

Accounting Practices of Ijarah in Indonesia

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ABSTRACT

The development of the Islamic economy in Indonesia shows a significant increase in various financial instruments, including the ijarah contract as a form of financing based on sharia principles. Ijarah is a contract for the transfer of usufructuary rights over an asset for a specified period of time with the payment of ujarah without transferring ownership of the asset. The legal basis for ijarah has been affirmed in the Qur'an, Hadith, and fatwas of the National Sharia Council (DSN-MUI), making this contract valid for implementation in the Islamic financial system. Operationally, ijarah has pillars and conditions that include the contracting parties (mu'jir and musta'jir), the leased object, sighat ijab qabul, and clear and agreed ujarah payments. In practice, ijarah has various forms, namely regular ijarah, Ijarah Muntahiyah Bittamlik (IMBT), and sale and leaseback transactions, each of which has different characteristics, especially regarding the transfer of asset ownership.

In the accounting context, PSAK 107 is used as a guideline for the accounting treatment of ijarah transactions, both from the perspective of the asset owner (mu'jir), the lessee (musta'jir), and the service provider ('ajir). The revised PSAK 107 in 2021 broadens the scope, adapts to developments in the DSN-MUI fatwas, and regulates the recognition, measurement, presentation, and disclosure of ijarah assets and ujarah income. Through case studies of ijarah and IMBT transactions, this paper systematically explains the financing process, accounting records, asset depreciation, and transfer of ownership at the end of the contract. The discussion shows that the application of PSAK 107 provides clarity and accountability in the ijarah recording process and ensures that transactions are conducted in accordance with sharia principles and financial reporting standards. Overall, ijarah plays a strategic role in supporting the growth of the sharia economy in Indonesia, particularly in the asset-based and service-based financing sectors.

Keywords: Ijarah, Sharia Accounting, PSAK 107, IMBT, Sharia Financing.

BACKGROUND

the development of the Islamic economy in Indonesia has experienced rapid growth over the past two decades, not only in the Islamic banking sector but also in various other Islamic financial instruments, including ijarah-based financing. As the country with the largest Muslim population in the world, Indonesia has great potential for developing an Islamic economy that avoids usury, gharar, and maysir. Ijarah, etymologically derived from the word *al-ajru*, meaning exchange or reward. Terminologically, ijarah is contract transfer right use on goods and services through wage payment rent, without being followed by the transfer of ownership of the goods. According to Law Number 21 of 2008 concerning Sharia Banking, ijarah is an agreement to provide funds in order to transfer the right to use (benefit) of an item, which is based on a rental transaction without being accompanied by the transfer of ownership of the item itself.

The legal basis for ijarah is very strong in Islam because it has been mentioned in the Qur'an, Hadith and Ijma'. scholars. In Surah Al-Baqarah verse 233, Allah SWT explaining about giving wages for Mother Which breast-feed, And in Surah Al-Qasas paragraph 26 mentioned The story of the Prophet Moses who was paid for his work. The Prophet Muhammad also emphasized that wages should be given before the worker's sweat dries (Firmansyah, A. (2018).

According to DSN-MUI Fatwa No. 09/DSN-MUI/IV/2000, the pillars of ijarah include the ijab qabul (sighat), the lessee and the lessor, the benefits of the leased asset, and wages (ujrah). The majority of scholars also state that the pillars of ijarah consist of the mu'jir (lessor), musta'jir (lessee), and the lessor. (tenant), sighat, rent, And benefit. In in practice, lease divided become There are two main forms: Ijarah al-'Ain, which is rent for the benefit of an object, and Ijarah al-'Amal, which is rent for human services. In addition, there is Ijarah Muntahiyah Bittamlik (IMBT), which is a rental contract that ends with the transfer of ownership of the object after the rental period ends.

From an accounting perspective, PSAK 107 on Ijarah Accounting was first issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants on April 21, 2009. The revision of PSAK 107 on Ijarah Accounting has been approved by the Financial Accounting Standards Board. IAI Sharia Accounting on October 7, 2021 and effective on January 1, 2023. This revision against the background by development activity business based principle sharia Good sector

financial and real sectors that use ijarah contracts, as well as the development of the fatwa of the Indonesian Ulema Council (MUI) National Sharia Council (PSAK) regarding ijarah contracts. PSAK 107 (2021) classifies ijarah into ijarah on assets and ijarah on services, where ijarah income on assets is recognized by the mu'jir on a straight-line basis from the time the ijarah assets are available to the musta'jir until the end of the contract, while ijarah income on services is recognized according to the progress of service provision. A comprehensive understanding of these calculation and recording techniques will ensure that ijarah transactions are not only Sharia-compliant in terms of the contract, but also in terms of operations and accounting (Zahra, Y. A., & Nurdiansyah, DH (2022).

