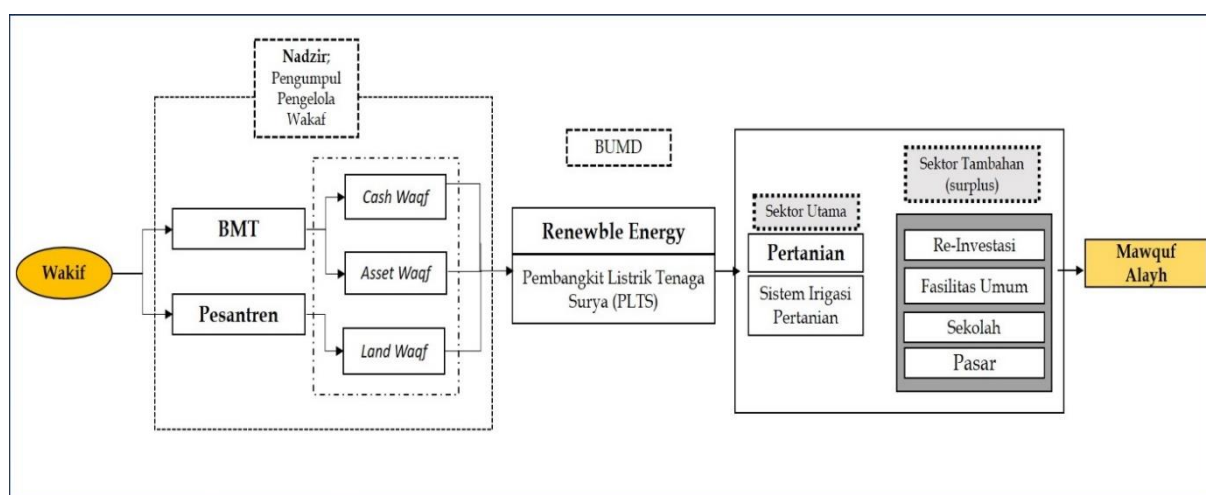
However, the problem faced by the community now is that the existing solar power plants (PLTS) cannot fully cover the irrigation needs of all rice fields until nighttime. Although the pumps used can be hybrid, utilizing solar panels during the day and PLN electricity at night, the limited capacity of the PLN electrical network in the village means that the PLTS cannot cover everything. Therefore, in order to maximize agricultural yields by covering the irrigation needs of all rice fields, a new breakthrough is needed besides waiting for grants from the government or CSR. One of the efforts that can be utilized is the use and empowerment of Islamic social financial instruments, one of which is through waqf.

Based on the interview results with the waqf administrators in Krandegan Village, the waqf currently managed is mostly in the form of land used for public facilities such as mosques and education, as well as waqf funds used for social activities. The overall condition of the waqf is quite good, but there is still room for development so that waqf assets can provide greater and more sustainable benefits to the community.

Previous experiences in managing productive waqf have shown success in utilizing waqf land for agriculture. The agricultural yields not only met the operational needs of the mosque but also helped the needy community. This experience proves that productive waqf can be an

effective instrument in improving community welfare and promoting community-based economic development, so productive waqf also has great potential as an alternative financing for sustainable projects such as Solar Power Plants. (PLTS). Thus, with proper management, the results of productive waqf can be allocated to support the social, religious, and economic needs of the community, such as the operational costs of mosques, education, and other social programs. This aligns with the sustainability principles upheld in Islam and can serve as an innovative solution in rural economic development.

Figure 1. Model and Financing Mechanism



Source: Processed, 2024

A. Wakif (Pemberi Wakaf)

Wakif is an individual, group, or institution that endows waqf. Waqf is managed professionally to provide productive benefits for the community. In this scheme, there are three productive waqf used, namely

1. Cash Waqf

Cash waqf is a form of liquid waqf that is very flexible for use in various aspects of solar power plant development. Its allocations include:

a. Initial Capital Investment

Cash waqf serves as an initial investment to finance the procurement of key components for solar power plants (PLTS) such as solar panels, inverters for electricity conversion, energy storage systems like batteries, and other supporting devices like cables and transformers.

b. Initial Operational Costs

Funding used to cover the operational activities of the initial phase, which includes payments to experts or technicians for PLTS installation, logistics costs for transporting PLTS components to the construction site, and training local personnel for PLTS management.

c. Maintenance and Repairs

Cash waqf also plays a role in financing the routine maintenance of PLTS, including cleaning solar panels to maintain efficiency, replacing batteries after

their lifespan ends, and repairing damaged components.

d. **Development of Supporting Infrastructure**

Cash waqf is also used to finance the construction or renovation of supporting facilities, such as control rooms for operating solar power plants (PLTS) and the expansion of PLTS capacity for other uses.

e. **Reinvestment**

A portion of the profits and surplus from the management of the solar power plant (PLTS) is reinvested into other projects, such as building additional solar power plants or funding other productive waqf projects.

2. Asset Waqf

Waqf assets include physical goods or facilities utilized to support the construction and operation of solar power plants (PLTS), and their utilization consists of.

a. **Buildings or Structures**

Waqf buildings can be used to facilitate control rooms, storage for inverters, batteries, and energy management systems, as well as training rooms for technicians or operators managing solar power plants.

b. **Supporting Equipment**

Assets in the form of technical equipment such as generators, energy monitoring devices, or measuring instruments can be directly used to support the installation and maintenance of solar power plants.

c. **Optimization of Unused Assets**

Unused buildings or spaces can be repurposed as warehouses for storing solar panels, backup batteries, or other components.

d. **Assets for Socialization and Education**

Waqf facilities, such as halls or multipurpose rooms, can be used for educational activities related to the use of renewable energy for the community.

3. Land Waqf

Land waqf plays a key role in the development of solar power plants (PLTS), as PLTS requires large areas and strategic locations. The management and provision of waqf land in this model collaborate with pesantren. Currently, pesantren not only play a role in the field of education but also in the fields of social, economic, religious, and cultural aspects. The economic independence of pesantren is partly achieved through the empowerment of waqf. The management of pesantren using waqf instruments has implemented waqf-based productive independence by utilizing palm oil plantations, hospitals, garment factories, bakeries, and other ventures (Trubusiman, 2024). Thus, pesantren have become very prospective objects in the development of productive waqf, especially in the provision of natural resources and land for waqf properties owned by pesantren (Siddiq, 2018; Sukmana et al., 2024). The utilization of waqf land is as follows,

a. **Location of Solar Panel Installation**

The land that has been endowed is used for the installation of a large number of solar panels. The ideal location is an area that receives optimal sunlight exposure

throughout the day.

b. **Development of Supporting Infrastructure**

In addition to being used for the installation of solar panels, the land can also be used to build control rooms and warehouses, an electricity distribution system to surrounding areas, and additional facilities such as access roads to the solar power plant location.

c. **Agricultural Irrigation System**

If the land is near agricultural areas, the solar power plant built can support irrigation systems for rice fields through solar-powered water pumps.

d. **Potential for Additional Productive Projects**

The vast land can be utilized for the development of other activities, such as: Agriculture using electricity from the solar power plant. The construction of public facilities, such as markets or schools, utilizing electricity from the solar power plant.

B. Management of Endowments by Nadzir

Nadzir is an institution or individual responsible for managing and utilizing waqf according to sharia principles. Managing productive waqf requires the right manager or nadzir so that what is endowed is not only handled as a trust but can also be produced, allowing the benefits from the results or surplus of the waqf to be continuously felt and disseminated (Baharsyah, M. F. F., Yayuli, Y., Hakim, L., & Athief, 2022b).

- a. Nadzir manages the waqf received from the waqif through two main channels, namely through BMT to collect and manage waqf in the form of cash. And the pesantren plays a role in managing the waqf land that will be used for the productive project of PLTS Development.
- b. Nadzir's task is to ensure that the management of waqf generates sustainable benefits by investing in the productive sector, in this case, renewable energy.

C. Conversion of Endowments into Productive Projects

- a. The collected endowments are allocated for the construction of Solar Power Plants (PLTS). PLTS is an environmentally friendly renewable energy source with long-term sustainability value.
- b. This project was chosen due to its wide-ranging benefits, namely to meet the electricity needs of agriculture using clean and renewable energy to optimize and enhance agricultural efficiency, thereby supporting local economic development.

D. Utilization of Solar Power Plants in the Agricultural Sector

- a. The electricity generated by solar power plants (PLTS) is used for various needs in the agricultural sector, especially for irrigating rice fields.
- b. The solar-powered irrigation system involves regional-owned enterprises (BUMD) and local farmer teams.
- c. This not only supports the sustainability of the agricultural sector but also improves the welfare of local farmers.

E. Distribution of Benefits from Productive Endowments

The benefits generated from this solar power plant (PLTS) are distributed to various sectors, with the primary goal of improving community welfare. (Mawquf Alayh). Its

distribution includes:

- a. Re-Investment, a portion of the profits from the management of the solar power plant (PLTS) is reinvested to support the development of other waqf projects, such as infrastructure or the development of public facilities.
- b. Social, energy from the PLTS is also utilized for social needs, such as street lighting in areas that require it.
- c. Schools, the proceeds from the management of waqf also support school operations, both through the provision of electricity for educational facilities and additional funds for schools.
- d. Market or traditional markets in the area can also gain access to electricity from the solar power plant to support their economic activities.

F. Beneficiary (Mawquf Alayh)

Mawquf Alayh is the party that receives the benefits from the management of waqf. This benefit is provided both directly and indirectly with the aim of creating equitable welfare in the community. In this scheme, the beneficiaries include:

- a. Farmers who benefit from renewable energy-based irrigation.
- b. The general public who gain access to street lighting and other facilities.
- c. Institutions such as schools and markets that benefit from the results of the solar power project.

CONCLUSION

This research emphasizes that productive waqf has great potential as an innovative financing instrument for renewable energy projects, such as solar power plants in Krandegan Village. Cash, asset, and land-based waqf approaches can be sustainable solutions that not only support agricultural efficiency through renewable energy-based irrigation but also enhance the overall welfare of the community. The importance of professional management of waqf through Nadzir is a key point in ensuring the sustainability and optimization of waqf benefits productively. With proper implementation, this model can become a real solution in addressing the challenges of renewable energy financing in Indonesia, supporting the national energy mix targets, and providing broad socio-economic benefits to the community.

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KARJIEF

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Tawfik AZRAK¹, Ozat SHAMSHIYEV²

Financial Instruments Used for Hedging Purposes in Borsa Istanbul: Case Study of Selected Participation Banks

ABSTRACT

Hedging is a crucial issue for both participation banks and conventional banks. This study analyzes Kuveyt Türk and Albaraka Türk, two prominent participation banks that play a significant role in both participation banking and capital markets. The primary objective of this study is to investigate the hedging instruments employed by these two banks and assess their effectiveness in this regard. To achieve this, the study adopts a qualitative research design through a case study approach, focusing on the use of hedging instruments in Islamic banking in Türkiye. Before delving into the case study, the research highlights several key topics, including the Islamic hedging methods currently utilized in capital markets, the importance of Borsa Istanbul's participation activities, and the functioning of participation indices. The findings of the analysis reveal that the banks under investigation do not employ derivative instruments for hedging purposes; instead, they utilize trade-based financial derivative products. This situation, on one hand, gives the impression that participation banks are not sufficiently hedged in the conventional sense. On the other hand, it underscores the necessity for participation financial institutions to develop a more original and comprehensive hedging mechanism.

Keywords: Borsa Istanbul, Hedging, Fiqh Perspective, Kuveyt Türk, Albaraka Türk, Risk Management.

JEL Codes: G32, P13, D81

Borsa İstanbul'da Riskten Korunma Amaçlı Kullanılan Finansal Araçlar: Seçilmiş Katılım Bankaları Örnek Olay İncelemesi

ÖZ

Riskten korunma, konvansiyonel bankalar kadar katılım bankaları için de hayati önem arz eden bir konudur. Bu çalışma gerek katılım bankacılığı gerekse sermaye piyasasında önemli bir yere sahip olan Kuveyt Türk ve Albaraka Türk katılım bankalarını incelemektedir. Çalışmanın temel amacı, söz konusu iki bankanın başvurdukları riskten korunma araçlarını araştırarak, bu konuda ne kadar başarılı olduklarını ortaya koymaktır. Dolayısıyla, bu çalışma, Türkiye'de İslami bankacılıkta riskten korunma araçlarının kullanımını incelemek amacıyla bir vaka çalışması yaklaşımını benimseyerek nitel bir araştırma tasarımı kullanmaktadır. Vaka incelemesinden önce, günümüzde sermaye piyasalarında kullanılan İslami riskten korunma yöntemleri, Borsa İstanbul'un katılım faaliyetleri ve önemi, katılım endekslerinin işleyişi gibi konular üzerinde durulmaktadır. Yapılan incelemeler sonucunda elde edilen bulgulara göre, araştırma konusu bankaların riskten korunma amaçlı türev araçlara başvurmadıkları,

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bunun yerine ticarete dayalı finansal türev ürünleri kullandıkları tespit edilmiştir. Bu durum, bir yandan katılım bankalarının konvansiyonel anlamda riskten yeterli ölçüde korunmadıkları izlenimini oluşturmakta; öte yandan, katılım finans kuruluşlarının daha özgün ve kapsamlı bir riskten korunma mekanizması geliştirmelerini zorunlu hale getirmektedir.

Anahtar Kelimeler: Borsa İstanbul, Riskten Korunma, Fıkhi Perspektif, Kuveyt Türk, Albaraka Türk, Risk Yönetimi.

JEL Kodları: G32, P13, D81

INTRODUCTION

In the dynamic and unpredictable landscape of global finance, hedging has emerged as a crucial strategy for managing financial risk. Islamic capital markets, which operate under Shariah principles, face unique challenges and opportunities in employing hedging instruments. This paper focuses on a case study of participation banks, specifically Kuveyt Türk and Albaraka Bank, which are among the largest participation banks in Türkiye. The study explores the specific financial instruments utilized for hedging purposes within the context of Islamic finance and examines whether these instruments comply with Islamic law principles.

Islamic finance prohibits conventional interest-based transactions and speculative activities, mandating that all financial instruments be structured in strict compliance with Shariah principles. This requirement fundamentally differentiates the hedging instruments available to Islamic financial institutions from those utilized in conventional finance. Unlike their conventional counterparts, Islamic hedging instruments must avoid elements of *riba* (interest), *gharar* (excessive uncertainty), and *maysir* (gambling or speculation), making the development and application of these tools uniquely challenging.

