INDONESIAN SCIENTIFIC JOURNAL OF ISLAMIC FINANCE

Volume 2, Number 2, June 2024, pp. 152-166
ISSN Print: 2964-5263 | ISSN Online: 2962-0937
Homepage: https://journal.uinsi.ac.id/index.php/INASJIF/index
Email: inasjifuinsi@gmail.com

INTEREST AND PROFITSHARING INSTRUMENTS IN THE BANKING WORLD

Zufikar Hasan
Sekolah Tinggi Agama Islam Negeri Bengkalis, Riau
zulfikarhasan61@gmail.com

Erik Susanto
Sekolah Tinggi Agama Islam Negeri Bengkalis, Riau
eriksusanto2414@gmail.com

Article History

Received:
28th of February 2024

Accepted:
15th of April 2024

Published:
20th of June 2024

Abstract

This article attempts to examine the concept of interest instruments in conventional banking and profit-sharing instruments in Islamic banking and their implications for investment and financing for customers according to the perspective of the principle of justice in Islamic economics. This study uses the research library method, and the researcher analyzes relevant secondary data related to this discussion. Data was sourced from journals, books, and other reading materials. This study uses a phenomenological approach to describe the overall problem of the people who experience it directly, in this case, the bank and the customer. The results of the study show that interest instruments at conventional banks tend to be more unfair because the interest system at traditional banks does not see profit and loss from the business being run. Dangerous for the culprit. Meanwhile, profit-sharing instruments at Islamic banks are based on the profit and loss of the company run by the bank and customers, which are considered fairer. Even so, Islamic banks still have an expected bank rate of standard profit expectations for the bank's business to support sound financial performance.

Keywords: *Interest, Profit Sharing, Banking World*

A. INTRODUCTION

Interest is the main instrument of conventional banks. Investment and financing cooperation in traditional banks is always measured by how much interest is offered by banks to investors. The greater the interest in savings and deposit products, the greater the public's interest in becoming bank customers or investors (Hasan & Azli, 2022).

The lower the interest on financing and credit products, the greater the public's interest in applying for funding and credit from conventional banks. Offers are tempting to the public, so they are in debt without realizing it. The interest system is very simple and is easily understood by the community. So, the logic of interest is seen as simpler and more practical than the logic for results. Only now, the interest system still dominates the financing carried out by banks, cooperatives, insurance and other financing companies, so it is not luck that is obtained but losses and difficulties that are accepted by the community (Rejeb et al., 2021).

The law of interest in Islam is haram. That was stated, among others, by Ahmad Ad-Daur in his book. He said that bank interest, whether low or multiplied, is unlawful. In Islam, there is no specified type of large and small usury. The bottom line is that usury is haram (Fauziah & Nurhasanah, 2020). Understanding usury and its dangers must be a principle of life for every Muslim. The wisdom of the prohibition of usury is a form of fair equality between property owners and business owners. The impact of usury on the national economy has begun to be felt. The interest system is increasingly stifling and squeezing people's lives. Most Indonesian people are trapped by debt bondage, and the economy is in a downturn (Lukman Hakim, 2016). Extreme inflation has occurred in the past two years (2015-2016), the rupiah exchange rate is very low, people's purchasing power is declining, and the number of unemployed and the poor continues to increase (Rosyidi, 2018).

Therefore, profit-sharing instruments must be the main alternative for creating healthy and fair investments free from usury, *gharar* and *maisir*. Islamic banking and financial institutions have been operating according to sharia principles using a profit-sharing system (Suzuki, 2013). The profit-sharing guide is used in muḍārabah and mushārakah contracts. The profit-sharing regulation automatically replaces the interest system (Soemitra et al., 2021).

Bank interest is one of the main sources of income for banks. By providing loans to customers at a higher interest rate than the interest that must be paid to customers who save, banks can generate profits. This profit is used for bank operations and provides profits to shareholders. The benefits of saving at the bank are numerous. Currently, with advanced banking technology, almost all transactions can be integrated with a bank account. Therefore, saving at the bank can be a good choice to support financial activities.