Based on the above description, ijarah is a sharia financial instrument that plays a strategic role in the development of the Islamic economy. The complexity of ijarah in terms of sharia, legal, and accounting concepts requires a thorough understanding. Therefore, this paper aims to provide a systematic understanding of ijarah accounting, including its definition, legal basis, pillars and conditions, differences from conventional leasing, types of ijarah, accounting treatment according to PSAK 107 and calculation techniques.

Understanding the Ijarah Contract

The ijarah contract is derived from the word "*al-ajru*," which means compensation or reward. In sharia terminology, ijarah is understood as a contract for the transfer of usufructuary rights (*benefits*) over an asset for a specified period through rental payments (*ujrah*) without transferring ownership of the asset. The term *ijarah* comes from the Arabic word *al-'Ajr* , which means consideration, compensation, or substitution. Within the framework of sharia finance, the ijarah contract is a form of rental contract used to obtain benefits from goods or services (Ascarya, 2015).

According to the Fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI), ijarah is a contract that facilitates the transfer of the right to use an item or service for a certain period. This is in line with the definition of PSAK 107, which states that ijarah is a contract for the transfer of benefits from an asset for a certain period with agreed rental payments without transferring ownership of the asset. Rachmadi Usman defines ijarah as a lease agreement for goods owned by the bank (*muajjir*) by the customer or lessee (*musta'jir*), where at the end of the contract period the goods are returned to the *muajjir* . Meanwhile, according to Wiku Suryomurti, ijarah is a form of agreement between the lessee and the owner of the goods that requires the lessee to pay rental fees while obtaining benefits from the goods

during the contract period (Hery, 2018). In modern Islamic banking practices, ijarah is equivalent to a *lease contract* that allows financial institutions to rent buildings, machinery, vehicles, and other assets to lessees for a predetermined fee (Saprida et al., 2023).

Legal Basis for the Implementation of Ijarah

The ijarah contract has strong legal legitimacy in Islamic law, both through the Qur'an and the Hadith. One of the verses that serves as its textual basis is:

يَضَعْنَ حَتَّىٰ عَلَيْهِ نَفَاتِفُقُوا حَمٌ ،، لْ أُولْتِ كُ ن وَإِنْ عَلَيْهِ ن لِيُضِيْ فُقُوا تُضَارُّوهُ ن وَلَ وُجِدِكُمْ مِنْ سَكْنَتُمْ حَيْثُ مِنْ أَسْكَنُوهُ ن
٦٠ أٰخِرِ لَ هٗ “ ،، ف بَيْنَكُمْ وَأَتَمِرُوا أَجُورَهُ “ ن فَاتُوهُ ن لَكُمْ أَرْضَعْنَ فَإِنْ حَمَلَهُ “ ن

This verse emphasizes the obligation to provide compensation or wages for services rendered, making the functional value of ijarah in Islam normative and applicable (QS. At-Talaq: 6). The strengthening of the principle of justice in the ijarah contract was also emphasized by the Prophet Muhammad (peace be upon him) in the following hadith:

“Give wages to workers before their sweat dries.” (HR. Ibn Majah)

Thus, the basis of sharia law shows that the ijarah contract is not only permitted, but also recommended because it provides justice, benefit, and balance of rights and obligations in muamalah transactions (Thian, 2022).

Pillars and Valid Conditions for an Ijarah Agreement

Juridically, an ijarah contract is categorized as valid if it meets the pillars and conditions set by sharia. The pillars of ijarah consist of: (1) the parties to the contract, namely *the mu'jir* (the lessor) and *the musta'jir* (the lessee); (2) the object of the contract is benefits from goods or services; and (3) there is a sigh of the contract or a statement of consent and acceptance.

