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Sharia Card: An Alternative For Islamic Payment

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ABSTRACT

The formulation of the problem in this study is to narrate the sharia card as a solution for using credit cards in the community. The research method used is the library research method with content analysis as an analytical knife so that the right solution is found in drawing conclusions. To ensure the validity of the data, the researcher will use the triangulation technique of sources derived from various literatures that are relevant to the research theme. The results show that credit cards in traditional banks, this is a method of payment for the purchase and sale of goods and services, and it is possible to pay at once or in installments up to a certain minimum amount (*ba'i bit-taqsih*), which is haram. To avoid it, sharia cards use Islamic principle, which is not used for transactions that are not in accordance with sharia and does not encourage excessive consumption. The main card holder must have the financial ability to pay off on time and must not provide services that are contrary to sharia.

Tujuan penelitian ini adalah untuk menganalisa eksistensi kartu syariah sebagai solusi penggunaan kartu kredit di masyarakat. Metode penelitian yang digunakan adalah metode penelitian kepustakaan dengan pendekatan *content analysis* untuk menemukan solusi yang tepat dalam penarikan kesimpulan. Penulis menggunakan teknik triangulasi sumber dari berbagai literatur yang relevan dengan tema penelitian untuk menjamin keabsahan data. Hasil penelitian menunjukkan bahwa kartu kredit di bank konvensional yang merupakan metode pembayaran untuk pembelian dan penjualan barang serta jasa, di mana pembayarannya dapat dilakukan sekaligus atau dicicil hingga jumlah minimum tertentu termasuk dalam kategori riba yang haram. Maka untuk menghindarinya, kartu syariah menggunakan prinsip Islam, yaitu yang tidak menyebabkan sifat konsumtif dan tidak digunakan untuk transaksi yang tidak sesuai syariah. Pemegang kartu utama harus memiliki kemampuan finansial untuk melunasi tepat waktu dan tidak boleh memberikan pelayanan yang bertentangan dengan syariah.

Introduction

Islamic banks as one of the scopes of Islamic financial institutions is the application of the Islamic economic system. The role of Islamic banks is to regulate sectors of the human economy, and its presence cannot be separated from other aspects of inclusive and

universal Islamic education¹. A comprehensive tool that covers all aspects of both ritual and social life, and a universal means that applies to all according to the Islamic principle "Ramatan Lil 'Alaminna"².

The rapid development of the times requires professionals in financial institutions to continue to innovate to meet the trading needs of their customers by creating superior products. Due to technological developments, banks need to create efficient and practical payment methods. This eliminates the need for people to shop to carry a lot of cash. Only use plastic paper the size of an identity card, which is called a credit card.

Credit card Plastic cards issued by banks or non-bank financial institutions. Credit cards were born from the dynamics of events that are so fast. Credit cards are offered to customers based on agreements with various parties. A completed transaction is a functioning system in which the parties involved in determining trade rights and obligations are bound by an agreement³. Its history in Indonesia began in the 1980s when Bank Duta began to introduce this payment method to the public. Bank Duta cooperates with VISA and Mastercard International, especially for high-end customers who frequently travel abroad⁴.

The mechanism for using a credit card is that the credit card holder pays with one of the existing merchants, after which the merchant acknowledges all transactions paid with the card. If all sales invoices (vouchers) are deemed valid and meet the agreed terms, the issuer will deduct the discount on the pre-agreed amount (3% -5%) prior to the sale. Pay all invoices you send. The cardholder can then pay a certain minimum amount on the total bill with interest. The minimum fee is usually set by the publisher. The issuer currently charges 3-5% interest on the invoice balance⁵.

Islamic banking has always had four main principles behind its banking network. In other words, a) banks other than usury and b) halal trade is not haram. c. Pleasure of the parties to the contract. d) Reliable, honest fund management and be responsible⁶.

