

Challenging the Claim of *Ijma'* on the Prohibition of Bank Interest: A Critical Review of Murabahah Practices in Islamic Banking

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ABSTRACT

The global Islamic finance industry is growing rapidly, with its primary legitimacy resting on the claim of *ijmā'* (scholarly consensus) regarding the prohibition of bank interest. However, murabahah contracts, which dominate 76.95% of Indonesian Islamic banking financing, have received structural criticism similar to that of the interest system. This study analyzes the validity of the *ijmā'* claim regarding the prohibition of bank interest, according to *uṣūl al-fiqh* (principles of Islamic jurisprudence), and examines whether murabahah practices contain elements that lead to the interest system. Qualitative research with descriptive-analytical and critical-evaluative library research approach using data from classical *uṣūl al-fiqh* texts (Khallaf, al-Shāfi'ī) and 33 journal articles (2000-2025). Analysis was conducted through data reduction, comparative analysis, critical-methodological evaluation, and source triangulation. The *ijmā'* claim regarding the prohibition of bank interest does not meet the requirement of an agreement among all *mujtahids* (qualified scholars capable of independent reasoning) without exception, due to ongoing disagreements and methodological debates; thus, it is more appropriately categorized as a *jumhūr* (majority) opinion. Murabahah practices contain three elements leading to the interest system: the bank's role as a disguised financier with risk transfer to customers, mark-up systems influenced by market interest rates and varying based on time period (implicit recognition of time value of money), and structural-functional similarity with interest-bearing financing confirmed by empirical studies (12.87% margin approaching conventional rates). The double inconsistency between methodologically invalid *ijmā'* claims and murabahah practices resembling interest creates risks of a credibility crisis. Reconstruction is necessary through genuine ownership, a real economy-based margin setting, transparency, reorientation towards PLS (Profit and Loss Sharing), and strengthened shari'ah supervision.

Keywords: bank interest; *ijmā'*; Islamic banking; *murabahah*; time value of money

ABSTRAK

Industri keuangan syariah global tumbuh pesat dengan legitimasi utama bertumpu pada klaim ijma' (konsensus ulama) tentang keharaman bunga bank, sementara akad murabahah mendominasi 76,95% pembiayaan perbankan syariah Indonesia meskipun menuai kritik struktural menyerupai sistem bunga. Penelitian ini menganalisis validitas klaim ijma' keharaman bunga bank menurut kaidah ushul fiqh dan mengkaji apakah praktik murabahah mengandung elemen yang mengarah pada sistem bunga. Penelitian kualitatif dengan pendekatan library research deskriptif-analitis dan kritis-evaluatif menggunakan data dari kitab ushul fiqh klasik (Khallaf, Syafi'i) dan 33 artikel jurnal (2000-2025). Analisis dilakukan melalui reduksi data, analisis komparatif, evaluasi kritis-metodologis, dan triangulasi sumber. Klaim ijma' keharaman bunga bank tidak memenuhi syarat kesepakatan seluruh mujtahid tanpa pengecualian karena masih terdapat perbedaan pendapat berkelanjutan dan perdebatan metodologis, sehingga lebih tepat dikategorikan sebagai pendapat jumhur. Praktik murabahah mengandung tiga elemen yang mengarah pada sistem bunga: peran bank sebagai pembiaya terselubung dengan transfer risiko kepada nasabah, sistem mark-up yang dipengaruhi suku bunga pasar dan bervariasi berdasarkan jangka waktu (pengakuan implisit time value of money), serta kesamaan struktural-fungsional dengan pembiayaan berbunga yang dikonfirmasi studi empiris (margin 12,87% mendekati konvensi onal). Inkonsistensi ganda antara klaim ijma' yang tidak valid metodologis dengan praktik murabahah menyerupai bunga menimbulkan risiko krisis kepercayaan. Rekonstruksi diperlukan melalui kepemilikan riil, penetapan margin berbasis ekonomi riil, transparansi, reorientasi ke PLS, dan penguatan pengawasan syariah.

Kata Kunci: bunga bank; ijma'; murabahah; perbankan syariah; time value of money

INTRODUCTION

The global Islamic finance industry has experienced rapid growth with assets exceeding US\$700 billion and an average growth rate of 15% annually, making it one of the most dynamic segments in the world's financial architecture (Khan, 2010). In Indonesia, Islamic banking has recorded significant growth with total assets amounting to hundreds of trillions of rupiah (Asriani et al., 2025). The primary legitimacy of this system rests on the claim that bank interest constitutes *riba* (usury/interest) which is prohibited based on scholarly consensus (*ijma'*). Yusuf al-Qardhawi mentioned that approximately 300 scholars and Islamic economics experts have produced *ijma'* regarding the prohibition of bank interest through various international forums such as *Majma' al-Fiqh al-Islami* (Islamic Jurisprudence Council) in 1985, *Majma' al-Buhuts al-Islamiyyah* (Council of Islamic Research) in 1965, and the Indonesian Council of Ulama (MUI) through Fatwa No. 1/2004 (Hasan & Habu, 2019; Khalidin et al., 2023). This *ijma'* claim creates a strong perception that this matter has been closed and is no longer open for debate.

Based on this *ijma'* claim, Indonesian Islamic banking has developed various financing products claimed to be free from *riba*. The *murabahah* contract—a sale and purchase contract with a mark-up system—dominates extremely by controlling 76.95% or Rp19.11 trillion of total Islamic financing (Djumadi et al., 2025; Lathif, 2012). This dominance is not an Indonesian anomaly; a study by Miah and Suzuki (2020) on 18 Islamic banks in GCC countries found that 90% of financing was concentrated on mark-up schemes, while Profit and Loss Sharing (PLS)-based financing—which should be the pillar of Islamic economics—only reached a negligible portion. The popularity of *murabahah* is explained by profit certainty, minimal risk, and procedural simplicity, making it the most "bankable" instrument for Islamic financial institutions.

However, behind this popularity, serious criticism has emerged regarding the substance of *murabahah* practices. Abdullah Saeed (2004) sharply criticized that the *murabahah* mechanism is very similar to the conventional interest system, even calling it "disguised *riba*" because the bank's role is as a financier rather than a true trader, and the setting of different margins based on time period indicates implicit recognition of the time value of money. Chong and Liu (2009) found that Islamic deposits in Malaysia are closely pegged to conventional deposits, while Khan (2010) concluded that after three decades of operation, Islamic Banking remains functionally indistinguishable from conventional banking. In Indonesia, Widodo and Basyariah (2020) found that *murabahah* pricing is interest-based, calling it "Old Goods with New Packaging." Sumadi and Rahajeng (2025) confirmed that *murabahah* margins and conventional credit interest rates do not differ significantly, with an average WTP (willingness to pay) for *murabahah* margins of 12.87%—very close to conventional products.