The Sharia Banking Act, No. 21 of 2008, stated that Islamic banking is a bank that operates based on sharia principles. Among the sharia principles are profit sharing and empowering the weak and underprivileged following democratic directions. Profit sharing is expected to create healthy and fair investments and can encourage national economic equality in the long term (Wijayanti et al., 2017). However, in reality, people still use conventional banks in their transactions, arguing that the interest offered by traditional banks is very tempting, without realizing how dangerous the impact of usury is for them. Based on this rationality, this article wants to discuss bank interest instruments and profit sharing in the world of banking, both conventional banks and Islamic banks (Hasan et al., 2021).

B. LITERATURE REVIEW

The classical theory of interest, the first theory, says that interest is compensation given by the debtor to the owner of the money as a profit from the money borrowed. They think the owner of the funds should naturally benefit because he has saved his money. Adam Smith and Ricardo conveyed this opinion. This theory says that interest is given because of the act of holding back passion. That means that the person giving the debt has restrained himself from consuming or producing (Dinesh, 2018). The profit-sharing system is a special feature of Islamic banks. The profit-sharing system in Islamic finance is usually used for muḍārabah and mushārakah contracts. The profit-sharing system provides competitive advantages for customers and banks and can improve bank financial efficiency (Kurniawati et al., 2021).

Revenue sharing, in language revenue, means income, income, or income. In banking terms, revenue sharing means sharing results from income without being deducted by costs, and revenue is divided from gross profit (gross profit) (Hachicha & Ben Amar, 2015). The gross profit in this method only applies to business managers, while Islamic banks get a ratio from gross profit to net profit. Profit and loss sharing is a calculation system that takes profits from total revenue minus capital and costs. So the profit on profit and loss sharing is a net profit (net profit). In other terms, profit and loss sharing is the calculation of profit sharing based on the net result of total revenue after deducting the costs incurred to obtain that income (Pudelko, 2016).

Revenue sharing, in language revenue, means income, income, or income. In banking terms, revenue sharing means sharing results from income without being deducted by costs, and revenue is divided from gross profit (gross profit). The gross profit in this method only applies to business managers, while Islamic banks get a ratio from gross profit to net profit (Fahmi, 2019). For example, when there is a mushārakah contract collaboration between Islamic bank A and a customer, both parties first find out the total amount of business capital. For example, the real money or requirement is Rp. 100,000,000, -, the customer only has Rp. 60,000,000, - (60%), he needs the remaining lack of funds of Rp. 40,000,000 (40%), then Islamic banks provide financing of Rp. 40,000,000, - (40%), then they agree to set a profit-sharing ratio. The agreed profit sharing percentage is that the customer gets 50%: 50%. Then, after the business has been running for one month, the company benefits from total revenue of 10% (Rp. 10,000,000.-), and then the profit is divided into Rp. 5,000,000,- for customers and Rp. 5,000,000 - for Islamic banks. Profits obtained by Islamic banks are net without deducting costs, while customer profits are gross due to deducting costs. In the revenue-sharing method, the surplus funds benefit more than the minus funds.

In this model, the position of Islamic banks is almost similar to that of conventional banks because they are passive who always want to make a profit. At the practical level, customers receiving financing facilities must always provide profit sharing, even though their business is at a loss (Salman et al., 2018). Profit and loss sharing is a calculation system that takes profits from total revenue minus capital and costs. So the profit on profit and loss sharing is a net profit (net profit). Profit and loss sharing is etymologically defined as profit. In Islamic banking terms, it means profit sharing (Yin & Mahrous, 2022), (Abdalla Ahmed, 2008).

Comparison of Revenue Sharing and Profit and Loss Sharing as follows (Pudelko, 2016):

1. Revenue Sharing
   a. Revenue that will be shared is gross income without having to calculate the costs incurred in business activities.
   b. The business manager will bear these costs as muḍorid
   c. Profit ratio received by Islamic bank's net profit. At the same time, the profit ratio for muḍārib is gross because it has to be deducted from costs.
   d. The simulation is for the concept of financing, while the opposite occurs for the idea of funding.
2. Profit and Loss Sharing
   a. Revenue to be distributed net income after deducting the total cost from total revenue (Istiqamah & Supriyanto, 2017).
   b. Operational costs will be charged to business capital or business income, meaning that the costs will be borne by ṣaḥib al-mal.
   c. Distribution of profits in this method provides assurance of fairness and healthy cooperation between Islamic banks and customers receiving financing facilities.
   d. It is very unfortunate that until now, every Islamic bank has yet to apply this method until now. Even though for *syirkah* collaboration, both muḍārabah and mushārakah, the profit and loss sharing method should be used (Afif Muamar dan Ari Salman Alparisi, 2017), (Schoon Natalie, 2016).