This study aims to analyze both the types and effectiveness of hedging instruments within the framework of Islamic finance, with a particular focus on Kuveyt Türk and Albaraka Bank, two of the largest participation banks in Türkiye. These banks operate in an environment marked by significant exposure to foreign exchange risk, interest rate volatility, and various other financial uncertainties. As they navigate these challenges, the banks must employ hedging strategies that not only protect their financial stability but also adhere to the stringent requirements of Islamic law.

Research Objectives

- To identify and describe the financial instruments used for hedging by Islamic financial institutions
- To evaluate the effectiveness of these instruments in mitigating financial risks faced by Kuveyt Türk and Albaraka Bank.
- To explore the shariah aspects, challenges and limitations associated with the use of hedging instruments in Islamic finance.
- To provide recommendations for enhancing risk management practices within Islamic financial institutions based on the findings from the case study.

Research Questions

- What types of financial instruments are utilized by Kuveyt Türk and Albaraka Bank for hedging purposes within the framework of Islamic finance?
- To what extent are these hedging instruments effective in mitigating the financial risks faced by Kuveyt Türk and Albaraka Bank?
- What challenges does Islamic financial institutions encounter in the implementation of hedging strategies?
- What improvements can be recommended for the use of hedging instruments in Islamic finance based on the case study of Kuveyt Türk and Albaraka Bank?

1. HEDGING IN ISLAMIC FINANCE

The 2008 global financial crisis exposed a roughly 2.5 trillion losses in the financial assets of Arab countries alone. Without a doubt, these losses have resulted from the lack of hedging mechanisms (derivatives contracts). Therefore, hedging would be sufficient to prevent such damage, as evidenced by the fact that global hedge funds, which still control the majority of global markets, recovered from the global crisis with relatively little loss (Injadat, 2022). There is an obvious lack of risk management tools in the Islamic financial sector, and the need for Islamic derivatives appears to be growing as a result of the capital markets' globalization, an increase in the size of risk, price fluctuations, severity, and rapid transmission (Injadat, 2022). By engaging in hedging operations, the central bank, commercial banks, corporate enterprises, brokers, savings funds, investors, importers, and exporters will have fewer worries about future price fluctuations (Ahmad & Halim, 2014). The term "hedging" has many different meanings in finance. Hedging, as defined by Investopedia is "hedging is a risk management strategy employed to offset losses in investments by taking an opposite position in a related asset" (Investopedia, 2024). The reduction in risk provided by hedging also typically results in a reduction in potential profits therefore hedging is the practice of putting procedures and mechanisms in place to protect against harm. The art of risk management also includes hedging (Injadat, 2018). A strategy for preventing or reducing loss from ongoing risk in the financial market is hedging. However, in traditional viewpoints or in conventional mindset, the hedging entails the use of derivative instruments, which are controversial to Islamic point of view. As a consequence of this difference, the laudable goal of risk management through hedging has been misinterpreted as being profit-oriented only. The notion of hedging necessitates more discourse due to the diverse views surrounding its definition (Ahmad & Halim, 2014).

The capital markets within the Islamic financial sector have experienced significant expansion, and there is a good correlation between this fact and hedging instruments. Therefore, to maintain that growth, the business needs to develop tools to protect against the risks associated with tangible assets like property and commodities (Injadat, 2014). Additionally, hedging can be used to balance off a bank's mismatch between its liabilities and asset values. According to Ahmad and Halim hedging is necessary for Islamic financial organizations to safeguard their assets. For instance, in order to meet client demand and provide ijarah financing based on variable rates, an Islamic bank must receive foreign money (Ahmad & Halim, 2014).

The Central Bank of Bahrain's Executive Director of Banking Supervision, Khalid Hamad, stated that "With the growth of Islamic finance, Islamic institutions can no longer afford to leave their positions un-hedged". This implies that the real function of hedging as a tool for risk management can be easily altered to reduce the potential risks, which naturally leads to maximization of earnings. Apart from the significance of hedging, Islamic banking serves as a means of safeguarding one of the most vital aspects of human existence – assets – since Islamic asset management is an integral part of all Islamic banking operations. As to shariah provision of the issue in question, in general, all Islamic scholars agree that hedging actions in Islamic capital markets are permissible as long as they do not violate shariah (Kamali, 2007). Yet, more comprehensive discussion of shariah perspective of the hedging to be presented.

2. LITERATURE REVIEW

One of the first and fundamental sources on the subject is Sami al-Suwailem's book titled "Hedging in Islamic Finance". al-Suwailem examines the intellectual background of hedging, related concepts, the place of risk management in Islamic finance and hedging instruments in detail (al-Suwailem, 2006). Islam permits hedging since protecting against potential dangers is the fundamental objective of hedging. As such, it is consistent with the idea of maqasid al-shariah (higher objectives of Islamic law). This was the original recommendation made by Islamic law for preserving and safeguarding money against loss and harm. The loss resulting from the constant risk present in the financial market might be reduced by hedging (Ahmad & Halim, 2014). Nonetheless, in the framework of the conventional market, hedging entails the use of derivative instruments, which Islam regards as contentious. Hedging can be utilized as a cooperative and economic tool for risk management in situations where taking risks is warranted by the potential for rewards, making it distinct from gharar and gambling. According to Asyraf Wajdi Dusuki (2009), risk management is crucial, and to manage risk effectively and quickly, strategic steps need to be implemented. Furthermore, according to Nor Fahimah Mohd Razif *et al.* (2012), hedging is generally permitted under shariah as long as it achieves the goal of property protection.

Risk-taking is a necessary component of running a business, hence risks and commerce are closely related topics. In fact, one might get more returns by taking on greater risk, and vice versa. One of the problems facing the conventional and Islamic finance sectors is the issue of risk. Hedging is one of the various forms of risk management. The process of protecting an asset or investment from an unpredictable market is generally known as hedging, and the person who engages in this activity is referred to as the hedger. Hedger is an investor who enters the market with the intention of minimizing risk rather than profiting from price fluctuations risk (Mohd Razif, Mohamad, & Rahman, 2012, p. 158). Hedgers in the futures market, for instance, could be producers, importers, exporters, or farmers. To offset the risks associated with price fluctuations in the money market, Hedger will engage in buys and sales in the futures trade market. The hedger may be able to reduce the risk of price fluctuations with the use of this technique (Johnson, 1976). Risks are erratic occurrences that might result in losses for investment portfolios or a decline in the value of specific assets. It is customary to take risks

when engaging in profitable endeavors. Excessive risk, however, will discourage investment and hinder progress. Thus, the primary obstacle faced by anyone engaged in financial transactions, particularly traders or investors, is effectively striking a balance between prudent risk-taking and severe risk. In this context, the hedging is one of the methods of controlling and reducing risk (Mohd Razif et al., 2012).

A hedging model is presented in a research study by Douglas T. Breeden and S. Viswanathan (1998) following the viewing of asymmetric information. According to this study, managers use hedging to convey their skills directly. The study's findings suggest that hedging happens when managers with more expertise differ significantly from those with lesser ability, or when hedging expenses are modest. This analysis supports the causal hypothesis that hedging locks up larger profit opportunities like arbitrageurs do. Furthermore, future studies approach hedging as an insurance contract that minimizes risk. According to a study by Murillo Campello *et. al.* (2011), hedging lowers the tax and cost associated with financial hardship, which eventually boosts a company's ability to invest and finance itself more effectively. When businesses manage their currency exposure, insolvency is less likely to occur. According to study by Vandana Rao Daka and Sankarshan Basu (Daka & Basu, 2016) hedging and leverage have a favorable association that eventually raises the value of an Indian company. Therefore, hedging is a strategy used to shield an investment from the possibility of a loss as a result of market volatility.

Different forms of the securities, including SWAPs, Futures, Islamic FX forward, and Islamic profit rate swaps, are available for trading on the traditional and Islamic financial markets. Furthermore, it was noted that while the Islamic finance sector has experienced significant growth, the industry continues to lack accessibility and a variety of hedging options when it comes to mitigating risks (Mohamad, Ahmad, & Shahimi, 2011). Moreover, the dearth of Islamic futures products for hedging is particularly concerning because it coincides with a critical period in which a large number of Islamic financial institutions have experienced notable expansions in their financial and economic operations, extending their operations much beyond their initial jurisdictions (Sole, 2007). One of the most significant contributions to the hedging paradigm is Akkuş & Sakarya's (2018) paper, which critically examines both conventional hedging instruments and their Islamic counterparts. Their work challenges the prevailing notion that the conventional financial system's risk management tools—specifically derivative instruments—are universally applicable and beneficial in Islamic finance. Akkuş and Sakarya (2018) argue that these instruments, even when adapted to Islamic finance, often fall short of aligning with the ethical and legal principles of Shariah. There are established standards governing hedging operations within the Islamic capital market, published by the International Islamic Financial Market (IIFM) ('Published Standards – International Islamic Financial Market', n.d.). Recently, some of these standards were translated into Turkish by the Participation Banks Association of Türkiye (TKBB). These standards play a critical role in ensuring that hedging practices within Islamic finance align with Shariah principles, offering guidance for the development of compliant financial instruments and risk management strategies. The translation of these standards into Turkish marks an important step in making them more accessible to practitioners and institutions in Türkiye, facilitating the growth and

implementation of Islamic financial practices in the region. All of the above-mentioned studies deal with the hedging from a certain perspective. Therefore, based on our knowledge there is no study elaborating use of hedging instruments in Turkish IFIs within the scope of Borsa Istanbul.

3. METHODOLOGY

This study employs a qualitative research design, adopting a case study approach to explore the use of hedging instruments within Islamic banking in Türkiye. The research specifically focuses on two of Türkiye's largest participation banks, Kuveyt Türk Bank and Albaraka Bank, which operate in accordance with Shariah principles. These banks have been chosen due to their significant market presence and reputation for adherence to Islamic financial practices in Türkiye.

The primary objective of this study is to assess the effectiveness of the hedging strategies employed by these banks in managing and mitigating financial risks. In Islamic finance, risk management through hedging is more complex, since conventional derivatives like options, futures, and swaps often conflict with Shariah law's prohibition on interest (riba) and excessive uncertainty (gharar). Therefore, the study also aims to explore how these banks design and implement alternative Shariah-compliant hedging instruments that align with Islamic ethical and legal guidelines.

By examining the methods and tools used by Kuveyt Türk Bank and Albaraka Bank, the research will shed light on the challenges and effectiveness of hedging practices in Islamic finance. It will also evaluate whether the banks' strategies not only successfully mitigate financial risks but also maintain compliance with Islamic jurisprudence, thereby providing valuable insights for the broader field of risk management in Islamic financial institutions not only in Türkiye but in all over the world.

Data Collection and Analysis

The primary data source for this study consists of the financial reports of Kuveyt Türk and Albaraka Bank. These reports provide comprehensive information on the financial instruments used by the banks, their hedging strategies, and the outcomes of these strategies. Specifically, the data examined and analysed from these reports include:

Details of Financial Instruments: Information on the types of hedging instruments utilized by each bank, including Islamic derivatives, profit rate swaps, and currency hedging tools.

Risk Management Practices: Documentation of the banks' approaches to managing various financial risks, particularly those related to foreign exchange fluctuations and commodity price volatility.

Compliance with Shariah: Statements and disclosures related to the Shariah compliance of the hedging instruments used, including any certifications or endorsements from Shariah boards.

Financial Performance Metrics: Data on the financial outcomes associated with the use of hedging instruments, including any reported gains or losses, and their impact on the overall financial health of the banks.

As for the jurisprudential analysis of the subject, the method of comparative jurisprudence (al-fiqh al-muqāran) has been followed without adhering to a particular sect or view. In the use of sources, both classical and contemporary studies have been utilized.

4. HEDGING PRACTICES AND INSTRUMENTS IN ISLAMIC CAPITAL MARKETS

Islamic financial and banking organizations must be able to provide creative, varied products and gratifying services to meet the demands of contemporary business. Due to this advancement, the contract forms seen in classical fiqh are not always effective and sufficient in contemporary business. Therefore, to establish and diversify types of contracts based on classical fiqh that meet the necessities and desires of modern society, creativity and fresh creations are required. In keeping with these advancements, Islamic banks must constantly innovate to draw in clients and outbid regular banks for the items they offer. The modern Muslim scholars' ijtihad product takes the shape of a hybrid contract notion, also known as multi-contract in Islamic (Pramita & Nisa, 2024).

In traditional finance, hedging is a key idea in overall risk management. In conventional financial system, derivatives are extremely well-developed and perfectly structured. The necessity of hedging is acknowledged in Islamic finance as well. However, Islamic hedging techniques are distinct from mainstream hedging tactics, as they have to adhere to Shari'ah standards. The ban on interest (*riba*), gambling (*maysir*), undue uncertainty (*gharar*), and speculation are the primary distinctions between the Islamic and conventional financial systems (Kamali, 2007, p. 332).

As for hedging instruments, al-Suwailem categorizes hedging strategies into three main types first:

Economic Hedging: This strategy does not require explicit arrangements with other agents and is based on the decision-maker's actions. A common example is diversification, which helps mitigate the variance of returns by spreading investments across different assets (al-Suwailem, 2006).

Cooperative Hedging: This involves mutual arrangements between parties to manage risks collectively. It requires dedicated institutions to facilitate these mutual hedging strategies, ensuring that risks are shared and managed effectively (al-Suwailem, 2006).

Contractual Hedging: This type involves formal agreements or contracts to hedge against specific risks. It integrates risk management with real transactions, ensuring that the hedging instruments are aligned with Shari'ah principles and do not lead to speculation or gambling. (al-Suwailem, 2006) The key characteristic of contractual hedging is that it provides a structured approach to risk management while maintaining the integrity of the underlying transaction.

al-Suwailem outlines several types of contractual hedging, which include:

Murabaha: This is a cost-plus financing structure where the seller discloses the cost of the asset and adds a profit margin. It allows for fixed pricing and predictable cash flows, which can help hedge against price fluctuations.