¹ Erik Nugraha et al., "Maqashid Sharia Implementation in Indonesia and Bahrain," *Efisiensi: Jurnal Ekonomi* 19, no. 1 (2020): 155–68; Vladimir Novikov et al., "Islamic Banking in the Global Financial System: Current Situation and Global Environment," in *5th International Conference on Economics, Management, Law and Education (EMLLE 2019)* (Atlantis Press, 2020), 138–43; GAZI AMALIN, "The Legality of Cryptocurrency Trade in Accordance with the Principles of Islamic Banking Law," 2018; Fanny Arumsari, Dimas Bagus Wiranatakusuma, and Abu Umar Faiz Ahmad, "Building The Index Of Resilience For Islamic Banking In Indonesia: A Preliminary Research," *International Journal of Islamic Economics and Finance (IJIEF)* 1, no. 1 (2018): 77–108.

² H Herijanto, "The Rahmatan Lil Alamin in Islamic Law and Economics," *International Journal of Business Marketing and Management* 2, no. 1 (2017): 21–27; Retno Sayekti, "Applying the Concept of Rahmatan Lil Alamin in Publication: A Transdisciplinary Perspective on Scientific Publication Literacy and Practices in Indonesian Universities," *College & Research Libraries News* 82, no. 11 (2021): 513.

³ Jeremy M Sklaroff, "Smart Contracts and the Cost of Inflexibility," *U. Pa. L. Rev.* 166 (2017): 263.

⁴ Pambudi Wiyono and Reda Manthovani, "Nationalization as a Threat to the Economy Market in Visa and Mastercard Business in Indonesia," *Journal of Critical Reviews* 7, no. 1 (2019): 2020.

⁵ Deshen Wang, Bintong Chen, and Jing Chen, "Credit Card Fraud Detection Strategies with Consumer Incentives," *Omega* 88 (2019): 179–95; Ben Fung et al., "Merchant Acceptance of Cash and Credit Cards at the Point of Sale," *Journal of Payments Strategy & Systems* 12, no. 2 (2018): 150–65.

⁶ Jafri Khalil, "Prinsip Syariah Dalam Perbankan," *Jurnal Hukum Bisnis* 6, no. 2 (2017).

Based on the explanation above, there are several things that need to be discussed regarding credit cards. So, 1) What's the problem with your credit card? 2) How does a sharia card provide a solution to credit card problems?

Research Methods

This study uses library research methods. Data analysis used content analysis by tracking various literature sources which were then reduced, displayed and verified according to the data that the researcher wanted to explore.

Research Result

1. Credit Card Problems

Credit card is a payment method that can be used by consumers as a substitute for cash when exchanging goods and services at merchants that allow payment by credit card⁷. In the early 20th century, several gas stations companies and department stores in the United States introduced a type of shopping card that doubles as a membership card that we often encounter today, such as the Mata Hari Club Card and discount cards. Make consumers more loyal and manage consumer information better for marketing purposes.

In 1946, John Begins of Flatbush National Bank in Brooklyn introduced a credit payment system called the "Bill." The goal is to make it easier for consumers to transact between traders and also bank customers. Merchants must provide proof of transaction receipts that will be billed by the bank to customers using this "Charge It" feature. In 1949, a businessman named Frank McNamara, who was trying to pay for food at a famous restaurant, found himself leaving his wallet behind. As a result of this incident, he returned to the restaurant in 1950 with his partner Ralf Schneider with a unique debit card⁸. This is the pioneer of credit cards that we know today. And finally, credit cards began to be sold as a means of payment and an alternative to cash⁹. It was first issued by American Express, and Bank of America issued the Bank Americanad credit card in 1958¹⁰.

Credit card a card issued by a bank that allows the cardholder to meet his needs with a loan. English credit cards are called credit cards. In the big Indonesian dictionary, card means thick rectangular paper and credit is a loan¹¹. In the narrow Oxford dictionary, credit card means: A card issued by a bank or other entity that allows owners to cover

⁷ Rong Chen, Xiaobing Xu, and Hao Shen, "Go beyond Just Paying: Effects of Payment Method on Level of Construal," *Journal of Consumer Psychology* 27, no. 2 (2017): 207–17.

⁸ David S Evans and Richard Schmalensee, *Matchmakers: The New Economics of Multisided Platforms* (Harvard Business Review Press, 2016).

⁹ Muhammad Kholidin, "Kartu Kredit Perspektif Hukum Islam," *Surakarta: FAI*, 2003, 18.