That follows what is explained in the Qur'an, Surah Al-Baqarah Verse 275, where Allah S.W.T. forbid all forms of transactions that contain elements of *ribawi. B*ecause these elements do not bring benefits and can only harm, they must be avoided as early as possible. In Islamic banking, you may often hear the term profit sharing or what is more commonly known as profit and loss sharing or revenue sharing (Orhan, 2018).

The legality of Profit and loss sharing and Revenue Sharing Based on the arguments and after examining them, the DSN stipulates a fatwa regarding the distribution of business results27 in LKS LKS may use revenue sharing principles and profit and loss sharing. They share business results with partners (customers) following the contract agreed upon by both parties or more. If one person determines the business profit-sharing pattern to be used, the other party must also agree to the stipulation (Wady & Kurniawan, 2018). The two systems are permissible by seeing that neither the principles of revenue sharing nor profit and loss sharing has found any textual arguments that forbid or prohibit these principles (Akhter, 2015).

In fact, the ban on bank interest itself has become an issue containing controversy. Some opinions that differ from each other are as follows: First, interest is collected for production or efforts to generate profits, then charging interest on the loan is reasonable and permissible. The second opinion says that what is meant by interest is a multiple levy, which involves extortion. This kind of flower is prohibited. The third opinion states that bank interest is called "interest" or rent, which is not the same as "usury" or usury, namely interest collected from individual loans, not through financial institutions, such as interest, therefore bank interest is not prohibited, whereas what is prohibited is is saving money (Usman, 2017).

Regarding benefits, the distribution of business results should be based on revenue sharing. The distribution of business results should be based on revenue sharing, which will provide convenience for both parties in the distribution of business results. The focus of revenue sharing or profit sharing is included in *muamalah*. In fiqh rules, all *muamalah* are permissible unless an argument forbids revenue sharing and profit and loss sharing. Then these two principles may be used in LKS. Determination of the principle of sharing the selected business results must be agreed upon in the contract (Wady & Kurniawan, 2018).

Revenue in Islamic banking is the result received by the bank from channelling funds (investments) into productive assets, namely placing bank funds on other parties. That is the difference or excess of productive assets resulting from bank receipts. Revenue, in the sense of conventional banking, is the amount of bank interest income received from channelling funds or services on loans or deposits provided by banks (Field, 2017).

C. RESEARCH METHODOLOGY

The research method that researchers use is a literature study. A literature study is a series of activities related to collecting library data, reading and taking notes, and managing research materials. The literature study research method is used to solve problems by tracing written sources that have been made before (Soemitra et al., 2021). As the name suggests, the literature review using this method is carried out systematically or sequentially from the most basic to the most complex. For example, starting from collecting literature first, then reading and evaluating. Indeed, the stages are long and take more time. However, with this method the process of reviewing a scientific work becomes more accurate and detailed. Carrying out scientific writing using this method helps to obtain a theoretical basis that is in-depth and diverse as well as high quality. Its sequential nature makes it easy to do and understand.

The purpose of the research is: the researcher is looking for information relevant to the problem under study. Researchers examine several basic theories pertinent to the situation to be studied. To make theoretical and empirical descriptions related to factors, indicators, variables and research parameters that are reflected in the issues to be solved. Researchers deepen their knowledge about the problem and the field to be studied. The researcher reviews previous research that has something to do with the research that will be carried out. Researchers get information about aspects of a problem that has been studied to avoid not researching the same thing (Ikra et al., 2021).