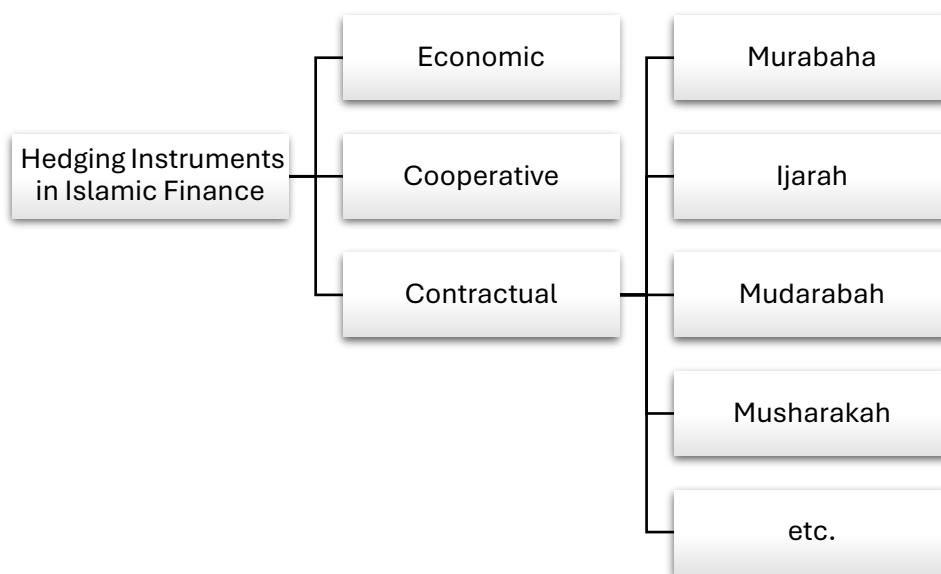
Ijarah: This is a leasing agreement where the financier purchases an asset and leases it to the customer. The lease payments can be adjusted based on market conditions, providing a mechanism to hedge against interest rate changes.

Mudarabah: This is a profit-sharing agreement where one party provides capital while the other provides expertise and management. The profits are shared according to a pre-agreed ratio, which can help mitigate risks associated with business ventures.

Musharakah: This is a partnership arrangement where all parties contribute capital and share profits and losses according to their investment ratios. It allows for risk sharing and can be structured to hedge against specific business risks.

These major types along with the other types of contractual hedging are designed to ensure that risk management is closely tied to real economic activities, thereby promoting stability and compliance with Islamic finance principles. Above-mentioned types of hedging are illustrated below:

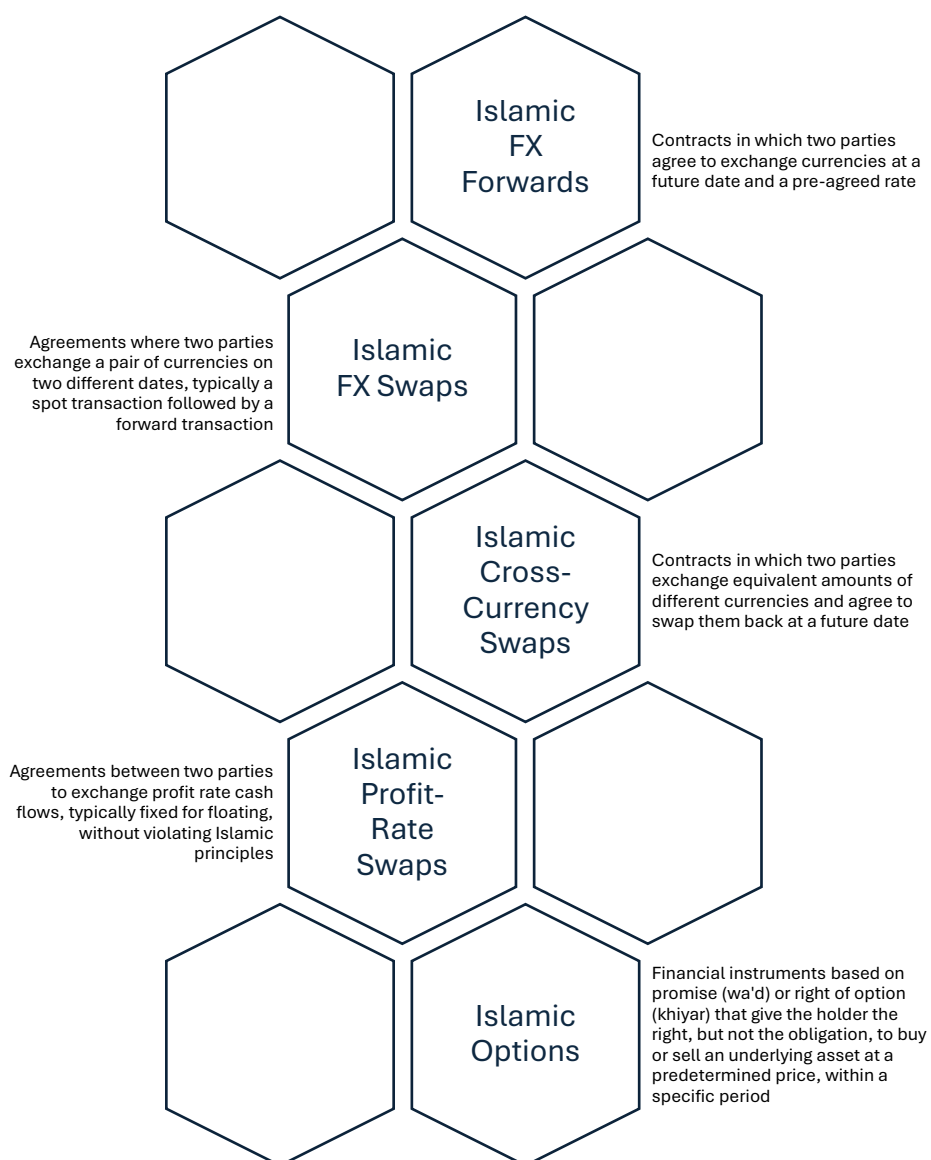
Graph 1. Hedging instruments in Islamic finance



Ref: (al-Suwailem, 2006)

On the other hand, new types of hedging strategies or instruments have emerged in response to evolving market conditions and are now commonly used in Islamic capital markets. These include: Islamic FX Forwards, Islamic FX Swaps, Islamic Cross-Currency Swaps, Islamic Profit-Rate Swaps, and Islamic Options (Mohamad, Othman, Roslin, & Lehner, 2014).

Graph 2. Types of Hedging Implemented in Islamic Financial Markets



Ref: Compilation of the authors from different sources.

It is important to note that the aforementioned instruments are primarily developed by incorporating elements such as promises, mutual promises, or retention rights into the contract. However, we will not delve into the fiqh (Islamic jurisprudence) aspects of these hedging instruments here. Instead, our focus will be on analyzing the risk management techniques employed by the banks selected as case studies.

5. BORSA ISTANBUL AND IFIs

Borsa İstanbul, originally established as the Istanbul Stock Exchange (IMKB) in 1985, has a rich history dating back to the foundation of the Dersaadet Securities Exchange in 1873. Over the years, Borsa İstanbul has undergone significant transformations to become a pivotal financial hub in Türkiye and a key player in the global financial markets.

One of the major milestones in its evolution was the merger with the İstanbul Gold Exchange in 2013, which consolidated its position in the financial sector. This merger also

marked Borsa İstanbul's expansion into international markets, as it became a shareholder of the Montenegro Stock Exchange.

In 2014, the BISTECH Technological Transformation Program was initiated, aiming to modernize and integrate all market transactions on a single platform. This ambitious project was completed in 2018, enhancing the efficiency and reliability of trading operations. The same year, Borsa İstanbul launched the Swap Market and the Committed Transaction Market, further diversifying its financial instruments and services.

Borsa İstanbul's commitment to aligning with global standards was evident in 2019 when it removed the mid-day single price section to harmonize with international stock markets. Additionally, the introduction of the Turkish Lira Overnight Reference Rate (TLREF) in the same year provided a crucial benchmark for short-term financial products and contracts.

Today, Borsa İstanbul stands as a dynamic and liquid trading platform, known for its technological advancements and comprehensive range of financial services. It continues to play a vital role in Türkiye's economic development and maintains a significant presence in the global financial landscape (BIST, 2024).

The legal framework of the Turkish capital markets underwent significant changes with the introduction of the Capital Markets Law No. 6362 (CML), which replaced the previous Capital Markets Law No. 2499 and Decree Law No. 91. This new law brought Turkish regulations in line with EU standards, thereby enhancing global integration and competitiveness. It restructured and renamed the Istanbul Stock Exchange (IMKB) as Borsa Istanbul and designated stock exchanges as private law entities established by presidential authorisation with the approval of the Capital Markets Board. Borsa Istanbul was formally registered as a private limited company on 3 April 2013. The current legal framework is primarily governed by the CML and the Turkish Commercial Code, supplemented by detailed regulations issued by the Capital Markets Board and the Exchange (BIST, "Legal Framework", 2024).

Borsa Istanbul holds memberships in several international organizations, including the World Federation of Exchanges (WFE), Organisation of Islamic Cooperation (OIC) Exchanges Forum, London Bullion Market Association (LBMA), World Federation of Diamond Bourses (WFDB), and Intermarket Surveillance Group (ISG). Additionally, Borsa Istanbul supports various international initiatives such as the Kimberley Process Certification Scheme (KPCS), OECD's Responsible Gold Guidance, United Nations Global Compact (UNGC), Sustainable Stock Exchanges Initiative (SSE), and the Integrated Reporting Türkiye Network (ERTA). It is also accredited by the European Securities and Markets Authority (ESMA) as a "Third Country Trading Venue" (BIST, "International Membership", 2024).

Currently, 664 companies operating in different sectors and markets are traded on BIST. Some of these are screened in the Participation³ Indices, while others are not (Public Disclosure Platform (KAP), 2024).

Financial instruments considered within the scope of Participation Finance are estimated to have reached a value of more than USD 3.3 trillion globally in the first half of 2023

³ The term "Participation Finance" in Türkiye refers to a financial system that adheres to Islamic principles, which is mostly articulated as "Islamic Finance" in other countries.

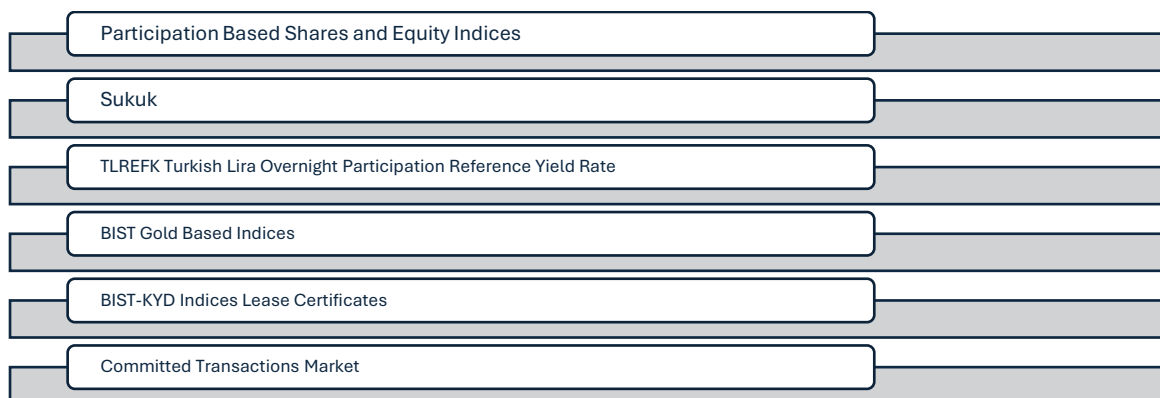
and are also expected to register a compound annual growth rate (CAGR) of more than 10 per cent between 2024 and 2029. Türkiye's Participation Finance ecosystem has reached USD 90 billion and is expected to grow exponentially in the coming years (BIST, “Katılım Finans”, 2024).

Participation finance refers to an umbrella concept that covers all sectors operating in accordance with the principles of participation finance and the products, services and activities offered by these sectors. It is a financial system that operates within the framework of participation finance principles and goal-oriented principles and covers products, services, activities and institutions that prioritise goal-oriented principles.

Financial Markets constitute one of the most important development areas of the Participation Finance ecosystem. Borsa Istanbul, which is at the centre of the Capital Markets, aims to enable investors and companies to access and participate in financial instruments and funding opportunities in accordance with the principles of Participation Finance.

For this purpose, Borsa Istanbul cooperates with the Advisory Board of the Participation Banks Association of Türkiye (TKBB), and Participation Based Financial Instruments are developed and offered to investors within the framework of the principles and standards established by the Advisory Board.

Graph 3. The scope of Islamic finance activities in BIST



Ref: BIST, “Katılım Finans” (Access 24 July 2024).

Determining the Scope of Islamic Indices

In periodical index valuations, the following steps are followed in order to determine the scope of the indices, taking into account the responses of the companies in the Information Forms according to the relevant fiscal period:

1) In the first stage, company shares that are not listed in the Star Market, Main Market or Sub-Market as of the beginning of the Index Period are excluded from the scope.

2) In the second stage, company shares that have privileges such as profit or liquidation share privileges in company shares or usufruct certificates that are materially and directly against other shareholders are excluded.

3) In the third stage, the shares of the company in which the activities listed in Standard Article 1.1 are written in the articles of association of the company are excluded. The activities listed in Standard Article 1.1 are as follows

- a) Production and trade of alcoholic beverages,
- b) Production and trade of narcotic substances other than for medical purposes,
- c) Gambling and gambling-like activities,
- d) Production and trade of pork and its products,
- e) Interest-bearing financial transactions,
- f) Forward transactions between money and/or monetary assets,
- g) Broadcasting contrary to morality and Islamic values,
- h) Entertainment, hotel management, etc. activities that are incompatible with Islamic values,
- i) Activities that cause great harm to the environment and living things,
- j) Biological/genetic activities aimed at changing human nature,
- k) Production and trade of tobacco products harmful to health.

