



INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES



An Analysis of *Shopee Pay Later* Transactions Based on the *Qard Theory*

Azlin Alisa Ahmad, Nurul Azlin Hashim, Risma Nur Arifah, Nadhirah Nordin

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v12-i11/15239> DOI:10.6007/IJARBSS/v12-i11/15239

Received: 11 September 2022, **Revised:** 14 October 2022, **Accepted:** 25 October 2022

Published Online: 16 November 2022

In-Text Citation: (Ahmad et al., 2022)

To Cite this Article: Ahmad, A. A., Hashim, N. A., Arifah, R. N., & Nordin, N. (2022). An Analysis of *Shopee Pay Later* Transactions Based on the *Qard Theory*. *International Journal of Academic Research in Business and Social Sciences*, 12(11), 1453 – 1465.

Copyright: © 2022 The Author(s)

Published by Human Resource Management Academic Research Society (www.hrmars.com)

This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at: <http://creativecommons.org/licenses/by/4.0/legalcode>

Vol. 12, No. 11, 2022, Pg. 1453 – 1465

<http://hrmars.com/index.php/pages/detail/IJARBSS>

JOURNAL HOMEPAGE

Full Terms & Conditions of access and use can be found at
<http://hrmars.com/index.php/pages/detail/publication-ethics>



INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES



www.hrmars.com

ISSN: 2222-6990

An Analysis of Shopee Pay Later Transactions Based on the Qard Theory

Azlin Alisa Ahmad¹, Nurul Azlin Hashim¹, Risma Nur Arifah²,
Nadhirah Nordin³

¹Research Centre for Shariah, Faculty of Islamic Studies, Universiti Kebangsaan Malaysia,
²Islamic Business Law Department, Sharia Faculty, Universitas Islam Maulana Malik Ibrahim
Malang, Indonesia, ³Faculty of Islamic Contemporary Studies, Universiti Sultan Zainal Abidin.

Abstract

The Shopee application offers a 'pay later' payment mode known as *Shopee Pay Later* (SPL) and features four payment options, which are buy first and pay the total price of the goods purchased at a later date or payment made in installments over two, three or six months with accompanying charges. This transaction raises the question of whether SPL complies with the *Qard Theory* in *fiqh muamalat*. This is because *qard* is a loan that needs to be repaid to the creditor without any additional payment or charges. Therefore, this study aimed to study the 'pay later' buying and selling method based on the *Qard Theory*. This qualitative study used the document analysis method involving documents, such as books, articles, journals, newspapers and so on as well as the Federal Territory Fatwa for examining the SPL method. Data were then analyzed using the descriptive analysis method. Results of the study show that the SPL method is not permitted in Islam because the charges involved are deemed to be a form of usury (*riba*). This is because the 'pay later' method is not in accordance with the *Qard Theory* in Islam. This study provides knowledge to Muslim Shopee users about payment methods that are permitted and those that are prohibited in Islam.

Keywords: Qard, Shopee, Pay Later, Interest

Introduction

Shopee is an electronic trading or e-commerce platform that was introduced in 2015. The Shopee application is a subsidiary of SEA Group, which is an internet company based in Singapore (Atila, 2020). It has since expanded its business reach to 11 Asian countries, including Malaysia, Thailand, Taiwan, Indonesia, Vietnam, and the Philippines (Shopee, 2020). Various services are offered in the application in addition to online purchases, including paying utility bills, insurance plans, payments using QR codes, ticket purchases, food orders etc. In addition, Shopee provides a chat feature that allows buyers to interact directly with sellers without the need for other applications, such as WhatsApp and so on. Shopee also offers free delivery, flash sale, discounts and various other promotions (Minuriha, 2021).

The Shopee application also offers a 'buy first, pay later' payment method known as Shopee Pay Later (SPL). This feature is very popular among Shopee users because it is easier for buyers to buy something they want, with the option of paying later. An uncomplicated

and user-friendly registration also encourages people to use SPL. SPL also features four payment options, namely buy first and pay the total price of goods purchased later or payment made in installments over two, three or six months (Subramaniam, 2021).

SPL is open to Malaysian citizens who are 18 years old and above and have a valid ID card. Pay Later is an innovation by Fintech that utilizes online information technology to secure a payment that does not require a credit card (Lestari & Rudy, 2021). Shopee has appointed Sea Money Capital Sdn. Bhd. to manage instalment payments using SPL. This means that when consumers use SPL, the supplier (Sea Money Capital Sdn. Bhd.) will first purchase the item from the merchant, then the consumer will pay in installments to Sea Money Capital Sdn. Bhd. (Tan, 2022).