There are three important processes in literature study, namely: Editing: this process requires researchers to re-examine the data obtained, especially in terms of completeness, clarity of meaning, and harmony of purpose between one and another. Organizing: This process requires researchers to organize the data obtained with the already needed framework (Boğan & Sarıışık, 2019).

D. RESULT AND DISCUSSION

Banking is a business entity that operates in the field of buying and selling money. In order to survive and develop, banks buy funds or money from the public and/or other parties, for example from Bank Indonesia which is called Liquidity Credit. What this means is that people who save funds and Bank Indonesia will be given compensation for the use of these funds, which is called interest. To be able to pay remuneration or interest paid to depositors, the bank will also lend these funds in the form of credit to people who need additional business capital (not initial capital) for investment, working capital or trading. For the business profits obtained by the debtor by using or utilizing credit from the bank, the debtor shows commendable action by providing remuneration or interest for the use of these funds to the bank concerned.

Based on Law No. 21 of 2008 concerning Banking Sharia, banks are business entities that collect funds from the public in the form of savings and distribute them to the public in the form of credit and/or other forms in order to improve people's living standards. In line with this understanding, according to Muhammad (2005: 1-2) banks are financial intermediary institutions or what are usually called financial intermediaries. This means that a banking institution is an institution whose activities are related to money matters. Therefore, banking business will always be associated with the issue of money which is the main means of facilitating trade. Activities and Bank business will always be related to commodities, including: moving money; receive and pay back money in a checking account, discount bills of exchange, orders or other securities; selling and buying letters valuable; buy a bank guarantee.

Based on these two limitations, according to Purwaatmaja, K., (1993: 11) the definition of interest is a fee charged to the borrower of money or a reward given for depositing money whose amount has been determined in advance, usually determined in the form of a percentage (%) and continues to be charged as long as there are remaining savings/loans so that it is not only limited to the contract period. Meanwhile, the profit sharing system is a system that includes procedures for sharing business results between fund providers and fund managers, which occurs between banks and depositors of funds, as well as between banks and customers who receive funds. Forms of service based on this basic concept are mudharabah and musyarakah (Sumitro, 2004: 92).

This polemic (pros and cons) has been circulating among good scholars textual scholars and contextual scholars. This cannot be separated from the basic issues of Islamic law in the field of mu'amalah, which are regulated by sharia texts only in general (global) terms, not explained in detail, in contrast to issues of worship and aqidah which are very interpretive. In relation to bank interest law, the core issue is the differences between scholars in determining the legal law regarding usury. There are those who use the illat "ziyadah" (addition) and other scholars use the illat "Dzulm" (detriment). Determining the legal illat of bank interest has resulted in two groups of scholars who pay close attention to the status of bank interest, namely the Neo-Revivalism and Modernist groups. Neo-Revivalism is a movement of thought that applies Islamic teachings to all life, as proof that Islam is higher and universal than Western teachings. Neo-Revivalism tends to be textual in looking at the issue of riba (bank interest) from a literal perspective, without looking at what was practiced in the pre-Islamic period (Nurhadi, 2017).

The use of percentages in terms of obligations to make payments is always avoided, because the percentage is attached to the remaining debt even though the agreement has expired. The percentage system allows higher interest charges, which if the customer is late in paying the interest will double. Especially if the customer is unable to return it The loan is due to some reason, the customer is continuously burdened with interest which in the end can result in the amount of interest being much greater than the principal amount of the loan. The result of applying interest based on a percentage like this clearly has the same purpose as compound interest, because any interest that is due and the customer is no longer able to pay it, is counted as part of the debt which is automatically and continuously subject to interest. This really ensnares borrowers whose economic position is generally weaker.

Bank interest and usury both have additional meaning (taking excess). The difference is that usury is a system of doubling money but tends to be for personal needs and illegal according to law, such as loan sharks (enriching oneself). Meanwhile, the bank interest system is to help the community (help each other) then the profits are divided (share the result of cooperation / musyarakah) by its members (customers) and is valid according to law (legal). The bank law of two schools of thought, namely contextual and contextual, then bank interest is haram, equal with usury, this is according to textual understanding (Neo-Revivalism) while Modernists (contextual) state that bank interest is halal, unless the interest is doubled. These two opinions have different approaches to the meaning of bank interest and usury (Nurhadi, 2017).

