

An Analysis of Administration Fees in Murābaha Financing Case Study: Muamalat Bank of Indonesia, Sragen Branch in 2015

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Abstract

Administration fee is commonly used for operational activities, which its rate is charged to customers depends on each bank. It is charged for several products and services that require certain administrations. Hence, Muamalat Bank is pioneer of Islamic bank in Indonesia founded in 1992 has contributed to the development of product and service for customers. It has many branches in all districts such as branch Sragen in east java. In relation with administration fee, Muamalat Bank, branch Sragen has produced many contracts by imposing administration fees with in them such as in murābaha financing. Finding of the study are that murābaha financing is imposed for operational and survey fee. The administration fee in branch Sragen is determined by tiered pricing structure on murābaha financing, which is not permissible in Islamic principles because it contains element of ghārar and ghaban.

Keywords: Bank; Muamalat; Administration; Fee; Islam

Introduction

The development of Islamic banking has been grown rapidly in the world with the existing of many Islamic financial institutions (bank & non-bank) offer many Shari'ah compliant products and services. The fact indicates that Islamic economic and financial system gets a trust from people especially

Muslim. Basically, they require the product and service that is free from element of *riba*. Hence, one of the policies decided by Islamic banks is issuing various kind of products and services to cater demands and needs of society. This is one of the goals of Islamic bank to give benefit to society. The implementation of economic system in accordance with Islamic principles is expected to support the development of construction purposes including prosperity economic and social justice.¹

To finance the operational of Islamic banks is not only by obtaining the profit from *nisbah*, but also from administration fees. The administration fees are determined by Islamic banks depending on policies in the administration of payment financing. However, Muamalat Bank has an administrative policy on fee procedures in all transactions charged to customers. By then, in this case is needed to analyze the current practice of imposing administration fees on *murābaha* financing in Muamalat Bank, Sragen branch, from Islamic perspective.

Definition of Administration Fees

Administration fee is compounding word that consists of 'Administration' and 'Fee'. Administration means office administration activities, such as writing, typing, duplicating, and others,² while fee means a sum paid or charged for a service.³ Terminologically, it means a fee charged to cover administrative costs incurred during registration, transaction, etc.⁴ Some says administration fees as service wages provided by bank to customers, such as advertisement, distribution services or called by intermediary wages.⁵

The administration fee of bank is a fee that commonly used for operational activities, and amount of fee charged to customers depend on each bank. it can be concluded that the administration fees is usually charged for the management of facility, such

¹Abdullah Saeed, *Bank Islam dan Bunga: Studi Kritis dan Interpretasi Kontemporer tentang Riba dan Bunga* (Yogyakarta: Pustaka Pelajar, 2008), 8.

²Imam Taufik, *Kamus Praktis Bahasa Indonesia*, (Jakarta: Ganeca Exact, 2010), 18.

³<http://www.meeriam-webster.com/dictionary/fee> (accessed December 18, 2016)

⁴Abdullah Al-Mushlih&Shalahsh-Shawi, *Fikih Ekonomi Keuangan Islam*. Trans. *Ma la Yasa'ut Tajiru Jahluhu*, (Jakarta: Raja Grafindo Persada, 2006), 313.

⁵http://en.oxforddictionaries.com/definition/administration_fee (accessed December 18, 2016).

administration fees savings, credit administration fees and other. It is as the price of service in form of fee for banks that have managed financial management and provide facilities to customers, either in physical and non-physical.⁶

The Application of Administration Fee in Bank

By previous definitions, it can be generalized that the administration fees is a fee charged to consumer as directly or indirectly. There are many kinds of administration fee either directly or indirectly fees in banking system, such as fee for withdrawing money in ATM, saving account, financings or loans, and transfer of payment.⁷

For using cash ATM card, administration fee taken from truncation every withdraw money cash in ATM, it be wages for that withdrawal⁸. Because administration fee as money for difficulties faced by card issuers (bank), with their effort and responsibility and fees that incurred bank to reach that purpose⁹. There is another service performed banks to customers such save deposit box service and styling documentation services. So banks get repayment for services.¹⁰

