Analyses of implementation of PSAK 102 related to murabahah financing agreements at KPN Perintis Makassar

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Abstract. This qualitative study examined the implementation of the murabahah financing contract and its compliance with Murabahah Accounting Principles, specifically PSAK 102. The researchers collected data through observations, interviews, and documentations and analyzed it to determine whether the transactions related to the murabahah financing contract at KPN Perintis complied with the requirements of the Murabahah Accounting Principles. The results indicated that the accounting treatments of the murabahah financing contract at KPN Perintis Makassar did not align with the requirements of PSAK No. 102, specifically in terms of recognition, measurement, valuation, presentation, and disclosure. The study aimed to provide valuable insights for the management, supervisors, and managers of KPN Perintis in their future implementation of murabahah financing contracts in alignment with PSAK 102. By highlighting these discrepancies, the study aimed to improve knowledge and understanding in the field of Islamic financial accounting.

Keywords: Murabahah Accounting Principles, PSAK 102, Financing Agreements

1 Introduction

Sharia-based financial institutions, both banks and financial institutions, are currently continuing to grow rapidly in Indonesia. It is said that majority of population in Indonesia is Moslem, so the existence of such sharia micro finance is necessary. Through such sharia institution, Moslem community will avoid elements that are forbidden in Islam [1]. One of non-bank sharia financial institutions is a sharia cooperative. Sharia cooperative is established to improve mutual prosperity among cooperative members in particular and society in general, as well as to enhance quality of life level of members in accordance to Islamic principles. Number of market shares of sharia cooperatives is encouraged to empower the lower middle class, which is realized through providing fund for small, micro and medium businesses [2].

Financing is an activity of sharia banks/sharia cooperatives in distributing funds to other parties along with banks which based on sharia principles. Providing fund to customers use several contracts, such as tabarru' and tijarah contract. Tabarru contracts are

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all kinds of agreements including non-profit transactions while tijarah contracts are another contract which is intended to obtain harmonious profits when all conditions have been fulfilled [3]. One of the contracts included in the tijarah contract category is the Murabahah contract. Murabahah contract is selling goods by stating the acquisition price plus profit agreed among seller and buyer. Murabahah is a buying and selling transaction where the Sharia Bank/Sharia Cooperative acts as the seller and the customer/cooperative member as the buyer, with the selling price being the supplier's purchase price plus a profit in a certain percentage/profit sharing according to the agreement. Ownership will transfer to the customer/cooperative member immediately after agreement is signed and the customer/cooperative member will pay the price by using installments method in the certain amount according to the agreement until payment is completed [4].

Furthermore, in sharia accounting systems, the murabahah agreement is regulated in Statement of Financial Accounting Standards No. 102 (PSAK 102) concerning Murabahah Accounting. PSAK 102 is an accounting standard that explains the recognition, measurement, presentation and disclosure of murabahah accounting. Regarding recognition and accounting measurement in murabahah contracts, namely murabahah assets are recognized as inventory at acquisition cost, including asset purchase discounts, murabahah profits, settlement discounts, as well as recognition and measurement of down payments. Then, recognition of deferred murabahah profit margin, murabahah receivables and deferred murabahah margin expenses. Furthermore, it is related to disclosure of murabahah receivables, deferred murabahah margin and deferred murabahah margin expenses [5].

KPN PERINTIS MAKASSAR is a civil servant cooperative located in State Polytechnic of Ujung Pandang. KPN Perintis was established in 1998 and currently has 505 members. KPN Perintis has several business units including: supermarket/minimarket, photocopying, procurement of meeting supplies and savings and loans. This Savings and Loans Business Unit carries out murabahah financing contracts for its members, especially for the purchase of motorbikes, laptops, refrigerators, washing machines, etc. according to the needs of its members.

An initial survey has conducted by researchers at KPN Perintis and it was found that murabahah receivables were recognized at acquisition cost without adding a murabahah profit margin. The existence of profit margin also did not be recognized and recorded into KPN Perintis's financial statements as deferred murabahah profit margin. Moreover, recording the receipt of an advance directly reduces the acquisition price. Based upon the resulted of initial survey, it is necessary to carry out further analysis and survey of Murabahan Financing contracts in KPN Perintis as to whether accounting treatment implemented by this cooperative are in line to the requirement of PSAK 102 concerning Murabahah Accounting.