Comparison of the Interest System with the Profit Sharing System

a. Interest system
   1. The interest to be given is determined at the beginning assuming it is always in debt.
   2. The amount of interest percentage is based on the amount of money lent by the bank to customers.
   3. Interest payments are fixed regardless of whether the business run by the bank is profitable or losing.
   4. The interest payments will remain the same even though the business profit increases and profits many times due to very good economic conditions.
   5. Interest is an unlawful act of usury and is also prohibited by any religion.
   6. Interest contain elements of tyranny that harm others.
   7. Interest makes the economy dominated by people with only strong capital, so the poor will get poorer and widen the gap between the rich and the poor.

b. Profit sharing
   1. The profit-sharing ratio is determined at the outset with the assumption of a possible profit or loss.
   2. The profit-sharing ratio is based on the profit earned.
   3. The profit-sharing ratio given is based on the business profits obtained. If the business loses, then the losses will be shared.
   4. The amount of profit sharing also increases if the profit of a business also increases.
   5. Profit sharing is a halal instrument used for syirkah collaboration, both muḍārabah and mushārakah.
   6. Profit sharing contains elements of justice that are reassuring and prosperous.
   7. Profit sharing can encourage national economic equality so that the involvement of the poor in the economic cycle is very significant.
   8. Profit sharing will also penetrate the real sector so that it will have an impact on increasing gross domestic product.

c. Revenue Sharing and Profit and Loss Sharing
   1. Revenue Sharing. Revenue sharing is profit sharing based on income with the formula of total revenue minus total capital. The result is profit which is then shared based on the agreed ratio in the contract agreement. The revenue sharing calculation system using the revenue sharing method has two weaknesses :
      a) Profit sharing of the revenue-sharing model will always provide definite benefits for customers who invest in Islamic banks using savings products and deposits. Because the bank always has income. So customers who invest will always be guaranteed a profit even though the amount varies based on bank income that month. In financing contracts, this model tends to harm customers because the bank must always get profit sharing from the muḍārib (business manager) even though the business it runs suffers losses. The bank does not want to know about the customer's business condition.
      b) Revenue sharing has received a lot of harsh criticism from customers seeking financing facilities because this model tends to be unjust and sometimes exploits customers. Islamic banks do not require business financial reports from financing customers in this model. Islamic banks are always in the position of sleeping partners, so the relationship between Islamic banks and customers is still like a debt-receivable relationship.
   2. Profit and Loss Sharing. Profit and loss sharing is profit sharing based on net profit. The profit formula is the total income minus the total capital and costs so that the profit

determined is a net profit. The profit-and-loss-sharing method has many advantages over the revenue-sharing way. But not a single Islamic bank uses this method for the following reasons:

a) The profit and loss sharing method is difficult to apply to Islamic banks because it is difficult for banks to obtain financial reports from honest customers.
b) The profit and loss sharing method has a great potential for moral hazard to arise. Most likely, the customer (business manager) will need to provide correct information regarding his business. It may be that the business is profitable, but because the muḍarib wants a bigger profit, he hides this profit. And this is very detrimental to Islamic banks. So, moral hazard has the effect of weakening accountability and decreasing competitiveness. Actually, there are two things that the banking industry is most afraid of, which are caused by unclear financial information. The first is adverse selection, and the second is moral hazard. Adverse selection is a deviation made before a transaction, while moral hazard is a deviation caused after a transaction. But in principle, the method of profit and loss sharing can be applied by Islamic banking by really paying attention to the problems that arise later. Regarding the costs used to obtain a profit, they can be predicted and limited. Islamic banks shouldn't accept the cooperation offer if a business requires high-profit costs.
c) Theoretically, profit sharing and risk principles are the core or main characteristics of Islamic banking activities. However, in financing activities for results and risks, *musyarakah* and *mudharabah* products are less desirable in financing activities.

