
ANALYSIS OF HAJJ FINANCING IN BANK PANIN DUBAI SYARIAH

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ABSTRACT

Muslims who are able to physically and materially visit Allah's house must perform the hajj, a form of worship that is one of the pillars of Islam. This research uses qualitative methods. The purpose of this research is to analyze the Hajj financing products offered by Bank Panin Dubai Syariah. The Hajj financing product (Prohajj) at Bank Panin Dubai Syariah Malang is a bridging loan to customers to cover the lack of funds to obtain a Hajj. The DSN-MUI Fatwa Number 29/DSN-MUI/VI/2002, which pertains to Financing for Hajj Management by Sharia Financial Institutions, allows Sharia Financial Institutions to offer Hajj bailout products or Hajj financing. We hope that this fatwa will encourage all Islamic financial institutions to adhere to the established regulations.

Keywords: Hajj Financing; Ijarah; DSN-MUI Fatwa Number 29/DSN-MUI/VI/2002; Bank Panin Dubai Syariah

INTRODUCTION

The development of the times and the increasingly improving economy, coupled with Islamic financial institutions, are increasing yearly, especially Sharia banking, which has developed rapidly. This happens because of the large number of Islamic banks in countries where the population is predominantly Muslim and non-Muslim. According to the Financial Services Authority, in 2021, Indonesia will be one of the countries with the most significant total sharia financial assets, IDR 2,050.44 trillion. The considerable acquisition of Islamic financial assets is marked by the existence of the Islamic financial services sector in Indonesia, which consists of 3 sectors, namely Islamic banking, Islamic non-bank financial industry (IKNB) (consisting of insurance, finance companies, pension funds, Islamic microfinance institutions and institutions special financial services) and the Islamic Capital Market (consisting of state sukuk, corporate sukuk and Islamic mutual funds). Based on data obtained from the OJK (Financial Services Authority) in 2020-2021, the development of Islamic banking was 70%, Islamic sukuk was 19%, Islamic funds were 4%, and others were 7%.

The emergence of Sharia banking in Indonesia began with Law Number 7 of 1992, as amended by Law Number 10 of 1998 concerning Banking. Banking is developing well, supported by the emergence of Law No. 10 of 1998, which is based on clear laws and types of business that Islamic banks can operate and implement. Based on this law, conventional banks open sharia branches or convert themselves into sharia banks. At that time, Muamalah Bank was the first Islamic bank in Indonesia, founded in 1992. However, the development of Islamic banking in Indonesia was late compared to other Muslim countries. Islamic banking in Indonesia will be able to develop and proliferate (Sri Kurnialis et al., 2022).

The development of Islamic banks has had a good impact on the country and society. The role of the community is vital in improving and developing sharia banking in Indonesia. Public sympathy and trust cannot be separated from the health conditions and conditions of Sharia banking (Ullah et al., 2014). Sharia banks emerged in Indonesia due to encouragement from the public's need for Islamic banking. The prohibition of usury requires alternative products and services by Islamic law. Islamic banks offer products and services that are free from usury (Abasimel, 2023). Islamic banks have created many products, including financing, fundraising, and service products. All of these products are intended to serve the public (customers). The favourite products of the public in

Islamic banks are financing products, one of which is the Hajj financing product or Hajj bailout.

The problem that arises now is that there is much public interest in performing the Hajj and the limited capacity in the holy land of Mecca, thus limiting pilgrims from carrying out the Hajj every year (Aisyah & Putri, 2023). For this reason, the Saudi Arabian government has set Hajj quota regulations for each Hajj pilgrimage country, including Indonesia, to limit the increase in pilgrims departing for Hajj so that they can carry out the Hajj comfortably and safely. With the enactment of this quota, countries that send Hajj pilgrims every year must place restrictions on pilgrims who wish to depart using a waiting list mechanism, namely by registering first, as is done in Indonesia, which is predominantly religious. Islam (Huda & Haeba, 2021). The increase in the waiting list is due to several factors, including the increasing welfare of Muslims, as indicated by the increase in their income. Apart from that, the existence of Hajj bailout services provided by Sharia banking to help prospective pilgrims who have difficulty registering for Hajj also impacts the buildup of the waiting list. Initially, prospective pilgrims could register and go to Hajj in the same year. Then there was a shift that created queues or waiting lists, initially one year, then two years, and some even up to 32 years. Therefore, each province, district and city has a different quota for Hajj pilgrims.