The requirements for the validity of an ijarah contract include several key elements. First, the parties to the contract must meet sharia requirements, namely, *they must be mature*, sane, possess legal capacity, and have mutual consent. These requirements are affirmed in the words of Allah SWT:

God willing بَيْنَكُمْ بِأَيْهَا

(An-Nisa': 29)

Second, the terms of the contract must be clear and demonstrate understanding and commitment. For example, the statement "I rent this car to you for Rp 5,000.00 per day" is responded to by the renter with an expression of acceptance. Third, the amount of *the ujarah* (*price*) must be clearly understood by the parties to the contract. Finally, the leased object must provide benefits, be lawful for use, be transferable, and remain in existence throughout the contract period so that its benefits can be enjoyed.

Differences between Ijarah and Conventional Leasing

Conceptually, ijarah is often compared to conventional leasing because both function as contracts for asset utilization. However, leasing in the conventional financial system only allows for the rental of goods and excludes services. In ijarah, the leased object can be either goods or services. Furthermore, while the payment system in leasing is fixed and does not depend on the performance of the asset, in ijarah, payments can be divided into contingent and non-contingent, depending on the contractual agreement.

Another difference lies in the ownership aspect. Leasing offers the option to purchase the asset at the end of the contract, whereas in ijarah, ownership transfer occurs only in the Ijarah Muntahiyah Bittamlik (IMBT) scheme through a separate new contract.

Equating ijarah with leasing isn't entirely wrong, but it's not entirely correct either. While there are similarities between ijarah and leasing, there are several characteristics that differentiate them. This section will discuss the differences and similarities between the two:

No	Ijarah	Leasing
1	Object: benefit goods and services	Object: benefit just goods
2	Method payment: depends on performance, No depends on performance	Method payment: No depends on performance
3	Transfer of rights: – Ijarah: no transfer of rights – IMBT: promise to sell or donate on end period	Transfer of rights: – Operating lease: no transfer of rights – Financial lease: There is option For buy or No buy on end period
4	Hire purchase: this form of leasing is haram because the contract contains <i>gharar</i> (namely between rent And buy in One contract)	Lease-purchase (rent- purchase): permitted (two in one)
5	Sale and lease back: allowed	Sale and lease back: allowed

The comparison between the concepts of *ijarah* and conventional leasing can be analyzed through several key aspects, including the leased object, payment method, transfer of ownership, and applicable contract variations. These differences demonstrate that *ijarah*, as a Sharia-compliant financing instrument, is more flexible and aligns with Sharia principles.

From the aspect of the object of the contract, leasing is only limited to renting goods, so that the benefits obtained by the lessee only come from physical assets without including services or labor. On the other hand, in an *ijarah* contract, the objects that are allowed to be rented can be goods or services. *Ijarah* which refers to the leasing of labor is known as *ujrah*, so the scope of *ijarah* is wider than the conventional leasing system.

The next difference lies in the payment method. In leasing, the payment mechanism is fixed (*non-contingent to performance*), meaning the rental fee is not affected by the performance of the leased object. In the *ijarah* contract, payment methods can be divided into two forms: payments that depend on the results or performance of the leased object (*contingent to performance*), and payments that are not dependent on the object's performance. The type of payment that depends on the results is known as *ijarah*, while payments that are not related to the object's performance are known as *ju'alah* or *success fees*.

The next aspect relates to the transfer of *title*. Conventional leasing recognizes two main forms: *operating lease* and *financial lease*. In an *operating lease*, ownership does not transfer to the lessee at either the beginning or end of the lease. In a *financial lease*, the lessee has the option to purchase the leased asset at the end of the lease period. However, in Indonesian practice, this option is generally established at the outset of the lease, ensuring the lessee becomes the owner of the asset at the end of the contract. In the Islamic financial system, a similar concept is known as *Ijarah Muntahiyah Bittamlik* (IMBT), a lease agreement that includes a promise to transfer ownership of the asset at the end of the lease term. The transfer of ownership in an IMBT can be accomplished in two ways: through a gift or through a sale mechanism at the end of the lease term for an agreed-upon value.

Another contract variation in the leasing system is *the lease purchase*. However, from a sharia perspective, this contract is considered invalid because it contains two contracts in one transaction (*two-in-one contract*), thus potentially creating uncertainty (*gharar*). Furthermore, a *sale and leaseback* transaction is known in Islamic jurisprudence as *bai' al-'inah*. If the two contracts are mutually binding (*ta'alluq*), then the transaction is considered invalid according

to sharia. However, if the transactions are conducted separately and are not interdependent, they are permissible (Pasi et al., 2023).