In addition, there is a charge levied, which is a processing charge of 1.25% of the purchase amount every month throughout the instalment plan period. The instalment payment also needs to be completed within the stipulated period because buyers will be charged a late payment charge of 1.5% if they fail to repay the monthly instalment on the stipulated date (Shopee Malaysia, 2021). However, several questions arise related to the granting of debt (*qard*) and the late payment charges for the loan debt. *Qard* is a loan that needs to be paid back to the creditor on the condition that there is no additional charges or benefits accruing from the loan (Syahnaz, 2009).

Therefore, this article aims to discuss how a *qard* contract is applicable in SPL as well as conduct an analysis of SPL based on *fiqh muamalat*. This study starts with the concept and operations of SPL, the *qard* concept according to Islam, followed by a discussion on the *qard* contract in relation to buying and selling based on the 'pay later' concept using the Shopee application by subjecting it to the Federal Territory Fatwa. The focus of a *qard* contract is the excess charge imposed, which is related to usury (*riba*). Finally, the discussion ends with the discussion on the finding.

Problem Statement

Among the research problems that need to be resolved are

Syariah Issues in Shopee Pay Later (SPL) Transactions

Basically, SPL is a facility that benefits consumers when purchasing items they desire. However, there is a fatwa stating that there is a Syariah issue in SPL transactions, such as usury (*riba*), which involves transaction and late payment charges (Luqman, 2021). Usury (*riba*) must be avoided as it is prohibited in Islam. Therefore, Muslims are forbidden to get involved in matters that are associated with the element of usury (*riba*) because usury (*riba*) is forbidden and deemed a sin. This statement is supported by Rahayu (2021); Utami (2021), who stated that the charges levied in SPL involve usury (*riba*) but when the user pays in installments at a specified time, it is not usury (*riba*) because there is no charge.

There are two opinions regarding the charges that are levied, namely the additional charge in SPL being a delayed price and that the additional price is usury (*riba*) (Hasanah, 2021). According to Monica (2021), who used the DSN-MUI Fatwa (No:116/DSN-MUI/IX/2017), contracts associated with electronic money is a *qard* contract, which is a loan agreement whereby the money must be returned at any time according to the agreement. However, the Federal Territory Mufti's Fatwa regarding Syariah issues associated with Shopee Pay Later Malaysia has yet to be described in detail. Based on this problem statement, this study aims to describe the true form of *qard* in Islam and determine whether 'Shopee pay later' conforms with the *Qard Theory* in *fiqh muamalat*.

Methodology

This qualitative study used the document analysis method as a research design because this method is a suitable for analyzing data pertaining to *Qard Theory* used in SPL. Data collection employed the content analysis method involving books, newspapers, theses, articles, journals, websites etc. to achieve the objectives of this study. The Federal Territory Fatwa was also used to realize the objectives of this study. The findings were then analyzed using a descriptive method approach.

Literature Review: The *Qard* Concept According to Islam

Literally, *al-qard* or *al-qat'u* means cutting off (in Arabic). The property loaned to a debtor is called *qard* because the creditor takes part of his property and loans it to the debtor. The term *al-qard* means the delivery of an item or property by a creditor to a debtor on the condition that the latter is responsible for returning the same property to the creditor immediately upon demand (Syahnaz, 2009). Meanwhile, Cahyadi (2021) mentioned that *qard* refers to giving property to people who will benefit from it and replace it in the future.

According to Mawaddah (2020), the meaning of *qard* is based on the opinion of four schools of thought or the four sects in Islam, namely the Syafie sect, which believes that *qard* is the ownership of an object and it must be returned with the same value. Whereas the Hanafi sect defines *qard* as an agreement between two parties who agree in a cooperation agreement for the sake of profit. *Qard* refers to a property owner who hands over his property with specified conditions, to a person who trades it for specified revenue share (Cahyadi, 2021). Sari (2022); Mawaddah (2020) stated that the Maliki sect believes that a *qard* contract refers to the handing over of something of value to another person to obtain a profit, whereby the said item of value cannot be returned in a wrong way (invalid), with the provision that the item should be replaced in future if the item received is not the same.

Al-Qard is stipulated in the al-Quran according to the exhortations of Allah SWT, meaning: "Who is it that would loan Allah a goodly loan so He may multiply it for him many times over? And it is Allah who withholds and grants abundance, and to Him you will be returned" (Surah al-Baqarah 2:245).