With the development of Islamic financial institutions in Indonesia, a breakthrough product has emerged that facilitates every Muslim in Indonesia's registration for the Hajj with Hajj bailout facilities from Islamic financial institutions. Many financial institutions, including banks and non-banks, offer services to register pilgrims to collect Hajj portion numbers or Hajj Travel Expenses (BPIH), called Hajj bailout funds. Therefore, a service has been implemented to carry out Hajj arrangements and bailouts at Islamic financial institutions. To fulfil desires, overcome the number of queues, and provide certainty of Hajj departures. This is based on the 2000, 2001 and 2002 DSN-MUI fatwa concerning Financing for Hajj Management in Sharia Financial Institutions.

LITERATURE REVIEW

Hajj Financing

Hajj bailout financing is a loan from a Sharia bank to a customer to cover the lack of funds used to obtain a hajj seat at the time of repayment of the BPIH (Hajj Travel Expenses). The bailout funds are guaranteed as a deposit owned by the customer; then, the customer must return the money borrowed within a certain period. This financing product uses the qardh wal ijarah principle. This Hajj bailout fund is subject to an umrah fee per year for each customer, where the umrah fee per year is different for each package. In a qardh wal ijarah contract, the object of the contract is qardh services with additional compensation required. Using qardh contracts in hajj financing by Sharia banks is a benevolent loan without compensation. Sharia banks do not take advantage of this contract. However, banks take advantage of using the ijarah contract by taking service fees (umrah fees) from the administrative costs of arranging the Hajj (Lestari et al., 2017).

METHODS

This study uses a descriptive methodology to help the researcher expose or depict the social context. The objective is to comprehensively present the social environment under investigation in a wide-ranging and detailed way (Aisyah et al., 2021). The goal of descriptive research, often known as survey research, is to correctly and methodically reveal the characteristics and facts of particular populations (Aisyah, 2015). Furthermore, this study is library-based, incorporating hypotheses from various sources, including recent and historical records. Researchers will gather additional information from publications that address Islamic banking, Islamic investing, gold gardening investment, and other topics about Islamic economics, including books, magazines, journals, and the Internet. This type of study employs qualitative approaches. Research is research,

whether it is qualitative or quantitative. Using words and language in a particular natural setting and various natural methodologies, qualitative research seeks to understand study subjects' experiences—behaviour, perceptions, motives, actions, and more—from a holistic perspective (Creswell, 2017). Employee interviews were conducted at Bank Panin Dubai Syariah KCP Malang, which served as the primary data source for the researchers. We will also gather secondary data from books, journals, magazines, and other pertinent material for this study.

RESULTS

Hajj Financing Products (Prohajj) in Bank Panin Dubai Syariah Malang

The Hajj financing product (Prohajj) at Bank Panin Dubai Syariah Malang is a bridging loan to customers to cover the lack of funds to obtain a Hajj seat and pay off Hajj Travel Costs (BPIH). To pay the Hajj Travel Costs (BPIH), prospective pilgrims must provide money or capital of IDR 25,000,000 to get a seat number for the Hajj departure. However, only a few people (prospective Hajj pilgrims) can pay because they are still constrained by funds that have yet to be collected shortly. Therefore, financial institutions are allowed to help with Hajj arrangements. In this case, Bank Panin Dubai Syariah Malang provides bailout funds for people (prospective Hajj pilgrims) who still lack funds. This bailout can help speed up people getting seats. The nominal amount of the Hajj Travel Expenses (BPIH) is by the provisions of the Ministry of Religion; the nominal amount of the Hajj Travel Expenses (BPIH) is IDR 25,000,000.