In Islamic economic practice, several types of *ijarah* have been implemented. First, *Ijarah Mutlaqah*, a form of leasing commonly used in traditional financing systems. In this scheme, the financial institution leases an asset to a customer for a specified period of time at an agreed-upon fee. Ownership of the asset remains with the lessee, and after the contract expires, the asset can be re-leased or sold as a *second-hand asset*.

The second type is *Al-Ijarah Al-Muntahia Bittamlik* (IMBT), which combines a lease agreement with an ownership option for the lessee at the end of the contract. This agreement provides flexibility in asset ownership as long as it does not conflict with Sharia principles and is free from usury. The third type is a sale and leaseback transaction, where the asset is sold first and then leased back by the seller. In this transaction, the two contracts must be executed separately and not dependent on each other to maintain compliance with PSAK 107.

The implementation of PSAK 107 on *ijarah* accounting serves as the technical basis for recording and recognizing *ijarah* transactions by both the lessee (*mustajir*) and the lessor (*mu'jir*). This standard replaces PSAK 59 and has been in effect since January 1, 2009. The increasingly widespread development of sharia transactions to include instruments such as sukuk prompted the Sharia Accounting Standards Board (DSAS-IAI) to conduct revisions in 2021. The updates cover the scope of *ijarah*, terminology, recognition, measurement, and presentation and disclosure of financial statements for parties involved in the *ijarah* contract.

RESEARCH METHODS

This study uses a **descriptive qualitative approach** aimed at explaining, analyzing, and interpreting the concept and implementation of *ijarah* contracts from a sharia economic perspective, including comparing them with conventional leasing practices. This method was chosen based on the normative-theoretical characteristics of the study object and did not involve statistical calculations or quantitative hypothesis testing.

1. Types and Approaches of Research

This research is a **library research study**, where data sources were obtained through a search of literature, journals, books, accounting standards, and regulatory documents related to the *ijarah* contract. This approach was chosen because the discussion focuses on

theoretical studies and understanding the normative sharia concept of the ijarah contract and its relevance to modern economic and accounting practices.

2. Data Sources

Data sources in this study are divided into:

a. **Primary data** in the form of official documents and instruments which form the legal and technical basis for implementing the ijarah contract, including:

- PSAK 107 on Ijarah Accounting
- DSN-MUI fatwa regarding ijarah and IMBT contracts
- Al-Qur'an verses and hadiths are the basis of sharia

b. **Secondary data** includes supporting literature such as:

- Islamic economics and banking books
- Scientific articles, journals, theses and academic publications
- Studies of figures such as Ascarya, Hery, Firmansyah, Fitriani & Nazaruddin, as well as Pasi et al.

3. Data Collection Techniques

The data collection technique uses the documentation method, with the following steps:

- Identify topics and keywords such as *ijarah*, *IMBT*, *PSAK 107*, *sharia leasing*, *comparison of contracts*, *wages*.
- Collection of relevant literature from reliable sources.
- Grouping information into research theme categories.

4. Data Analysis Techniques

Data analysis was conducted using the **content analysis method**. This technique is used to:

1. Describe the basic concept of the ijarah contract.
2. Analyze the pillars, conditions and legal basis for implementation.

3. Comparing the differences between ijarah and conventional leasing in terms of the object of the contract, payment method, ownership transfer mechanism, and contract structure.
4. Reviewing the implementation of PSAK 107 in accounting recording and reporting related to ijarah and IMBT.

The analysis process is carried out systematically through data reduction, content categorization, interpretation, and preparation of theoretical conclusions.

Methodological Justification

The choice of a descriptive qualitative method was deemed appropriate because this research aims to build conceptual understanding, not measure empirical variables. Furthermore, the topics studied relate to Islamic jurisprudence (fiqh) of transactions, accounting regulations, and normative and interpretive Islamic economic theory.

RESULTS AND DISCUSSION

The results of a study of documents, literature, and sharia provisions regarding the ijarah contract indicate that ijarah has a different structure, mechanism, and legal basis than conventional leasing. In principle, ijarah is a contract for the transfer of the right to use goods or services (*benefit/usufruct*) without transferring ownership of the asset, while conventional leasing is a rental contract with an ownership orientation through a purchase option at the end of the contract. A comparative analysis shows that the ijarah system is in line with Islamic legal principles because it avoids elements of *usury*, *gharar*, and *maisir* .