Qard According to Islam

Khotama (2017) mentioned that the law on *qard* follows the law of *taklifi*, which can be reprehensible (*makruh*), mandatory (*wajib*) or forbidden (*haram*). This statement is supported by the Islamic Religious Council of Selangor (MAIS) (2022) regarding people who owe money, whereby the law of debt originally claimed *qard* to be permissible, but it can change according to the situation, such as when a person desperately needs money, then he must borrow it. However, the law of debt for creditors changes depending on whether it is forbidden (*haram*), reprehensible (*makruh*) or permissible (*harus*). Likewise, Nur (2021) said that the law of debt is necessary and not mandatory. The law of debt is neither mandatory nor forbidden (*sunat*) but encouraged because the person who extends a debt (creditor) will receive a special reward from Allah SWT although not for the purpose of taking advantage or reaping benefits from debtors.

A comprehensive *qard* contract complies with all the rules and conditions set by Shariah. According to Sari (2022), the fundamental elements of *qard* include *muqrid* (creditor), *muqtarid* (debtor), *Qarad* (property that is loaned or item in a contract), and *sighah*

(obligation and *qabul*). Wahbah Zuhaili explained that there are four conditions that must be met in a *qard* contract (Rahmadayanti, 2020), such as:

- i. The *qard* agreement or contract is carried out with *sighah*, which comprises *ijab* (offer) and *qabul* (acceptance) or other elements in a *sighah* that can replace it, such as *muatah* (contract without *ijab* and *qabul*)
- ii. Both parties involved in the contract must understand the law (be sensible, mature and without coercion). Based on these conditions, then *qard* is a *tabarru'* contract (mutual help); hence, a *qard* contract made by a child, a mentally unsound, mentally challenged or a person who is coerced, renders the agreement or contract invalid or void.
- iii. According to the Hanafiyah sect, property that is loaned should be a property that has an equivalent in the market, or of a similar value (*mithli* - according to the majority of the ulama, the property that is loaned in a *qard* and can be any property that is used as collateral).

Usury (*Riba*) in *Qard*

Ahmad Sanusi (2018) explained that usury (*riba*) in *qard* or also known as *riba al-qard*, is any additional benefit that is conditional on the principal loan amount which is charged to the borrower. *Riba al-qard* is a type of usury (*riba*) since it is the excess amount against the loan that must be paid by the debtor to the creditor. Majority of the ulama agree that usury (*riba*) in this sense is similar in meaning to conventional interest (Fincyclopedia 2020). However, any excess or consideration (*iwad*) extended by the debtor of his own free will and without coercion, is not usury (*riba*), instead, it is a sign of willingness and sincerity shown by the debtor or borrower.

According to ulama, usury (*riba*) is divided into two categories, namely *riba al-qard*, which occurs in debt transactions, and *riba al-buyu'*, which occurs in the sale and purchase of *ribawi* items, such as gold and silver (Abd Hakim, 2021). *Riba al-qard* requires certain additional payments to be made every month or every year (Al-Zuhaili, 2011). Fiqh scholars distinguish between the additional payment said to be usury (*riba*) and the additional payment that is not considered usury. The additions included in usury are additions that are mandatorily required at the beginning or at the beginning of the offer (Taufiq, et al. 2019).

Findings of The Study

This study found that *Shopee Pay Later* (SPL) transactions based on the *Qard Theory* in Islam are as follows

1- An Analysis of the *Akad Qard* in *Shopee Pay Later*

Basically, debt receivable in Islam, which is called *qard*, is permitted. This is because it is human nature to always extend help and reciprocate that gesture. Debt receivable can also help people who are in difficulties or facing hardship in life and thus, strengthen the bonds of camaraderie amongst each other. *Qard* is a type of assistance involving the lending of property to others and the return of the said property without any addition (payment or otherwise). In the SPL application, the terms and conditions of the *qard* contract are as follows (Cahyadi, 2021)

i. Offer and Acceptance

In the SPL agreement, there is a term or condition in the agreement, which is the confirmation before registering the account. This term or condition of the agreement must be fulfilled and understood by the customer before continuing with the registration process. When wanting to make a transaction, the user must first checkout in order to confirm the purchase of the goods or service. This means that users can cancel the checkout process if they do not want it. Although the offer and acceptance are made online, the contract is considered complete and valid when there is a clear offer and acceptance even if both parties are not meeting physically. This can be done and is considered valid based on the exhortations of Allah SWT, which means