Based on the problem above, the author needs to conduct further research by analysing the implementation of PSAK 102 Concerning Murabahah Accounting for Murabahah Financing Agreements at KPN Perintis Makassar. The problem formulation is as follows:

1. How the murabahah financing agreement in KPN Perintis Makassar is treated?

2. Is the recognition, measurement, presentation and disclosure of KPN Perintis Makassar's murabahah financing in accordance with PSAK 102?

2 Research Methods

This research was a field study in financial accounting, especially the field of sharia finance, which focused on Murabahah Accounting in KPN Perintis. The aim of this research was analysing requirement of PSAK 102 sharia in Murabahah financing agreements. The approach used by researchers is a qualitative approach that emphasizes the quality of events, phenomena, social phenomena where the meaning of these events can be used as a valuable lesson for developing a theory. The qualitative approach described problems based on existing data and then be analyzed and concluded. Descriptive research was a best way to capture events by describing, revealing, explaining and presenting it descriptively. Data were collected through both observations and interviews to get detailed descriptions and information related to Murabahah Accounting practices. Data analysis used from primary data sources in the form of interviews and secondary data in the form of documentation of researchers observing and analyzing the suitability of implementing PSAK 102 concerning Murabahah Accounting at KPN PERINTIS regarding recognition and measurement, presentation and disclosure.

The steps used in analyzing the data that have been collected are:

1. The process of observing, collecting and formulating data by using specific mathematic method resulted from the initial survey results.
2. Collecting data regarding accounting transaction records and financial reporting prepared by KPN Perintis.
3. Compare and analyze data and information as to whether accounting treatments and practices (recognition, measurement, presentation and disclosure) in KPN Perintis align to the requirement of PSAK 102.

3 Results And Discussion

Comparison of Murabahah Accounting Treatment based on PSAK 102 and Murabahah Agreement at KPN Perintis.

Table 1. Comparison of Murabahah Accounting Treatment based on PSAK 102 and Murabahah Agreement at KPN Perintis

Murabahah Accounting PSAK 102	Murabahah Accounting KPN Perintis
1. Recognition and Measurement: Murabahah assets are recognized as inventory at acquisition cost: *Murabahah Assets xxx* *Cash xxx*	1. Recognition and Measurement KPN Perintis did not recognize murabahah assets due to asset purchased it was directly purchased from supplier and then supplier directly handed it over to the member concerned. It was known as wakalah. As a result, KPN Perintis did not recorded these assets. It was not in accordance with PSAK 102
2. Registration of the murabahah contract Under PSAK 102 paragraph 22, murabahah receivables are recognized at acquisition cost of the asset plus expected margin profit and it was recorded as to: *Murabahah receivables xxx* *Murabaha Assets xxx* *Deffered Murabahah Profit Margin xxx*	2. Registration of the murabahah contract KPN Perintis recognized murabahah receivables based upon the acquisition price of the murabahah assets but deferred murabahah profit margin did not be recognized when the murabahah contract occurred. It was recorded as follow: *Murabahah receivables xxx* *Cash xxx* This event was not recorded in accordance with PSAK 102
3. Installment payments and murabahah profit margin recognition a) Installment payments are received at maturity date *Cash xxx* *Murabahah receivables xxx* *Deferred murabahah profit margin xxx* *Murabahah profit margin income xxx*	3. Installment payments and murabahah margin recognition a) Installment payments are received at maturity date KPN Perintis recognized Murabahah Profit Margin when installments paymenets received and it was recognized as profit sharing income and recorded as: *Cash xxx* *Murabaha Receivables xxx* *Revenue Sharing xxx* This event was not recorded in accordance with PSAK 102.
b) Installment payments were paid over due date	b) Installment payments were paid over due date