4) In the fourth stage, companies are required to

- a) 5% of the share of revenues from the activities specified in Standard Article 1.1 in total revenues,
- b) 33% of the ratio of interest-bearing assets in the financial statement to the greater of average market value or total assets, (Total assets are used when calculating the ratio for companies traded less than 20 days as of the end of the Valuation Period).
- c) The ratio of interest-bearing liabilities in the financial statements to the greater of average market value or total assets exceeds 33%, (Total assets are used when calculating the ratio for companies traded for less than 20 days as of the end of the Valuation Period).⁴

Company shares exceeding the specified ratios are excluded from the scope. Companies are required to answer the questions regarding the financial period in the Information Forms based on their most recent financial statements that have been independently or limited audited. Companies that do not enter the Information Forms or make incomplete entries are prudently assumed not to fulfil the aforementioned criteria and are excluded from the scope. Companies that explicitly declare in their articles of association that they will operate in accordance with the Standard are included in the scope of the index without any additional criteria if they are traded in a market that is eligible for the index. Shares of companies that are stated to fulfil the index selection criteria in the public offering prospectus are included in the index on the date they start to be traded (Participation Banks Association of Türkiye (TKBB), 2024; Orhan & Isiker, 2021).

6. RESULTS AND FINDINGS: USING HEDGING INSTRUMENTS BY SELECTED SAMPLES OF PARTICIPATION BANKS IN BORSA ISTANBUL

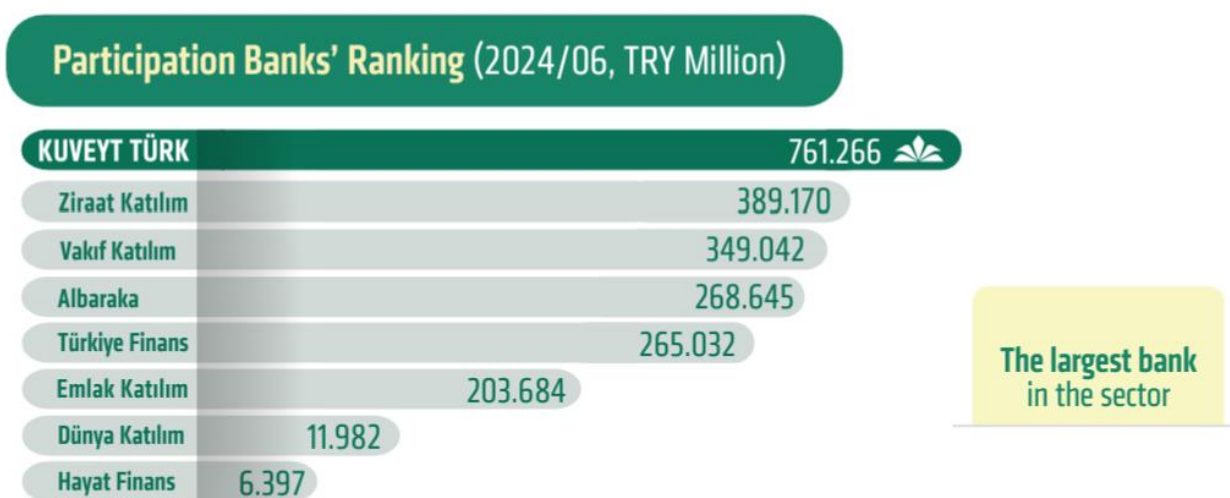
6.1. CASE NO. 1: KÜVEYT TÜRK PARTICIPATION BANK

⁴ Compare to AAOIFI's Financial Paper (Shares and Bonds): Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), *Shari'ah Standards* (Bahrain: AAOIFI, Shariah Standard No. 21).

Kuveyt Türk participation bank is the largest participation bank in Türkiye in terms of assets, with total assets valued at 761.266 TL which is representing a market share of 2.71% of the total banking sector in Türkiye. In addition, it is holding 69.64% ROAE as number one bank among the top 20 in equity growth.

It has been operating in the interest-free finance sector since 31 March 1989. Kuveyt Türk contributes to the development of participation banking with its dynamic corporate governance approach, innovative products and its global expansion, since it is part of Kuwait Finance House (KFH) which is among the oldest Islamic banks in the world.

Graph 4. Comparison of Kuveyt Türk Bank with the other participation banks in Türkiye



Ref: Kuveyt Türk database 2024.

Based on Kuveyt Türk Bank website the main hedge instrument used by the bank was Forward Exchange Transaction which allow the customers to buy and sell products or services by fixing the exchange rate risk for a certain currency, and this instrument based on promise (waad) as we explained it previously. With regard to the derivative financial instruments we summarize it based on the below table

Table 1: The information on Kuveyt Türk Bank in 2023 was as follows:

	TC	FC	Total
DERIVATIVE FINANCIAL INSTRUMENTS	30,123,622	113,210,686	143,334,308
Derivative Financial Instruments Held for Hedging	0	0	0
Fair Value Hedges	0	0	0
Cash Flow Hedges	0	0	0
Hedges of Net Investment in Foreign Operations	0	0	0
Derivative Financial Instruments Held for Trading	30,123,622	113,210,686	143,334,308

Forward Buy or Sell Transactions	1,966,099	7,546,320	9,512,419
Forward Foreign Currency Buying Transactions	1,965,934	2,900,611	4,866,545
Forward Foreign Currency Sale Transactions	165	4,645,709	4,645,874
Other Forward Buy or Sell Transactions	28,157,523	105,664,366	133,821,889

Ref: <https://www.kap.org.tr/> (Access 20 August 2024).

The data indicates that the majority of the bank's derivative exposure is in foreign currency, suggesting a significant involvement in international financial markets or currency-related transactions. From pure financial perspective, the absence of hedging instruments indicates that Kuveyt Türk Bank does not use derivatives for risk management purposes. Instead, all derivative activities are classified under trading, which may suggest a focus on speculative profit rather than mitigating risks associated with currency fluctuations or interest rate changes. The bank's entire derivative portfolio is devoted to trading activities. This might involve taking positions in various financial markets to profit from price movements. However, this approach also exposes the bank to potential market volatility and financial risk. The near parity between buying and selling forward foreign currency transactions indicates a balanced approach, possibly to take advantage of arbitrage opportunities or to manage foreign exchange exposure on a short-term basis. However, given that these transactions are part of trading activities rather than hedging, they might not be used to mitigate risk but rather to capitalize on expected movements in exchange rates. The bulk of so-called "other forward buy or sell transactions" are in foreign currency, which may involve a variety of forward contracts related to different financial instruments, such as commodities or complex financial derivatives. The significant size of these transactions indicates a strong emphasis on non-currency-specific forward contracts, likely used for taking advantage of expected market conditions.

6.2. CASE NO. 2: ALBARAKA TÜRK PARTICIPATION BANK

As Albaraka Türk Participation Bank, were founded in 1984 by pioneering interest-free banking in Türkiye and began actively serving in 1985. Having founded under the guidance of the strong capital groups in the Middle East, Al Baraka Group B.S.C.(c), Islamic Development Bank (IsDB) and another industry group serving the Turkish economy for more than a half century.

As of 31.12.2023, Albaraka Group B.S.C.(c)'s share in the shareholding structure is 45.09% and Dallah Al Baraka Holding's share is 8.3%. the Bank's shares are traded on Borsa Istanbul.

With regard to the derivative financial instruments we would like to summarize it based on the below table:

Table 2: The information on Albaraka Bank in 2023 was as follows:

	TC	FC	Total
DERIVATIVE FINANCIAL INSTRUMENTS	10,656,422	14,249,689	24,906,111

Derivative Financial Instruments Held for Hedging	0	0	0
Fair Value Hedges	0	0	0
Cash Flow Hedges	0	0	0
Hedges of Net Investment in Foreign Operations	0	0	0
Derivative Financial Instruments Held for Trading	10,656,422	14,249,689	24,906,111
Forward Buy or Sell Transactions	143,878	294,989	438,867
Forward Foreign Currency Buying Transactions	77,365	61,866	139,231
Forward Foreign Currency Sale Transactions	66,513	233,123	299,636
Other Forward Buy or Sell Transactions	10,512,544	13,954,700	24,467,244

Ref: <https://www.kap.org.tr/> (Access 20 August 2024).

Albaraka Bank does not hold any derivatives for hedging purposes as well, indicating that all derivative instruments are intended for trading rather than for managing financial risks. This reflects a strategic choice to not use derivatives as a tool for risk mitigation. Albaraka Bank's derivatives portfolio is entirely focused on trading, which suggests an active participation in financial markets, potentially to generate profits from market movements rather than to hedge against risks. The smaller volume of forward transactions suggests that Albaraka Bank is either less involved in speculative trading or is focusing on less risky, possibly more straightforward transactions. The bulk of Albaraka Bank's forward transactions fall into "other..." category, indicating that they may be involved in a variety of forward contracts beyond just currency-related ones. The relatively balanced distribution between Turkish and foreign currency indicates a diversified approach.

The large volume of derivatives held by Kuveyt Türk Bank, particularly in foreign currencies, may suggest significant engagement in speculative activities, which could be considered non-compliant with Islamic principles. Albaraka Bank, with a much smaller derivatives portfolio, might be demonstrating a more cautious approach that aligns better with Islamic financial ethics by minimizing potential involvement in speculative activities. Hedging, when done to manage real risks and not for speculation, can be permissible in Islamic finance. The absence of hedging instruments in both banks indicates that their derivative activities are focused entirely on trading rather than risk management. The substantial volume of trading derivatives at Kuveyt Türk Bank indicates a strong focus on speculative profit-making, which is problematic from an Islamic standpoint. In contrast, Albaraka Bank's smaller trading volume might reflect a more prudent approach, potentially indicating a greater alignment with Islamic financial principles by avoiding excessive speculation.

Our assessment of the impact of the use or non-use of hedging instruments by Kuveyt Türk and Albaraka Bank on their risk management strategies is grounded primarily in the principles of conventional economics. From this perspective, both banks are perceived as

underperforming in risk management due to their limited use of derivative instruments. In conventional economic thought, derivatives, particularly those employed in hedging, are regarded as the most significant tool for mitigating financial risk. This prevailing belief shapes the analysis of these banks' risk management practices.

At this juncture, however, we wish to offer a methodological critique. If we aim to cultivate self-sufficient and sustainable banking and financial markets, a radical, multifaceted shift in risk management practices is essential, as highlighted by scholars such as el-Suwailem. Continuing to replicate the methods of conventional finance without critically evaluating their compatibility with Islamic finance principles will inevitably lead to problematic practices. This includes the emergence of instruments like Islamic FX Forwards, Islamic FX Swaps, Islamic Cross-Currency Swaps, Islamic Profit-Rate Swaps, and Islamic Options, which have been criticized for undermining fundamental Islamic legal principles. Such instruments, as noted by Mohamad, Othman, Roslin, and Lehner (2014), may result in the commodification and exploitation of tools such as promises (*wa'd*), bilateral promises (*muwā'adah*), and the sale of right of options (*bay' al-ikhtiyār*) — concepts that are meant to serve as ethical tools within Islamic law, and not binding contractual means.

To move beyond these imitative practices, we propose a rethinking of risk management within the framework of Islamic finance. Rather than relying on instruments that closely mirror their conventional counterparts, we advocate for the use of contract types that are deeply rooted in Islamic jurisprudence. Contracts such as *salam*, *istisna*, *murabaha*, *ijarah*, *musharakah*, *diminishing musharakah*, and *mudarabah* offer promising alternatives that align with the ethical and legal standards of Islamic finance. These contracts, already employed in various contexts, provide models for risk management that emphasize fairness, shared risk, and transparency, in contrast to the speculative nature of many derivative instruments.

By realigning risk management practices with Islamic contractual principles, we can foster a more authentic and sustainable financial system that avoids the pitfalls of conventional finance while upholding the values of justice and equity central to Islamic law.

7. DISCUSSIONS: SHARIAH PERSPECTIVE ON HEDGING INSTRUMENTS

In conventional finance, hedging serves as a strategic approach to managing and mitigating the risks inherent in economic activities such as trading or investing. While it effectively reduces exposure to potential losses, it is crucial to note that hedging does not eliminate risk entirely. Instead, it functions as a protective measure to cushion against adverse market movements. In a similar vein, Islamic finance has crafted distinct methodologies for risk management that align with the ethical and legal frameworks prescribed by Shariah principles.

In the context of Islamic finance, the relationship between risk management and hedging is often viewed as inseparable, akin to two sides of the same coin. Effective risk management in Islam inherently involves the practice of hedging, and vice versa. Islam acknowledges that risk is an inevitable element of any business venture. However, it also emphasizes that with the implementation of well-thought-out strategies, such risks can be effectively managed and minimized. Islamic teachings caution against two extreme behaviors in relation to risk: the first is the complete avoidance of risk, particularly by seeking profits without bearing any risk, which

is exemplified by the practice of *riba* (usury). The second extreme is engaging in excessive risk-taking, especially in activities that resemble gambling or *maysir*. Instead, Islam advocates for taking calculated and measured risks to achieve legitimate profits (Mohamad et. al., 2014).

Undoubtedly, derivatives are important risk management tools as hedging instruments. But they can also be used by speculators to speculate. One of the fundamental differences between conventional finance and Islamic finance lies in the distinction between speculation and hedging. In conventional markets, speculation often involves taking on additional risk in the hopes of achieving higher returns, a practice that can border on gambling. Islamic finance, on the other hand, strictly distinguishes between hedging as a risk management tool and speculation as a profit-driven activity (Umar et. al., 2020). Shariah scholars maintain that hedging is permissible when its primary objective is to protect against potential losses, such as those resulting from currency fluctuations in transactions involving real assets. Therefore, the true essence of hedging in Islamic finance is the prudent management of risk, rather than the pursuit of speculative gains. This principle underscores the ethical foundation of Islamic finance, where the intent behind financial actions is as important as the actions themselves (Mohamad & Tabatabaei, 2008).