“O believers! When you contract a loan for a fixed period of time, commit it to writing. Let the scribe maintain justice between the parties. The scribe should not refuse to write as Allah has taught them to write. They will write what the debtor dictates, bearing Allah in mind and not defrauding the debt. If the debtor is incompetent, weak, or unable to dictate, let their guardian dictate for them with justice. Call upon two of your men to witness. If two men cannot be found, then one man and two women of your choice will witness—so if one of the women forgets the other may remind her.¹ The witnesses must not refuse when they are summoned. You must not be against writing ‘contracts’ for a fixed period—whether the sum is small or great. This is more just ‘for you’ in the sight of Allah, and more convenient to establish evidence and remove doubts. However, if you conduct an immediate transaction among yourselves, then there is no need for you to record it, but call upon witnesses when a deal is finalized. Let no harm come to the scribe or witnesses. If you do, then you have gravely exceeded ‘your limits’. Be mindful of Allah, for Allah ‘is the One Who’ teaches you. And Allah has ‘perfect’ knowledge of all things.” (Surah al-Baqarah, 2:282).

ii. ‘*Aqidain* (creditor and debtor)

In the SPL, the creditor is Shopee Malaysia and the debtor is the customer. One condition for becoming a creditor or debtor is that both parties must be legally sane. Thus, if a consumer can carry out the transaction properly via a mobile phone, then it is presumed that the consumer is in a sound state of mind. Besides that, one condition for registering for Shopee Pay Later is that the person should be 18 years old and above and the age is verified by presenting a valid identity card (Shopee, 2021). Hence, this ascertains that the person is sane and of age.

iii. *Ma’qud Alaih* (items sold)

Shopee provides various types of goods by attaching photos that indicate the existence of the goods. Ordering goods from sellers also takes time to reach the buyer and the buyer is advised to make a comment regarding the goods ordered as an indication that the goods have been received by the buyer as well as the condition of the goods. The next requirement is that the debtor must return the money borrowed and there can be no benefit (compensation) from the creditor because it will then become usury (*riba*) (Anon. 2021). However, the SPL application, there are extra payments that buyers have to pay, namely processing and late payment charges (Shopee, 2021).

Like credit cards, SPL also charges processing and late payment charges to buyers who use the BNPL (Buy Now Pay Later) payment method. The following is the payment plan for

processing and late payment charges applied in SPL service transactions. Pay Later with this instalment method clearly contains an element of ambiguity (*gharar*). Although an instalment method is offered with a charge as low as 0%, buyers cannot see the goods in detail because they can only see photos of the goods offered (Utami, 2021). The following is the payment plan for processing and late payment charges applied in SPL service transactions.

Table 1

Payment Plan for Processing and Late Payment Charges

Payment Method	Processing Charges	Late payment Charges
Buy Now Pay Later (BNPL) – pay the following month	0%	1.5% per month from the total outstanding amount
2-month installments	1.25% of the total amount payable each month	
3-month installments		
6-month installments		

Source: Shopee Malaysia (2021)

Islamic economics is clear about the prohibition of usury or benefits (Utami, 2021). However, in a SPL loan, there are some charges, namely a processing charge of 1.25% of the purchase amount each month throughout the period of the instalment plan. The payment amount in installment also needs to be completed within the set period because buyers will be charged a late payment charge of 1.5% if they fail to repay the monthly instalment by the stipulated date (Shopee, 2021). This means that the buyer has to pay the excess on the loan, which is in the form of fines and interest.

Ulama agree that a *qard* contract, which is has conditional elements for a loan of money that must be returned at an agreed time, is *riba al-qard* (Fatimah, 2021). This is because any addition to the loaned goods or money or surplus that has no replacement imposed by the lender (creditor) while waiting for repayment is prohibited in Islam because it is considered usury (*riba*) (Syahnaz, 2009). This was exhorted by the Prophet S.A.W, meaning:

“Every loan that leads to benefits (for the debtor) is considered as usury (riba)” (HR. Baihaqi). Studies on *Fiqh Muamalat* reveal that the contract used in SPL refers to a *qard* contract, where no additional conditions are allowed to the original contract (Siregar, 2022). The Hanafi sect is of the view that the law of granting a loan is still valid but the additional conditions are invalid, while the Syafie sect believes that the *qard* contract with additional conditions is invalid (Saputri, 2020).

2- Federal Territory Fatwa on Shopee Pay Later Loans

According to the Mufti of the Federal Territory, the Syariah issue related to SPL refers to transaction charges incurred, namely processing and late payment charges. However, for one-off payments there is no Syariah issue involved because there is no fee charged for the payment method (Abd Hakim, 2021; Prastiwi & Nur, 2021). Thus, if the user repays the payment the following month, then no additional charges are incurred, therefore, it can be concluded that this transaction is permitted in Islam. However, the instalment payment method over a period of two, three or six months is absolutely prohibited because there is an additional charge, which is deemed as usury (Hasanah, 2020).