The Administration Fee in Islamic Perspective

Four Schools of Islamic Jurisprudence

According to Syāfi'i scholars charging fees is permissible to customer that are generally incurred on a transaction unless labor fees because it includes taken profit of them. In addition to labor fees, Syāfi'i scholars prohibits the imposition of fees that do not add value to goods.¹¹ Hence, Hanafi scholars allowed charging fees

⁶Desi Noorlida, *Analisis Biaya Administrasi Tabungan Ib Muamalat (Studi Kasus Pada Muamalat Bank Cabang Banjarmasin)*, Degree thesis (Banjarماسin: IAIN Antasari, 2015), 58.

⁷Ibid, 47.

⁸Abdullah Al-Mushlih & Shalahsh-Shawi, 312.

⁹Ibid, 319.

¹⁰Apriliani Fajrin, *Tinjauan Hukum Islam Terhadap Biaya Administrasi pada Pelunasan Angsuran Pembiayaan Murābahah Produk KPR sebelum Jatuh Tempo: Studi Kasus pada Bank BTN Syari'ah Cabang Surabaya, 2014*, Degree thesis (Surabaya: UIN Sunan Ampel, 2014), 70.

¹¹Adiwarman A. Karim, *Bank Islam Analisis Fiqh dan Keuangan* (Jakarta: Raja Grafindo Persada, 2006), 114.

that are generally incurred in a sale and purchase was supposed to be done by the seller, while Hanbali argued allow charging all fees directly or indirectly on the price selling an item for these fees to be paid to third parties and for these fees will add to the value of goods sold.¹²

By the explanations above, it can be said briefly that the four schools allow charging fee directly to third parties. Otherwise, fourth schools also agree to prohibit charging direct fees used to finance the work should be done by the seller. As for the indirect fees of four schools is allowed to charge indirect fees paid to third parties and are used to finance a fee of work that should be done by a third parties. When the work is done by the seller then according Maliki should not charge it while in the other three schools that allow it. Four schools were also agreed to prohibit the imposition of indirect fees as long as the fees do not add value to goods or related to matters that are not useful.¹³

Fatwa of National Shari'ah Board

The administration fee differs in each contract based on their nature and objective. Therefore, administration fee on Islamic credit card will be different from..... In relation with administration fee for *murābahah* financing, Fatwa DSN No: 04/DSN-MUI/IV/2000 about *murābahah* explains certain conditions:¹⁴

- 1) Bank and the customer must perform the *murābahah* contract-free usury; 2) Traded goods are not forbidden accordance with sharia; 3) Bank finances part or all of the purchase price of goods the agreed qualifications; 4) Bank purchases necessary items for customer on behalf of the bank itself, and this purchase should be valid and free of usury; 5) Bank must convey on all matters relating to the purchase, for example if the purchase is made in debt; 6) The bank then sells the goods to the customer (buyer) with a selling price valued at the purchase price plus profits. In this regard, bank shall notify honestly the cost of goods to the customer the following necessary costs; 7) Customer pay the agreed price of the goods at a certain time

¹²Ibid, 114.

¹³Adiwarman A. Karim, *Bank Islam Analisis Fiqh dan Keuangan*, 114.

¹⁴Fatwa DSN-MUI No.04/DSN-MUI/IV/2000 General Provisions *Murābahah*

period that has been agreed upon; 6) To prevent tampering or damage to the contract the bank may hold a special agreement with customer; 7) If bank with delegate to customers to buy goods from third parties, *murābahah* sale and purchase agreement must made after the goods, in principle, belong to the bank.