PSAK 102 paragraph 29 stated that fines are imposed if the buyer is negligent in paying his obligations in accordance with the contract and the fines received were recognized as part of the benevolent fund. This event was recorded as: *Cash* *xxx* *Benevolent Fund* *xxx*	KPN Perintis did not imposed over due payment fines, instead of providing flexibility for additional months of payments if members were unable to pay in the current month.
4. Discounts on settlement of murabahah receivables was given to buyers who paid on time or faster than the agreed time and it was recognized as a reduction in murabahah profits	4. KPN Perintis provides discounts to customers who pay off murabahah receivables faster than the agreed time and is recognized as a reduction in murabahah margin and is given immediately upon settlement. This shows that there is conformity with PSAK 102.
5. PSAK 102 paragraph 30 which explains the recognition and measurement of advanced payment is as follows (a) advanced payment are recognized as advances for purchases in the amount received; (b) if finished goods are purchased by the buyer, the down payment is recognized as payment of receivables (constitutes the principal part); (c) if the goods are canceled by the buyer, the down payment is returned to the buyer after taking into account the costs incurred by the seller. Recognition of advance payments is recorded as follows: *Cash* *xxx* *Murabahah down payment* *xxx* Advances to be paid against murabahah receivables and then be recorded: *Murabahah Advance Payment* *xxx* *Murabaha Receivables* *xxx*	5. KPN Perintis did not recorded down payments received, but immediately reduced the amount of acquisition price. This is not in accordance with PSAK 102.
Presentation 1. Murabahah receivables are valued at net realizable value, 2. Murabahah profit margin is presented as a contra account in reducing murabahah receivables. 3. Deferred murabahah expenses are presented as a deduction or contra account of murabahah debt	Presentation 1. Murabahah receivables in KPN Perintis were presented at the principal amount, without presenting murabahah receivables (acquisition price plus murabahah profit margin). 2. So that in the financial reports the "deferred murabahah profit

	margin" account does not appear as a contra account for murabahah receivables. 3. Deferred murabahah expenses were not presented as a deduction or contra account for murabahah debt. It was not in accordance with PSAK 102
Disclosure 1. Murabahah receivables are disclosed in the Statement of financial position based upon the net realizable value after deducting the allowance for losses on receivables. 2. Deferred murabahah profit margin is disclosed into financial statements.	Disclosure 1. In the financial position report, KPN has not disclosed murabahah receivables at the net realizable value after deducting the allowance for losses on receivables, but murabahah receivables are disclosed at the remaining principal without disclosing the contra account for murabahah receivables 2. In the Profit and Loss Report, KPN Perintis does not disclose the deferred murabahah margin. This is not in accordance with PSAK 102

Analysis of Murabahah Agreement Transactions at KPN Perintis under PSAK 102. The initial stage of preparing financial reports is recognition and measurement. Recognition is the process of establishing items that meet the definition of elements and recognition criteria in the balance sheet or profit and loss report, while measurement is the process of determining the amount of money to measure and comprise each element of the financial report in financial reports. Recognition and measurement of murabahah were assigned on assets, receivables, profit margin income, deductions, fines for financing and advances for financing.

The illustration below describes the murabahah accounting treatment in KPN Perintis compare to murabahah accounting according to PSAK No. 102 is as follows:
On September 1 2023, Mr Amri submitted an application to purchase a Fazzio motorbike for IDR 25,500,000. Through this contract, Mr. Amri assigned to pay a down payment of Rp. 9,000,000 to KPN Perintis. KPN takes a profit margin of 1.5% per month, Mr Amri should pay the installment payment during 10 months.

Calculation:
Sale Price: IDR 25,500,000
Down payment: Rp. 9,000,000
Debt from KPN: IDR 16,500,000
Margin: IDR 2,475,000 (15% of debt)
Selling price under contract: IDR 27,975,000 (item price + margin)
Terms: 10 months
Installments payment per month: Rp. 1,897,500,-
Margin per Month = IDR 247,500

Principal per Month: IDR 1,650,000

3.1 Assets

Murabahah assets or inventory are assets acquired with the aim to resale again by using a murabahah contract [6]. Inventory recognition in murabahah transactions arises because a goods purchase transaction occurs. It can be seen that the recognition and measurement of murabahah inventory is measured at acquition cost. PSAK 102 paragraph 18 explains that at the time of acquisition, murabahah inventory is measured at cost. On September 1 2023, Mr Amri submitted an application to purchase a Fazzio motorbike for IDR 25,500,000. KPN Perintis bought the Fazzio motorbike from a supplier, and then KPN Perintis recorded transaction above as follows.