The problem becomes more complex when the validity of the *ijma'* claim itself is questioned. Although the majority of scholars prohibit bank interest, there

are highly credible scholars who hold different opinions: Sheikh Ali Jum'ah (Mufti of Egypt), Muhammad Abduh, Sheikh Abdul Wahhab Khallaf, Sheikh Al-Azhar Sayyid Muhammad Thanthawi, and *Majma' al-Buhuth al-Islamiyah* in its 2002 decision (Suparman et al., 2024). In *usul fiqh*, *ijma'* is defined as the agreement of *all mujtahids* without exception; if there is still disagreement, then what occurs is majority opinion (*jumhur*), not *ijma'* (Suzuki & Miah, 2018). Furthermore, the principle of *usul fiqh* states that "*ijma'* cannot eliminate disagreement that has already occurred" (Suparman et al., 2024), so a matter that has been disputed will forever remain in the category of *masa'il al-ikhtilafiyyah* (disputed matters) even though the majority tends toward one opinion. Ibn Hazm even stated that *ijma'* claims should be viewed with suspicion due to the difficulty of meeting strict requirements (Suparman et al., 2024).

This situation creates a double inconsistency: first, an *ijma'* claim that is not methodologically valid according to *usul fiqh*; second, *murabahah* products that in practice resemble the interest system claimed to have been consensually prohibited. Previous research has examined various aspects of Islamic banking—from financial performance evaluation (Beck et al., 2013), analysis of individual products from a *fiqh* (Islamic jurisprudence) perspective, to substantial criticism by Khan (2010), Miah & Suzuki (2020), and Saeed (2004)—but none has comprehensively integrated criticism of *ijma'* validity with analysis of *murabahah* practices in one coherent methodological framework.

This is the gap that this research aims to fill. The novelty of this research lies in its integrative approach combining: (1) analysis of classical *usul fiqh* methodology to evaluate the validity of *ijma'* claims; (2) comparative economic analysis to demonstrate the structural similarity of *murabahah* with interest-bearing financing; (3) analysis of *maqashid syariah* (objectives of Islamic law) to evaluate whether practices claimed to be *sharia*-compliant truly achieve the objectives of *sharia*. This research takes a balanced academic position: acknowledging the legitimacy of differing opinions while demanding intellectual honesty in the use of terminology, and appreciating the efforts of Islamic banking while criticizing deviant practices.

Based on this background, this research answers two questions: First, does the *ijma'* claim regarding the prohibition of bank interest meet the requirements of *ijma'* according to *usul fiqh*, or is it more appropriately called *jumhur* opinion? Second, do *murabahah* practices contain elements leading to the interest system, particularly regarding the mark-up system and implicit time value of money?

The objectives of this research are: (1) to analyze the validity of the *ijma'* claim by evaluating the fulfillment of *ijma'* requirements according to *usul fiqh*; (2) to examine *murabahah* practices from the perspective of *sharia* principles, focusing on mark-up mechanisms, risk transfer, and recognition of time value of money; (3) to provide recommendations for reconstructing the *murabahah* system to minimize practices leading to interest and strengthen compliance with *maqashid syariah*.

The contribution of this research is twofold. Theoretically, it enriches the discourse of Islamic economic law with critical analysis of the use of the *ijma'* concept in contemporary contexts and develops an evaluative framework for assessing the conformity of modern economic practices with substantive *sharia* principles. Practically, it serves as input for: (1) Islamic financial institutions in improving product mechanisms; (2) DSN-MUI (National Sharia Board-Indonesian Council of Ulama) and regulators in formulating stricter fatwas and regulations; (3) Muslims in making more informed decisions regarding Islamic financial products; (4) academics in developing more critical, balanced, and constructive approaches. Furthermore, this research contributes to efforts to maintain intellectual integrity in Islamic economics studies, where academic honesty in acknowledging differing opinions and practical shortcomings becomes a prerequisite for developing a truly transformative system aligned with the ideals of Islamic socio-economic justice.

METHODS

This research employs a qualitative approach with library research that is descriptive-analytical and critical-evaluative in nature (Guney, 2015; Hassan, 2018). This approach was chosen because the research seeks to analyze the validity of the *ijma'* claim regarding the prohibition of bank interest based on classical *usul fiqh* methodology and examine the substance of *murabahah* contract practices in contemporary Islamic banking through in-depth analysis of *sharia* texts and scientific literature.

The research data is sourced from two main categories: first, primary literature in the form of classical *usul fiqh* texts discussing the definition, requirements, and methodology of *ijma'*, such as the work of Abdul Wahhab Khallaf in *Ilm Usul al-Fiqh* and Imam Syafi'i in *Ar-Risalah*, as well as the Qur'an and Hadith related to *riba* and economic transactions; second, secondary literature in the form of Scopus-indexed scientific journal articles discussing Islamic banking, *murabahah*, *riba*, and *ijma'* in the context of contemporary Islamic economics, including empirical studies on Islamic banking practices (Beck et al., 2013; Chong & Liu, 2009), critical analysis of *murabahah* (Guney, 2015; Khan, 2010; Miah & Suzuki, 2020), studies on *riba* and bank interest (Azoitei, 2020; Setiawan, 2021; Siddique & Siddique, 2025), and comparative research on Islamic versus conventional products (Hassan, 2018; Sumadi & Rahajeng, 2025).

Data collection was conducted through systematic documentation methods: identification of relevant sources using keywords *Islamic banking*, *murabaha*, *riba*, *interest*, *ijma'*, and *consensus*; selection of articles based on thematic relevance and methodological quality; collection of classical *usul fiqh* texts discussing *ijma'* methodology and *muamalah* (commercial transactions) law. Data analysis was conducted through five integrated stages: data reduction with categorization based on *ijma'* and *murabahah* practice themes; data presentation in narrative description and comparative table formats; comparative analysis to compare *ijma'* requirements with the reality of scholarly disagreement on bank interest and the characteristics of classical *murabahah* with contemporary practices; critical-evaluative analysis of

the methodological validity of *ijma'* claims and the substance of *murabahah* practices resembling the interest system; and drawing conclusions about the status of *ijma'* claims and recommendations for reconstructing the *murabahah* system.