There is consensus of Islamic legal scholars regarding the implementation of hedging instruments in financial activities. But when it comes to religious, logical and theoretical substantiation of the hedging concept, we can refer to the tallest verse in the Qur'an that named "āyah al-mudāyanah" (i.e. the verse on reciprocal borrowing) (Baqarah, 2/28). The verse highlights the need of writing down debt activities while contracting. Scholars assert that this verse's objective is to instill the "protection sense" towards the wealth, which is in line with the idea of hedging. (al-Qurṭubī, 1964, 3/383) As a logical consequence of the verse, we can say that collateral (guarantee) contracts such as transfer or assignment of debt (*ḥawālah*), surety (*kafālah*) and pledge (*rahn*) actually support the idea of hedging in Islamic finance by providing security, reducing risk, and ensuring the fulfillment of contractual obligations. These contracts offer a Shariah-compliant means to manage financial risks, protect wealth, and promote trust and stability in financial transactions, all of which are essential elements of hedging. Over and above that, "legal interdiction of the foolish" or "incompetency restriction", which refers to the legal restriction or interdiction placed on individuals deemed incapable of managing their financial affairs wisely due to immaturity, mental incapacity, or irresponsible behavior, is also support the general idea of the hedging in Islam. For this concept (*ḥajr*) in Islamic jurisprudence is used to protect the assets and interests of those who are considered "sufahā" (foolish or incompetent) by preventing them from making poor financial decisions.⁵

On the other hand, it is stated in a hadeeth that "*Whoever dies in protecting his property, he dies as a martyr*" (al-Bukhārī, 1993)⁶ signifies that if a person loses his life while safeguarding his or her family and possessions, his death is regarded as martyrdom. Consequently, taking measures to defend and protect wealth from financial risks is strongly

⁵ For further details. Apaydın, H. Y. (1996). *Hacir*. In Türkiye Diyanet Vakfı İslam Ansiklopedisi. İstanbul: TDV Yayınları.

⁶ (al-Bukhārī, 1993, p. 34). Text of the corresponding hadith as follows: مَنْ قُتِلَ دُونَ مَالِهِ فَهُوَ شَهِيدٌ

encouraged, as failure to do so could not only harm the individual but also have detrimental effects on society as a whole.

Islamic hedging, when viewed through the lens of *maqasid al-shariah* (the higher objectives of Islamic law), aligns with the overarching goals of Shariah, which are to promote human well-being and prevent harm. *Maqasid al-shariah* emphasizes the protection and preservation of essential elements in human life, including religion (*dīn*), life (*nafs*), intellect (*'aql*), lineage (*nasl*), and wealth (*māl*). Hedging in Islamic finance can be understood as a means to achieve these objectives by managing financial risks in a Shariah-compliant manner. One of the key objectives of *maqasid al-shariah* is the protection of wealth, as it is a vital resource for sustaining life, supporting families, and contributing to society. Islamic hedging plays a crucial role in safeguarding wealth from potential financial losses due to market volatility, currency fluctuations, or other economic risks. By reducing the exposure to such risks, Islamic hedging ensures that wealth is preserved and used productively, in accordance with Shariah principles. In accordance with the legal maxim that “preventing loss takes precedence over gaining benefit” (Commission, 2004, 6/245. Text of the relevant maxim is: دفع المفسدة أولى من جلب المنفعة) Islamic finance emphasizes the importance of safeguarding against potential losses and managing risks before seeking profit in financial markets. This principle underscores the idea that financial stability and the protection of assets are fundamental priorities. In practice, this means that before pursuing opportunities for profit, investors and financial institutions should first ensure that they have taken adequate measures to mitigate risks that could lead to financial harm or instability. By doing so, they not only protect their own interests but also contribute to the overall stability of the financial system, which is essential for sustainable economic growth. This approach aligns with the broader objectives of Shariah, which seek to promote justice, fairness, and the well-being of society by preventing harm and ensuring that financial activities are conducted in a responsible and ethical manner.

Islamic finance offers several risk management techniques deemed permissible by Shariah scholars. These include limiting the scope and degree of risk within any investment, diversifying investment portfolios across different instruments, and securing third-party guarantees to mitigate potential losses. These strategies reflect a balanced approach to risk, ensuring that the pursuit of profit does not compromise ethical considerations (Nordin et. al., 2014).

Since Shariah recognizes the concept of hedging and acknowledges its significance in financial transactions, the instruments and measures adopted to achieve hedging are encouraged, provided they do not contravene any Shariah principles. Among the prominent scholars who have explored financial hedging, critically evaluated conventional hedging instruments, and endeavored to develop Shariah-compliant alternatives are Dr. Sami al-Suwailem, Dr. Mohamed Ali Elgari, Dr. Abdul Sattar Abu Ghuddah, as well as institutions such as the International Islamic Fiqh Academy, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), the Dallah al-Barakah Shariah Advisory Council, and various Shariah committees of Islamic financial institutions. These scholars and institutions have generally recognized the importance of financial risk management in Islamic finance and do not reject its fundamental concept. However, there is a diversity of opinions on what

constitutes Shariah-compliant hedging mechanisms. While there is consensus that hedging is permissible and even necessary in Islamic financial markets, it is widely agreed that hedging should not be seen as a tool for the complete elimination of risks, but rather as a means to manage and mitigate them in a way that aligns with Islamic ethical and legal standards.

The jurists have consistently emphasized that the instruments and methods employed to manage risk must adhere strictly to Shariah principles, without violating any of its rulings. This stance is deeply rooted in the Shariah principle that "the end does not justify the means." This concept was thoroughly examined during the 28th Barakah Symposium held in Jeddah on September 16, 2007, which focused specifically on the issue of hedging (tahawwut). The resolution issued from this symposium reinforced this viewpoint:

“1. In Islamic financial activities, the pre-condition is that investors bear the risks. This is based on the principle of “*al-ghunmu bi al-ghurmī*” which means that entitlement to profit is accompanied by responsibility for attendant expenses and possible loss. This is backed by the *Hadith* “*Inna al-Kharaj Bi al-Dhaman*” which means the entitlement to profit from something is dependent on responsibility for attendant expenses and possible loss and defects (Hadith narrated by al-Tirmizi, Abu Dawud, Ibn Majah and Ahmad). Therefore, any investment activities based on the separation between “*al-ghunm*” (profit) and “*al-ghurm*” (losses), where investors are qualified to receive profits without bearing “*daman*” (responsibility for losses or risks), are not allowed. Any contracts or contractual terms which are meant to guarantee investment capital and profit are contradictory to the Shariah.

2. Minimising and avoiding risks are permissible if managed in line with Shariah mechanisms, contract and instruments, as long as they do not bring about matters that contravene Shariah principles (Resolution No. 2:28).”

To delve into the Shariah-compliant discussion of risk-mitigating tools used by Kuveyt Türk Bank and Albaraka Bank, we must first address the philosophical divergence between Islamic and conventional financial systems, particularly concerning hedging and risk management.

In conventional finance, derivatives are widely employed as risk mitigation tools (Pramita & Nisa, 2024, p. 95). However, they often involve speculative elements that contradict Islamic principles, which prioritize ethical risk sharing, fairness, and transparency. From a Shariah perspective, risk management is acceptable when it is tied to real economic activities and serves to mitigate actual risks rather than facilitate profit-driven speculation. This distinction is crucial when evaluating the activities of Kuveyt Türk and Albaraka Bank, as their reliance on derivatives might suggest differing levels of Shariah compliance depending on the purpose and nature of these transactions.

Shariah allows the management of risk, but it places emphasis on risk that is inherent and tied to real economic activity, such as the risks associated with physical assets, production, and trade (Abu Bakar, 2023). Tools that mirror these goals and avoid speculation can be acceptable. For instance, Islamic contracts like *salam*, *istisna*, *murabaha*, *mudarabah*, *musharakah* and *ijarah* are structured to manage risk by sharing it equitably among contracting

parties. Salam and istisna contracts manage risks related to future delivery and production, while mudarabah and musharakah provide frameworks for sharing both profit and loss, ensuring that the risk is not disproportionately borne by one party (Zaabi, 2010, p. 92). These contracts, by design, are more aligned with the risk management framework advocated by Islamic finance, where speculative and uncertain transactions (*gharar*) are prohibited (Malkawi, 2014, p. 50). In this context, it is more accurate to state that both banks are adhering to a Shariah-compliant approach by limiting their use of hedging instruments to trading purposes only.

The critique of Kuveyt Türk's engagement in foreign currency derivatives and the smaller but still significant derivatives portfolio of Albaraka Bank highlights the challenge of using quasi-conventional instruments that may resemble conventional derivatives but are adapted for Islamic markets. These instruments, such as Islamic FX Forwards and Islamic Profit-Rate Swaps, have been criticized for being superficial modifications of their conventional counterparts, often failing to align with the ethical and risk-sharing foundations of Islamic finance (Dusuki, 2009).

The challenge here lies in the fact that many so-called Islamic hedging instruments operate on bilateral promises, which, in practice, may lead to speculative outcomes similar to those seen in conventional finance. The promise (*wa'd*) in Islamic finance is intended to serve as a moral obligation rather than a binding contract, and its commercial exploitation could be seen as an abuse of this concept (Ahmad, Yaacob, & Mat Zain, 2014). This reliance on instruments that are essentially replicas of conventional derivatives suggests that the Islamic finance industry has not yet developed a distinct risk management framework that fully aligns with Shariah.

There is a pressing need to establish a new worldview or conceptual framework for risk management in Islamic finance. Instead of adapting or mimicking conventional derivatives, Islamic finance must focus on the development of tools that are rooted in Islamic jurisprudence and principles of risk-sharing and fairness. This new paradigm should be based on contracts like salam, istisna, and ijarah etc., which manage real economic risks and avoid speculative behavior. These contracts could be expanded or modified to address modern financial challenges while maintaining their adherence to Shariah. The idea is to create instruments that provide the same risk mitigation benefits as conventional derivatives but are fully aligned with Islamic ethics and legal foundations (International Shariah Research Academy for Islamic Finance (ISRA), 2015, pp. 651–652).

In conclusion, the current use of quasi-conventional instruments by Islamic banks calls for a re-evaluation and a shift towards a more authentic and Shariah-compliant approach to risk management. By prioritizing contracts that promote genuine risk-sharing and ethical behavior, Islamic finance can offer a more sustainable and just alternative to the risk management practices seen in conventional finance.

CONCLUSION

Among private participation banks, Kuveyt Türk and Albaraka Türk stand out as key players in

terms of their volume of operations and their notable presence in capital markets. However, when viewed from a conventional finance perspective, their approach to risk management may appear inadequate. This is primarily because these banks do not rely on conventional derivative-based risk management tools. Instead, they adhere to the principles of Islamic economics by using instruments rooted in real commercial transactions and trade activities, avoiding speculative instruments that contradict Islamic financial ethics.

There are two critical issues that need to be addressed in this context. First, both risk management practices and the development of Islamic derivative instruments require careful reconsideration. Existing concepts and approaches should be reconstructed to better align with Islamic economic principles. For instance, the concept of risk management in Islamic finance should be redefined through contracts that are firmly based on tangible commercial activities and genuine partnerships, as opposed to the financial engineering typical of conventional systems. However, it is essential to acknowledge that risk management cannot be entirely achieved through financial contracts alone. The nature of risks faced in modern economic and financial activities is diverse, complex, and multifaceted, encompassing market volatility, operational challenges, and strategic uncertainties.

Therefore, in addition to contractual frameworks, Islamic financial institutions must develop broader risk management techniques. This includes managerial (cooperative) approaches, where banks and stakeholders collaborate to mitigate risks, as well as economic (strategic) methods that involve anticipating and adapting to broader market conditions. Such a holistic approach would provide a more comprehensive and resilient risk management framework that adheres to Islamic values while addressing modern financial realities.

Second, financial reporting and disclosures by Islamic banks must evolve accordingly. These institutions should avoid mimicking conventional risk management practices, such as adopting quasi-derivative instruments, and instead focus on designing innovative solutions grounded in Islamic legal and ethical frameworks. This shift requires banks to update their financial statements and reporting structures to reflect their unique risk management strategies and adherence to Islamic principles. Transparent and accurate reporting of risk exposure, and the tools used to mitigate these risks, will bolster the credibility of Islamic financial institutions and enhance stakeholder confidence.

The translation of hedging standards prepared by the IIFM/ISDA by the Participation Banks Association of Türkiye (TKBB) marks an important step toward addressing these challenges. However, this is not sufficient on its own. It is imperative that hedging standards are tailored to Türkiye's strategic and economic environment, considering Borsa Istanbul's unique market dynamics, the country's regulatory framework, and the specific needs of its Islamic financial institutions. Developing localized standards and innovative instruments, aligned with both Shariah principles and Türkiye's financial ecosystem, will strengthen the capacity of Islamic banks to manage risks effectively while remaining true to their ethical foundations.

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KARJIEF

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Şamil AYDIN¹

Küresel İslami Sukuk İhracında Türkiye'nin Rolü (2017-2023)

ÖZ

Faizsiz finans kuruluşlarının yapıları gereği faiz içermeyen, risk ve ortaklık içeren işlemler gerçekleştirmeleri gerekmektedir. Bu işlemlerin başında sukuk finansmanı gelmektedir. Sukuk, faizli sistemde kullanılan menkul kıymetleştirme işlemine alternatif olarak geliştirilmiş faizsiz bir finansal araçtır. Ülkemizde kira sertifikası olarak anılmakta ve Varlık Kiralama Şirketleri tarafından ihraç edilmektedir. Türkiye, sukuk ihracı konusunda küresel düzeyde hatırı sayılır bir konuma sahiptir. İlk sukuk ihracını gerçekleştirdiği 2010 yılından 2023 yılı Ocak ayına kadar geçen süreçte küresel çapta toplamda yaklaşık 45 milyar dolar değerinde sukuk ihracı gerçekleştirmiştir. Çalışmamızda sukuk finansmanının tarihi gelişim sürecine ve işleyişine yer verilmiş, 2017 yılından 2023 yılına kadar geçen 6 yıllık sürede küresel çapta gerçekleştirilmiş olan sukuk ihraçları nicelik olarak incelenmiş ve Türkiye'nin bu oranlardaki rolü değerlendirilmeye tabi tutulmuştur.

Anahtar Kelimeler: Sukuk, Faizsiz Finans, Kira Sertifikaları, Varlık Kiralama Şirketleri

JEL Kodları: G20, G21, G23

The Role Of Turkey In Global Islamic Sukuk Issuance (2017-2023)

ABSTRACT

Due to their structure, interest-free financial institutions are required to carry out transactions that do not involve interest and involve risk and partnership. Sukuk is an interest-free financial instrument developed as an alternative to the securitization process used in the interest-based system. Sukuk is called "leasing certificates" in our country and is issued by Special Purpose Vehicle (SPV). Turkey has a considerable position at the global level in sukuk issuance. In the period between 2010, when our country made its first sukuk issuance, and January 2023, it has issued sukuk worth approximately 45 billion dollars globally in total. In our study, the historical development process, operation and types of sukuk financing are included, sukuk issuances made on a global scale in the 6-year period from 2017 to 2023 are examined quantitatively and Turkey's role in these rates is evaluated.