¹⁰ Bernardo Batiz-Lazo and Gustavo A Del Angel, "The Ascent of Plastic Money: International Adoption of the Bank Credit Card, 1950–1975," *Business History Review* 92, no. 3 (2018): 509–33.

¹¹ "Kamus Besar Bahasa Indonesia," Badan Pengembangan dan Pembinaan Bahasa, 2016, [https://kbbi.kemdikbud.go.id/entri/kartu kredit](https://kbbi.kemdikbud.go.id/entri/kartu%20kredit).

their needs with loans¹². Credit limits usually depend on the cardholder's financial strength and the holder's trustworthiness. card. Upon receipt of the invoice, the cardholder must pay a fixed amount (minimum fee) and the remainder will pay the interest set by the issuer¹³.

In this credit card operating system, the parties are in one agreement. These parties are¹⁴:

- a. Card holder this means that the customer as a credit card holder has the name on the card and has the right to use it for various transactions.
- b. Trader namely, traders or service providers (such as places of purchase, hotels, recreation centers, restaurants, traders, and other service providers who have agreements with banks).
- c. Card Center namely the bank or financial institution that issues the credit card, or the institution that makes the payment.

According to Sharia teachings, the existence of a credit card causes several problems:

- a. Requirement containing usury. Issuance of credit cards usually requires payment of interest or penalties if the prospective card holder is late in paying the debt. The question is whether card transactions have an impact on those commitments.
- b. Late charge. Credit card issuers impose several penalties for late payment of debt or payment of funds withdrawn through the card. This late charge has the same meaning as usury (*an-nasi'ah*, which is prohibited by Shara and it is haram.
- c. Management fee. The deposit in this case is invalid because the withdrawal process is in the form of debt or loans from the cardholder or the bank that represents it. Therefore, the money taken in return includes a prohibited (haram) usury¹⁵.

2. Sharia Card as a Solution to Credit card Problems

With the breakthrough of traditional bank credit cards, Islamic Banks have been creatively involved in making Sharia Cards, which in Arabic are known as *Biṭṭaqab 'itiman*. In Arabic dictionaries, *Biṭṭaqab* means paper/card and *'itima* is security and mutual trust¹⁶. In Fiqh known as *Biṭṭaqabal Iqrad*. *Al-Iqrad* (loans) is a sharia-based debt system

¹² "Oxford Learner's Dictionary," Oxford University Press, 2022, <https://www.oxfordlearnersdictionaries.com/definition/english/credit-card?q=credit+card>.

¹³ Tariq Mahmood and Abdul Quddus Suhaib, "AN ANALYTICAL STUDY ON, ROLE OF CREDIT CARDS IN PRESENT ERA OF CONSUMERISM & ITS MERITS AND DEMERITS," *PalArch's Journal of Archaeology of Egypt/Egyptology* 18, no. 4 (2021): 3329–43; A Martina Franciska and S Sahayaselvi, "An Overview On Digital Payments," *International Journal of Research* 4, no. 13 (2017): 2101–11.

¹⁴ Darlene Godfrey-Welch et al., "Blockchain in Payment Card Systems," *SMU Data Science Review* 1, no. 1 (2018): 3.

¹⁵ Essia Ries Ahmed et al., "Proposed the Pricing Model as an Alternative Islamic Benchmark," *Benchmarking: An International Journal*, 2018.

¹⁶ Munawir Abdul Fatah and Adib Bisri, *Kamus Al-Bisri: Indonesia-Arab Arab-Indonesia* (Surabaya: Pustaka Progreassif, 1999).

from the application process to loan repayment¹⁷. The *Bi'atqabal Iqrad* product for Islamic banks is not only a means to increase market share and carry out financial transactions, but also as a means for Muslims to practice *ta'awun*¹⁸.

The first legal basis for issuing sharia cards was October 24, 2004 for commercial banks operating in accordance with the principles of Bank Indonesia Regulation No Sharia (Article 36 Letter m is a bank credit card business. It is stated that it is possible to carry out DSN-MUI/.V activities, which stipulates that the use of payment cards (a type of credit card) is sharia¹⁹. There are several Islamic banks that have issued Islamic cards. For example, Bank Danamon Syariah which launched the "Dimhamcard" product in 2007, and BNI Syariah which launched the "Hasanah Card" product on February 4, 2009.