Therefore, the consumer must examine every transaction so as not to get involved in matters that are forbidden by Allah S.W.T. A description of usury (*riba*) found in the processing and late payment charges is provided below.

a. Processing Charges

The processing charge is an additional charge incurred by Shopee users who choose the Shopee Pay Later (SPL) service to make payments for goods purchased in installments of either 2, 3 or 6 months. The charge is 1.25% per month of the full payment amount (Shopee, 2022). For example, if a consumer makes a purchase of RM2000 by choosing to pay in installments for 3 months, the user has to pay a processing charge of RM50 (1.25% x RM 2000 x 2 months) if the charge is already paid for in the first month. This means that consumers have to pay more if they want to pay in installments. Thus, it is clear that the Shopee application benefits from users who choose the instalment payment method. However, excess benefits like this are prohibited in Islam (Rahmadayanti, 2020).

Therefore, the processing charge, which is an additional charge of 1.25%, is considered usury (*riba*) because Shopee gains from the additional profit or benefit. However, the decision by the MPS at the 4th meeting on 14 February 1998, the 95th meeting on 28 January 2010 and the 101st meeting on 20 May 2010, decided that service or service charges are allowed as it involves the concept of *gharamah* (fine or penalty), *ta'wid* (compensation) as well as compliance to several conditions stipulated based on discussions among contemporary ulama (Bank Negara Malaysia, 2020). Among the conditions that must be complied with are as follows:

- i. The charges applied must be commensurate with the actual cost. Actual cost means the cost of making or producing a product or service, without taking into account the cost of storage or selling (Abdul Nasir, 2013).
- ii. Charges should be based on direct costs, such as employee wages and rental of equipment.
- iii. Charges cannot be charged as a percentage of the loan amount. Instead, it should be in accordance with actual management costs involved without any additions.
- iv. Estimated charges can be applied if it is difficult to place a definite amount after the account is closed at the end of the year. Therefore, if the actual amount is already known, every excess must be returned to the debtor according to the mutually agreed upon medium.

The conditions are based on the views of the International Academy of Islamic Fiqh in Jeddah, fatwa issued by the Saudi Lajnah Da'imah as well as the views of the AAOIFI Shariah Committee. As for the loan standards issued by the AAOIFI Shariah Committee, it states that:

"It is permissible for lending institutions to charge wages on a loan service offered based on an amount equivalent to the actual direct expenses, but it is not permissible to charge anything extra because every addition to the actual expenses is prohibited" (Azman et al., 2018).

Therefore, payment to the SPL service in installments is not allowed because the processing charges applied do not reflect the actual cost and are classified as usury (*riba*). Any additional

charge to the actual expenses is illegal. Shopee users should refrain from using the instalment payment service to avoid being saddled with usurious loans. Therefore, it is forbidden for Muslims to take loans that are based on usury (*riba*) for any reason and consumers must make efforts to seek Shariah-compliant loans.

b. Late payment Charges

Late payment charges will be applied to users who fail to pay by a specified date. This charge is incurred for two payment methods, which is either a delay in payment in the following month or installments for 2 months, 3 months or 6 months, whereby 1.5% is charged on the outstanding amount. This means, if the user fails to make the payment on the specified period or day, then they have to pay a late payment charge and a processing charge of 2.75%. For example, if a consumer makes a purchase of RM2000 by choosing to pay in installments for 3 months, the consumer might have to pay a processing charge of RM50 (1.25% x RM 2000 x 2 months) plus a late payment charge of RM90 (1.5 % x RM 2000 x 3 months). Hence, the total charges incurred will be as much as RM140. However, this kind of penalty is forbidden in Islam because it burdens the consumer.

According to the Federal Territory Fatwa that appeared in Irsyad al-Fatwa Series 638, the interest involved in late payment charges is *al-qard* interest (Abd Hakim, 2021). However, late payment charges must be in accordance with the Shariah Resolution issued by the Shariah Advisory Council of Bank Negara Malaysia (BNM) at the 4th meeting on 14 February 1998, 95th meeting on 28 January 2010 and the 101st meeting on 20 May 2010. The Shariah Resolution states that the imposition of late payment charges by Islamic financial institutions, which includes both the *gharamah* and *ta`wid* concepts, is permissible, subject to the following (Bank Negara Malaysia, 2020):

- i. *Ta`wid* can be imposed on late payment for financial obligations resulting from exchange contracts (such as sale and lease) and *qard*.
- ii. *Ta`wid* can only be imposed after the end of the debt repayment period agreed by both contracting parties.
- iii. Islamic banking institutions can recognize *ta`wid* as income on the basis that it is imposed as compensation for actual losses suffered by Islamic banking institutions.
- iv. *Gharamah* cannot be considered as income, instead it must be channelled to certain charities.