3. Reasons for Islamic banking using the Revenue Sharing Method
   a) Revenue sharing is a form of Islamic bank protection against the bank's financial performance because the funds collected by Islamic banks are very large. So various ways are carried out to maintain customer money security and ensure certainty of increasing profits so that Islamic banks can provide profit-sharing ratios. That is suitable for customers in the funding system, those using investment savings and deposit products and customers who can also finance their operational activities and prosper their employees.
   b) Islamic bank customers need more time to be ready to share risks. For this reason, the revenue-sharing model that guarantees profits is in great demand by the public. If Islamic banks implement profit sharing using the profit and loss sharing method,

customers must be prepared to share risks when businesses run by Islamic banks experience losses.

c) The difficulty of implementing profit and loss sharing with various kinds of obstacles, especially financial reports that can be accounted for from customers receiving financing facilities.

d) The revenue sharing method is seen as easier and simpler for the *syirkah* collaboration model.

4. Comparison of the Interest System with Revenue Sharing and Profit and Loss Sharing
   a) The profit-sharing system using revenue sharing and profit and loss sharing is the best tool that is free from usury and is *syar'i* lawful.
   b) The profit-sharing system offered to customers also ensures a return on investment in the prevailing *mudarabah* savings and time deposits.
   c) The profit-sharing system is also believed to withstand the pressure of the monetary crisis so that investment is guaranteed to be safe.
   d) The profit-sharing system has lasted more than sixteen years in Islamic banking in Indonesia
   e) The profit sharing system is implemented in musyarakah and mudarabah contracts both in funding and financing.
   f) The profit-sharing system still uses the ratio, not the nominal number of figures determined at the beginning of the contract.
   g) Although in practice, the profit-sharing system must also be continuously evaluated for sharia compliance.

The profit and loss sharing method can be applied in the right and appropriate stages. For example:

1. Islamic banks make a scheduled time for testing the application of this method by considering the response and the right time according to the market.
2. The steps that Islamic banks must take:
   a) Create a concept for calculating profit sharing using the profit and loss sharing method, which is strengthened by *syar'i* arguments from the Al-Qur'an and As-Sunnah, and complemented by the opinions of scholars, both classical and contemporary scholars.
   b) Thoroughly promote and educate the public on profit and loss-sharing methods.
   c) Explain the advantages of the profit and loss sharing method compared to the revenue sharing method in detail by comparing the fairness side.

d) Make more stringent requirements regarding the financing mechanism with a profit and loss sharing system to avoid moral hazard.
e) Islamic banks must appoint an Islamic economics team to assist entrepreneurs who transact with this system until they understand.

The first difference is interest. Of course, it is always profitable, and for-profit sharing can be beneficial, and it can also be a loss. For the interest system, it is natural that it will always be advantageous for the bank because if the customer makes a transaction with a delay, the customer will automatically get a fine, namely an additional fee or interest paid to the bank. Meanwhile, for profit sharing, previously carried out business activities such as buying and selling, leasing, etc. It is said that there can be profits and losses because we cannot ensure that these transaction activities can always benefit and are following the agreement at the beginning of the contract.

The difference that many people are confused about is the system of haram interest and halal profit sharing. That means that for the interest system, everyone is still in doubt because the interest system itself takes profits that could be large, and what is commonly called usury is, of course, clearly forbidden for religion. In contrast to profit sharing, where profits are still made through various business transactions and, of course, not taking too large a profit, it is guaranteed to be halal for all religions. The other difference is that the interest presentation is based on a principal loan. The transactions made are known from the start for the amount of interest and should have been borne. If a late payment is made from a predetermined due date, it will automatically be subject to interest, and the nominal interest can be increased. Profit sharing is taken according to the agreed ratio at the beginning of the contract from the customer's financing and is not subject to any deductions.

The elimination of usury in Islam is not an isolated recommendation. It is a part of moral and social philosophy, even an integral part of an integrated and interconnected set of values. Therefore, the problem is not only limited to eliminating usury from the conventional system, but how to introduce a new system.

Efforts to encourage the development of sharia banking are carried out by taking into account that some Indonesian Muslim communities are currently looking forward to a new system of banking, namely a new system of banking, namely a new system of Islamic banking whose operations are carried out in accordance with sharia principles, which are sound and trustworthy. to accommodate their needs for banking services. As an alternative bank that is eagerly awaited by Muslims, it should not only be a change of name label, but it must be a banking that is truly free from ribawi banking system or interest banking system, in which there is an Islamic economic, moral and social philosophy as expressed by Umer Chapra above (Usman, 2017).