In the fatwa DSN-MUI No.04/DSN-MUI/IV/2000 about *murābahah* in point six is mentioned that “Bank sells the goods to customers with the selling price worth buying price plus benefits. In relation with that statement, Islamic bank should tell honestly cost of purchased goods to customer.”¹⁵

Administration Fees on *Murābahah* Financing in Muamalat Bank, Sragen Branch

Obviously, the administration fee on a financing is a fee required in establishing and realizing the customer financing. The requirements for realizing financing submitted by a customer is by fulfillment of certain conditions and a fee is determined by a bank in a contract. Sub-Branch Manager of Muamalat Bank, Sragen branch, says that administration fee is charged to customers include such as paper, typing, copy, transportation, telephone and life insurance, fire insurance, notary fees.¹⁶

The detail of fees will be charged to a customer depends on the type of financing proposed by a customer. If the customers require contract of *murābahah* financing to buy goods like cars, Islamic bank will ask payment of collateral installment. No need to pay other fees such as notary and fire insurance. Collateral is one of the elements of credit guarantee, which bank can obtain additional confidence to the ability of debtors to return back the debt. In addition, the customers will be charged tax to the sale transaction of the house, the fee of the notary public and also insurance fees in Home Mortgage financing (KPR).¹⁷

Charging the insurance fees to the customers is common done by all banks in Indonesia either in Islamic and conventional

¹⁵Royyan Ramdhani, “*Murābahah* antara Teori dan Praktik: Analisis Fikih dan Keuangan,” *Jurnal IJTihad Hukum dan Ekonomi Islam*, Vol. 6 No. 2, 290.

¹⁶Interview with Mr. Budi (Head of Operation in Muamalat Bank), March 7, 2016.

¹⁷Interview with Mr Budhi (Head of Operation in Muamalat Bank), April 8, 2016.

banks. The purpose of life insurance is to cover the payment customers while they are sick or dead. Because if the costumers do not require to pay for insurance fees of life and fire in home mortgage financing, it will impact to late of installment payment that leads to loss of Muamalat Bank. By insurance fees of life and fire, the customers are still able to pay the payment installment on financing while they are facing unfortunate events such as accidents and death. If a costumer dies before completing the installment, the insurance agents will pay it.¹⁸

The insurance fee is paid at the beginning of financing to settle the debt when a customer dies for the benefit his/her beneficiaries, by not leaving the debt to them. Conversely, if a costumer do not will to pay the insurance fee in early with the reason he/she has a reserve of own fees, the beneficiary must write statement to bank, which is stated that if the beneficiary will cover all unfortunate events faced by debtor by his/her own funds to the banks.¹⁹

Actually by insurance payment, Muamalat Bank gets benefit because of the obligation to collect debts owed by the debtors to their beneficiary are not under its control. It also can be said as a step in to avoid the risk of financing or called risk mitigation.²⁰

In addition to notary fees, life insurance and fire insurance, Muamalat Bank also charges the survey fee because it is performed by independent surveyors known as the office of assessment services. So, the survey fee is charged by the office of Assessment Services depends on the object that will be surveyed and the layout of the objects that will be surveyed.

According to Budi that the fees such as the notary, insurance, collateral, tax and other expenses, not including into administration fees are assigned based tiered pricing by Muamalat Bank. It is assumed the costumer' administration fee charged by Muamalat Bank Rp 900.000 and price of financing of Rp 90.000.000, then the costumers must pay for the fees of Rp 99.000.000 plus with the fees of the notary, insurance fees and the fees of binding collateral.²¹

¹⁸Interview with Mr Budhi (Head of Operation in Muamalat Bank), March 7, 2016.

¹⁹Interview with Mr Budhi (Head of Operation in Muamalat Bank), April 8, 2016.

²⁰Interview with Mr Budhi (Head of Operation in Muamalat Bank), April 8, 2016.

²¹Ibid.

The Sub-Branch Manager Muamalat Bank says that if the costumers ask a small financing assumed Rp 5.000.000 or Rp 10.000.000 banks usually do not process it, because the fees of the notary that will be covered by the costumers will be greater than the amount of financing. Because notary fees is uncertain, estimated fees is 0.5% - 1% per miles.²²

Notarizing financing agreement on small financing is expensive because of some costs charged on it. So customer in small financing will receive financing with many cuts of cost including cost of ownership Letter Land Rights when the land of guarantees is not in the location of the notary public authority. Therefore when the deed is notarized, customers are only required to pay registration fee or cost of legalization. Moreover, financing value is more than Rp. 100.000.000 will be impermanent notarial credit agreement that followed by deed of underwriter, and SKMHT if the location of the Notary is different with the warranty. So the fee that has burden on the debtor is the notarial deed credit of banking financing agreement and the guarantors notarial. Fees for deed are calculated hosts percentage $\frac{1}{4}$ % - 1%.²³

In the process of proposing of *murābahah* financing in some Islamic or conventional banks, the customers will be charged administration fees, which can be paid directly or cut from the proposed financing. Some banks allow cutting the payment of administration fees by the end of proposed financing.