Table 2. Schedule of installment payment of Murabahah Financing

No	Due Date	Install-ment/ Per month	Installment		Amount
			Principal	Margin	
					18.975.000
1.	October 1 st 2023	1.897500	1.650.000	247.500	17,077,500
2.	November 1 st 2023	1.897500	1.650.000	247.500	15,180,000
3.	December 1 st 2023	1.897500	1.650.000	247.500	13,282,500
4.	January 1 st 2024	1.897500	1.650.000	247.500	11,385,000
5.	February 1 st 2024	1.897500	1.650.000	247.500	9,487,500
6.	March 1 st 2024	1.897500	1.650.000	247.500	7,590,000
7.	April 1 st 2024	1.897500	1.650.000	247.500	5,692,500
8.	May 1 st 2024	1.897500	1.650.000	247.500	3,795,000
9.	June 1st 2024	1.897500	1.650.000	247.500	1,897,500
10.	July 1st 2024	1.897500	1.650.000	247.500	0

Table 3. Recorder transaction Murabahah Asset

Date	Accounts	Debet	Credit
September 1st 2023	Murabahah Asset	25.500.000	
	Cash		25.500.000

KPN Perintis did not recognize murabahah assets due to purchase of these assets was sent it directly by suppliers to members (wakalah) and then KPN did not record it asset and recognize as murabahah assets. This shows that it was not in accordance with PSAK 102.

3.2 Receivables and advances

Receivables represent claims or rights to obtain money from other entities. It is known that the recognition and measurement of murabahah receivables is measured at cost plus profits based on an agreement between KPN as the seller and the customer as the buyer. Meanwhile, at the end of the financial reporting period, murabahah receivables are valued at the net realizable value, namely the balance of receivables minus the allowance for losses on receivables.

A down payment is an amount paid by a buyer to a seller as proof of commitment to purchase goods from the seller. In a murabahah contract, the sharia financial institution may determine the murabahah down payment with terms and amounts in accordance with the agreement of the sharia financial institution. PSAK 102 paragraph 30 which explains the recognition and measurement of advances is as follows (a) advances are recognized as advances for purchases in the amount received; (b) if finished goods are purchased by the buyer, the down payment is recognized as payment of receivables (constitutes the principal part); (c) if the goods are canceled by the buyer, the down payment is returned to the buyer after taking into account the costs incurred by the seller [7].

Based on previous transactions, on September 1 2023, KPN Perintis and Mr. Amri entered into a murabahah agreement for a Yamaha Fazzio motorbike and on September 16 2023 KPN Perintis purchased a Yamaha Fazzio motorbike for IDR 25,500,000 with a profit-sharing margin of 1.5 % per month based on the selling price of IDR 27,975,000 from the mutual agreement. Mr. Amri paid a down payment of IDR 9,000,000 when the murbahah contract was agreed.

Recording should be in accordance with PSAK 102, namely:

Table 4. Recorder transaction Murabahah receivable

Date	Accounts	Debet	Credit
September 16th 2023	Murabahah receivable	27.975.000	
	Murabahah asset		25.500.000
	Deffered Murabahah profit margin		2.475.000

Table 5. Recording Murabahah advances Payment

Date	Accounts	Debet	Credit
September 20th 2023	Cash	9.000.000	
	Murabahah advances		9.000.000

Table 6. Reversing Murabahah advances over Murabahah receivables

Date	Accounts	Debet	Credit
September 20th 2023	Murabahah advances	9.000.000	
	Murabahah receivables		9.000.000

Under KPN Perintis accounting record:

Murabahah receivables	IDR16,500,000
Cash	IDR16,500,000

Accordingly, it was in accordance with PSAK 102 due to KPN Perintis recognized receivables based upon the amount of acquisition price without a profit margin. Moreover, KPN Perintis did not recorded any advance payments, but the payment directly reduced the amount of acquisition price.

3.3 Installment Payments

Table 7. First Installment Payment was recorded

Date	Accounts	Debet	Credit
Oktober 1st 2023	Cash	1.897.500	
	Murabahah receivables		1.897.500
	Deffered Murabahah profit margin	247.500	
	Murabahah Margin Income		247.500

Murabahah receivables were recorded at the acquisition price added by the agreed of murabahah margin because theoritically it was stated that the selling price was the acquisition price plus the amount of expected profit from the sale and purchase, so the selling price would directly become a murabahah receivable for KPN. Meanwhile, this deferred Murabaha margin account would decrease every month as an installment payment is received.
Under KPN Perintis accounting record was as follow:

Cash	IDR1,897,500
Murabahah receivables	IDR1,650,000
Profit sharing income	IDR 247,500

Recording transaction above was not in accordance with PSAK 102 due to there is no recognition of deferred margin in murabahah contracts. In this point, margin was recognized immediately as income when installments payment was received.