Table 1. The Difference Between Interest and Profit Sharing

Interest	Profit Sharing
In interest, the interest rate is determined in the initial agreement with the guideline that it must always be profitablae (Dana et al., 2018).	For the results of determining the amount of the ratio is made with profit and loss guidelines
Fixed interest payments as promised at the beginning without considering whether the project carried out by the customer gains or loses.	Profit-sharing payments depend on the profits of the project being run.
Interest payments will remain the same even if the amount of profit earned by the bank has increased many times.	Profit sharing from profit sharing will increase according to the increase in the amount of income
In the application of profit-sharing with an interesting system, many people often criticize it because it is considered to be using a usury system.	A profit-sharing system whose existence tends to be more acceptable to the people of Indonesia.

E. CONCLUSION

The interest system in conventional banks has implications for investment and financing cooperation that is unfair and unhealthy. Apart from being illegal, this system will gradually suffocate the actors involved in these transaction activities. The impact of interest is also dangerous for the national economy. In comparison, the profit-sharing system provides implications for investment and financing cooperation that is fair and sound. And in the long term, it can encourage national economic equality.

Revenue sharing is profit sharing based on operating income without deducting costs, while profit and loss sharing is based on net profit after deducting expenses. Islamic banking prefers the revenue-sharing method because the public or the market generally needs more time to share the risk in investing in savings and deposits.

Refferences

Abdalla Ahmed, G. (2008). The implication of using profit and loss sharing modes of finance in the banking system, with a particular reference to equity participation (partnership) method in Sudan. *Humanomics*, *24*(3), 182–206. https://doi.org/10.1108/08288660810899359

Afif Muamar dan Ari Salman Alparisi. (2017). Electronic money (E-money) dalam perspektif maqashid syariah. *Journal of Islamic Economics Lariba*, *3*(2), 76–77.

Akhter, M. U. (2015). Principles of Islamic Finance: Prohibition of Riba, Gharar and Maysir. *Munich Personal RePEc Archive*, *67711*, 1–8. https://doi.org/10.13140/RG.2.2.36029.20969

Boğan, E., & Sarıışık, M. (2019). Halal tourism : conceptual and practical challenges. *Journal of Islamic Marketing*.

Dana, M., Akibat, N., Gagal, B., Gagal, B., Lps, K. K., Nasabah, D., & Gagal, B. (2018). Peran Lembaga Penjamin Simpanan (Lps) Dalam Melindungi Dana Nasabah Akibat Bank Gagal. *Jurnal Ilmiah IKIP Mataram*, *3*(1), 615–619.

Dinesh, P. K. (2018). Banking: Definition and Evolution. *International Journal of Scientific & Engineering Research*, *9*(8), 745–753. https://www.ijser.org/researchpaper/Banking-Definition-and-Evolution.pdf

Fahmi, A. S. R. (2019). Potential of Sharia Financial Institutions in Supporting Indonesia's Economic Growth. *Al-Iktisab: Journal of Islamic Economic Law*, *3*(1), 40–52.

Fauziah, N., & Nurhasanah, N. (2020). the Effect of the Perception of Electronic Money on Consumptive Behavior of Stei Sebi Students. *Jurnal Ekonomi Dan Perbankan Syariah*, *8*(1), 63–84. https://doi.org/10.46899/jeps.v8i1.176

Field, A. J. (2017). The savings and loan insolvencies and the costs of financial crisis. *Research in Economic History*, *33*, 65–113. https://doi.org/10.1108/S0363-326820170000033003

Hachicha, N., & Ben Amar, A. (2015). Does Islamic bank financing contribute to economic growth? The Malaysian case. *International Journal of Islamic and Middle Eastern Finance and Management*, *8*(3), 349–368. https://doi.org/10.1108/IMEFM-07-2014-0063

Hasan, Z., & Azli, M. (2022). The Online Credit Buying and Selling System and its Compatibility with Islamic Law. *Journal of Entrepreneurship and Business*, *10*(2), 17–29. https://doi.org/10.17687/jeb.v10i2.903

Hasan, Z., Rosiana, M., & Putri, N. (2021). Islamic Banking in Indonesia and Globalization in Era 4 . 0. *Management Research Journal*, *10*(2), 103–111.