From the aspect of the object of the contract, research findings indicate that leasing only applies to goods, so the benefits received by the lessee are limited to the utilization value of the physical asset. Conversely, in ijarah, the leased object can be either goods or services. This broadens the scope of ijarah, as it can be applied to wage-paying activities, labor services, or professional services that cannot be facilitated through conventional leasing.

Further comparisons of the payment systems reveal fundamental differences. Leasing uses a fixed payment method that is not influenced by the performance of the leased asset (*non-contingent to performance*). Meanwhile, in ijarah, there are two forms of payment: payments that are contingent on the performance of the leased asset and payments that are independent

of the asset's performance. The performance-dependent payment is known as *ijarah*, while the non-performance-based payment is known as *shariah*.

Ju'alah or *success fee*. This finding demonstrates the flexibility of *ijarah* in various sharia transaction schemes, both asset-based and service-based.

Regarding the transfer of *title*, leasing has two main forms: *operating lease* and *financial lease*. *Operating leases* do not transfer ownership of the asset at the beginning or end of the lease, while *financial leases* give the lessee the option to purchase the asset at the end of the lease term. However, in Indonesian practice, this purchase option is determined at the outset of the contract, making it similar to a credit agreement. In the Islamic financial system, the concept of ownership transfer is accommodated through *Ijarah Muntahiyah Bittamlik* (IMBT), a lease agreement that ends with the transfer of ownership through a gift or sale at an agreed-upon price.

Furthermore, this study found that several forms of leasing transactions, such as *lease purchases*, are considered non-compliant with sharia principles because they involve two contracts in one transaction (*two-in-one contract*), leading to uncertainty (*gharar*). Similarly, *sale and leaseback transactions*, known in Islamic jurisprudence as *bai' al - 'inah*, are invalid if the two contracts are interconnected (*ta'alluq*), but are permissible if they are conducted independently, separately, and at fair value.

A study of the implementation of *ijarah* accounting based on PSAK 107 shows that this standard serves as a guideline for reporting and recording *ijarah* transactions in Islamic financial institutions in Indonesia. PSAK 107 regulates the scope, definition, form of contract, recognition of assets, liabilities, rental income, depreciation, and disclosure of information in financial statements. The 2021 revision of PSAK 107 was implemented to address developments in modern Islamic financial transactions, particularly those related to *ijarah*-based sukuk and asset-based financing instruments.

Furthermore, PSAK 107 establishes three forms of *ijarah* contracts: regular *ijarah*, IMBT, and *sale and leaseback*. In regular *ijarah*, the asset remains the property of the lessor (*mu'jir*), while in IMBT, the asset can be transferred to the lessee through a gift or sale-purchase mechanism as agreed. In the *sale and leaseback scheme*, the transaction must be separated into two independent contracts to ensure compliance with sharia principles.

Overall, the analysis results show that ijarah is not only an alternative sharia financing that is in line with the principles of muamalah fiqh, but also has flexibility in modern applications through financial instruments, asset financing, and labor services that are not found in conventional leasing systems.

CONCLUSION

Ijarah contract is an important instrument in Islamic economics comes from the word "al-ajru," which means compensation or reward. Terminologically, ijarah is a contract for the transfer of usufruct or benefit rights over an asset for a specified period of time in exchange for rental payments (ujrah), without the transfer of ownership of the asset itself. According to PSAK 107, ijarah is defined as a contract involving the exchange of benefits from an asset or service for the payment of ujrah. This concept distinguishes ijarah from conventional sales transactions because the primary focus is on the utilization of benefits, not the transfer of asset ownership.

The legal basis for implementing ijarah is very strong in Islam because it is explicitly stated in the Quran and Hadith. In Surah At-Talaq verse 6, Allah SWT emphasizes the importance of providing compensation to those who provide services, while the hadith of the Prophet Muhammad (peace be upon him) mentions to pay wages to workers before their sweat dries. This legal basis shows that the ijarah contract is not only valid according to Sharia but is also recommended because it provides benefits for both parties fairly and avoids elements of usury, gharar, and maysir, which are forbidden in Islam.