Keywords: Sukuk, Interest-Free Finance, Leasing Certificates, Special Purpose Vehicle

JEL Codes: G20, G21, G23

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GİRİŞ

Finans sisteminde her geçen gün talep çeşitliliğinin artması nedeniyle yeni finansal hizmetlere ihtiyaç duyulmaktadır. Fon toplayanlar, yatırımcıların bu taleplerini karşılamak amacıyla gün geçtikçe finansal hizmet çeşitliliğini artırıcı çalışmalar yürütmektedir. Faizsiz finansa da aynı durum söz konusudur. Faizsiz finansa yeni finansal uygulamalar üretilirken piyasanın ne istediğine ek olarak bu isteğin İslami ilkelere uygun olup olmadığı tartışma konusu olmaktadır. İslami finans sistemi son yıllarda çok ciddi gelişmeler kaydetmiştir. Bu gelişmeler, yeni finansal ürünlerin fon toplayıcı ve fon sağlayıcılar tarafından kabul edildiğinin bir göstergesidir.

İslami finans sisteminin oldukça hızlı gelişme gösteren uygulamalarından birisi sukuk finansmanıdır. Küresel anlamda sukuk işlem hacimleri son 20 yılda oldukça artış göstermiştir. 2023 başı itibarıyla küresel hacim olarak sukuk işlem hacmi 618 milyar dolara ulaşmıştır (IIFM, 2023, s. 38). Sukuk finansmanı, varlığa dayalı bir finansman modeli olduğu için faizsiz finans sektörü açısından güvenli bir liman olma niteliğindedir.

Küresel çapta faizsiz finans piyasası üzerinde yaşanan gelişmeler ülkemizde faizsiz finans alanında yeniliklere ciddi anlamda katkı sağlamıştır. Son yıllarda tüm dünyayı etkileyen krizler yaşanması insanlığı alternatif bir finansal arayışa itmiş, İslami finans piyasalarının reel işlemlerle balon oluşturmadan büyüme gerçekleştirmesi oldukça ilgi uyandırmış ve piyasaların İslami finansa olan ilgisini artırmıştır.

Sukuk piyasalarının küresel çapta hacminin büyümesinde Türkiye'nin pozitif katkısı göz ardı edilemeyecek düzeydedir. Çalışmamızda, ülkemizde sukuk ihraç eden kuruluş olarak Varlık Kiralama Şirketlerinin yapısı anlatılmış, sukuk finansmanın yapısı ve işleyişine değinilmiştir. Ülkemizin küresel sukuk piyasasına hacimsel olarak katkısı uluslararası raporlar incelenmeye tabi tutularak değerlendirilmiştir.

1. VARLIK KİRALAMA ŞİRKETİ (VKŞ)

1.1. TANIMI

Varlık kiralama şirketi, menkul kıymetleştirme işlemi gerçekleştirmek amacıyla menkul kıymetleştirmeye konu olan varlıkları devralıp, bu varlıklar karşılığında menkul kıymet ihraç eden kurumlardır (Güngören, 2011, s. 61). Bu şirketler, yatırım sertifikalarının arz edilmesi sonucu elde edilmiş olan gelirlerin ve bu yatırım sertifikası arzına konu olan diğer işlemlerin düzenleyicisi ve meşru bir yöntemle takipçiliğini yürütmektedirler (Gözcü, 2019, s. 17).

VKŞ'ler menkul kıymetlerin ihracını yönetmek amacıyla kurulan, özel amaçlı tüzel kişiliklerdir (Ayub, 2017, s. 419). Bu şirketlerin asıl amacı ticaret faaliyeti gerçekleştirmek değildir. Bu şirketlerin kuruluş amacı, belirlenmiş bir projenin finansmanını sağlamak için oluşturulmuş kanuni bir torba gibidir ve belirlenmiş süre sonunda şirket de sonlanmaktadır (Mısıri, 2011, s. 1). Menkul kıymetleştirilmeye müsait varlıkları devralmak suretiyle, menkul kıymetleştirme işlemi gerçekleştirmek için devraldığı bu varlıkları sertifikalar halinde yatırımcılara ihraç eden kuruluşlardır (Güngören, 2011, s. 61)

1.2. İŞLEYİŞİ VE AMAÇLARI

VKŞ'ler menkulleştirme işlemi, menkulleştirmeye konu olan mal, alacak veya proje durumundaki varlıklar üzerinde bulunan mülkiyeti birbirine eşit olacak şekilde parçalara, birimlere ayırarak yaparlar (Bayındır, 2007, s. 251). Sonrasında eşit parçalara ayrılan bu

birimlerin değerine göre yatırım sertifikası ihraç edilir (Gözcü, 2019, s. 18). İhraç edilen bu yatırım sertifikaları ile VKŞ'ler fon toplamış olurlar.

Varlık Kiralama Şirketleri devlet garantisi altında olup iflas etmeleri kanunen mümkün değildir (Gözcü, 2019, s. 18). Yani yatırımcıların fonları tamamıyla devlet güvencesi altındadır. Bu durum Kira Sertifikaları Tebliği 4. Madde'de şu şekilde yer almaktadır:

“Kira sertifikaları itfa edilinceye kadar VKŞ'nin portföyünde yer alan varlık ve haklar VKŞ'nin yönetiminin veya denetiminin kamu kurumlarına devredilmesi hâlinde dahi teminat amacı dışında tasarruf edilemez, rehmedilemez, teminat gösterilemez, kamu alacaklarının tahsili amacı da dâhil olmak üzere haczedilemez, iflas masasına dâhil edilemez, ayrıca bunlar hakkında ihtiyati tedbir kararı verilemez”²

VKŞ'lerin oluşturulmasındaki en büyük amaç VKŞ yatırımcılarının fonlarını kaynak kuruluşun bütün risklerinden yalıtılmış hale getirmektir. VKŞ'lerin yapılandırılmaları kaynak kurumun iflas riskinden uzak olacak şekilde gerçekleştirilir (Güngören, 2011, s. 62). Ayrıca VKŞ'lerin varlıkla desteklenmiş menkul kıymetleri aşan borçlanmalarına dahi izin verilmemektedir (Öncal, 1997, s. 17).

VKŞ'ler, ana hedef olarak kaynak kurumun yararını önceleyen kuruluşlardır. Bu şirketler işbu özelliğiyle kar yapmak üzere kurulmuş olan ticari ve sınaî faaliyet gerçekleştiren şirketlerden de ayrılmaktadırlar (Gözcü, 2019, s. 18).

Varlık Kiralama Şirketi kavramı, klasik kaynaklarda yer almamaktadır. Sermaye Piyasası Kurulu tarafından Resmi Gazete'de yayınlanarak yürürlüğe giren Kira Sertifikaları Tebliği ile resmîyet kazanmış bir kavramdır. Türkiye'de *Varlık Kiralama Şirketi* şeklinde adlandırılmış olan bu kurumlar, İngiltere'de *Special Purpose Company (S.P.C.)*, Amerika'da *Special Purpose Entity (S.P.E)* (Gözcü, 2019, s. 19), Hindistan ve Avrupa ülkelerinde ise *Special Purpose Vehicle (S.P.V.)*³ olarak isimlendirilmektedir.

VKŞ'ler, hâlihazırda olan bir mal, menfaat veya planlanan projelerin menkul kıymetleştirilerek eşit sertifikalara, yani diğer bir tanımla sukuklara bölünmesini amaçladığı için bu şirketler sukuk'un ortaya çıktığı zamanla paralellik göstermektedir (Gözcü, 2019, s. 20).

2. SUKUK

2.1. TANIMI VE İŞLEYİŞİ

Sukuk'un temelini, bugünkü anlamda çeke benzeyen belgelerin oluşturduğu tahmin edilmektedir ve bu çeklerin de ilk olarak 12'inci yy. da ticarete para yerine kullanıldığı tespit edilmiştir (Kulak, 2014, s. 43). Bu çeklerin ilk ortaya çıktığı dönemlerde para yerine kullanılan, belirli bir finansal yükümlülüğü temsil eden belgeler olduğu, ilerleyen dönemlerde ise sukukların bu yapıdan evrilerek varlığın sahipliğinin geniş yatırımcı kitlelerine bölüştürülmek suretiyle transferinin gerçekleştirildiği, sertifikalar aracılığıyla menkul kıymetleştirilmeye aracı hale getirildiği görülmektedir (Gözcü, 2019, s. 20).

Sukuk tanım olarak, gelecekte nakit girişi gerçekleştirecek olan alacakların veya bireysel kullanılmış olan kredilerin bir havuza dâhil edilerek bir araya getirilmesi ve menkul kıymetleştirilerek sertifikalanması işlemidir (Durmuş, 2010, s. 142). Tanımından yola çıkılarak gerçekleştirilen bu haliyle sukuk ilk olarak ABD'de ipoteye dayalı menkul kıymetlerin ihraç

² Kaynak web sitesi:

<https://www.mevzuat.gov.tr/File/GeneratePdf?mevzuatNo=18451&mevzuatTur=Tebliğ&mevzuatTertip=5>

³ Kaynak web sitesi: https://en.wikipedia.org/wiki/Special-purpose_entity

edilmesi suretiyle 1970 yılında gerçekleştirilmiştir (Ceylan, 2001, s. 156,157). Yapılan bu menkul kıymetleştirme ile gerçekleştirilen işlem kredi kuruluşu veya kredili satış yapan işletmenin alacaklarını satması ve bunları satın alan tarafın alacakları menkul kıymetleştirerek ihraç etmesi ve bu ihraçla finansman elde etmesidir (Parasız, 1999, s. 395).

1970'de ABD'de gerçekleştirilen işbu menkulleştirme işleminde gayrimenkulleri satın alan tarafların kredi borçları evraklaştırılarak ihraç edilmiş, sonrasında ise nakit paraya hızlıca kavuşmak isteyen bu evraklara sahip yatırımcılar değerinden daha düşük bedellerle bu evrakları satmışlardır. Piyasada bir gayrimenkul üzerinde birçok borcun oluşmasına neden olmuşlar ve bu durum ABD'yi mortgage(ipotek) krizine sürüklemiştir (Gözcü, 2019, s. 21).

Menkul kıymetleştirme işlemi az önceki örnekten yola çıkılarak ilk olarak kredilerin ve borçların el değiştirilmesi üzerine kurulmuştur (Gözcü, 2019, s. 21; Zateri, 2010, s. 11). Bu işlemde kredili satış yapan işletmelerin veya kredi kuruluşlarının vadeli alacaklarını aracı kuruluş ile menkul kıymet ihracı gerçekleştirerek yatırımcılara satmaları ve bu sayede finansman elde etmeleri mevzu bahistir (Durmuş, 2010, s. 142).

Yukarıda bahsedilen haliyle göz önüne alındığında Batıda kredili alacağın satımına dayalı finansman elde etme amacıyla gerçekleştirilen menkul kıymetleştirme işlemi bilhassa ipotekli varlıklar, leasing, faktöring ve kredi kartı alacaklarından meydana gelen sabit ve düzenli getirili alacaklar temel alınarak icat edilmiş ve günden güne geliştirilmiştir (Gözcü, 2019, s. 21).

2.2. İSLAMİ FİNANSTA SUKUK

Batı'daki uygulamalarından farklılık arz eden sukuk, İslami finans işlemlerinden olan murabaha, müşareke, mudarebe, selem ve istisna vb. İslami akitler üzerine kurulu olan bir proje veya menfaat gelirine dayanan sabit veya değişken getirili varlıklar temel alınarak icat edilmiştir (Bayındır, 2015, s. 99). Teoride bu akitlerin genel kurallarına uyulmak şartıyla caiz kabul edilen sukuk, borç satımı, menfaat satımı yahut mal satımı üzerine kurulabilmektedir. Mal ve menfaat satımına dayalı gerçekleştirilen sukuk işlemi eğer akitlerle ilgili genel kurallara da uyuyorsa caiz kabul edilmekte, borç iskontosuna dayalı olan sukuk işlemi ise çağdaş fukahanın geneli tarafından caiz görülmemekte ve Batı'daki menkulleştirme işleminin benzeri olarak görülmektedir (Bayındır, 2015, s. 100; Gözcü, 2019, s. 21,22).

Çağdaş fukahanın çoğunluğu tarafından caiz görülmeyen borç satımına dayalı sukukta amaç, ipotek veya rehin yoluyla garantiye alınmış borçların bir havuzda bir araya getirilmesi ve bunların karşılığında mali evraklar çıkartılarak yatırımcılara iskonto edilmesidir (Zateri, 2010, s. 11). Örneğin A kredi kuruluşu 2000 borçludan toplamda 750 bin dolar alacağını mali evraklar haline getirerek 600 bin dolar karşılığında iskonto eder ve gelecekteki alacağından 150 bin dolarını feda ederek bugün 600 bin doları nakit olarak elde eder. Bu işlem borç satımına dayalı sukuk işleminde örnek olarak gösterilebilir. Diğer bir örnekte ise A Bankası 10 borçlu müşterisinden toplam 500 bin dolar alacağını mali evraklar haline getirip tedavül eder ve bunları peşin 400 bin dolara satarak gelecekteki 500 bin dolar elde edeceği alacaklarından bugün peşin olarak 400 bin dolar elde etmiş olur (Gözcü, 2019, s. 22).

Fıkhî kaidelere uygun olan bir sukuk işlemi batıda uygulanan menkul kıymetleştirme işleminden farklı olarak ticaret ve ortaklık riskini içermelidir ve mevcut olan bir mal, menfaat veya ortaklık üzerine kurulmalıdır (Gözcü, 2019, s. 23). Çıkarılan bu sukuk karşılığında yatırım sertifikasını alan yatırımcı ise bu sertifika karşılığında sadece borç veren bir yatırımcı değil aynı

zamanda sukuk'un üzerine tedavül edildiği mal, menfaat veya ortaklık hissesinin de sahibi konumundadır (Durmuş, 2010, s. 144).

Borcun satışı şeklinde gerçekleştirilen sukuk işlemine her ne kadar cevaz verilmesine de Malezya'da kullanım alanı bulunmaktadır. Bu durum Malezya Sermaye Piyasası Kurulunun borcu, mal olarak nitelendirmesinden kaynaklanmaktadır. Uygulama alanı olan bu durum klasik fıkhıta çoğunluk görüşüne göre caiz görülmezken, bir takım şartların yerine getirilmesiyle caiz görüldüğü durumlar da bulunmaktadır (Gözcü, 2019, s. 22).

