
Islamic Banking Fundraising

Hendra Harmain¹
Mhd Rizki Akbar²
Randa Joshua Sinaga³

Hendraharmain@gmail.com¹

Universitas Islam Negeri Sumatera Utara¹
State University of Medan^{2,3}

ABSTRACT

Fundraising is the primary activity of Islamic banks, which act as financial intermediaries responsible for managing public funds and distributing them to those in need. Within the Islamic banking system, fundraising products fall into two main categories: savings and investment products. The primary distinction between the two lies in the customer's motive, whether to simply save funds or to earn returns.

The discussion in this paper focuses on two main principles in fundraising: **wadiah** and **mudharabah**. The wadiah principle is a deposit contract that gives the fund owner the right to withdraw funds at any time without any obligation to provide a return from the bank. This principle is applied to wadiah checking and savings products. Conversely, the mudharabah principle is a business cooperation contract between the fund owner (*shahibul maal*) and the fund manager (*mudharib*) with a profit-sharing system based on an agreed-upon ratio (nisbah). This contract is used in mudharabah savings and deposit products, with the provision that the use of funds must comply with sharia principles.

By implementing these two principles, Islamic banks function not only as depository institutions but also as investment managers, aiming to maintain fairness, transparency, and accountability in economic activities. Therefore, fundraising in Islamic banking plays a crucial role in promoting safe, productive financial management that is in accordance with Islamic values.

Keywords: Islamic Banking, Fundraising, Wadiah, Mudharabah, Islamic Investment.

BACKGROUND

The development of the Islamic financial system in Indonesia has shown significant progress, along with growing public awareness of the importance of implementing financial principles in accordance with Islamic law. One of the main pillars of the Islamic financial system is Islamic banking, which operates based on the principles of fairness, transparency, and the prohibition of *riba* (usury), *gharar* (uncertainty), and *maisir* (speculation). Within this framework, Islamic banking accounting plays a fundamental role as an instrument for recording, reporting, and controlling transactions to ensure they remain in line with sharia provisions while also meeting the information needs of stakeholders.

Unlike conventional accounting systems, which prioritize maximizing profits, Islamic banking accounting emphasizes a balance between economic profit and spiritual blessings. The implementation of Sharia Financial Accounting Standards (PSAK) No. 101–112, established by the Sharia Financial Accounting Standards Board (DSAK-IAI), serves as a crucial foundation for preparing financial reports for Islamic financial institutions. These standards not only ensure accurate and transparent reporting but also comply with the fatwa issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). Therefore, Islamic banking operations are not only legally valid but also fundamentally permissible.

The existence of Islamic banking accounting plays a crucial role in enhancing public trust in the Islamic financial system. Through accountable recording and reporting mechanisms, Islamic financial institutions can demonstrate their commitment to ethical values, social responsibility, and the principles of economic justice. Therefore, a discussion of Islamic banking accounting is relevant to understanding how this system works, how Sharia principles are translated into accounting practices, and how it contributes to supporting economic stability and sustainability based on Islamic values.

Specifically, this research or study was designed to identify several important aspects of Islamic banking accounting. This study includes an understanding of the variety of products offered by Islamic banks and their recording mechanisms, the basic principles underlying Islamic accounting practices, and the supervisory system of institutions responsible for ensuring compliance with Islamic standards and financial regulations. Furthermore, this study analyzes the challenges faced in implementing Islamic banking accounting in Indonesia and opportunities for future development. Through this comprehensive understanding, it is hoped that this study can contribute to the development of professional, transparent, and Islamically compliant Islamic accounting practices to support the growth of the national Islamic financial industry.

Sharia Banking Products

Sharia banking products are part of the development of the Islamic financial system, designed to meet the needs of the community in economic activities without violating Sharia principles such as the prohibition of usury (riba), gharar (gharar), and maisir (gambling). The goal of these products is to create a fair and stable financial system that provides benefits and blessings for individuals and society. In practice, Sharia banking products are divided into several main categories: fund raising, fund distribution, financial services, and modern innovations tailored to technological developments and societal needs.

Fundraising products utilize wadiah and mudharabah contracts. Wadiah is a fund-keeping contract in which the bank is responsible for safeguarding customer funds with the right to provide voluntary bonuses. Mudharabah, on the other hand, is a partnership between the fund owner and the manager, where profits are shared according to an agreed-upon ratio. Furthermore, fund distribution products are carried out in the form of profit-sharing financing such as musyarakah and mudharabah; sales financing such as murabahah, salam, and istishna; and leasing financing through ijarah and ijarah muntahiya bittamlik contracts. Islamic banking also provides social financing through the qardh contract, demonstrating the social function of Islamic financial institutions.

