

## **Application of The Rahn Contract In Islamic Pawnshops**

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### **ABSTRACT**

*Pledge is stipulation and detention, rahn is collateral, collateral, reserves guarantees and dependen islamic pawnshops apply the rahn main contract and use administrative fees according to the loan amount. The collateral remains the property of the person who mortgages it but is cintrrolled by the pawnbroker. The operasional pawn technique is carried out by a sharia institution. Additional contract status, this research menthod uses the library mentod, resultting in this research applying the rahn contract in accordance with islamic law in accordance with sharia economic law.*

**Keyword:** *Application, Rahn contract, Sharia Pawnshop*

### **INTRODUCTION**

In Islam it is taught to help each other including in the form of giving without return, suchas zakat, infaq, shodaqoh or loans that are returned such as: rent or pawn (rahn). Pawn pawning has been known and become a custom Pawn has also existed since the time of Rasullulah SAW, one of the traditions narrated by bukhari and Muslim which means: "Rasullulah SAW once boughtfood by pawning armor" (HR.Bukhari and Muslim). (Hasan, 2018)

Pawn, is a kind of loan contract so that the creditor has confidence as a guarantee of debt.The goods remain the property of the person who pawned them, but are controlled by the recipient of the goods. Thus, in principle, marhun cannot be utilized by murtahin except with the permissionof rahin, without reducing the value of marhun, and utilizing it is only a substitute for the cost of maintenance and maintenance. (Basri et al, 2019)

Knowing the application of pawn in Indonesia plays an important role in driving the wheels of the economy, both companies, government-owned and privately-owned. Until now, the only experienced agency that has an official license to carry out pawn transactions is PT Pegadaian Persero. Conventional financial institutions are financial institutions whose business activities are carried out conventionally.

Sharia financial institutions are institutions that are carried out based on sharia principles,according to article 12 of Law Number 21 of 2008, the definition of sharia principles is the principle of Islamic law in banking based on fatwas issued by institutions that have finance in determining fatwas in the field of sharia.

Islamic pawnshops have been operating for 19 years and the conditions have

applied shariaprinciples since their inception until now, (Kuswanto, 2016) but there are still many in a (rahn) who have not named it in a study entitled "Application of Rahn Akad in Islamic Pawnshops".

## LITERATURE REVIEW

### 1. Definition of Rahn Akad

Gadai or Al Rahn linguistically can be interpreted with (*al-stabut, al-habs*) determination and detention, the term positive law in Indonesia rahn is what is called collateral, building, rugguhan, cagar or caggaran and dependents. Azhar Basyir defines rahn (pawn) as an act that makes an object that is valuable according to the view of shara'as a guarantee that all or part of the debt can be accepted. Or part of the cash debt, providedthat the seller (pawnshop) is still entitled to return

The Rahn agreement aims to give the lender more trust in the debtor. The maintenance and storage of pawned goods is essentially the obligation of the party who pawns (rahn), but it can also be done by the party receiving the pawned goods (murtahin) and the cost is determined based on the amount of the loan.

In rahn, the pawn does not automatically become the property of the party receivingthe pawn (the party giving the loan) in exchange for the debt. In other words, the functionof rahn is in the hands of murtahin (debt giver) only serves as a guarantee of debt from rahin (the person who owes), but the pledged goods still belong to the person who owes.

"And if you are on a journey and you do not have a scribe, then let a bond be held.But if some of you trust others, let the trustee fulfill his trust and let him fear Allah, his Lord. And do not conceal your testimony, for whoever conceals it, indeed, his heart is filthy (sinful). Allah knows best what you do."

Hadith

- a. Aisha said that the Prophet said: The Messenger of Allah bought food from a Jew andlent him armor. *HR Bukhari and Muslim*
- b. From Abu Hurairah r.a. The Prophet said: The ownership of the pledged item is not separated from the owner who pledged it. He gets the benefit and bears the risk. *HR Ash'Shafii, al Daraquthni and Ibn Majah*
- c. The Prophet said: The pawned mount (vehicle) may be ridden at his expense and the pawned animal can be milked at his expense. The one who uses the vehicle and milks it must pay for its maintenance and upkeep. *HR Jamaah, except Muslim and An Nasai*
- d. Abi Hurairah r.a. reported that the Prophet said: If a cattle is pawned, its back may be ridden (by the pawnbroker), because he has spent money on it. If the animal is pawned,its milk may be drunk (by the pawnbroker) because he has spent money on it. The onewho rides it

and drinks from it must pay for its maintenance. *HR Jemaah except Muslimand Nasai-Bukhari* (Khaerul Umam, 2013: 358-359)