This Hajj financing product is provided to serve prospective regular Hajj pilgrims and prospective plus (special) Hajj pilgrims. This product is also offered to help finance the Hajj and Umrah, so there are Hajj and Umrah bailouts. One Sharia financial institution declared a Deposit Receiving Bank (BPS) for Hajj Organizing Fees (BPIH) and provides Hajj and Umrah financing products is Bank Panin Dubai Syariah Malang. Bank Panin Dubai Syariah Malang will also launch a Hajj Plus (particular) product shortly due to high demand from the public. The products most in demand by the public at Bank Panin Dubai Syariah Malang are regular Hajj products. Meanwhile, many people are interested in Umrah products, but due to the current COVID-19 pandemic, Saudi Arabia has temporarily suspended Umrah activities.

Law and Orientation of Hajj Bailout Funds

This product is open to all groups. The target of this product is individual customers with various professions. Bank Panin Dubai Syariah Malang collaborates with other parties such as the Hajj Guidance Group (KBIH), study communities, religious figures, etc. With this product, it is hoped that Muslims will find it easier to carry out the fifth pillar of Islam, namely the Hajj. This product is based on DSN-MUI fatwa Number 29/DSN-MUI/VI/2002. This product is named Sharia Financial Institution Hajj Management Financing in the fatwa. In practice, this product has different provisions in each Sharia banking, for example, the period the bank gives customers until they wait for the announcement of BPIH repayment from the Ministry of Religion, repayment of the Hajj bailout does not use instalments, but rather by saving. Due to the extended repayment time given by Sharia banks, this product is not correctly called "bailout" but more appropriately "financing" because bailouts are bank products for short terms, such as one year. In contrast, financing is bank products for relatively long terms, such as 2-5 years. On that basis, 310 Ahkam: Vol. XIII, no. 2, July 2013. The Ministry of Religion implemented a new policy for repayment of bailout funds for one year and came into effect in 2013. Sharia banking must comply with this provision.

Hajj Financing Product Conditions

In practice, this product has different provisions for each Sharia bank. The provisions at Bank Panin Dubai Syariah Malang are on time; at Bank Panin Dubai Syariah Malang, the time given to customers is 2 to 5 years. The ceiling given to customers also varies depending on the period the customer chooses to repay the financing. Applying for Hajj financing at Bank Panin Dubai Syariah Malang is easy. Prospective pilgrims only need to

come to the Bank Panin Dubai Syariah Malang office, which is located on Jl. MGR Sugiyopranoto No.7, Kiduldalem, Kec. Klojen, Malang City, East Java. Applying for Hajj financing at Bank Panin Dubai Syariah Malang can be done by all groups ages 12-65. Then, Bank Panin Dubai Syariah will explain the Hajj financing product, including the period, the ceiling amount received, and the monthly instalments the customer pays. After that, the customer will choose the period and ceiling amount required by the customer. If the customer has agreed to this, the contract will take place between the customer and Bank Panin Dubai Syariah Malang, namely the ijarah contract and with the conditions set by Bank Panin Dubai Syariah Malang. Once the contract has been completed, the next stage is for Bank Panin Dubai Syariah Malang to immediately give money amounting to IDR 25,000,000 to the prospective congregation. Later, the prospective congregation deposits the money at the Ministry of Religion office accompanied by Bank Panin Dubai Syariah Malang; after that, the candidate Congregants only make monthly instalments that Bank Panin Dubai Syariah Malang has determined. Instalments are paid on the 5th of every month; if customers are late in making instalment payments, Bank Panin Dubai Syariah Malang will not impose fines on prospective pilgrims; this is what differentiates Hajj financing at Bank Panin Dubai Syariah Malang from other Sharia banks. If the prospective pilgrim does not pay the instalments for three months or the customer has called 3, Bank Panin Dubai Syariah Malang will follow up with the prospective pilgrim to continue financing the Hajj or cancel it. Below is a multi-tenor and multi-ceiling table for Hajj financing at Bank Panin Dubai Syariah Malang, namely as follows:

Table 1. Five Year Tenor

	Plafond (million)	Ujroh (million)	Ijarah (million)	Installment	Fee
1 Person	25	12,5	37,5	625.000	750.000
2 Person	50	25	75	1.250.000	1.500.000

Source: Author Analysis (2024)

Table 2. Three Year Tenor

	Plafond (million)	Ujroh (million)	Ijarah (million)	Installment	down payment (million)	Fee
1 Person	15	4,512	19,512	542.000	10	750.000
2 Person	30	9,024	39,024	1.084.000	20	1.500.000
1 Person	25	7,508.	32,508	903.000	-	750.000
2 Person	50	15,016.	65,016	1.806.000	-	1.500.000

Source: Author Analysis (2024)

Table 3. Two Year Tenor

	Plafond (million)	Ujroh (million)	Ijarah (million)	Installment	down payment (million)	Fee
1 Person	15	3	18	750.000	10	750.000
2 Person	30	6	36	1.500.000	20	1.500.000

Source: Author Analysis (2024)

The Hajj bailout financing issued and implemented by Sharia banks has multiple benefits for many parties who want to perform the Hajj pilgrimage. What multi-maslahah means is that it brings many advantages to the Islamic community, the people, the nation, the state, and other institutions related to Sharia finance. In other words, the Hajj bailout fund is an amount of funds lent by the bank to prospective Hajj pilgrims to receive a

portion of the Hajj. For these lending services, the bank has the right to receive a kind of 'service fee', which becomes a transaction that is a separate profit margin (net profit) in its business. The problem is the "interest" on this loan. Logically, it is impossible for a bank, even though it adheres to sharia, to suddenly be kind enough to lend 25 million just like that if there is no "reward" whatsoever. A bank is essentially a company. And a company is not a social assistance agency, after all. So, the basic logic that we can understand is that banks must make a profit. And in this case, profits are obtained from lending money to prospective Hajj pilgrims. All you have to do is find a hilah or alibi so that what was initially usury and haram can later be turned into halal. The Hajj bailout funds are legal and permitted; it's just how the banking application is implemented. If you look at the use of the contract, the Hajj bailout funds use one contract, which can give rise to other contract laws, not two contracts in one transaction. And regarding the DSN fatwa regarding the amount of card (bailout), it will not change the amount of umrah or rental fees.

Conditions for Opening Hajj Financing

From the interviews we conducted, several conditions must be fulfilled to finance the Hajj, including the following. Terms & Conditions for Opening an Account: 1) Identity: Indonesian citizen: KTP, foreigner: Passport & KITAS/KIMS; 2) Fill out & Sign the application: a) Customer Information File (CIF) application form; b) Account Opening Form; c) Initial deposit slip, Customers are obliged to provide information and data under actual conditions; if it is discovered that the customer did not provide exact details in the future, the account could be blocked/deactivated. Every deposit into an account must be accompanied by a slip or other application signed by the party making the deposit; d) Non-cash deposits are not limited to deposits in the form of checks, giro bills, or clearing documents, which only take effect after the Bank effectively receives the funds; e) If the Bank receives the deposit in a currency other than the savings currency, then the credit to the savings uses the exchange rate applicable to the Bank when the credit is made; f) Withdrawals can only be made with the approval of the relevant business unit, except for withdrawals for Hajj expense plans.

CONCLUSION

Hajj financing products benefit people, especially those who want to perform the Hajj, but there are obstacles to financing. In this case, people also easily open an account and take the Hajj portion. Moreover, at Bank Panin Dubai Syariah, everything is done according to sharia principles. The appointment of Panin Syariah Bank as BPRS-BPIH by the Ministry of Religion means that people are quick to finance the Hajj. Hajj Bailout products or Hajj financing are permitted by issuing the DSN-MUI DSN-MUI Fatwa Number: 29/DSN-MUI/VI/2002 concerning Financing for Hajj Management by Sharia Financial Institutions. With this fatwa, it is hoped that all Sharia Financial Institutions (LKS) will continue to obey and comply with the regulations that have been set.

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