Data validity was ensured through source triangulation using various literature from classical texts and scientific articles to verify information, as well as comparison of researcher interpretations with established views in Islamic economics literature. The research limitation is that as a library study, this research does not conduct direct observation or interviews with Islamic banking practitioners, so the analysis is more theoretical-conceptual based on available literature.

RESULTS AND DISCUSSION

Analysis of the Validity of the *Ijma'* Claim Regarding the Prohibition of Bank Interest

Ijma' occupies a central position in the hierarchy of Islamic legal sources as the third proof after the Qur'an and Sunnah. Etymologically, *ijma'* derives from the Arabic word *al-ijma'* which means *al-'azm* (firm determination) and *al-tashmim* (unanimity in making a decision). In *usul fiqh* terminology, Abdul Wahhab Khallaf defines *ijma'* as "the agreement of all *mujtahids* from the community of Muhammad SAW in a particular era after the death of the Prophet regarding a specific *shar'i* (legal) ruling" (*ittifaq jami' al-mujtahidin min ummati Muhammadin fi 'asrin min al-'usur ba'da wafatihi 'ala hukmin shar'i*). This definition contains crucial elements that distinguish *ijma'* from other forms of agreement: the subject of *ijma'* is the *mujtahids* who possess independent *ijtihad* (legal reasoning) capacity, the agreement must encompass *all mujtahids* without exception, it occurs in a particular era after the Prophet, and its object is a *shar'i* ruling not a purely rational matter (Ayhan, 2022).

The requirements for the formation of valid *ijma'* are very strict and cumulative. First, there must be a number of *mujtahids* living at the time of an event's occurrence, as agreement cannot be achieved except through plurality of opinions that correspond with one another. Second, the agreement must encompass *all mujtahids* of the Muslim community in that era regardless of their country, ethnicity, or *madhhab* (school of thought) group. The word "all" (*kulluhum*) here is absolute and non-negotiable—even if 99% of *mujtahids* agree but there is one *mujtahid* who holds a different opinion, that agreement cannot be called *ijma'* but merely majority opinion (*qawl al-jumhur*). Third, the agreement must be expressed explicitly by each *mujtahid*, either in verbal form (*qauli*) such as *fatwa* (legal opinion), or in practical action form (*fi'li*) such as court decisions. Fourth, the agreement of all *mujtahids* on a ruling must be realizable and verifiable, meaning there must be a mechanism that allows confirmation that all *mujtahids* living in that era truly agree (Ünver, 2021).

The position of *ijma'* as *hujjah* (binding legal proof) has been agreed upon by *jumhur* scholars based on evidence from the Qur'an, Sunnah, and rational logic. Imam Syafi'i in his work *Ar-Risalah* provides strong justification for the authority of *ijma'* by stating that scholarly consensus must have a basis from the narrations of the Prophet, because it is impossible for scholars collectively to neglect the Sunnah of the Prophet. Even if the Sunnah escapes some scholars, it is impossible for it to escape all of them. Imam Syafi'i emphasizes that scholars will not agree upon something that contradicts the Sunnah of the Prophet, and will not agree upon an error. When *ijma'* has been formed, the resulting ruling is *qath'i* (definitive) and binding upon all Muslims; no one is permitted to perform *ijtihad* again or oppose the established *ijma'*, because opposing *ijma'* means opposing the consensus of the community which is guaranteed not to agree upon error.

The fundamental difference between *ijma'* and *jumhur* scholarly opinion lies in the universality and absoluteness of consensus. *Ijma'* requires agreement of *all mujtahids* without any dissenting opinion; the nature of this consensus is universal and absolute, not permitting *ikhtilaf* (difference of opinion) of any magnitude. Conversely, *jumhur* opinion is the opinion held by the majority or most scholars, but there remain some scholars—though a minority—who hold different opinions. In the *jumhur* situation, *ikhtilaf* still exists and its existence is acknowledged. Law based on *jumhur* opinion does not possess the same binding force as *ijma'*; it remains open for debate, reinterpretation, and even for Muslims to follow or not follow according to their individual considerations or within the framework of the *madhhab* they adhere to (Ayhan, 2022).

A very important methodological principle in this context is that "*ijma'* cannot eliminate disagreement that has already occurred, but *ijma'* can prevent disagreement from occurring." This principle contains significant methodological consequences: if in a particular era disagreement has occurred among *mujtahids* regarding a matter, then agreement that occurs in the following generation will not erase the *ikhtilaf* that existed previously. In other words, *ijma'* can only be formed on matters that from the outset never experienced disagreement among *mujtahids*. After disagreement has occurred and been recorded in *fiqh* literature, that matter will forever remain in the category of *masa'il al-ikhtilafiyyah* (disputed matters), even though later the majority of scholars tend toward one particular opinion (Ünver, 2021).

In the context of the prohibition of bank interest, although there is strong consensus among the majority of contemporary scholars, reality shows the existence of ongoing disagreement. Setiawan (2021) notes that the issue of interest prohibition in the modern financial system remains a subject of debate among Islamic *fuqaha* (jurists) and often causes confusion and inconsistency in cases of *riba* application. This debate does not only occur among minority scholars but involves fundamental questions about the methodology of legal determination. Siddique and Siddique (2025) emphasize that the methodology adopted by modern Muslim scholars in defining *riba* appears to add confusion surrounding the concept. They argue that the method used by *fuqaha* from the four Sunni *madhabs*

fundamentally differs from the approach adopted by modern scholars and Islamic economists, where the former view the Qur'an and Sunnah as an inseparable unity in understanding *riba*, while the latter tend to dichotomize Qur'anic *riba* from Sunnah *riba*.

Azoitei (2020) in his critical analysis of contemporary application of *riba* in Islamic banking concludes that there is an urgent need to adapt the concept of *riba* to the current financial system by rediscovering rules from primary Shariah sources that truly reflect the reasons underlying the prohibition of *riba*. This indicates that even among supporters of Islamic banking, there is acknowledgment that contemporary interpretation of *riba* and its application to bank interest still contains ambiguity and requires further clarification. Karimuddin et al. (2024) in their study on the problem of interpreting *ad'afan muda'afah* (manifold/compound) in determining the law of *riba* show that differences in '*illat* (legal reasoning) used for the law of bank interest produce varying legal conclusions. They found that although there are efforts to prohibit bank interest, Muslims have not reached a definitive solution to avoid this problem, and bank interest is temporarily permitted under certain conditions such as non-compound interest, having low interest, and not containing elements of oppression.