Although earlier has explained that notary and insurance fees are not included in the administration fee that determined to Islamic bank. Muamalat bank of notary fees is also included in the fees will be paid by the costumers before regulating the financing has been approved by the Muamalat Bank such as administration fees. Therefore administration fee cannot be paid in the end of the or even cut from the number of the proposed financing, because the fees must be agreed before the contract is approved.

The meaning of administration fees itself is the cost required to all processes and activities related to financing, which are paid in early contract. When the administration fees must be cut from the amount of funding proposed and automatically deducted while accepted by the costumers is not able to meet the desired financing

²²Ibid.

²³Interview with Mr Budhi (Head of Operation in Muamalat Bank), April 8, 2016.

customers. For example if the financing submitted by customer is Rp.100.000.000 and cost of administration fees is Rp.20.000.000, then the administration fee is cut from the amount of fund of financing in the end will be accepted by the costumers only Rp. 80.000.000. It is not able to fulfill the request of our customers. Therefore it should be the administration fees paid in early of contract and no cut of the amount of funding to pay off the administration's fee.²⁴

In some conventional and Islamic banks, specific of administration fees use plafond percentage of financing submitted by the costumers. Such as in the Mandiri Sharia Bank uses administration fee of 1% of the proposed financing, Bank of Indonesia Republic (BRI) also gives specific administration fee 0.5% from plafond of financing. Otherwise, some conventional banks charge administration fee at 2.5 % to 3 % of the proposed financing. If writer compare with the form of table as follows:²⁵

Table 1: Credit/Financing Plafond in Indonesian Banks

No	Bank	Administration Fees
1	Mandiri Sharia Bank	1% from plafond ²⁶
2	BRI Sharia	0,5% from plafond ²⁷
3	BNI Sharia	1% from plafond ²⁸
4	BNI	1% from plafond ²⁹
5	Muamalat Bank of Indonesia	Using <i>Tiered price</i>

From the table above it notices that Conventional and Islamic banks renders has administration fees on contract of credit or financing by plafond percentage. In the case Sragen branch of

²⁴Ibid.

²⁵Interview with Mr Budhi (Head of Operation in Muamalat Bank), February 21, 2016.

²⁶www.bankmandirisvariah.co.id (accessed on April 25, 2016).

²⁷www.brisvariah.co.id (accessed on April 25, 2016).

²⁸www.bnisyariah.co.id (accessed on April 25, 2016).

²⁹www.bni.co.id (accessed on April 25, 2016).

Muamalat Bank uses a different method as, namely the administration fees not written by percentage on contract but written it in accordance in *teiring* price. Following *tiered price* of flafond of financing in Muamalat Bank, Sragen:

Table 2: Tiered Plafond of financing in Muamalat Bank, Sragen

Tiered price Plafond of Financing					Tariff Administration Fees
NO	Lowest		s/d	Highest	
	A			B	
1	>	Rp 6.500.000,00	s/d	Rp 10.000.000,00	Rp100.000
2	>	Rp 10.000.000,00	s/d	Rp 15.000.000,00	Rp150.000
3	>	Rp 15.000.000,00	s/d	Rp 20.000.000,00	Rp200.000
4	>	Rp 20.000.000,00	s/d	Rp 30.000.000,00	Rp300.000
5	>	Rp 30.000.000,00	s/d	Rp 45.000.000,00	Rp450.000
6	>	Rp 45.000.000,00	s/d	Rp 65.000.000,00	Rp650.000
7	>	Rp 65.000.000,00	s/d	Rp 90.000.000,00	Rp900.000
8	>	Rp 90.000.000,00	s/d	Rp 120.000.000,00	Rp1.200.000
9	>	Rp 120.000.000,00	s/d	Rp 155.000.000,00	Rp1.500.000
10	>	Rp 155.000.000,00	s/d	Rp 195.000.000,00	Rp1.950.000
11	>	Rp 195.000.000,00	s/d	Rp 250.000.000,00	Rp2.500.000
12	>	Rp 250.000.000,00	s/d	Rp 350.000.000,00	Rp3.500.000
13	>	Rp 350.000.000,00	s/d	Rp 500.000.000,00	Rp5.000.000
14	>	Rp 500.000.000,00	s/d	Rp 700.000.000,00	Rp7.000.000
15	>	Rp 700.000.000,00	s/d	Rp 1.000.000.000,00	Rp10.000.000
16	>	Rp 1.000.000.000,00	s/d	Rp 1.500.000.000,00	Rp15.000.000
17	>	Rp 1.500.000.000,00	s/d	Rp 2.200.000.000,00	Rp22.000.000
18	>	Rp 2.200.000.000,00	s/d	Rp 3.000.000.000,00	Rp30.000.000
19	>	Rp 3.000.000.000,00	s/d	Rp 4.000.000.000,00	Rp40.000.000
20	>	Rp 4.000.000.000,00	s/d	Rp 5.500.000.000,00	Rp55.000.000
21	>	Rp 5.500.000.000,00	s/d	Rp 7.500.000.000,00	Rp75.000.000
22	>	Rp 7.500.000.000,00	s/d	Rp 12.000.000.000,00	Rp120.000.000
23	>	Rp 12.000.000.000,00	s/d	Rp 18.000.000.000,00	Rp180.000.000
24	>	Rp 18.000.000.000,00	s/d	Rp 25.000.000.000,00	Rp250.000.000
25	>	Rp 25.000.000.000,00	s/d	Rp 35.000.000.000,00	Rp350.000.000
26	>	Rp 35.000.000.000,00	s/d	Rp 50.000.000.000,00	Rp500.000.000
27	>	Rp 50.000.000.000,00	s/d	Rp 70.000.000.000,00	Rp700.000.000
28	>	Rp 70.000.000.000,00	s/d	Unlimited	Rp1.000.000.000

Amount of administration fee will be delivered to the customers when customers require financing or before he did contract. In the delivery of administration fees, Muamalat Bank will deliver amount of nominal administration fee that will be charged to the customers, which splits from the administration fee is established based on the *teiring* which has been determined by Bank Muamalat.

For example the customer requires financing amount Rp125.000.000 and in accordance with *tiered price*, administration fees that burden to the costumer amount Rp1.500.000. But in the practice of laity costumer about knowledge banks, will ask for amount of the administration fees in the form of the percentage form plafond of financing. Then the Muamalat Bank will explain the detail of administration fees in the form of percentage form to make it easier for the bank to communicate with customers.

The Bank Muamalat does not explain in detail of the use of the administration fees. By reason that fees used in the operational process is different for each costumer depending on the type of the proposed financing and the Bank Muamalat finds difficulties to explain it. For example one of the details of administration fee is the survey fee, between the customers in the area of East Java and Central Java have different distance and automatically the fees required for the survey in the area of Central Java is more expensive than East Java. For instance, tariff for survey fee in city of Solo is around of Rp. 150.000, while on the regions are closes to Solo are charged around of Rp200.000 and to outside regions of Solo for each adding 60 km quotes rose to Rp 500.000.³⁰

The Bank Muamalat said that tiered price was made by Muamalat Bank is by approval of the Board of Supervisors Shari'ah (DPS), but tiered price itself can be changed a long period is uncertain. Tiered price was changed after the evaluation done by the Board of Supervisors Shari'ah. If the implementation is not relevant with the financing, the changes must be kept by all Bank Muamalat in the whole of Indonesia.³¹ Tiered price is influenced by the level of finance Indonesia, meaning if all the price of the goods and the value of the life of the more expensive then the banks did not want to get a loss, because automatically the bank will be

³⁰Interview with Mr Budhi (Head of Operation in Muamalat Bank), April 8, 2016.