In a decision at a Fiqh seminar in Bahrain in November 1998, cardholders were not required to have an account with a bank to issue a debit card, but were required to pay for a number of reported transactions. If payment is delayed, the card will be invalid and the membership period will expire. By law, the issuance of this card is allowed as long as there are no late fees. Modern scholars allow the term late payment, but late payments cannot be owned by the issuer and are recognized as social funds²⁰.

Modern Fiqh researchers have different rules for managing cash withdrawals. The researcher who allowed it believed it was just a salary, a reward for transferring client money from accounts to various places where the money was spent, and of course, necessary operating expenses. Therefore, of course we as Muslims are not allowed to use it. However, because it is used as a payment method for payment transactions, there is no need for a credit card and Sharia card products are issued. A sharia card is a card whose legal relationship between the parties applies like a credit card based on sharia principles²¹. As understood, this means that a Sharia card has three parties: the card center, the merchant, and the cardholder. In addition, you must pay membership fees, such as membership fees, when using the service (Membership fee, which includes the renewal of the cardholder's membership in exchange for a card license fee according to the agreement), merchant fee (Fees paid by merchants to card issuers for transactions using the card in return (أجرة) for brokerage services (سمسة), marketing (تسويق), and billing (تحصيل الدين)), cash withdrawal fees (Fee for use of premises for cash withdrawals (رسوم سحب النقود)), and the price of *Kafala* (Card issuers may charge cardholders a fee for delivery of *Kafala*).

¹⁷ Abdul Wahab Ibrahim Abu Sulaiman and Aidil Novia, *Banking Cards Syariah: Kartu Kredit Dan Debit Dalam Perspektif Fiqih* (RajaGrafindo Persada, 2006), 4; Dewi Amrom Musta'idah, "Religious Figure's Opinion on Debts in Arisan under Perspective Sharia Contract Law: Study in Wage Taman Sidoarjo" (Universitas Islam Negeri Maulana Malik Ibrahim, 2019).

¹⁸ Sukma Lesmana and Md Harashid Haron, "Maqasid Shariah Based Performance of Islamic Banks, Islamic Corporate Governance, and Contingency Theory: A Theoretical Framework," *International Journal of Accounting* 4, no. 24 (2019): 70–86.

¹⁹ (Nurlaela et al., 2020)

²⁰ M Irsyad, "Penerapan Model Almuqassah Sebagai Model Alternatif Kartu Kredit Syariah Di Indonesia," *SERAMBI: Jurnal Ekonomi Manajemen Dan Bisnis Islam* 2, no. 3 (September 26, 2020): 153–68, <https://doi.org/10.36407/serambi.v2i3.200>.

²¹ "Fatwa Dewan Syariah Nasional MUI Nomor 54/DSN-MUI/X/2006 Tentang Syariah Card" (2006).

Credit cards will be subject to late fees for cardholders who do not fulfill their obligations. The mechanism of the Sharia Card is not much different, but has a different form. Cardholders who are late in making payments will be charged a fee as compensation for the card issuer for late fees. This charge is known as *Ta'widh*. In addition to compensation costs, fines are imposed for late payments, namely for late payments of obligations which are all recorded as social funds²².

Sharia card has provisions that limit its mechanism and practice. The rules for restricting Sharia cards are as follows.

- a. Does not cause usury.
- b. Not used for events that are not in accordance with sharia.
- c. Above all, do not encourage excessive consumption (l) by setting a maximum consumption limit.
- d. Major cardholders must have the financial capacity to pay off on time.
- e. Does not offer facilities that are contrary to sharia²³.

Muhammad Ayub, quoted by Sutan Remy Shadin, demands that Islamic credit cards must meet the following requirements²⁴:

- a. An annual fee is charged for card issuance, which includes fees associated with issuing and using the card.
- b. Interest-free revolving credit facility.
- c. Credit cards give the cardholder the right to pay for goods or services purchased from merchants who accept payments from customers using a credit card up to the credit limit set by the card issuer.
- d. Emergency withdrawal limit.
- e. Percentage of fees for merchants who accept the card as a payment method.
- f. The cardholder pays the principal every month and the balance are due the following month without interest.
- g. Fines are imposed to prevent cardholder negligence and are used for charity.
- h. The cardholder must use the card for purposes not prohibited by sharia.