Aziz et al. (2025) in their critique of MUI fatwa methods and their legitimacy in Indonesia highlight that fatwas based on normative postulates and using *qiyas* (analogical reasoning) as the primary *ijtihad* approach tend to ignore socio-economic context. They recommend the need for review and reassessment of arguments underlying fatwas to be more aligned with the reality of profit-taking systems in financial institutions common to national and global communities. Islahi (2024) in his study on Islamic thought regarding interest and *riba* notes that although there is an absolute and categorical prohibition of *riba* in the basic sources of Islamic philosophy, its application in the modern context remains subject to diverse interpretation. He shows that besides prohibiting conventional forms of interest, Prophet Muhammad SAW also prohibited two types of barter exchange called *riba al-fadl* (usury due to excess payment) and *riba al-nasi'ah* (usury due to deferment of payment or delivery), and Muslim scholars have different opinions regarding why these types of exchange are prohibited.

The fact of ongoing disagreement documented in contemporary Scopus-indexed academic literature shows that the fundamental requirement of *ijma'*—namely agreement of *all mujtahids* without exception—is not fulfilled in the case of bank interest prohibition. The existence of highly credible scholars who hold different views, varying methods in defining and applying the concept of *riba*, and ongoing debate about the interpretation of '*illat* and modern context, all indicate that what is claimed as *ijma'* is actually more appropriately categorized as majority scholarly opinion (*qawl al-jumhur*). This improper use of *ijma'* terminology has serious implications: it closes the space for *ijtihad* that should remain open for *ikhtilafiyah* matters, creates undue social and theological pressure on Muslims who might follow minority opinions, and most crucially, ignores the established *usul*

fiqh methodological principle that *ijma'* cannot eliminate disagreement that has occurred previously.

Critical Analysis of *Murabahah* Contract Practices in Islamic Banking

The *murabahah* contract in classical *fiqh* is defined as a sale and purchase transaction where the seller transparently conveys the cost price of goods to the buyer and then adds a profit margin (*ribh*) mutually agreed upon. Hassan (2018) explains that *murabahah* is used in the context of sale to achieve profit, not in lending, and that *murabahah* is based on Shariah. Essential characteristics of classical *murabahah* include full transparency about cost price, the existence of real and identifiable goods, temporary ownership of goods by the seller with all its risks, and setting of profit as a nominal amount not a percentage of time. However, the transformation of *murabahah* from a simple trading transaction into a banking financing instrument has fundamentally altered these characteristics. Guney (2015) notes that the *murabahah* contract, which is an ordinary contract in classical Islamic law, has played a significant role in the emergence and development of modern Islamic Banking and Finance, but this modern contract has been totally redesigned as an alternative to conventional credit mode and has become subject to intense debate and criticism from some scholars.

The dominance of *murabahah* in contemporary Islamic banking practice reaches alarming levels. Miah and Suzuki (2020) in their study of 18 Islamic banks in GCC countries confirm the concentration of *murabahah* (mark-up financing) in Islamic banks, with approximately 90% of total financing concentrated on *murabahah*, which is a result of the existing institutional foundation. They found that Islamic banks will logically engage with Profit and Loss Sharing (PLS)-based financing only in a limited manner unless currently governing institutions are changed. In Indonesia, a similar phenomenon occurs with *murabahah* dominating Islamic financing. Lathif (2012) observes that although *murabahah* has undergone many modifications compared to the basic concept in classical *fiqh muamalat* (commercial jurisprudence), scholars have no objection to modifications that do not contradict basic principles of Islamic law, but many modification models have sparked debate because they are conducted exclusively to meet formal judicial requirements for banking administrative effectiveness and efficiency.

Bulutoding et al. (2021) explain that as Islam supports fair trade, *murabahah* is the most popular and most common Islamic financing mode, being a sale and purchase contract between the bank and its client for the sale of goods with a price plus profit margin agreed for the bank. This contract involves the purchase of goods by the bank which then sells them to the client with an agreed mark-up. However, this popularity is not without problems. Djumadi et al. (2025) in their critical review of *murabahah* financing in contemporary Islamic banking from a *maqashid al-syariah* perspective found that although *murabahah* contracts are generally implemented according to formal Shariah procedures, the realization of *maqashid al-syariah* values remains partial. Elements such as justice, fair profit, social welfare, and mutual cooperation appear evident but fragmented and lack

institutional standardization, so the spirit of *maqashid al-syariah* has not been fully realized in contemporary practice.

Structural comparison between *murabahah* and interest-bearing financing reveals alarming similarities. Chong and Liu (2009) in their seminal study on Islamic banking in Malaysia found that only a negligible portion of Islamic bank financing is truly PLS-based, and Islamic deposits are not interest-free but closely pegged to conventional deposits. Their findings show that rapid growth in Islamic banking is largely driven by Islamic revival worldwide rather than by the superiority of the PLS paradigm, and that Islamic banks must submit to regulations similar to their Western counterparts. Khan (2010) in his provocative question "How 'Islamic' is Islamic Banking?" concludes that initial investigation shows that three decades after introduction, substantial differences still exist between the ideality of Islamic Banking and Finance (IBF) and its practice, and most IBF still remains functionally indistinguishable from conventional banking. This contradicts claims by IBF proponents that the system would quickly differentiate itself from conventional banking. However, although not providing an alternative to conventional banking and finance, IBF reinforces a distinct Islamic identity by providing appropriate Islamic terminology for *de facto* conventional financial transactions.

Aggarwal and Yousef (2000) in their study on Islamic banks and investment financing found that most financial instruments used by Islamic banks are not based on profit-and-loss sharing (equity) but, instead, are very much debtlike in nature. Their model shows that debtlike instruments are a rational response by Islamic banks to their contractual environment: when agency problems become more severe, debt becomes the dominant financing instrument. They provide conditions under which debt prohibition increases social welfare as well as conditions under which debt prohibition decreases social welfare, showing the complexity of this issue from an economic perspective. Sumadi and Rahajeng (2025) empirically confirm that *murabahah* margins of Islamic banks and interest rates of traditional banks do not differ significantly. Their study results show that credit interest rates, inflation, and religiosity are positively related to willingness to pay (WTP) for *murabahah* margins. Based on the Contingent Valuation method, the average WTP value for *murabahah* margins is 12.87% per respondent, which is a figure very close to conventional products.