2. Legal Basis of Ar-Rahn

a. Qur'an

Meaning: " If you are traveling and you are not doing business in cash, and you do not have a scribe, then there should be a bond held by the debtor. But if some of you trust others, let the trustee fulfill his trust. (QS.Al-Baqoroh: 281).

b. Al Hadith

In a hadith narrated by Bukhari, it is said that

Meaning: From Aisha, indeed the Prophet SAW added food in cash from a Jew by mortgaging a shirt" (HR. Bukhari).

According to the agreement of fiqh experts, the event of Rasullulah SAW Ar-Rahn his armor is the first ar-Rahn case in Islam and was carried out by Rasullulah himself. Based on the verses and hadith above, the ulma' fiqh agreed to say that the ar-rahn contract is permissible, because there are many benefits contained in it in the context of human relations. (Ibn Qudamah, 337)

c. Ijma'

The scholars have agreed that al qadh is permissible, this agreement is based on human nature which cannot live without the help and assistance of his brother. No one has all the goods he needs because of that borrowing has become a part of life in this world. Islam is a religion that is very concerned about all the needs of its people. The National Sharia Council No.25 / DSN / MUII / III / 2002 / June 26, 2002 stated that loans with goods as collateral for debt and credit. ( M. Sholehul, 2003: 52)

Conditions as follows:

- a. The pawnbroker (murtahin) has the right to hold the collateral (marhun bih) until all of the customer's debts (rahn) are settled.
- b. The collateral (marhun bih) and its benefits remain with the customer (rahin).
- c. The maintenance and storage of pawned goods is basically the obligation of the customer, but it can also be done by the pawn recipient, while the costs and maintenance of storage remain the customer's obligation.
- d. The amount of fees and storage of pawned goods should not be determined based on the amount of the loan.
- e. Sale of pawned goods
  - 1) If the debt is due, the pawnshop must warn the customer to repay the debt immediately.
  - 2) If the customer does not pay the debt, the pawn goods are forcibly sold / executed through an auction in accordance with sharia.
  - 3) The proceeds of the sale of the pawned goods are used to pay off

the customer's debt, namely paying off the unpaid maintenance and storage costs and the cost of sale

- 4) The excess proceeds from the sale of the pawn belong to the customer and the shortage becomes the customer's obligation. (Hendi Suhendi, 2002: 107)

### 3. Pillars and Conditions of Rahn

There are 4 pillars of rahn, namely the pawn giver (Rahin), pawn receiver (murtahin), collateral (marhun) and debt (marhun bih). While the pillars of rahn are the two parties to the contract, the rahn contract for collateral (marhun) and debt (marhun bih). According to Harfiah, the pillars of rahn are *ijab* and *kabul* from rahin and murtahin.

The conditions for the validity of a pawn contract are as follows:

- a. The conditions that must be fulfilled by the two people who make a contract are *baliq*, *sensible*, and not crazy.
  - b. The requirements for the collateral are that it should be present at the time of the contract, but it is also permissible to show proof of ownership, such as land documents, vehicles, etc. The collateral should be a valuable item in the eyes of Islam, so it is not valid to pawn forbidden goods such as alcohol, as well as goods that deteriorate quickly.
  - c. The conditions on the *sigat* (*lafadz*) should be clear and understood by the parties to the contract. The *hafiyah* scholars said that the *sigat* of the pawn should not be linked to a condition that is not carried out in the future. This is because a pawn contract is similar to a sale and purchase contract. "It is also possible to do it without a specific wording, but it still indicates a pawn contract."
  - d. Terms *marhin bih*, *marhin bih* is the right given by murtahin to rahin. When a pawn contract occurs, the scholars' other than the community *hafiyah* that *marhun bih* should be in the form of a good debt or goods that can be paid (returned) and the object is *mutahin*. (Rahmat Safei, 2004: 164)
- ### 4. Islamic pawnshop

Pawnshop syariah is a financing or credit institution with a pawn system PT. Pegadaian Persero is under the auspices of the Ministry of BUMN, the main task of the pawnshop is to facilitate the need for public funds by providing loans based on pawn law.