The legal basis for the Sharia card license is based on the following discussion.

- a. Al-Qur'an. Surah al-Ma'idah/5 Part 1, concerning the implementation of the contract. Al-Isra/17 paragraph 34 concerning the obligation to keep promises. Yusuf / 12 paragraph 72 guarantee; Al-Ma'idah's Commandment to Assist Virtue and Dedication/5 verse 2; Al-Furqan/25 concerning the Prohibition of Consuming Excess Assets 67. Al-Isra/17 concerning verses 26-27 concerning the Prohibition of

²² Fatwa Dewan Syariah Nasional MUI Nomor 54/DSN-MUI/X/2006 Tentang Syariah Card.

²³ Fatwa Dewan Syariah Nasional MUI Nomor 54/DSN-MUI/X/2006 Tentang Syariah Card.

²⁴ Sutan Remy Sjahdeini, *Perbankan Syariah: Produk-Produk dan Aspek-Aspek Hukumnya* (Kencana, 2018), 404.

Wasting Excess Assets. Al-Qasas/ 28:26, Al-Baqarah on the prohibition of usury/2/275.

- b. Al-Hadith: Tirmidzi narration from 'Amr bin Auf al-Muzani about the agreement; the narration of Ibn Majah, al-Daruquthni, and others from Abu Sa'id al-Khudri regarding the prohibition of harming oneself and others; al-Bukhari's narration from Salamah al-Akwa' regarding debt guarantees; the narrations of Abu Dawud, Tirmidzi, and Ibn Hibban from Abu Umamah al-Bahili, Anas bin Malik, and Abdullah bin Abbas about the guarantor of the debt; Abu Dawud's narration from Sa'id bin Abi Waqqash regarding the leasing of land; the history of Abd al-Razzaq from Abu Hurairah and Abu Sa'id al-Khudri regarding *ijarah*; Muslim narration from Abu Hurairah about helping people who are in trouble; the history of the Muslims regarding the prohibition on delaying debt payments when they can afford it; narrated by Nasa'i, Abu Dawud, Ibn Majah, and Ahmad from Shuraib bin Suwaid regarding sanctions for borrowers who delay paying debts when they can afford it; and the narration of Bukhari from Abu Hurairah regarding the suggestion to hasten the payment of debts.

- c. The principles of Fiqh and scientific opinion relate to *Kafala*, *Qardh*, and *Ibara*.

As a payment method using a card, the Sharia Card uses Sharia principles in its agreement. The Sharia Card clearly states the following agreement:

- a. *Kafalah*; in this case the Card Issuer is the guarantor for the cardholder against the Merchant for all payment obligations arising from transactions between the cardholder and the Merchant, and/or cash withdrawals from other than banks or the Card Issuer's bank ATM. For the gift of *Kafalah*, the card issuer can receive a fee.
- b. *Qardh*. In this case the card issuer is the lender to the cardholder through the card issuing bank or cash withdrawal from the bank's ATM.
- c. *Ijarah*. In this case, the card issuer is a provider of payment system services and services to cardholders. In this *Ibara*, cardholders are charged a membership fee.
- d. Loan is a contract that focuses on help or the attitude of *ta'awun*, then the reward is the reward of Allah SWT. One of the principles behind the agreement is the principle of *ta'awun* (mutual benefit). All agreements must benefit both parties. *Tabarru'* contract is a type of agreement related to non-profit transactions. This transaction is not basically a profit seeking transaction. Agreements that emphasize the principle of gotong royong do not prioritize profit. Good deeds only wait for an answer from Allah. An example of a *tabarru'* contract is a *qardh* contract. According to the provisions of the Fiqh experts, *al-qardh* will give property to others to be returned at no additional cost. *Al Qardh* (loan) is legal and justified according to sharia law.
- e. The *Al Qardh* Islamic Bank application is a *Haji bailout* loan, cash loan for sharia credit card products, loans for small businesses and as loans for bank administrators.