The role of banks in contemporary *murabahah* transactions reveals significant deviation from the concept of true trader in classical *fiqh*. Hassan (2018) and Jan et al. (2020) affirm that the *murabahah* concept of Islamic banking differs from the interest concept practiced by conventional banks, but they also acknowledge that additional costs added at the initial time of purchasing certain products are not prohibited in Islam, but failure to pay the agreed amount on the date set by the buyer is undoubtedly considered prohibited *riba*. Al-Fijawi and Yunus (2019) in their analysis of modern applications of *bay' murabahah* (sale with profit) from a *maqashid syariah* perspective found that some modern applications bypass the main Shariah purposes of sale and purchase contracts, such as the seller taking responsibility for possible risks and having real ownership of goods being

sold. Contrary to this, the seller transfers their responsibility to customers and takes ownership (*qabdh*) of goods only on paper, not ownership in the real sense. Such applications distort the mode of trading real goods into mere disguise for credit enhancement or *riba*.

Khalidin et al. (2023) and Hasan & Habu (2019) in their analysis of *murabahah* financing of Indonesian Islamic banks under Islamic Economic Law and DSN MUI Fatwa conclude that the implementation of *murabahah* financing conducted by Islamic banks in Indonesia is not fully in accordance with Shariah Economic Law and DSN MUI Fatwa. They found that *murabahah* financing is essentially a form of sale and purchase with a profit margin system, but in practice it is almost like a credit form with an interest system as practiced by conventional banks. This finding strengthens the argument that although *murabahah* is designed as a sale and purchase transaction, in its implementation Islamic banks play more the role of financier rather than trader, with minimal ownership risk or risk transferred to third parties such as insurance companies.

The mark-up system in *murabahah* and the implications of implicit recognition of time value of money become the most substantial criticism of contemporary practice. Siddiqui (2014) discusses that the vast majority of Islamic scholars treat bank interest as *riba* but also approve deferred payment sales at higher prices than cash prices as legal, which raises the question whether Islam recognizes time value of money or not. He notes that if interest is prohibited, whether discounting future income streams or benefits would be appropriate in project selection. Ahmed et al. (2016) in their critique of accounting for *murabahah* contracts through comparative analysis of IFRS and AAOIFI accounting standards found that while IFRS-based financial reporting primarily focuses on the economic consequences of financial instruments, AAOIFI further considers the legal structure of instruments based on Shariah principles. They found that IFRS recognizes the substance of *murabahah* contracts as financing, and the majority of Islamic banks in Malaysia report it as one of financing and not as trading contracts. For measurement, IFRS adopts the time value of money concept where profit allocation is based on amortized cost, which is similar to measuring conventional loan transactions applying the effective interest rate concept. Meanwhile, AAOIFI uses a straight-line basis to allocate profit of *murabahah* contracts, avoiding compound interest effects.

Quadir (2020) in his study on consumer choice toward Islamic bank services in dual banking systems applies game theory to analyze how Islamic banks determine their mark-up when facing competition with traditional banks. He shows that Islamic banks, as well as conventional banks, charge lower prices for their loans if there is consideration of consumer religiosity aspects. Furthermore, he shows that as religiosity increases in a country, lending rates decrease. These theoretical results are also consistent with real bank practices, showing that dual banking systems increase customer welfare. However, these findings also confirm that the return rates of Islamic banks depend on traditional bank interest rates, indicating that

mark-up setting in *murabahah* is not independent of market interest rates but is strategically adjusted with benchmarking against the conventional system.

Ahroum et al. (2020) in their proposal for interest-free *murabahah* and *musharakah mutanaqisah* pricing acknowledge that in current practice, *murabahah* profit margins mainly depend on reference interest rates, which is heavily criticized in Islamic literature. They suggest a new valuation methodology with parameters related to the real economy, where results show that pricing of *musharakah mutanaqisah* contracts can be based on several parameters related to the real economy, and the implied value of profit margin can be calculated without involving interest rates in pricing both *murabahah* and *musharakah mutanaqisah*. This suggested model will restore the relationship between Islamic contracts with the real economy and, for Islamic banks specifically, reduce exposure to reputational risk and increase Shariah compliance.

Critical analysis of contemporary *murabahah* practices reveals fundamental inconsistency: on one hand, Islamic banks reject the interest system with the argument that it constitutes prohibited *riba*; on the other hand, they apply a mark-up system that in its economic structure is very similar to fixed interest, with margins correlated with market interest rates and varying based on financing period—a practice that implicitly recognizes time value of money. This structural similarity, combined with the bank's role as a disguised financier rather than true trader, and risk transfer to customers or third parties, creates a situation where *murabahah* in practice is difficult to substantially distinguish from conventional interest-bearing financing, although the terminology and legal format used differ. Evaluation from a *maqashid syariah* perspective shows that these practices fail to achieve substantive objectives such as fair risk sharing, distributive justice, and real differentiation from the conventional system that should be the *raison d'être* (their reason for existence) of Islamic banking.

Double Inconsistency: Between *Ijma'* Claims and *Murahahah* Practices

Analysis of the *ijma'* claim regarding bank interest prohibition and *murabahah* practices in Islamic banking reveals a problematic double inconsistency. The first inconsistency lies at the epistemological level: the use of *ijma'* terminology for a matter that factually still contains ongoing disagreement among scholars and Muslim academics. As previously discussed, the existence of credible scholars who hold different views about bank interest, varying methods in defining and applying the concept of *riba*, and ongoing methodological debates, all demonstrate that the fundamental requirement of *ijma'*—agreement of *all mujtahids* without exception—is not fulfilled. The use of the term *ijma'* in this context is not merely a terminological error but also has serious practical implications: it closes the space for *ijtihad* that should remain open, creates undue social and theological pressure, and ignores the plurality of opinion that is an intrinsic characteristic of the Islamic scholarly tradition.

The second inconsistency lies at the practical level: Islamic banking products, particularly *murabahah* which dominates financing, in their implementation demonstrate significant structural similarity with the interest system claimed to have been consensually prohibited. Miah and Suzuki (2020) in identifying what they call the "*murabaha syndrome*" of Islamic banks affirm that the concentration of *murabahah* around 90% is a result of existing institutional foundations, and Islamic banks will logically engage with PLS-based financing only in a limited manner unless currently governing institutions are changed. They note that PLS investment in Islamic bank portfolios would generate higher risk and uncertainty, and equivalent ambiguity or uncertainty is prohibited in Islam—a dilemma not sufficiently explained by existing Islamic finance literature. Suzuki and Miah (2018) further state that the dominance of excessive *murabahah* financing remains unchanged for years, which is worrying according to mainstream Islamic finance literature explanations. Many studies state that at the beginning of Islamic finance, jurists were somewhat lenient in supporting *murabahah* concentration on the grounds that such practice might help infant Islamic finance grow rapidly, and once this financing model reached a competitive stage, it could strive to shift gradually from mark-up/Shariah-compliant-based financing toward participatory/trust-based financing based on pure profit-loss sharing (PLS) mode. Contrary to these expectations, Islamic financial institutions have maintained their financing dominance on *murabahah*, and many Islamic scholars insist that Shariah compliance does not automatically realize the spirit of Islamic finance, so they are very critical of current Islamic bank practices.