This means that all forms of benefits accruing from a debtor are forbidden by Allah S.W.T and the law states that it is forbidden (*haram*). The law interprets usury (*riba*) as illegal even if there is a concession or an agreement between the borrower and the lender in the course of buying and selling, as explained in the Qur'an and hadith in relation to its prohibition. Thus, in the context of late payment charges included in the category of usury, Islam forbids any additional charges imposed on loan repayments.

Discussion of The Findings

This section discusses the results of the study based on an analysis of the *qard* contract as well as Syariah issues highlighted by the Federal Territory Fatwa pertaining to Shopee Pay Later (SPL) transactions. Syariah issues found in Shopee SPL transactions are based on elements depicted in Table 2 below.

Table 2

Syariah issues related to Shopee Pay Later transactions

Syariah Issues	Shopee Pay Later
<i>Riba al-qard</i>	✓
<i>Gharar</i>	✓
Gambling	x

Based on Table 2, it can be concluded that there are Syariah issues, such as *riba al-qard*, in the SPL service. This is because Shopee charges a processing charge of 1.25% and a late payment charge of 1.5% to consumers who choose to pay in installments and those who fail to make payments within the stipulated period. The charges are not in accordance with the concept of *qard* in Islam because conditional loans are not permitted in Islam. Next, the SPL application also contains the element of *gharar* but this issue is not considered serious because Shopee provides a 'return and refund' feature for customers who are not satisfied with the goods received. This feature can eliminate the risk of goods that cannot be delivered or do not match the specifications, which is in line with the principles of *Khiyar* in Islam. (Anon. 2021). Meanwhile, there is no element of gambling in the SPL transaction.

Table 3 shows that *riba al-qard* exists in SPL transactions based on the method of payment offered. The status of SPL transactions based on the *Qard Theory* in Islam are as follows:

Table 3

SPL transactions based on the Qard Theory

<i>Qard Theory</i> in Islam	Shopee Pay Later	Recommendation
Absence of prohibitory elements	Buy Now Pay Later (<i>one-off</i>)	Permitted
There is an additional payment (<i>riba</i>) that is required, namely the processing charge	Installments of 2, 3, or 6 months	Prohibited
There is an additional payment (<i>riba</i>) that is required, namely the late payment charge	Delay in settling the one-off loan payment or instalment	Prohibited

Results of the study (see Table 3) regarding the *qard* theory applied to Shopee's 'buy now pay later' payment mode, i.e., a one-off payment done in the following month, indicates that this mode is permitted in Islam because there are no prohibited elements in this mode. However, for deferred payments involving two, three or six months, the loan is not permitted according to Shariah. This is because there is a processing charge of 1.25% for all consumers who choose the instalment method. Besides that, consumers who fail to pay within the specified period will also be charged a late payment charge of 1.5%. These charges are in excess of the original amount that ought to be paid by the consumer and this becomes a form of usury. Therefore, consumers should avoid using the instalment feature in SPL so as not to engage in any buying or selling that involves usury.

Conclusion

In conclusion, the analysis of Shopee Pay Later (SPL) transactions based on the *Qard Theory* shows that there is a Syariah issue, namely the presence of the element of usury. This is in line with the decision of the Federal Territory Mufti appearing in Irsyad Al-Fatwa Series 638, which claims that there is an element of *riba al-qard* in the Shopee Pay Later mode of payment. Payment of loans in installments for services or goods is not permitted because there are extra charges imposed, such as processing and/or late payment charges, which are

elements prohibited by Islam. However, one-off payments are permitted because the transaction does not contain prohibited elements. Although the business of buying and selling in e-commerce applications is permitted, the mandatory law does not cover all the transactions involved in the application. The SPL loan that was introduced to facilitate consumer affairs is also not a non-Shariah-compliant facility, but there are parts of the processing and transaction methods that need to be researched and understood by all Muslims so as not to indulge in matter that are prohibited in Islam. Therefore, Muslims are prohibited from making any loans that involve usury because it is illegal and contributes towards committing a sin.