3. Islamic Credit card Agreement and its Application

In the DSN-MUI FatwaNo.54 / DSN-MUI / X / 2006 sharia card a card that acts like a credit card with a legal relationship (with the existing system) between the parties

according to sharia principles²⁵, Use there are three types of agreements: *Kafalah*, *qardh* and *ijarah*. The *dhaman* agreement is also referred to as a credit card and is reflected in the relationship and obligations of the banker in the obligations of the cardholder and merchant²⁶. The Hanafi school considers *dhaman* as part of the *Kafalah* contract. The creditor represents the cardholder when paying for the amount of purchases made with the card and the merchant when using the card when withdrawing the amount paid for the transaction. This leads to *wakalah* agreements for Islamic credit card transactions²⁷. Wahbah al-Zuhaili argues that the contracts included in the bank card contract are *hawalah* or *wakalah* contracts that use payment and reject the *Kafalah* or *dhaman* contracts²⁸. In the other hand, when a credit card holder makes a transaction with a merchant, a sales contract (*al-Bai'*) appears, which the card issuer pays as guarantor. These agreements are described as follows:

a. *Kafalah/Daman*.

Kafalah a warranty agreement. Guarantor is called *kafil* and guarantor *makful*²⁹. There are two types of dependents: dependents with self-assurance (*an-Nafs*) and property guarantors³⁰. Submit *Kafalah* with a credit card if the card issuer acts as a guarantor of the cardholder (*kafil*) to the merchant for all payment obligations arising from transactions between the cardholder and the merchant (days)³¹. The Shafi'i school explains that if *dhamaan* asks for payment, it is not allowed. Ibn al Qasim said: As for Abu Bakr al-Mundzir, "The scholars we follow agree that the *dhaman* should not pay the fees charged by the party responsible for it³².

b. *Qardh*

Qard also called credit, it means borrowing money or goods based on trust³³. In this case the card issuer is the lender (*muqridh*) to the cardholder (*muqtaridh*) through cash withdrawals from the card issuing bank or ATM. Card issuers can accept cash withdrawal fees (*rusum sabb al-nuqud*). Fuqaha argue that *qardh/iqrad* is obligatory if the borrower does not use it due to disobedience, and in an emergency³⁴.

²⁵ Fatwa Dewan Syariah Nasional MUI Nomor 54/DSN-MUI/X/2006 Tentang Syariah Card.

²⁶ Sulaiman and Novia, *Banking Cards Syariah: Kartu Kredit Dan Debit Dalam Perspektif Fiqih*, 151.

²⁷ Bakar Mustapha Binawa, "Parties in Credit Card Transactions" (Department Of Islamic Law, Faculty Of Law, University Of Ilorin, Ilorin, 2017).

²⁸ Nurlaela et al., "Reviewing the Fatwas Related to Fintech Applications in Islamic Financial Institutions in Indonesia."

²⁹ Sjahdeini, *Perbankan Syariah: Produk-Produk Dan Aspek-Aspek Hukumnya*, 87.

³⁰ Ibnu Rusyd, "Bidayatul Mujtahid, Terj," *Abdurrahman Dan Haris Abdullah, Jilid 3* (2007): 251.

³¹ Md Jalil, "Islamic Credit Card: Structures & Issues with Special Focus on Khidmah Card of IBBL," *Journal of Islamic Economics, Banking, and Finance* 13, no. 2 (2017).

³² Hayatul Millah, "Contracts (Akad) in Syari'ah Banking," *Iqtishodiyah: Jurnal Ekonomi Dan Bisnis Islam* 5, no. 1 (2019).

³³ Nor Razinah Mohd Zain and Engku Rabiah Adawiah Engku Ali, "An Analysis on Islamic Social Finance for Protection and Preservation of Maqāṣid Al-Shari'ah," *Journal of Islamic Finance* 176, no. 5872 (2017): 1–9.

³⁴ Abul Abbas Ali bin Hajar Al-Haitami, *Hawasyi Tuhfatul Muhtaj Syarah Minhaj*, 5th ed. (Matba'ah Musthofa Muhammad, n.d.), 36.