³¹Interview with Mr Budhi (Head of Operation in Muamalat Bank), May 17, 2016.

pay all financing process with the administration fees, if administration fee are not relevant to the fee of living at that time then automatically the bank will get loss.

Muamalat Bank is no longer using the percentage in determining the administration fee on financing. But it currently uses tiered price in specific administration fees. In the early establishment, Muamalat Bank used the percentage in determine the administration fee on a financing. In 2006, Board of Supervisors Shari'ah ordered Muamalat Bank to replace the administration fee assignment using tiered price as benchmark. By reason to be more Shari'ah compliant.³²

But according to the writer implementation of administration fees using *tiered price* there is no difference between using a percentage. Suppose implementation of administration fees of financing amount Rp. 100.000.000 based *tiered price* amount Rp 1.200.000 and for financing the Rp90.000.000 administration fee is charged to the customers of Rp900.000. If we consider the return with multiply:

$$\begin{aligned} 1/90.000.000 \times 900.000 &= 1\% \\ 1/100.000.000 \times 1,200.000 &= 1,2\% \end{aligned}$$

Therefore, Muamalat Bank in applies the administration fees based on the percentage above that the administration fee of Rp. 900.000 is 1 % of the financing of Rp 90.000.000, similarly to administration fee of Rp1.200.000 is 1,2% from Rp 100,000.000 financing. It be showed that the Muamalat Bank, Sragen inflicted on administration fee to the customers is not with the real fee paid by the costumer to the process of administration of Muamalat Bank. It can be concluded that the implementation of administration fee in Muamalat Bank and some banks such as Shari'ah Mandiri Bank, BRI Sharia'h, BNI Shari'ah or accordance with conventional banks have the same method, but Muamalat Bank changed their method by using tiered price.

³²Ibid.

Analysis of Administration Fees on Murâbahah Financing at Muamalat Bank, Sragen Branch from Islamic Perspective

The administration fee is used for operational process to realize financing. According Muamalat Bank, the administration fee is paid by customers at the contract agreement. By then, it is paid in the beginning of financing because it will be used for the operational process. If it is paid in the end of financing, it will not be able to cover all operational cost needed in realizing financing. Whereas it is cut from the amount of financing, will not in line with the purpose of financing. Therefore, Muamalat Bank prohibits the payment of administration fees by cutting the amount of fund of financing. According to Muamalat Bank, customers will not get amount of complete funding because it has been cut with administration fees that will impact to financial loss to customers.

Muamalat Bank used tiered price in determining amount of administration fees the by approval Sharia Supervisory Board. Actually determining of administration fee using tiered price is seen clearly because it is written with nominal terms, but it still contains elements of uncertainty because no detail of information pertaining administration fee on the contract. It is argued that determining of administration fees using tiered price is not much different from percentage calculation. The fact that administration fee by Rp 900.000 is 1 % of financing of Rp 90.000.000, similarly to administration fee of Rp1.200.000 is 1.2% from Rp 100.000.000, This indicates that Muamalat Bank, Sragen branch changed the administration fee customers is not real that must be paid by a customer to operational process because it does not explain in detail and clear of nominal from the administration fees.

Based on conclusion has been described according to four schools (Syafi'i, Maliki, Hanafi and Hanbali) allow charging fee directly to third parties. Fourth schools also agree to prohibit the imposition of direct fees over the fee is used to finance the work should be done by the seller. As for the indirect fees of four schools is allowed to charge indirect fees paid to third parties and are used to finance a fee of work that should be done by a third parties. When the work is done by the seller then according Maliki should not charge it while in the other three schools that allow it. Four schools were also agreed to prohibit the imposition of indirect fees as long as the fees do not add value to goods or related to matters

that are not useful.

In the fatwa DSN-MUI No.04/DSN-MUI/IV/2000 about *murābaha* on the number six mentioned that “Bank sell the goods to the customers with the selling price worth buying price plus benefits.³³ In relation, bank should tell honestly cost of goods to customer with cost required.³⁴ It not much different from the terms in Islamic principle, that a contract of selling not contains elements of usury, *gharar*, *ghabanfahisy* (deception).