Along with the development of Indonesian sharia products, in 2003 the pawnshop sector also established a sharia pawn sector which formed a sharia pawn service unit (ULGS) which in its implementation uses sharia principles. Until now, Islamic pawnshops are still attached to PT. Pegadaian Persero and the plan is to spin off. In 2019 the concept of sharia pawnshop operations refers to the principles of modern administrative systems with rational, efficient, and effective expectations with Islamic values. (Arif Safendi, 2013: 38) The main purpose of the

establishment of Islamic pawnshops is to realize the benefits of the people helping each other, with the existence of Islamic pawnshops, eradicating loan sharks, illegal pawn practices that are very troubling and burden small communities. The reason why sharia pawnshops are allowed is because of their social nature, they can help ease the burden on the lower middle class whose daily lives are consumptive and the aim is for the benefit of the people. However, the operational activities of Islamic pawnshops are still more utilized by people with upper middle income who are commercially productive. This can be seen from the amount of marhun in the form of gold and diamonds that are widely accepted in pawn (Rais Sasli, 2008: 36).

## **RESEARCH METHODS**

This research includes literature study research by looking for theoretical references that are relevant to the case presented. References, theories obtained by way of literature study research and then used as the foundation and main tool for analyzing data.

Collecting the data needed in this research uses techniques with several literature study methods, this method is used by finding various theoretical foundations that have applications used in the rahn contract in pawnshops. The data generated when conducting this research is descriptive data. Data that comes from people's efforts or can also be in the form of written words and observations of a situation.

## **RESULTS AND DISCUSSION**

### **1. Application of the rahn contract in Islamic pawnshops**

Rahn is when people give up movable goods and then mortgage them as a result of the storage process. Islamic pawnshops can benefit from the fees taken instead of additional types of goods that can be accepted as collateral.

The principle is:

- a. Jewellery, i.e., jewellery made of gold, jewelry, silver, platinum, or pearlized diamonds.
- b. Electronic goods: laptop, TV, car etc., household goods
- c. Machines: sewing machines, engines, motors and boats
- d. Other items that are considered valuable such as: securities in the form of stocks, bonds, and other securities.

Other financing in pawnshops is very fast in accordance with the sharia process. Within 15 minutes the funds are liquid and safe to store the advantages of this product are:

- a. Rahn services are available at sharia financing outlets throughout Indonesia.

- b. Easy application procedure
- c. Loan (marhun bih) starts from 50 thousand rupiahs
- d. The maximum loan period is 4 months or 120 days and can be extended multiple times by paying ijarah only.
- e. Repayment can be made at any time with ijarah calculation during the loan period.
- f. Loan process without the need to open an account
- g. The customer receives the loan in cash or transferred to an account
- h. Collateral stored in a pawnshop Business model:
  - a) Customer comes with collateral
  - b) Marhun is appraised by an appraiser from a sharia pawnshop.
  - c) Marhun bih is received by the customer in cash or transfer. With conditions:
    - a) Copy of ID card or other official identity card
    - b) Owning collateral
    - c) For motorized vehicles, bring the original BPKB and STNK.
    - d) The customer signs the proof of rahn letter (SBR)

Pawnshops with financial institutions are not known to collect data, directly from the public in the form of deposits to meet their funding needs. PT. Pegadaian has its own capital sources of long-term guarantee capital participation that is successful from credit through Bank Indonesia and from the public through the issuance of bonds.

Sharia aspects not only form operations but financing originating from their own capital and third parties from accountable sources, pawnshops cooperate with muamallah banks.

## **ANALYSIS**

From the statement, the author can analyze that the rahn contract is an agreement that makes valuables as collateral, with the guarantee that customers can make debts and receivables in accordance with the pillars and conditions of Islamic pawnshops. There are types of goods according to the provisions there are services in the pawnshop quickly by returning the term only paying ijarah, by carrying out the conditions that have been determined by the Islamic pawnshop gets profit only from the rent which is taken additionally in the form of interest in the form of capital rent per calculation of additional capital, ahad rahn is a rah financing product in Islamic pawnshops. The benefits we get are many because it makes it easier to borrow, is more affordable, lightweight and is widely felt by the community.

## **CONCLUSIONS**

Based on the description above, conclusions can be drawn, namely:

1. Pawn activities have existed since the time of the Prophet Muhammad and continue to this day, pawn activities are allowed according to Islamic law.
2. Islamic pawnshops have implemented a pawn contract according to sharia rules as stated in the fatwa of the National Sharia Council Number: 26/DSN-MUI/IIV/2002.

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