The relationship between these two inconsistencies is dialectical and mutually reinforcing. The methodologically invalid *ijma'* claim is used as the theological legitimacy foundation for the existence of Islamic banking as an alternative to the conventional system. The dominant narrative states that because bank interest has been prohibited based on scholarly *ijma'*, Muslims have no choice but to use Islamic banking products. However, when these products in practice do not differ substantially from the system claimed to be prohibited, the theological legitimacy built upon that *ijma'* claim becomes problematic. Beck et al. (2013) in their comparative study of Islamic versus conventional banking found that when comparing conventional and Islamic banks while controlling for time-variant country-fixed effects, they find few significant differences in business orientation. Although there is evidence that Islamic banks are less cost-effective, they have higher intermediation ratios, better asset quality, and stronger capitalization. These findings indicate that the main differences between Islamic and conventional banks lie more in technical financial aspects rather than substantial differences in business model or operational philosophy.

The critical question that emerges is: does Islamic banking truly offer a substantive alternative to the conventional system, or merely a change in terminology and legal format? Khan (2010) concludes that although not providing an alternative to conventional banking and finance, IBF reinforces a distinct Islamic identity by providing appropriate Islamic terminology for *de facto* conventional

financial transactions. This conclusion reveals the symbolic-identity function of Islamic banking that may be more important than its substantive-economic function in the context of contemporary Muslim religious consciousness revival. However, from the perspective of intellectual integrity and academic honesty, this situation cannot be sustained in the long term. If Muslims realize that the *ijma'* claim they have relied upon turns out to be methodologically invalid, and that the Islamic products they use turn out not to differ substantially from conventional products, this can trigger a crisis of trust that could shake the foundations of the Islamic finance industry.

Aggarwal and Yousef (2000) offer an economic perspective that explains why the dominance of debtlike instruments in Islamic banking is a rational response to the contractual environment. Their model shows that when agency problems become more severe, debt becomes the dominant financing instrument. This means that *murabahah* dominance is not merely a deviation from Shariah ideality, but is a logical result of economic incentives working within the banking system, both conventional and Islamic. Archer et al. (1998) in their analysis of financial contracts, governance structures, and accounting regulation of Islamic banks using agency theory and transaction cost economics found that because Islamic banks are prohibited from entering into transactions based on *riba* (interest), they mobilize funds primarily based on *mudharabah* (profit-sharing) contract forms. However, this form of investment account raises a series of issues regarding contractual relationships between banks and investment account holders, including complex monitoring and governance problems.

The fundamental dilemma faced by Islamic banking is between theological ideality and economic reality. On one hand, Islamic economic ideality emphasizes a PLS-based system that reflects principles of justice, risk sharing, and active participation in productive activities. On the other hand, economic reality shows that the PLS system faces problems of asymmetric information, high monitoring costs, and greater moral hazard risk compared to debt-based or mark-up systems. Miah and Suzuki (2020) suggest that the financing needs of entrepreneurs based on PLS contracts should be met by venture capital, while micro-finance firms can meet the fund demands of marginal clients. This suggestion acknowledges that not all financing functions are suitable for the PLS model, and that institutional specialization may be necessary to achieve different Islamic economic objectives.

However, acknowledgment of the practical limitations of the PLS model does not resolve the problem of inconsistency between claims and practices. If Islamic banks ultimately adopt a business model that is functionally indistinguishable from conventional banks, then what justifies the claim of moral and economic superiority of the Islamic system? Azoitei (2020) argues that there is an urgent need to adapt the concept of *riba* to the current financial system by rediscovering rules from primary Shariah sources that truly reflect the reasons underlying the prohibition of *riba*. He further explores how the legitimacy of Islamic banking can be enhanced by adopting a new Islamic banking model, namely a hybrid between classical Islamic financial institutions offering Shariah-compliant

products with an enterprise. This proposal acknowledges that the current Islamic banking model requires fundamental reformulation to achieve its substantive objectives.

Setiawan (2021) in his study on why an interest-free economy was instituted from early religious zeal notes that throughout the 20th century, proponents of Islamic economics proposed the formation of a modern banking system (and Islamic economic system) that complies with Shariah principles and prohibits all forms of *riba* (interest), and greater attention was given by various reformist scholars to Islamic banking and finance in the 1960s and 1970s, which has continued to develop since then. However, he also notes that the issue of interest prohibition in the modern financial system remains a subject of debate among Islamic jurists and often causes confusion and inconsistency regarding cases when *riba* can be applied. While *riba* is explicitly prohibited in all religious aspects in the classical religious context, the modern practice of the interest system in Islamic finance is still debated in the contemporary societal context. This acknowledgment indicates that even among Islamic economics proponents, there is awareness of the complexity and ambiguity in applying classical principles to modern reality.

Siddique and Siddique (2025) in their effort to seek the path to consensus on *riba* and interest in Islamic jurisprudence emphasize that one of the main findings is that interest charged in loan transactions, including bank loans, is *riba* according to the four Sunni *fiqh madhhabs*. Furthermore, they show that the similarities among the four Sunni *fiqh madhhabs* are far more significant than the disagreements often highlighted among them regarding the concept of *riba*. The methodology adopted by modern Muslim scholars appears to add confusion surrounding the concept of *riba*. They conclude that to achieve true *ijma'*, further scholarly work is needed to address the modern financial context and reconcile differing opinions. This conclusion confirms this research's argument that what is claimed as *ijma'* regarding bank interest prohibition has not actually reached the level of true consensus according to *usul fiqh* methodological standards, and that further intellectual work is needed to achieve conceptual clarity and genuine consensus.

The implications of this double inconsistency for Islamic economics credibility are very serious. First, at the theological level, the use of invalid *ijma'* claims can be perceived as manipulation of religious authority for institutional legitimacy purposes. When intellectually critical Muslims realize that there are legitimate differences of opinion among scholars about bank interest, but these differences are hidden or minimized under the *ijma'* claim, trust in the religious authority issuing fatwas can be eroded. Second, at the practical level, when Islamic banking products sold as fundamentally different alternatives from the conventional system turn out to be very similar in implementation, customers may feel deceived or at least feel they are not getting the added value promised. Third, at the academic level, this inconsistency creates an epistemological crisis in Islamic economics studies, where the gap between normative-prescriptive and descriptive-empirical becomes too wide to be bridged with apologetic arguments.