Therefore determining of the administration fee according to Islamic principles, described in DSN-MUI No.04/DSN-MUI/IV/2000 about *murabaha*, The opinion of muslimshcolar (Syafi'i, Hanbali, Maliki and Hanafi), and according to the principles of sharia. Explained that the administration fees is a fee which is covered by customer and he must know the amount of administration fees along with the usefulness. Islamic principal have the terms in determining administration fee on *murabaha* financing must be paid at the beginning of cotract, bank must be honest in told the details of the required fee or there are transparency elements in its determination, it must be used for useful things and add benefit values, must avoid usury or *gharar* elements, and bank could not specify the administration fees that is not in accordance with the truth purposes.

As concluded based on Islamic principles that the administration fee payment must be paid in early of contract, so is determined in Muamalat Bank. According to Muamalat Bank administration fees paid customers when contract was written, because if the administration fees paid in the end of financing, then it cannot be used to carry out the process of realization financing submitted to a customer.

Islamic principles determined administration fees by specify transparent elements. Transparency means honest, there is nothing to close the cover and told all the form and details of charges that required bank to realize the proposed financing. But on Muamalat Bank untransparency in determining administration fees to a customers because Muamalat Bank does not explain details of usability administration fees. With the reason, a fee that used in

³³Fatwa DSN-MUI No.04/DSN-MUI/IV/2000 about *murabaha*

³⁴Royyan Ramdhani, 290.

the operational process is different for each customer depending on type of the proposed financing and Muamalat Bank find difficulties to detail it. But it should not make it a reason for bank to unopenness or untransparency in imposing administration fees to customer.

In fact administration fee is a fee that will be used by banks for doing useful things and utility for customers. So according to Islamic principles that administration fees are charged to a customer must be used for useful and add benefit values to customer. This is in accordance with the application applied on Muamalat Bank, according to the Sub-Branch Manager Muamalat Bank actually that administration fees are charged to customer will be used for benefit of a customer, because a fee is used for survey fees of goods, typing fees, the fee of stamp duty and other fees related to realize the financing.

All forms of transactions in sharia principles must avoid elements of usury and gharar, because damage to customer. Gharar is a deception that is done by the sellers in this bank with cover something that should be reported to a customer. In order to avoid from the elements of gharar or deception then the seller or bank in determining the administration fee may not specify administration fees is not in accordance with real purpose. Means should bank details of the administration fees in accordance with the real purpose. But in this case Muamalat Bank still determines the administration fees that is not in accordance with the real purpose. Should the determine of administration fee is not same for each customer, because depending on the type of funding and financing object, while Muamalat bank equates all amount of administration fees are charged to customers by tiering, regardless of the type of financing and the goods will be purchased. This explains that Muamalat Bank still specify the administration fees is not in accordance with real purpose.

So it can be concluded that the determining of administration fees on *murabahah* financing that using tiering in Muamalat Bank still not in accordance with some Islamic principles, because in determined it Muamalat Bank are still use elements untransparency and there are *ghabanelements*, namely where Muamalat Bank specify administration fee is not in accordance with the real usability.

Conclusion

Based on the results of interview with Sub-Branch Manager Muamalat Bank Branch Sragen that the administration fees on *muābahah* financing is used for operational fees and survey fee. That administration fees is paid at the beginning of contract or after contract agreed and not be cut off from the proposed plafond. On Muamalat Bank the administration fees is determined based on the tiering that has been determined, but tiering is not much different from the form of the percentage is applied on the other banks, which is about 1% to 1.5% from the proposed plafond. It can to prove that the Bank MuamalatSragen inflicted on administration fees to the customers is not real fees that must be issued by the customer in the operational process because Muamalat Bank does not explain in detail and clear of nominal from the administration fees.

The administration fees to using *tiering* on *murabaha* at Muamalat Bank still not in accordance with some Islamic principles, because in determined it Muamalat Bank are still use elements untransparency and there are *ghabanelements*, namely where Muamalat Bank specify administration fee is not in accordance with the real usability.

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