In addition to its financial intermediation function, Islamic banking provides fee-based services using wakalah, kafalah, hawalah, sharf, and wadi'ah yad amanah contracts. These services cover transaction needs such as money transfers, foreign exchange, guarantees, and safekeeping of valuables. Along with the development of digitalization, Islamic banks are also innovating through the implementation of modern products such as sukuk, Islamic mobile banking, Islamic debit cards, and social products based on waqf and productive zakat. Through this diversity of products, Islamic banks play a role not only as financial institutions but also as institutions that promote equitable economic development and uphold the moral and spiritual values of society.

Basic Principles of Islamic Banking Accounting

Islamic banking accounting is an accounting system that regulates the recording, measurement, presentation, and reporting of transactions based on Islamic principles. This system aims not only to provide accurate financial information but also to ensure compliance with Islamic law. The principles used in Islamic accounting include the principle of monotheism (tawhid), which affirms that all economic activities are part of worship and must be accounted for to Allah SWT.

Furthermore, the principles of justice and balance guide the preparation of financial reports to ensure they reflect the actual conditions, are impartial, and do not harm any party.

The principle of Sharia compliance emphasizes that every financial transaction must be free from usury (riba), gharar (gharar), and maisir (gambling), and comply with the fatwas of the National Sharia Council (DSN-MUI) and the Sharia Financial Accounting Standards (PSAK Sharia). Furthermore, the principles of trustworthiness (amanah), moral responsibility, honesty (al-shidq), and partnership (syirkah) are essential for maintaining the integrity and transparency of financial reports. The principles of openness and accountability ensure that financial reports are easily understood and ethically, legally, and spiritually accountable.

Institutional Supervision

Supervision in Islamic banking aims to ensure that all operational activities comply with sharia principles and laws and regulations. The supervisory structure consists of internal and external oversight. Internal oversight is carried out through the Sharia Supervisory Board (DPS), the internal audit unit, and the bank's sharia compliance unit. External oversight is carried out by the DSN-MUI (Indonesian Ulema Council) as a fatwa issuer, the Financial Services Authority (OJK) as a financial industry regulator, and Bank Indonesia as a monetary and payment system policy maker. Sharia auditors also play a role in ensuring financial reports comply with Sharia PSAK and sharia compliance standards.

Challenges in Implementing Islamic Banking Accounting

Despite its rapid development, the implementation of Islamic banking accounting still faces challenges such as suboptimal standardization of Islamic Financial Accounting Standards (PSAK), limited human resources competent in Islamic accounting, low public literacy regarding Islamic financial concepts, and limited technology supporting Sharia-compliant transaction recording. Other challenges include competition with conventional banks, incompletely aligned regulations, and demands for greater transparency and accountability in reporting social funds such as zakat, waqf, and infaq.

Opportunities in the Implementation of Islamic Banking Accounting

Despite these challenges, the opportunities for developing Islamic banking in Indonesia are significant. A dominant Muslim population, increasing Islamic economic literacy, government support through regulations and institutions like KNEKS, and advances in digital technology are driving the growth of this industry. Furthermore, the harmonization of international accounting

standards, such as those from the AAOIFI, opens up opportunities for global integration and collaboration, strengthening Indonesia's position as a global center for Islamic finance.

RESEARCH METHODS

This study uses a qualitative descriptive approach to provide a comprehensive understanding of Islamic banking accounting based on the theories, provisions, and practices used in the Islamic financial industry in Indonesia. This approach was chosen because the research focuses on analyzing concepts, principles, regulations, products, and supervisory mechanisms in Islamic banking without involving hypothesis testing or statistical analysis.

The data sources for this study were documents and written materials contained in the research files, including explanations of Islamic banking products, Islamic accounting principles, institutional oversight mechanisms, and the challenges and opportunities in implementing Islamic banking accounting. This information was systematically analyzed by identifying relevant key components, grouping them according to discussion themes, and then compiling them into a descriptive analysis.