However, acknowledging this inconsistency does not mean rejecting the entire Islamic economics project as unviable. On the contrary, honest acknowledgment of existing problems is a prerequisite for genuine improvement and development. Ahroum et al. (2020) in their proposal for interest-free valuation methodology show that it is possible to develop alternative models more aligned with substantive Shariah principles. This work will restore the relationship between Islamic contracts with the real economy and, for Islamic banks specifically, will reduce exposure to reputational risk and increase Shariah compliance. Similarly, Miah and Suzuki's (2020) suggestion for institutional specialization—where venture capital handles PLS-based financing for entrepreneurs and micro-finance for marginal clients—offers a way out of the dilemma between PLS ideality and *murabahah* dominance reality.

What is needed is a more honest, transparent, and self-critical approach in Islamic economics discourse. Rather than claiming non-existent *ijma'*, it would be better to acknowledge that there is a strong majority opinion about the prohibition of bank interest while also acknowledging the existence of legitimate minority opinions. Rather than claiming that *murabahah* is a fundamentally different alternative from the interest system, it would be more honest to acknowledge that in current implementation, *murabahah* has structural similarities with interest-bearing financing, and that further work is needed to develop models that truly reflect substantive Shariah principles. Such intellectual honesty, though potentially uncomfortable in the short term, will build stronger long-term credibility and open space for genuine innovation in Islamic economics.

Recommendations for Reconstructing the *Murabahah* System

Based on the critical analysis of *ijma'* claims and *murabahah* practices that has been presented, this research offers recommendations for reconstructing the *murabahah* system aimed at minimizing practices leading to the interest system and strengthening compliance with *maqashid syariah*. These recommendations are based on the principle that criticism without solutions is sterile, and that the ultimate goal of academic criticism is practical improvement. Djumadi et al. (2025) affirm that there is an urgent need to reformulate strategies and *murabahah* product design to better reflect the holistic objectives of *maqashid al-syariah*, which not only include safeguarding wealth and prohibiting *riba*, but also protecting life, intellect, and lineage. The recommendations in this research contribute by exposing the gap between formal compliance and substantive realization, offering novelty in reframing *murabahah* as a contemporary instrument for promoting justice, welfare, and sustainable Islamic finance.

The first principle of reconstruction is returning to the characteristics of true sale and purchase as conceptualized in classical *fiqh*. Hassan (2018) affirms that *murabahah* is used in the context of sale to achieve profit rather than in lending, and that *murabahah* is based on Shariah. Financial transactions under the explanation of *Maqashid al-Syariah* by Ibn Ashur are used as a theoretical framework directly or indirectly related to *murabahah* practice. Research results

show that the *murabahah* concept of Islamic banking differs from the interest concept practiced by conventional banks. However, to ensure this difference is substantive rather than merely formal, several essential characteristics of sale and purchase must be fulfilled: full transparency about the cost price of goods, real ownership of goods by the bank with all accompanying risks, and setting of profit as a nominal amount unrelated to time. Al-Fijawi and Yunus (2019) emphasize that modern applications must ensure that sellers take responsibility for possible risks and have real ownership of goods being sold, not merely ownership on paper. Real ownership (*qabdh haqiqi*) differs fundamentally from constructive ownership (*qabdh hukmi*), and this difference has significant legal and economic implications.

To implement the principle of real ownership, Islamic banks must truly purchase goods first before selling them to customers, and during the ownership period—however brief—banks must bear all risks related to those goods including damage, loss, or defects. Current practices where banks only process documentation without ever truly owning goods physically, or where risks are transferred to customers through problematic *wakalah* (agency) mechanisms, must be eliminated. Khalidin et al. (2023) recommend that Islamic banks should develop more mechanisms such as interbank benchmark rates to practically demonstrate the authenticity of the Islamic financial system in the contemporary era, particularly in making *murabahah* compliant with *Maqashid al-Syariah* in financial transactions. However, this recommendation must be clarified: the intended benchmark should not be conventional market interest rates, but rather indicators from the real economy that reflect supply-demand conditions, inflation rates, and profitability of productive sectors.

The second principle is fundamental modification in the mechanism of profit margin determination. Current practices where *murabahah* margins are benchmarked to market interest rates and vary based on financing period must be abandoned because they indicate implicit recognition of time value of money—a concept that is the basis for interest legitimacy. Ahroum et al. (2020) offer a promising methodological alternative by suggesting an interest-free approach for *murabahah* and *musharakah mutanaqisah* pricing. They apply an indirect method to determine the lower bound of *murabahah* contract profit margin by considering *musharakah mutanaqisah* as an equivalent contract. This new valuation methodology is based on participation and focuses on real economy parameters: market rent and the rate of return used for equivalent projects. Their results show that pricing of *musharakah mutanaqisah* contracts can be based on several parameters related to the real economy, and the implied value of profit margin can be calculated without involving interest rates in pricing both *murabahah* and *musharakah mutanaqisah*.

Ahroum et al.'s (2020) approach offers an important conceptual framework: instead of using interest rates as a benchmark, *murabahah* margins can be determined based on real economic indicators such as market rental rates for similar assets, investment return rates in relevant productive sectors, or even commodity price indices. In this way, *murabahah* pricing will reflect real economic conditions

rather than merely following market interest rates with different labels. This model will also reduce Islamic banks' exposure to reputational risk and increase Shariah compliance by severing the direct link between Islamic products and the conventional interest system. However, implementing this model requires development of robust real economic data infrastructure and transparent market information systems, which may require industry-level coordination or even government regulation.

The third principle is stricter transparency and disclosure about all cost and profit components in *murabahah* transactions. Ahmed et al. (2016) in their analysis of differences between IFRS and AAOIFI accounting standards show that while IFRS focuses on economic substance and applies the time value of money concept with profit allocation based on amortized cost, AAOIFI uses a straight-line basis to allocate profit of *murabahah* contracts, avoiding compound interest effects. They recommend that IFRS-based financial reporting cannot always capture the distinctive structure of *murabahah* and, therefore, may lack representational financial reporting. Islamic banks need to adopt reporting standards more aligned with Shariah principles, where full transparency about cost price, additional costs, profit margins, and their allocation methods becomes mandatory.