References

Al-Quran

- Abd Hakim, A. R. (2021). Irsyad al-fatwa siri ke-638: Isu syariah berkaitan penggunaan *shopee pay later*. <https://muftiwp.gov.my/en/artikel/irsyad-fatwa/irsyad-fatwa-umum-cat/5049-irsyad-al-fatwa-siri-ke-638-isu-syariah-berkaitan-penggunaan-shopee-pay-later> [20 Jun 2022]
- Abdul Nasir, A. R. (2013). Konsep dan aplikasi kos sebenar dalam institusi kewangan Islam. kertas kerja persidangan muzakarah cendekiawan syariah nusantara ke-7. Organized by International Shari'ah Research Academy for Islamic Finance (ISRA) dan Amanah Asset Management. Hotel Fairmont, Singapura, 29-30 May.
- Sanusi, A. H. (2018). *Riba*: definisi dan jenis-jenis *riba*. <https://www.linkedin.com/pulse/riba-definisi-dan-jenis-jenis-ahmad-sanusi-husain> [21 Jun 2022]
- Anon. (2021). Hukum menjual barang secara pre-order di platform online. *Harakah Daily*, 25 April.
- Anon. (2021). Penggunaan sistem pembayaran paylater dalam perspektif ekonomi Islam. <https://ruangliterasi.id/2021/11/18/penggunaan-sistem-pembayaran-paylater-dalam-perspektif-ekonomi-islam/> [20 June 2022].
- Fateha, A. O. (2020). Sejarah shopee dan siapa CEO shopee? <https://atilafateha.com/sejarah-shopee/> [20 June 2022].
- Azman, M. N., Syahnazrin, H., & Nasir, M. H. (2013). Kerangka dan mekanisme penentuan kos sebenar ke atas produk kewangan islam. Universiti Islam Antarabangsa Malaysia. <https://e-muamalat.islam.gov.my/en/bahan-ilmiah/kertas-persidangan/234-kerangka-dan-mekanisma-penentuan-kos-sebenar-dalam-kewangan-islam> [25 June 2022]
- Bank Negara Malaysia. (2010). Resolusi syariah dalam kewangan Islam (2nd Edition). Kuala Lumpur: Bank Negara Malaysia.
- Utami. (2021). Praktek kredit barang melalui shopee paylater dari marketplace shopee berdasarkan hukum ekonomi islam dan kitab undang-undang hukum perdata. Master thesis. Fakultas Hukum, Universitas Muhammadiyah Sumatera Utara Medan.
- Cahyadi. (2021). Pandangan hukum Islam terhadap tunda bayar (paylater) dalam transaksi e-commerce pada aplikasi shopee. Master thesis. Fakultas Ilmu Agama Islam, Universitas Islam Indonesia.
- Fatimah. (2021). Tinjauan Fatwa DSN-MUI no. 117/DSN-MUI/II/2018 terhadap praktik pembayaran produk secara kredit menggunakan fitur pembayaran shopee paylater pada aplikasi shopee. Master thesis. Fakultas Syari'ah dan Hukum, Universitas Islam Negeri Sunan Gunung Djati Bandung.
- Fincyclopedia. (2022). *Riba Al-Qard*. <https://fincyclopedia.net/islamic-finance/r/riba-al-qard>