The data analysis technique was conducted in three stages: data reduction, data presentation, and conclusion drawing. Data reduction was performed by selecting key information directly relevant to the focus of the study. The data was then presented in the form of thematic descriptions that reflected the structure of the discussion. The final stage involved drawing conclusions to provide a comprehensive overview of the application of Islamic banking accounting, both conceptually and in terms of implementation.

Through this method, the research is expected to contribute to the understanding of how accounting is applied in the Islamic banking system and the factors that influence its implementation, including aspects of principles, implementation flow, regulations, and supervision that support Islamic banking operations in Indonesia.

RESULTS AND DISCUSSION

Islamic banking accounting in Indonesia has developed based on Islamic values that emphasize fairness, transparency, and adherence to sharia principles. Islamic banking offers a variety of products designed to meet the needs of the community while avoiding *riba* (usury), *gharar* (gharar), and *maisir* (gambling). These products are categorized into fundraising, fund distribution, and financial services. *Wadiah* and *mudharabah* contracts form the primary basis for fundraising products, while profit-sharing, sale-purchase, lease, and social financing contracts are used for fund distribution. Furthermore, the development of digital innovations

such as Islamic mobile banking services, sukuk (Islamic bonds), and waqf-based social products demonstrates Islamic banking's ability to adapt to technology and modern societal needs.

In the accounting context, the study results indicate that Islamic banking accounting has fundamental principles that distinguish it from conventional accounting. These principles include monotheism, justice, Sharia compliance, trustworthiness, honesty, partnership, transparency, and accountability. These principles serve as guidelines for recording, measuring, reporting, and disclosing financial transactions. Thus, Islamic accounting serves not only as a financial reporting tool but also as an instrument for monitoring moral values and spiritual compliance.

In terms of governance, research shows a multi-layered oversight mechanism in Islamic banking. The National Sharia Council of the Indonesian Ulema Council (DSN-MUI) acts as the highest fatwa authority, regulating the validity of Islamic financial products, while the Sharia Supervisory Board (DPS) ensures the implementation of fatwas in financial institutions. Furthermore, the Financial Services Authority (OJK) and Bank Indonesia (BI) play a role in regulatory oversight and financial system stability. Sharia accountants and auditors play a crucial role in ensuring financial reporting complies with Sharia PSAK and Islamic principles.

The study also shows that the implementation of Islamic banking accounting still faces several challenges. These challenges include suboptimal standardization of Islamic accounting, limited human resources, low public understanding, and limited supporting technology. Furthermore, competition with conventional banking and persistent inconsistencies in regulatory policies are also obstacles that need to be addressed. Another challenge concerns accountability and transparency in reporting social funds such as zakat, sedekah, infaq, and waqf, which require a more standardized reporting system.

Nevertheless, this study also indicates significant opportunities for the development of Islamic banking accounting in Indonesia. These opportunities are driven by a predominantly Muslim population, government regulatory support, increased Islamic economic literacy, the digitalization of financial services, and efforts to harmonize standards with international institutions. Given these opportunities, Islamic banking accounting has the potential to develop optimally and become a vital component of the national financial system.

Overall, the results and discussion demonstrate that Islamic banking accounting plays not only a strategic role in supporting Islamic banking operations but also in strengthening public trust in the Islamic-based financial industry. With strengthened accounting standards, improved human resource quality, and adaptive regulatory support, Islamic banking has the potential to grow further and contribute to a fair, transparent, and sustainable financial system.

CONCLUSION

Islamic banking accounting is a financial recording and reporting system based on Islamic values to create justice, transparency, as well as not quite enough answer moral in activity economy. Its products include fundraising through wadiah and mudharabah contracts, fund distribution through murabahah, musyarakah, and ijarah, as well as usury-free Sharia-based services. Its implementation is guided by the principles of monotheism, trustworthiness, justice, and compliance with Islamic law, under the supervision of the DSN-MUI, DPS, OJK, and Sharia auditors. Despite facing challenges such as limited human resources, low literacy, and a lack of uniform accounting standards, Islamic banking accounting has significant potential for growth through regulatory support, technological innovation, and increased public awareness of the Islamic economy.

SUGGESTION

To strengthen the implementation of Islamic banking accounting in Indonesia, it is necessary improvement competence source Power man in field accountancy sharia, perfection standard PSAK Sharia Which integrated, as well as strengthening synergy between institutions supervisor And academics. Besides That, socialization to public need continuously improved so that understanding to principle And practice finance sharia increasingly widespread, so that system banking sharia can grow more sturdy, professional, and fair.

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