Borca/alacağa dayalı sukuk'un kabul edilme şartlarını, Hanefi, Şafii, Maliki ve Hanbeli fukahalarının görüşlerini de dikkate alarak Necdet Şensoy şu şekilde ifade etmiştir:

“1. Borcu/alacağı satan kişinin bu borcu teslim etmeye muktedir olmalıdır.

2. Borç/alacak teyitli olmalı ve anlaşma peşin olarak yerine getirilmelidir.

3. Borç/alacak altın ve gümüş gibi para olarak kullanılan metallerin gelecekte teslim edilmek üzere satışından doğmamış olmalı ve ödeme borçla aynı cinsten ve eşit şekilde olmalıdır.

4. Borç/alacak satılabilir mallar cinsinden olmalıdır.” (Şensoy, t.y., s. 332,333).”

Borca/alacağa dayalı sukuk konusunda İslam Konferansı Örgütü Fıkıh Akademisi, alacakları mal olarak değil parasal bir varlık olarak değerlendirmiş ve alacakların iskontolu bir şekilde satışına cevaz vermemiştir (Gözcü, 2019, s. 22). AAOIFI düzenlemeleri ve İslam Kalkınma Bankası borca/alacağa dayalı sukuk konusunda oluşturulacak havuzdan en az %25'inin maddi varlığa dayalı olduğu, en fazla %75 inin borca/alacağa dayalı olduğu durumlarda bu sukuk'un ihraç edilmesine izin vermektedir (Şensoy, t.y., s. 332,333).

3. KÜRESEL İSLAMİ SUKUK İHRAÇLARI

Sukuk ile ilgili gerçekleştirilen ilk yasal düzenleme İslam İşbirliği Teşkilatı tarafından 1998 yılında yapılmıştır. Bu düzenlemenin ardından gerçekleştirilen ilk sukuk ihracı ise Malezya'da İslami yapıya sahip olmayan Shell MDS tarafından 125 milyon Malezya Ringiti değerinde 1990 yılında gerçekleştirilmiştir. Bu ihraç yaklaşık olarak 30 milyon USD değerinde gerçekleşmiştir (Aslan, 2012, s. 59).

Sonrasında gerçekleştirilen ilk sukuk ihraçlarını ve miktarlarını ise ülkelerin sukuk piyasalarına giriş yılları üzerinden değerlendiren Hakan Aslan ülkeler özelinde şu şekilde sıralamıştır (Aslan, 2012, s. 60).

-Malezya: 1996 yılında 49.2 milyon USD değerinde sukuk ihracı Cagamas Berhad tarafından gerçekleştirilmiştir.

-Bahreyn: 2001 yılında 100 milyon USD değerinde sukuk ihracı Bahreyn Hükümeti tarafından gerçekleştirilmiştir.

-Endonezya: 2002 yılında 18 milyon USD değerinde sukuk ihracı PT Indonesia Satellite tarafından gerçekleştirilmiştir.

-Katar: 2003 yılında 700 milyon USD değerinde sukuk ihracı Katar Hükümeti tarafından gerçekleştirilmiştir.

-BAE : 2004 yılında 100 milyon USD değerinde sukuk ihracı Tabreed Finansman Şirketi tarafından gerçekleştirilmiştir.

-Suudi Arabistan: 2004 yılında 26.1 milyon USD değerinde sukuk ihracı HANCO Araç Kiralama Şirketi tarafından gerçekleştirilmiştir.

-Almanya: 2004 yılında 146.9 milyon USD değerinde sukuk ihracı Saxony-Anhalt Eyaleti tarafından gerçekleştirilmiştir.

-İngiltere: 2005 yılında 26 milyon USD değerinde sukuk ihracı Pacific Star International Holding Corporation tarafından gerçekleştirilmiştir.

-Pakistan: 2005 yılında 600 milyon USD değerinde sukuk ihracı Pakistan Hükümeti tarafından gerçekleştirilmiştir.

-ABD: 2006 yılında 165,7 milyon USD değerinde sukuk ihracı East Cameron Gas tarafından gerçekleştirilmiştir.

-Brunei: 2006 yılında 105.6 milyon USD değerinde sukuk ihracı Brunei Hükümeti tarafından gerçekleştirilmiştir.

-Sudan: 2007 yılında 130 milyon USD değerinde sukuk ihracı Berber Çimento Şirketi tarafından gerçekleştirilmiştir.

Ülkelerin sukuk piyasalarına giriş yılları üzerinden ilk sukuk ihraçlarını Tablo-1 ' de görebilirsiniz:

Tablo 1. Ülkelerin Sukuk Piyasalarına Giriş Yıllarına Göre Dünya'da İlk Sukuk İhracı Örnekleri

Yıl	Ülke	Miktar (milyon USD)	Kurum/Şirket
1996	Malezya	49.2	Cagamas Berhad Corp.
2001	Bahreyn	100	Bahreyn Hükümeti
2002	Endonezya	18	PT Indonesia Satellite
2003	Katar	700	Katar Hükümeti
2004	BAE	100	Tabreed Finansman Şirketi
2004	Suudi Arabistan	26.1	HANCO Araç Kiralama Şirketi
2004	Almanya	146.9	Saxony-Anhalt Eyaleti
2005	İngiltere	26	Pacific Star International Holding Corp.
2005	Pakistan	600	Pakistan Hükümeti
2006	ABD	165.7	East Cameron Gas
2006	Brunei	105.6	Brunei Hükümeti
2007	Sudan	130	Berber Çimento Şirketi

Kaynak: (Aslan, 2012, s. 60) eserinden faydalanılarak yazar tarafından oluşturulmuştur.

Teoride murabaha, müşareke, mudarebe, selem ve istisna vb. akitleri üzerine kurulan sukuk türlerinin piyasaya ilk çıkış örneklerini Hakan Aslan şu şekilde sıralamıştır (Aslan, 2012, s. 61):

-Murabaha sukuk: İlk olarak 1997 yılında 969,9 milyon USD değerinde Khazanah Nasional Berhad tarafından Malezya'da ihraç edilmiştir.

-Müşareke sukuk: İlk olarak 2007 yılında 1 milyar USD değerinde Projek Lebuhraya Utara-Selatan Berhad şirketi tarafından Malezya'da ihraç edilmiştir (IIFM, 2017, s. 45).

-Menfaat Sukuku: İlk olarak 2007 yılında 650 milyon USD değerinde Saad Trading Contracting and Financial Services Company (STCFSC) tarafından Suudi Arabistan'da ihraç edilmiştir.⁴

-Hibrid sukuk: İlk olarak 2004 yılında 29 milyon USD değerinde Dawama şirketi tarafından ihraç edilmiştir.

-İstisna sukuk: İlk olarak 2003 yılında 1 milyar 471 milyon USD değerinde SKS Power Sdn Berhad firması tarafından Malezya'da ihraç edilmiştir.

-İcare Sukuk: İlk olarak 2001 yılında 100 milyon USD değerinde Bahreyn Hükümeti tarafından Bahreyn'de ihraç edilmiştir (IIFM, 2011, s. 21).

4. KÜRESEL İSLAMİ SUKUK İHRACINDA TÜRKİYE'NİN ROLÜ (2017-2023)

Türkiye'de İslami anlamda ihraç edilen ilk kira sertifikası 2010 yılında Kuveyt Türk Katılım A.Ş. tarafın gerçekleştirilmiştir (Adıgüzel, 2016, s. 34). Bu ihraç 100 milyon dolar değerinde olup fon sahiplerine %5.25 sabit getiri oranı sunmuştur. Bu kira sertifikaları Ağustos 2013 tarihine kadar vâdelendirilmiştir (Yardımcıoğlu vd., 2015, s. 168). Sukuk ihracının ülkemizde ilk uygulaması olarak ihraç edilen bu kira sertifikaları büyük ilgi görmüş ve halkın alternatif finans uygulamalarına karşı ilgisinin göstergesi olmuştur (Büyükakın & Önyılmaz, 2012, s. 10).

Bir sonraki ihraç ise Hazine ve Maliye Bakanlığı tarafından yetkilendirilen Citigrup, HSBC ve Liquity House finans kuruluşları ortaklığında 18 Eylül 2012 tarihinde 1.5 milyar dolar değerinde gerçekleşmiştir. Bu sukuk ihracı uluslararası çapta talep görmüş ve %58'i Ortadoğu'dan, %13'ü Avrupa'dan, %12'si Asya'dan, %9'u Türkiye'den, %8'i ise Amerika'dan müşterilere satılmıştır. Bu sukuk ihracına beş kat talep gerçekleşmiştir (Halıcı & Halıcı, 2013, s. 238).

İlk olma özelliği taşıyan bu sukuk ihraçlarından sonra ülkemizde sukuk piyasası ciddi bir ivmelenme kazanmıştır. Türkiye küresel düzeyde gerçekleştirdiği ilk sukuk ihracından 2017 yılına kadar olan süreçte 84 adet sukuk ihracı gerçekleştirmiş, bu sukuk ihraçları toplamda 2 milyar 971 milyon dolar tutarında gerçekleşmiştir (IIFM, 2017, s. 8). Tablo-2'de Ocak/2001 ile Aralık/2016 yılları arasında gerçekleşen, ülkeler bazında küresel sukuk ihracını görebilirsiniz.

Tablo 2. Ülkeler Bazında Gerçekleşen Küresel Kısa Vadeli Sukuk İhracı Oranları (Ocak/2001-Aralık/2016)

Ülke	İhraç Sayısı	İhraç Tutarı(Milyon Dolar)	Oran (%)
Bangladeş	4	37	0.011%
Brunei	135	8.547	2.44%
Endonezya	40	3.964	1.13%
Malezya	2.434	303.075	86.58%
Pakistan	8	141	0.04%
Singapur	3	221	0.06%
Bahreyn	299	12.934	3.69%
Umman	1	130	0.04%

⁴ Kaynak web sitesi: <https://group.bnpparibas/en/press-release/bnp-paribas-completes-sukuk-bond-issue-saudi-arabia-saad>

Suudi Arabistan	6	1.301	0.37%
BAE	1	100	0.03%
Yemen	1	234	0.07%
Gambiya	210	136	0.04%
Sudan	14	16.254	4.64%
Türkiye	84	2.971	0.85%
Toplam	3.240	350.044	100%

Kaynak: (IIFM, 2017, s. 8)

Tablo 2’de yer alan IIFM⁵ raporuna göre 2001 yılından 2017 yılına kadar geçen süreçte küresel çapta toplam 3.240 adet, 350 milyar dolar değerinde sukuk ihracı gerçekleşmiştir. En çok sukuk ihracı gerçekleştiren ülke olan Malezya küresel sukuk ihracında %86.58 paya sahip olmuştur. En az sukuk ihracı gerçekleştiren ülke ise %0.011 oranıyla Bangladeş olmuştur. Türkiye ise diğer sukuk ihraç eden ülkelere oransal olarak yakın olup %0.85 oranında sukuk ihracı gerçekleştirmiştir. (IIFM, 2017, s. 8).

Tablo 3. 2017 Yılı İçerisinde Gerçekleşen Küresel Kısa Vadeli Sukuk İhracı Oranları

Ülke	İhraç Sayısı	İhraç Tutarı(Milyon Dolar)	Oran (%)
Bangladeş	0	0	0 %
Brunei	1	24	0,13 %
Endonezya	5	121	0,69 %
Malezya	164	15.345	88,36 %
Pakistan	0	0	0 %
Singapur	0	0	0 %
Bahreyn	20	1.164	6,70 %
Umman	0	0	0 %
Suudi Arabistan	0	0	0 %
BAE	0	0	0 %
Yemen	0	0	0 %
Gambiya	0	0	0 %
Sudan	2	181	1,04 %
Türkiye	17	530	3,05 %
Toplam	209	17.366	100 %

Kaynak: (IIFM, 2017, s. 8, 2018, s. 27) raporlarından yararlanılarak yazar tarafından hazırlanmıştır.

Tablo 3’e göre 2017 yılı içerisinde Bangladeş, Pakistan, Singapur, Umman, Suudi Arabistan, BAE, Yemen, Gambiya küresel kısa vadeli sukuk ihracı hiç gerçekleştirmemişlerdir. Türkiye ise 17 adet, 530 milyon dolar değerinde küresel kısa vadeli sukuk ihracı gerçekleştirmiş, küresel kısa vadeli sukuk ihracına katkısı 3.05 % olmuştur.

⁵ IIFM: International Islamic Financial Market

Tablo 4. 2018 Yılı İçerisinde Gerçekleşen Küresel Kısa Vadeli Sukuk İhracı Oranları

Ülke	İhraç Sayısı	İhraç Tutarı(Milyon Dolar)	Oran (%)
Bangladeş	0	0	0 %
Brunei	0	0	0 %
Endonezya	32	3.674	10,66 %
Malezya	266	23.964	69,54 %
Pakistan	0	0	0 %
Singapur	0	0	0 %
Bahreyn	21	1.897	5,50 %
Umman	0	0	0 %
Suudi Arabistan	0	0	0 %
BAE	0	0	0 %
Yemen	0	0	0 %
Gambiya	42	229	0,66 %
Sudan	5	85	0,24 %
Türkiye	164	4.611	13,38 %
Toplam	530	34.459	100 %

Kaynak: (IIFM, 2018, s. 27, 2019, s. 27) raporlarından yararlanılarak yazar tarafından hazırlanmıştır.

Tablo 4'e göre 2018 yılı içerisinde Bangladeş, Brunei, Pakistan, Singapur, Umman, Suudi Arabistan, BAE, Yemen küresel kısa vadeli sukuk ihracı hiç gerçekleştirmemişlerdir. Türkiye ise 164 adet, 4.611 milyon dolar değerinde küresel kısa vadeli sukuk ihracı gerçekleştirmiş, küresel kısa vadeli sukuk ihracına katkısı 13.38 % olmuştur.