- <http://jurnal.uinsu.ac.id/index.php/iblr/article/download/6516/2858> [19 Jun 2022]
- Anon. (2021). Hukum pay later dalam Fiqh Muamalah. <https://www.kompasiana.com/salsabilasahara6659/60d33ac0bb448670ed140892/qardh-hukum-paylater-dalam-kajian-fiqh-muamalah> [20 Jun 2022]
- Khotama, K. (2017). Praktek arisan dengan sistem lelang dalam penjualan sepeda motor di Pt. Yamaha Armada Pagora Jaya Kota Kediri Ditinjau Dari Ekonomi Islam. Indonesia; IAIN Kediri. Tesis Sarjana. Fakultas Ekonomi dan Bisnis. Sekolah Tinggi Agama Islam Negeri (STAIN) Kediri.
- Lestari & Rudy. (2022). Keabsahan shopee paylater sebagai financial technology dalam hukum positif Indonesia. *Jurnal Kertha Semaya*. (10) 4: 772-781.
- Luqman, A. (2021). *Shopee Pay Later* Satu Pencerahan Lanjut. <https://m.facebook.com/UstazAbdulAzizMN/posts/4105169956193358>[19 Jun 2022].
- Majlis Agama Islam Selangor (MAIS). (2022). Wang orang berhutang. <https://www.mais.gov.my/wang-orang-berhutang/> [20 Jun 2022].
- Mawaddah. (2020). Analisis Hukum Islam Terhadap Pinjaman Traveloka Paylater Pada E-Commerce. Jakarta; Institut Ilmu Al-Qur'an (IIQ) Jakarta. Tesis Sarjana. Fakultas Syariah dan Hukum, Institut Ilmu Al-Qur'an (IIQ) Jakarta.
- Minuriha. (2018). Tinjauan hukum islam terhadap jual beli dalam marketplace online shopee di kalangan mahasiswa Uinsa Surabaya. Master thesis. Fakultas Syariah dan Hukum, Universitas Islam Negeri Sunan Ampel.
- Monica. (2019). Analisis hukum Islam terhadap pinjaman uang elektronik *shopee pay later* pada e-commerce. Master thesis. Fakultas Syariah dan Hukum, Universitas Islam Negeri Sunan Ampel Surabaya.
- Prastiwi & Nur, F. (2021). Konsep paylater online shopping dalam pandangan ekonomi Islam. *Jurnal Ilmiah Ekonomi Islam*.7(1): 425-423.
- Rahayu, T. (2021). Analisis akad jual beli e-commerce shopee pay later dalam perspektif ekonomi islam. *Iqtishodiah: Jurnal Ekonomi Dan Perbankan Syariah*, 3 (2), 1–15. Retrieved from <https://ejournal.ibntegal.ac.id/index.php/iqtishodiah/article/view/134>.
- Rahmadayanti, F. (2020). Hukum Denda Pada Pinjaman Paylater Di Aplikasi Gojek Perspektif Wahbah Az-Zuhaili. Master Thesis. Fakultas Syariah dan Hukum, Universiti Islam Negeri Sumatera Utara.
- Nur, R. (2021). Hukum Berhutang Adalah Harus. *Sinar Harian*, 9 Mac.
- Rohmatul, H. (2020). Tinjauan Hukum Islam Terhadap Praktik Kredit *Shopee Pay Later* dari MarketplaceShopee. Tesis Sarjana. Fakultas Syariah, Institut Agama Islam Negeri (IAIN) Purwokerto.
- Saputri. (2020). Pemakaian Sistem Paylater Dalam Pembayaran Jual Beli Online Menurut Perspektif Hukum Islam (Studi Di Pt Aplikasi Karya Anak Bangsa (Gojek)). Hukum Ekonomi Syariah (Muamalah). Master Thesis. Fakultas Syari'ah, Universitas Islam Negeri Raden Intan Lampung.
- Sari. (2022). Tinjauan Hukum Islam Terhadap Jual Beli Online Menggunakan Kredit *Shopee Pay Later*. Tesis Sarjana. Fakultas Syariah, Institut Agama Islam Negeri Palopo.
- Shopee Malaysia. (2021). [Shopee Pay Later] What are Shopee Pay Later Late Payment Charges? <https://help.shopee.com.my/my/s/article/ShopeePay-Later-What-are-SPayLater-Late-Payment-Charges>[19 Jun 2022]

- Shopee Malaysia. (2021). [Shopee Pay Later] What is a Processing Fee? <https://help.shopee.com.my/my/s/article/ShopeePay-Later-What-is-Processing-Fee-for-SPayLater-when-placing-orders-via-installment> [19 Jun 2022]
- Shopee Malaysia. (2021). [Shopee Pay Later] What is Shopee Pay Later? <https://help.shopee.com.my/my/s/article/SPayLater-What-is-SPayLater#:~:text=SPayLater%20is%20Shopee's%20Buy%2DNow,instalments%20across%20a%20few%20months.> [19 Jun 2022]
- Siregar. (2022). Transaksi Shopee Paylater Dalam Perspektif Fiqh Muamalah (Studi Pada Mahasiswa Prodi Hukum Ekonomi Syariah Dan Prodi Hukum Syariah Fakultas Syariah Dan Hukum Uin Suska Riau). Master Thesis. Fakultas Syariah, Universiti Islam Negeri Sultan Syarif Kasim Riau.
- Subramaniam. (2021). Trend: Deconstructing Buy Now Pay Later Services <https://www.theedgemarkets.com/article/trend-deconstructing-buy-now-pay-later-services> [20 June 2022].
- Syahnaz, S. (2009). Konsep Pinjaman Menurut Perspektif Islam. *Jurnal Penyelidikan Islam*. (22):167-188
- Tan, J. (2022). A 2022 comparison of 10 buy now, pay later (BNPL) services in M'sia & their offerings. <https://vulcanpost.com/777248/buy-now-pay-later-bnpl-services-malaysia-compare/https://www.seamoney.com/>[20 Jun 2022]
- Utami. (2022). Hukum dan kontrak elektronik (studi pada layanan pinjam meminjam uang melalui *shopee paylater* ditinjau dari hukum indonesia dan hukum islam). Master Thesis. Fakultas Hukum, Universitas Muhammadiyah Surakarta.
- Yaqien. (2021). Tinjauan hukum ekonomi syariah terhadap denda pada pinjaman go pay paylater di Kota Purwokerto. Hukum Ekonomi Syariah. Master Thesis. Fakulti Syariah, Universitas Islam Negri Prof KH. Saifuddin Zuhri Purwokerto.