3.4 Fines

When the buyer is not able to settle the murabahah receivables as agreed, the seller can impose a fine unless it can be proven that the buyer is not able to pay due to force majeure. The aims of fine, based on the ta'zir approach, is to make buyers more disciplined in their obligations. The amount of fine is in accordance with what was agreed in the contract and the funds derived from the fine are designated as benevolent funds.

As we know that fines for murabahah financing are imposed when the customer is late in paying the installments, but the amount is not specified because the fine is voluntary and not coercive and will be used as social funds, and if the customer cannot pay the installments (debt) then the collateral/goods are guaranteed will be sold as agreed at the beginning, when there is excess sales money to pay off the remaining installments, the remaining money will be returned to the customer.

KPN Perintis does not impose fines for late payments, instead providing flexibility for additional months of bills if members are unable to pay in the current month. This shows that the recognition and measurement of fines at KPN Perintis is not in accordance with PSAK 102 paragraph 29 which explains that fines are imposed if the buyer fails to carry out his obligations in accordance with the contract, and the fines received are recognized as part of the benevolent fund.

3.5 Discount payment for member who paid early.

If a deduction is given at the time of settlement, it is considered a deduction from the murabahah profit. KPN Perintis provides discounts to customers who paid murabahah receivables faster than the agreed time and it is recognized as a reduction of murabahah margin and is given immediately upon settlement. This shows that there is conformity with PSAK 102. The following are the transactions and journalizing of installment repayment deductions made by KPN Perintis,

On October 10th 2023, Pebrianto made the murabahah repayment earlier than the due date as agreed. As of May 1st 2024, Pebrianto's remaining murabahah receivables amounted to IDR 8,050,000 consisting of a principal of IDR 7,000,000 and a margin of IDR 1,050,000. By this repayment, KPN Perintis provided a murabahah margin discount of IDR 150,000. Transaction journal as follows:

Table 8. Recorder Transaction Murabahah Receivables

Date	Accounts	Debet	Credit
Oktober 10th	Cash	7.900.000	
2023	Murabahah Receivables		7.000.000
	Revenue sharing		900.000

4 Conclusions and Recommendations

The results of this research describe the implementation of PSAK 102 concerning murabahah accounting at KPN Perintis. The murabahah concept and criteria at KPN Perintis were applied in line with the provisions of PSAK 102, which include recognition, measurement, presentation, and disclosure. The author can conclude:

1. Recognition and Measurement: The research found that there is no recognition of the existence of murabahah assets because the purchase is directly represented by the buyer (wakalah). There has been no recognition of the contra deferred murabahah margin account, resulting in its absence from the financial position report. Additionally, there is no recognition of advances, meaning that the receivable amount is the direct purchase price minus the advances.

2. Presentation: Murabahah receivables from KPN Perintis were presented as the principal receivables, without presenting net financing (acquisition price + murabahah margin). Consequently, the financial reports do not show the murabahah deferred profit margin account as a contra account for murabahah receivables.

3. Disclosure: Murabahah receivables are disclosed in the Statement of Financial Position at the net realizable value after deducting the allowance for losses on receivables. They are disclosed as Receivables and Financing. In practice, KPN Perintis treats murabahah receivables by disclosing the remaining principal amount without revealing the contra account for murabahah receivables.

Based on the description above, the murabahah financing agreement at KPN Perintis is not in accordance with PSAK Syariah 102.

5 Suggestion

Based on the resulted research above, the author provides suggestions as follows

1. KPN Perintis need to carry out Murabahah accounting treatment in accordance with PSAK 102 concerning murabahah accounting.
4. Future researchers who wish to conduct research on KPN Perintis as an object may need to conduct an in-depth investigation related to the accounting treatments of recognition and measurement, presentation, and disclosure of murabahah transactions in KPN Perintis.
5. For academics, the resulted research can be used as a reference in learning and teaching activities as well as in conducting further research.

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