This transparency is important not only for Shariah compliance but also for consumer protection. Sumadi and Rahajeng (2025) found that *murabahah* margins of Islamic banks and interest rates of traditional banks do not differ significantly, yet many customers may not realize this due to lack of transparency in how costs are set and communicated. Their research shows that credit interest rates, inflation, and religiosity are positively related to willingness to pay for *murabahah* margins, with an average WTP value of 12.87%—a figure very close to conventional products. This finding indicates that Islamic bank customers may be willing to pay a premium (slightly higher mark-up) due to religiosity considerations, but this willingness should not be exploited by setting much higher costs without clear justification. Quadir (2020) shows that consumer religiosity can be a kind of "loyalty premium" for Islamic banks, but this premium must be balanced with genuine added value in the form of substantive, not merely formal, Shariah compliance.

The fourth principle is reorientation of Islamic bank business models from dominance of mark-up-based financing toward better balance with Profit and Loss Sharing (PLS)-based financing. Miah and Suzuki (2020) explicitly state that ideally, Islamic banks should practice PLS-based financing; if not, their *raison d'être* will be difficult to justify. Islamic finance literature does not sufficiently provide analytical enlightenment in explaining Islamic banks' preference for mark-up financing over PLS-based financing, and strategies to improve this condition largely remain unexplored. They suggest that financing needs of entrepreneurs based on PLS contracts should be met by venture capital, while micro-finance firms can meet fund demands of marginal clients.

Miah and Suzuki's (2020) suggestion implies the need for institutional specialization in the Islamic finance ecosystem. Commercial Islamic banks may continue using *murabahah* for consumptive financing and short-term working capital with low margins and high transparency, while specialized institutions such as Islamic venture capital and Islamic development banks can focus on PLS-based financing for long-term productive projects. However, even commercial Islamic banks must gradually increase their PLS financing portion, with clear targets and realistic timelines. Aggarwal and Yousef (2000) provide conditions under which prohibition of debtlike instruments can increase social welfare: when agency problems are not too severe and when there are effective monitoring mechanisms. This shows that with investment in information systems, financial technology, and risk analysis capacity, Islamic banks can reduce agency problems that make PLS too risky, thereby making PLS more viable.

The fifth principle is strengthening Shariah supervision functions at institutional and systemic levels. Archer et al. (1998) in their analysis of financial contracts, governance structures, and accounting regulation of Islamic banks emphasize the importance of effective governance mechanisms to address agency problems between shareholders and investment account holders. They conclude that in current contractual arrangement conditions, investment account holders are too dependent on vicarious monitoring by or on behalf of shareholders, a situation exacerbated by current deficiencies in financial reporting and limitations in external audit scope. To improve this situation, stricter financial reporting standards, independent and comprehensive Shariah audits, and stronger accountability mechanisms for Shariah Supervisory Boards (DPS) are needed.

At the systemic level, government regulation and policies of the National Shariah Board (DSN) of the Indonesian Council of Ulama play a crucial role. DSN needs to conduct periodic reviews of fatwas that have been issued, including fatwas on *murabahah*, to ensure that field practices are aligned with principles established in fatwas. When systematic deviations are found, DSN must be brave enough to revise fatwas or issue stricter implementation guidelines. Khalidin et al. (2023) found that the implementation of *murabahah* financing conducted by Islamic banks in Indonesia is not fully in accordance with Shariah Economic Law and DSN MUI Fatwa, indicating a gap between regulation and practice that needs to be closed through more effective supervision and stricter sanctions for violations.

The sixth principle is customer education about substantive—not merely formal—differences between Islamic and conventional products. Sumadi and Rahajeng (2025) found that religiosity is positively related to willingness to pay for *murabahah* margins, showing that many customers choose Islamic banks primarily due to religious considerations rather than deep understanding of how Islamic products differ substantively. Effective education must explain not only formal differences (terminology, contract format) but also—and more importantly—substantive principles that should differentiate the Islamic system: risk sharing, distributive justice, linkage with the real economy, and prohibition of exploitation. When customers understand these principles, they will become more critical and

demanding of Islamic banks to truly implement these principles, not merely use Islamic labels.

Finally, a continued research agenda is needed to develop more innovative alternative Islamic financing models. Beck et al. (2013) show that Islamic banks have higher intermediation ratios, better asset quality, and stronger capitalization, and are more resilient to crises compared to conventional banks. These positive characteristics show that the Islamic business model has potential to excel in certain aspects, and this potential needs to be further developed through product and business model innovation. Empirical research on customer preferences, comparative studies of *murabahah* practices in various countries, and development of theoretical models for financing based on more explicit *maqashid syariah*, all can contribute to the positive evolution of Islamic banking. With a combination of intellectual honesty in acknowledging problems, commitment to substantive reconstruction, and continuous innovation, Islamic banking can move from merely a formal alternative toward a substantive alternative that truly reflects Islamic values and objectives in economics.

CONCLUSION

Based on the analysis of classical *usul fiqh* methodology and evaluation of *murabahah* practices in contemporary Islamic banking, this research concludes that the *ijma'* claim regarding the prohibition of bank interest does not meet the strict requirements of *ijma'* according to *usul fiqh* principles, particularly the requirement of agreement of all *mujtahids* without exception, given the existence of highly credible scholars who hold different views and ongoing methodological debates. Thus, this decision is more appropriately categorized as majority scholarly opinion (*jumhur*) rather than *ijma'*, in accordance with the *usul fiqh* principle that *ijma'* cannot eliminate disagreement that has already occurred. Evaluation of *murabahah* contract practices reveals that its implementation in Islamic banking contains elements leading to the interest system, especially in terms of: first, the bank's role as a disguised financier rather than a true trader with risk transfer to customers; second, a mark-up system influenced by market interest rates and varying based on time period, indicating implicit recognition of time value of money; third, structural and functional similarity with conventional interest-bearing financing confirmed by various empirical studies. This research recommends reconstruction of the *murabahah* system through: return to true sale and purchase characteristics with real ownership and risk bearing by banks; modification of margin-setting mechanisms based on real economic indicators rather than interest rate benchmarking; increased transparency and disclosure; reorientation of business models toward better balance with Profit and Loss Sharing-based financing; strengthening of Shariah supervision functions; and customer education about substantive differences of Islamic products. The double inconsistency between methodologically invalid *ijma'* claims and *murabahah* practices resembling the interest system claimed to be prohibited creates risks of a crisis of trust in Islamic banking legitimacy, so that intellectual honesty in acknowledging differing

opinions and practical shortcomings becomes a prerequisite for developing a truly transformative Islamic financial system aligned with *maqashid syariah*.

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