Qardh this is basically a voluntary loan that cannot be expected to return, but today *qardh* is a profitable form of investment because it takes advantage of the habits and needs of many people.

c. *Ijarah*

Ijarah is an agreement to transfer the right to use goods or services by paying rent without transferring ownership of the goods themselves (ownership/milk)³⁵. In this case, the card issuer is a payment system service provider cardholders and service providers. In this case, the cardholder will be charged a membership fee which includes an extension of the cardholder's membership term, in exchange for a license to use the card. This fee is based on the contract.

d. *Al-Bai'*

Al-bai' is a sales contract that can be made in cash or in arrears. This agreement exists with credit cards because the original purpose of a credit card was to facilitate the buying and selling of the cardholder. *Al-bai'* contract is displayed when a sale and purchase transaction occur between the credit card holder and the seller.

e. *Wakalah*

Wakalah (Authorization Agreement) or power of attorney is the issuance of submission, power of attorney, or power of attorney. Islam prescribes *al-wakalah* because humans need it. This concept of using a credit card represents the borrowing of cash in the buying and selling of card issuers. Also, if the cardholder allows the bank to represent the settlement of existing debts using the card.

f. *Hiwalah*

Hiwalah/wakalah means the transfer of debt repayment. Hadith of the Prophet SAW: Meaning: "Delaying legal payments made by rich people is an act of injustice. If one of you is transferred to a person who is easy to pay his debts, then let him switch (accept the transfer)." (Narrated by Bukhari and Muslim).

Hiwalah Occurs when a cardholder owes a debt to a merchant as a result of a transaction or purchase of goods or services and the merchant debits the bank. Therefore, as a continuation of the *wakalah* agreement, the bank is obliged to pay the merchant an invoice on behalf of the customer.³⁶ The debt can be transferred from the cardholder to the card issuer through *hiwalah* transactions.

The terms of *Ta'widh* and late fees for Sharia cards are as follows:

- a. *Ta'widh*. The card issuer may charge a *ta'widh* fee. Represents compensation for costs incurred by the card issuer due to the cardholder's delay in fulfilling his obligations.
- b. Late payment. The card issuer can impose a fine that is fully recognized as a social fund.

From several existing references, according to the author of the fatwa compiled by DSN-MUI No. 54/DSN-MUI/X/2006 is correct by mentioning 3 contracts in the

³⁵ Nurul Hikmah, "Problems in the Status of Object Ownership of *Ijarah Muntahiyah Bittamlik* Financing Contract in Sharia Banking Law," *J. Priv. & Com. L.* 3 (2019): 20.

³⁶<http://www.carikredit.com/berita/detail/28/08/2013/1678/mengenal-akad-kartu-kredit-syariah/>

sharia card, these contracts are related to the relationship between the Card Issuer and the Cardholder. As for the al-bai', wakalah and hiwalah contracts, it is more directed to the relationship between the Card Issuer and the merchant, but it might be better if the DSN-MUI fatwa explains in detail the types of contracts that will or may arise in transactions using sharia cards. Because the DSN-MUI fatwas, directly or indirectly, will become a reference for the Muslim community in studying legal provisions, especially regarding sharia products or contracts.

Debit cards also have the ability to facilitate transactions, so if a customer has unpaid funds in their account, develop a debit card. The Sharia Credit card Agreement states: "If the credit card is used in a way that is contrary to Sharia principles, all agreements relating to the issuance of the credit card will be void and the bank is not responsible to the customer concerned.

Islamic banks need to be more careful in offering sharia card features to their customers. This not only makes it easier for customers to shop, but makes them profitable and indifferent to the attitudes of their potential consumers (commodities).

Conclusion

Credit card used in conventional banking is a card that functions as a means of payment for the sale and purchase of goods or services, where the repayment or payment can be made at once or in installments of a certain minimum amount which is unlawful, and to avoid this, a Sharia Card is issued which uses Islamic principles in it. For this reason, the Sharia Card has several provisions, such as not incurring usury, not being used for transaction that are not in accordance with Sharia, not encouraging excessive spending. The main card holder must have the financial ability to pay off on time, and not provide facilities that are contrary to Sharia.

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