The pillars and valid conditions of an ijarah contract must be fulfilled so that the transaction has force. law. The pillars of ijarah include the existence of parties (mu'jir and musta'jir), the object (goods or services) for rent, and the ijab qabul as a consequence of the pronouncement. The valid conditions include the parties' capacity (age of puberty, sane, and ability to manage assets), a clear shighat ijab qabul, a known amount of ujrah, and goods or services that have permissible benefits, can be transferred, and are eternal in nature until a specified time. Fulfillment of these pillars and conditions ensures that the ijarah transaction complies with sharia principles.

The fundamental difference between ijarah and conventional leasing lies in several important aspects. In terms of the object, ijarah encompasses the benefits of goods and services, while leasing is limited to the benefits of goods. The payment method in ijarah can be dependent or independent. on performance object Which rented, temporary leasing No depends on

performance.

In terms of transfer of rights, ordinary ijarah does not transfer ownership, whereas IMBT promises to sell or donate at the end of the period. This is different from financial leasing. While leases offer the option to purchase, ijarah has a more structured and sharia-compliant mechanism. This difference indicates that ijarah has a broader and more flexible scope than conventional leasing.

Types of leasing in Islamic economic practice are divided into several categories. First, Ijarah Mutlaqah or ordinary leasing, which is a lease where ownership of the asset remains with the mu'jir and the asset is returned after the lease term ends. Second, Ijarah Muntahiyah Bittamlik (IMBT), which is a lease contract that ends with the transfer of ownership through a gift or sale according to an agreed upon agreement. Third, Sale and Lease Sale and Lease Back, where the asset owner sells the asset and then leases it back, provided the two transactions are separate and independent (ta'alluq). This classification provides flexibility in meeting various financing needs in accordance with Sharia principles.

The implementation of PSAK 107 in the recording and reporting of ijarah accounting has been revised in 2021, effective from January 1, 2023. This revision expands the scope of ijarah application not only in the financial sector but also the real sector, and adjusts to the development of the DSN-MUI fatwa. In recognition and measurement, the mu'jir recognizes ijarah assets at acquisition cost and recognizes income evenly from the time the asset is available until the end of the contract, while the musta'jir recognizes ijarah expenses evenly throughout the lease term. Presentation and disclosure in financial statements must be carried out in accordance with established standards to ensure transparency and accountability in reporting ijarah transactions.

The case study discussed demonstrates the differences in recording between regular Ijarah and IMBT. In the regular Ijarah with Hasan, LKS Mitra Mandiri leases a Kijang Innova for Rp120,000,000 with a rental of Rp2,400,000 per month for 1 year, generating a net income of Rp400,000 per month after deducting depreciation expenses of Rp2,000,000. Meanwhile, in the IMBT with Amir, with a rental of Rp6,000,000 per month for 2 years, generating a net income of Rp1,000,000 per month after deducting depreciation expenses of Rp5,000,000. This difference indicates that IMBT has a higher income level due to the shorter rental period and the lower depreciation value. Which more big, as well as on end period happen diversion ownership to

tenant. Example case This prove that implementation accountancy lease in accordance PSAK 107 provides systematic and transparent recording for both types of ijarah transactions.

SUGGESTION

Based on the discussion of ijarah accounting in this paper, the author offers several suggestions that can be considered by various parties. First, for Islamic financial institutions, it is hoped that they can improve their understanding and application of PSAK 107 consistently and accurately in recording ijarah transactions so that financial reports can be more accurate. finances that produced more transparent and accountable. Second, for academics and Islamic accounting students need to deepen their studies on ijarah through comparative studies with practices in other Islamic countries and analyze the challenges of implementing ijarah in the digital era and Islamic fintech.

Third, regulators and the Indonesian Islamic Association (IAI) Sharia Accounting Standards Board are advised to continue disseminating information and educating Islamic financial industry players regarding the 2021 revision of PSAK 107 to ensure its effective implementation across all Islamic entities. Fourth, it is crucial for the public and potential customers of Islamic financial institutions to understand the differences between ijarah and conventional leasing to enable them to make financing decisions that align with Sharia principles and their individual financial needs. Hopefully, these recommendations will contribute positively to the development of Islamic accounting, particularly in the field of ijarah, and encourage better Islamic economic practices in Indonesia that align with Islamic law.

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