Ikra, S. S., Rahman, M. A., Wanke, P., & Azad, M. A. K. (2021). Islamic banking efficiency literature (2000–2020): a bibliometric analysis and research front mapping. *International Journal of Islamic and Middle Eastern Finance and Management*, *14*(5), 1043–1060. https://doi.org/10.1108/IMEFM-05-2020-0226

Istiqamah, M., & Supriyanto, S. (2017). Analisis Struktur Modal Perbankan Syariah di Indonesia. *Jurnal Penelitian*, *2017*(1), 201–214.

Kurniawati, S. L., Nasution, Z., Perbanas, U., & Wuruk, H. (2021). Implementation Of Good Corporate Governance (Gcg) And Profit-Sharing Financing On. *Jurnal Ekonomi Dan Keuangan Islam*, *8*(2), 1–14.

Lukman Hakim. (2016). *Ihtikar Dan Permasalahannya Dalam Perspektif Hukum Islam*. 320–330.

Nurhadi. (2017). Bunga bank antara halal dan haram. *Nur El-Islam*, *4*(2).

Orhan, Z. H. (2018). Business model of Islamic banks in Turkey. *Journal of Islamic Accounting and Business Research*, *9*(3), 290–307. https://doi.org/10.1108/JIABR-10-2014-0037

Pudelko, M. (2016). The Influence of Islam on the Economic Development of Muslim Countries. *Economy, Business and Finance*, *May*. https://doi.org/10.3848/iif.2005.235.2268

Rejeb, A., Rejeb, K., & Keogh, J. G. (2021). Cryptocurrencies in Modern Finance: A Literature Review. *Etikonomi*, *20*(1), 93–118.

Rosyidi, S. (2018). The economics of ikhtikar. *Airlangga International Journal of Islamic Economics and Finance*, *1*(2), 71–75.

Salman, S. A., Hafiz, H. M., & Htay, S. N. N. (2018). The impact of internal forces on acceptance of takaful by insurance policy-holders in India. *Journal of Islamic Accounting and Business Research*, *9*(5), 673–686. https://doi.org/10.1108/JIABR-03-2016-0027

Schoon Natalie. (2016). Modern Islamic Banking, Products and Processes in Practice. In www.wiley.com. (Ed.) *:* (First, Issue ثق ثقثقثق). 2016 John Wiley & Sons Ltd.

Soemitra, A., Irawan, D., & Fitrah, R. (2021). Electronic Money in Islamic View: Literature Study. *International Journal of Engineering Technology Research & Management*, *05*(08), 58–67.

Suzuki, Y. (2013). A Post-Keynesian perspective on Islamic prohibition of Gharar. In *International Journal of Islamic and Middle Eastern Finance and Management* (Vol. 6, Issue 3, pp. 200–210). https://doi.org/10.1108/IMEFM-Sep-2012-0086

Usman, S. S. (2017). Bunga Bank Dalam Perspektif Hukum Islam. *Tahkim*, *X*(1), 19–35.

Wady, M. R., & Kurniawan, R. R. (2018). Fiqh Muamalah Overview of Electronic Money Products at Linkaja Shariah. *Jurnal Ekonomi Dan Perbankan Syariah*, *6*(1), 90–106.

Wijayanti, A., Nisari, L. K., & Titisari, K. H. (2017). Bank Syariah Vs Bank Konvensional: Kinerja Keuangan Berbasis Rasio Keuangan. *Jurnal Dinamika Sosial Ekonomi*, *6*(2), 89–106. https://journal.kopertis6.or.id/index.php/sosek/issue/download/22/3

Yin, E., & Mahrous, A. (2022). Covid-19 global pandemic, workplace spirituality and the rise of spirituality-driven organisations in the post-digital era. *Journal of Humanities and Applied Social Sciences*. https://doi.org/10.1108/jhass-11-2021-0177