Tablo 5. 2019 Yılı İçerisinde Gerçekleşen Küresel Kısa Vadeli Sukuk İhracı Oranları

Ülke	İhraç Sayısı	İhraç Tutarı (Milyon Dolar)	Oran (%)
Bangladeş	2	22	0,050 %
Brunei	37	2.378	5,49 %
Endonezya	20	2.819	6,51 %
Malezya	419	28.371	65,61 %
Pakistan	6	200	0,46 %
Singapur	0	0	0 %
Bahreyn	21	1.852	4,28 %
Umman	0	0	0 %
Suudi Arabistan	0	0	0 %
BAE	0	0	0 %
Yemen	0	0	0 %
Gambiya	111	24	0,055 %

Sudan	0	0	0 %
Türkiye	208	7.570	17,5 %
Toplam	824	43.237	100 %

Kaynak: (IIFM, 2019, s. 27, 2020, s. 36) raporlarından yararlanılarak yazar tarafından hazırlanmıştır.

Tablo 5'e göre 2019 yılı içerisinde Singapur, Umman, Suudi Arabistan, BAE, Yemen, Sudan küresel kısa vadeli sukuk ihracı hiç gerçekleştirmemişlerdir. Türkiye ise 208 adet, 7.570 milyon dolar değerinde küresel kısa vadeli sukuk ihracı gerçekleştirmiş, küresel kısa vadeli sukuk ihracına katkısı 17.5 % olmuştur.

Tablo 6. 2020 Yılı İçerisinde Gerçekleşen Küresel Kısa Vadeli Sukuk İhracı Oranları

Ülke	İhraç Sayısı	İhraç Tutarı (Milyon Dolar)	Oran (%)
Bangladeş	23	731	1,28 %
Brunei	22	881	1,54 %
Endonezya	15	1.887	3,31 %
Malezya	360	30.042	52,75 %
Maldivler	2	21	0,036 %
Pakistan	2	58	0,10 %
Singapur	0	0	0 %
Bahreyn	23	2.171	3,8 %
Umman	0	0	0 %
Suudi Arabistan	0	0	0 %
BAE	0	0	0 %
Yemen	0	0	0 %
Gambiya	127	24	0,042 %
Sudan	5	899	1,57 %
Türkiye	105	20.234	35,5 %
Toplam	684	56.947	100 %

Kaynak: (IIFM, 2020, s. 36, 2021, s. 38) raporlarından yararlanılarak yazar tarafından hazırlanmıştır.

Tablo 6'ya göre 2020 yılı içerisinde Singapur, Umman, Suudi Arabistan, BAE, Yemen küresel kısa vadeli sukuk ihracı hiç gerçekleştirmemişlerdir. Türkiye ise 105 adet, 20.234 milyon dolar değerinde küresel kısa vadeli sukuk ihracı gerçekleştirmiş, küresel kısa vadeli sukuk ihracına katkısı 35.5 % olmuştur.

Tablo 7. 2021 Yılı İçerisinde Gerçekleşen Küresel Kısa Vadeli Sukuk İhracı Oranları

Ülke	İhraç Sayısı	İhraç Tutarı (Milyon Dolar)	Oran (%)
Bangladeş	97	4.937	9,11 %

Brunei	56	1.470	2,71 %
Endonezya	23	1.742	3,21 %
Malezya	423	35.626	65,7 %
Maldivler	0	0	0 %
Pakistan	9	222	0,4 %
Singapur	0	0	0 %
Bahreyn	22	2.056	3,79 %
Umman	0	0	0 %
Suudi Arabistan	0	0	0 %
BAE	0	0	0 %
Yemen	0	0	0 %
Gambiya	130	17	0,03 %
Sudan	4	22	0,04 %
Türkiye	422	8.080	14,9 %
Toplam	1.186	54.172	100 %

Kaynak: (IIFM, 2021, s. 38, 2022, s. 39) raporlarından yararlanılarak yazar tarafından hazırlanmıştır.

Tablo 7'ye göre 2021 yılı içerisinde Maldivler, Singapur, Umman, Suudi Arabistan, BAE, Yemen küresel kısa vadeli sukuk ihracı hiç gerçekleştirmemişlerdir. Türkiye ise 422 adet, 8.080 milyon dolar değerinde küresel kısa vadeli sukuk ihracı gerçekleştirmiş, küresel kısa vadeli sukuk ihracına katkısı 14,9 % olmuştur.

Tablo 8. 2022 Yılı İçerisinde Gerçekleşen Küresel Kısa Vadeli Sukuk İhracı Oranları

Ülke	İhraç Sayısı	İhraç Tutarı (Milyon Dolar)	Oran (%)
Bangladeş	178	2.023	3,22 %
Brunei	59	1.545	2,46 %
Endonezya	48	1.631	2,60 %
Malezya	294	35.896	57,25 %
Maldivler	0	0	0
Pakistan	17	310	0,49 %
Singapur	0	0	0
Bahreyn	23	2.125	3,38 %
Umman	0	0	0
Katar	3	4.860	7,75 %
Suudi Arabistan	0	0	0
BAE	0	0	0
Yemen	0	0	0
Gambiya	118	16	0,02 %
Sudan	0	0	0
Türkiye	22	388	0,61 %

Uluslarüstü	198	13.900	22,17 %
Toplam	960	62.695	100 %

Kaynak: (IIFM, 2022, s. 39, 2023, s. 39) raporlarından yararlanılarak yazar tarafından hazırlanmıştır.

Tablo 8'e göre 2022 yılı içerisinde Maldivler, Singapur, Umman, Suudi Arabistan, BAE, Yemen, Sudan küresel kısa vadeli sukuk ihracı hiç gerçekleştirmemişlerdir. Türkiye ise 22 adet, 388 milyon dolar değerinde küresel kısa vadeli sukuk ihracı gerçekleştirmiş, küresel kısa vadeli sukuk ihracına katkısı 0,61 % olmuştur.

Tablo 9. Ülkeler Bazında Gerçekleşen Küresel Kısa Vadeli Sukuk İhracı Oranları (Ocak/2001-Aralık/2022)

Ülke	İhraç Sayısı	İhraç Tutarı (Milyon Dolar)	Oran (%)
Bangladeş	304	7.750	1,25 %
Brunei	310	14.845	2,39 %
Endonezya	183	15.838	2,55 %
Malezya	4.360	395.919	63,96 %
Maldivler	2	21	0,003 %
Pakistan	42	931	0,15 %
Singapur	3	221	0,035 %
Bahreyn	429	24.199	3,90 %
Umman	1	130	0,021 %
Katar	3	4.860	0,78 %
Suudi Arabistan	6	1301	0,21 %
BAE	1	100	0,016 %
Yemen	1	234	0,037 %
Gambiya	738	446	0,072 %
Sudan	30	17.441	2,81 %
Türkiye	1022	44.384	7,17 %
Uluslarüstü	198	90.300	14,58 %
Toplam	7.633	618.920	100 %

Kaynak: (IIFM, 2023, s. 39)

Tablo 9'a göre 2001 Ocak ayından 2022 Aralık ayına kadar geçen süreçte 619 milyar dolar değerinde 7.633 adet küresel kısa vadeli sukuk ihracı gerçekleştirilmiştir. En çok sukuk ihracını 396 milyar dolar sukuk ihraç ederek Malezya gerçekleştirmiştir. Malezya, küresel kısa vadeli sukuk ihracının %64'ünü tek başına gerçekleştirerek zirveye yerleşmiştir. Hemen ardından ikinci sırada ise %7 oranla Türkiye gelmektedir. Türkiye, Malezya ya kıyasla çok az sukuk ihracı gerçekleştirmiş olsa da küresel çapta ikinci sıraya yerleşerek 45 milyar dolarlık hatırı sayılır bir oranda ihraç gerçekleştirmiştir.

Tablo 10. Küresel Kısa Vadeli Sukuk İhracında Türkiye'nin Yıllara Göre Oransal Olarak Payı

Yıllar	İhraç Sayısı	İhraç Tutarı (Milyon Dolar)	Küresel İhraca Katkısı
Ocak 2001- Aralık 2016	84	2.971	0.85%
2017	17	530	3,05%
2018	164	4.611	13,38%
2019	208	7.570	17,50%
2020	105	20.234	35,50%
2021	422	8.080	14,90%
2022	22	388	0,61%
Toplam: (Ocak 2001- Aralık 2022)	1022	44.384	7,17%

Kaynak: (IIFM, 2017, 2018, 2019, 2020, 2021, 2022, 2023) raporlarından yararlanılarak yazar tarafından hazırlanmıştır.

Tablo-10'u aşağıdaki şekilde özetleyebiliriz: Türkiye;

-ilk küresel sukuk ihraç ettiği tarihten 2016 Aralık ayına kadar geçen süreçte 2.971 milyon dolar tutarında sukuk ihracı gerçekleştirmiştir. Küresel sukuk ihracına katkısı 0.85 % olmuştur.

-2017 yılında 530 milyon dolar sukuk ihracı gerçekleştirmiştir. Küresel sukuk ihracına katkısı önceki yıla artışla 3,05% olmuştur.

-2018 yılında 4.611 milyon dolar sukuk ihracı gerçekleştirmiştir. Küresel sukuk ihracına katkısı önceki yıla artışla 13,38% olmuştur.

-2019 yılında 7.570 milyon dolar sukuk ihracı gerçekleştirmiştir. Küresel sukuk ihracına katkısı artmaya devam ederek 17,50% olmuştur.

-2020 yılında 20.234 milyon dolar sukuk ihracı gerçekleştirmiştir. Küresel sukuk ihracına katkısı yaklaşık ciddi bir artış göstererek 35,50 % olmuştur.

-2021 yılında 8.080 milyon dolar sukuk ihracı gerçekleştirmiştir. Küresel sukuk ihracına katkısı ciddi bir düşüş göstererek 14,90 % olmuştur.

-2022 yılında 388 milyon dolar sukuk ihracı gerçekleştirmiştir. Küresel sukuk ihracına katkısı çok ciddi bir düşüş daha gerçekleştirerek 0,61 % olmuştur.

-2001 Ocak'tan 2022 Aralık'a kadar geçen süreçte ise ülkemiz, toplam 45 milyar dolar değerinde küresel kısa vadeli sukuk ihracı gerçekleştirerek, küresel sukuk ihracına katkısı 7,17 olmuştur.

SONUÇ

Dünya genelinde finansal krizler oldukça sık seyretmeye başlamıştır. Bu krizlerin en önemli sebeplerinden bir tanesi reel olmayan yapıya sahip finansal uygulamalardır. Nitekim 1970 yılında ABD'de gerçekleşen mortgage krizi bunun örneklerinden bir tanesidir. Vadeli

şekilde gayrimenkulleri satın alan kişilerin kredi borçları evraklaştırılarak ihraç edilmiş, bu evraklar sıcak paraya kavuşulma adına finansal kuruluşlar tarafından değerinden daha düşük bedellere satılmış ve piyasada bir gayrimenkul üzerinde birden fazla borcun oluşmasına neden olmuştur.

Sukuk finansmanı, reel varlıklara dayalı olması nedeniyle anti-enflasyonist bir yapıya sahip olup yatırımcılar için güvenli bir liman teşkil etmektedir. Finansal krizlerin önüne geçilmesi için reel finansal işlemlere ihtiyaç duyulmaktadır ve bunun için küresel düzeyde sukuk finansmanının yaygınlaştırılması etkili bir yöntem olarak karşımıza çıkmaktadır.

Büyük çoğunluğu Müslüman nüfusa sahip olmasının da etkisiyle ülkemizde, İslami finansman yöntemlerine talep oldukça fazladır. Talep gören islami uygulamalardan birisi de sukuk finansmanıdır. Sukuk, konvansiyonel finans siteminde kullanılan menkul kıymetleştirme işlemine alternatif olarak geliştirilmiş bir finansal işlemidir. Ülkemizde “kira sertifikaları” ismiyle tanınmış olup özel amaçla kurulmuş olan “Varlık Kiralama Şirketleri” tarafından ihraç edilmektedir. Türkiye, küresel kısa vadeli sukuk ihracında önemli paya sahiptir.

Araştırmamızda Türkiye'nin küresel kısa vadeli sukuk ihracına katkısı dönemsel olarak incelemeye tabi tutulmuştur. (Büyükkın & Bilal, 2016) çalışmasında ilerleyen yıllarda sukuk ihracının oransal olarak büyüyeceğini ve krizleri önlemede etkin bir yol olabileceğini; (Özcan & Elitaş, 2015) sukuk türlerini, işleyiş biçimini, ülkemiz ve dünya çapında ihraç oranlarını; (Yardımcıoğlu vd., 2015) ülkemizde yapılması planlanan büyük yatırımların sukuk ihraçları yoluyla finanse edilebilmesinin mümkün olabileceğini dile getirmişlerdir.

Araştırmamız da elde ettiğimiz bulgular neticesinde Türkiye'nin küresel kısa vadeli sukuk ihracında ciddi bir ivmelenme kaydettiği gözlemlenmiştir. Her ne kadar son yıllarda ülkede yaşanan ekonomik sorunlar nedeniyle sukuk ihracı sayısında düşüş yaşansa da gerekli şartlar oluştuğunda tekrar yükselişe geçeceği açıkça görülmektedir.

Türkiye, özellikle 2018,2019 ve 2020 li yıllarda küresel kısa vadeli sukuk ihracında ciddi bir ivmelenme kaydetmiş olup küresel düzeyde payı 35,50 % lere kadar yükselmiştir. Fakat ülkede yaşanan enflasyonun ve çeşitli ekonomik sorunların da neticesiyle 2021 yılında düşüşe geçmiş ve 2023 yılının başlarında bu oran iyice azalarak 0,61 % lere kadar gerilemiştir.

IIFM raporlarına göre 2023 yılı başına kadar geçen süreçte gerçekleştirilen dünya geneli küresel kısa vadeli sukuk ihracı toplamı 7.633 adet olup, 619 milyar dolarlık bir hacimle gerçekleşmiştir. Bu süreçte Bangladeş, Brunei, Endonezya, Malezya, Maldivler, Pakistan, Singapur, Bahreyn, Umman, Katar, Suudi Arabistan, BAE, Yemen, Gambiya, Sudan ve Türkiye sukuk ihracı gerçekleştirmişlerdir. En çok sukuk ihraç eden ülke 396 milyar dolarla Malezya olup, küresel kısa vadeli sukuk ihracına katkısı 63,96 % olmuştur. Türkiye ise 7,17 % oranında katkısıyla 45 milyar dolarlık bir sukuk ihracı gerçekleştirmiştir.

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