

## **Analysis of the Ideal Sukuk Structure from the Perspective of *Maqasid Sharia* of Wealth (Indonesia Case)**

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### **Abstract:**

The purpose of this study is to analyze the existing sukuk structure in Indonesia based on the perspective of maqasid sharia. Furthermore, the method used in this study is the quality supported by secondary data, namely financial statements and prospectuses of companies that issue sukuk. The companies sampled for this study were companies that issued sukuk, a total of 33 companies. The result of this study is that there are several outstanding sukuk, namely (i) Sukuk Ijarah I Angkasa Pura I Year 2016; (ii) Sukuk Mudharabah Lontar Papyrus Pulp & Paper Industry I Year 2018; (iii) Sukuk Ijarah I Moratelindo Phase II 2020; (iv) Sukuk Wakalah Medco Power Indonesia I Year 2018; (v) Sukuk Ijarah Berkelanjutan III Indosat Phase I Year 2019; (vi) Sukuk Mudharabah OKI Pulp & Paper Mills I Year 2021; (vii) Sukuk Ijarah Series III PLN Phase I Year 2018. This study concludes that the market, investors, Sukuk issuers, regulators, and other parties in the issuance of Sukuk, still consider that sukuk issuance is complex and not simple. In addition, community literacy over Sukuk is also still lacking.

**Keywords:** Sukuk, Structure, Maqasid Sharia, Maqasid Syariah of wealth.

**JEL classification:** G1, G2

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**Key Words:** Tax Knowledge, Tax Penalties, Taxpayer Compliance, Religiosity.

## 1. Background

Public funds can be allocated as working capital for those who need funds through savings or investments. Currently, there are two possibilities for capital market investment in Indonesia: the capital market with conventional principles and the capital market with sharia principles. A sharia capital market is necessary since the conventional capital market conducts trade operations in a manner incompatible with sharia principles (Hulwati, 2009; Nugroho et al., 2022). The issuance of mutual funds by PT Danareksa Investment Management on July 3, 1997, marked the beginning of the sharia capital market in Indonesia. This was followed by the establishment of the Jakarta Islamic Index (JII) on July 3, 2000, which currently offers three types of sharia investment products: sharia mutual funds, sharia shares, and Sukuk (Fika, 2013; Sukmadilaga et al., 2021).

Since the Middle Ages, Muslims have historically employed Sukuk in international trade as a document indicating financial responsibilities from trade transactions and other commercial activity (Fatah, 2011; Nasfi et al., 2022). However, the Islamic notion of muamalah (relationships between humans) is not based solely on the fulfilment of sharia principles; there are sharia objectives (maqasid sharia) that must be addressed for muamalah to result in maslahah (Nugroho et al., 2017; Nugroho, 2022c).

In terms of language, "*maqashid al-shari'ah*" comprises the phrase "*Maqashid*" (origin of the word "*qashada*"), which indicates towards, aims, wishes, and is intentional, and the word "*al-shari'ah*," which means spring or source of life (sharia) that must be considered so that muamalah brings maslahah (Aziz et al., 2021; Khatib, 2018). Therefore, maqashid sharia can be understood as the purpose of Allah SWT in establishing laws against humans is to realize the benefit of humankind as a whole (Sirat et al., 2016).

The maqasid sharia concept of classical scholars, particularly Imam Al-Ghazali, explained that to realize prosperity, human needs must be met from the most urgent, namely based on the level of *dharuriyah*, *hajiyyat*, and *tahsinat* (Nugroho & Mariyanti, 2021; Sahroni & Karim, 2015). Therefore, by upholding the five pillars of maqasid, the most urgent needs can be addressed and preserved by maintaining the 5 (five) pillars maqasid (*kulliyatu alkhomsah*), namely (a) *hifdzu ad-din*/Protection of Religion; (b) *hifdzu an-nafs*/Protection of the Soul; (c) *hifdzu al-aql*/ Protection of Intellect; (d) *hifdzu an-nasl*/Protection of Descendants; and (e) *hifdzu al-mal*/Protection of Assets (Maftukhatusolikah, 2015; Nugroho et al., 2019). Notably, the

principle of maqasid sharia must be implemented in all elements of human life, including muamalah transactions (Ihwanudin et al., 2020).

Sukuk is a muamalah product in the fields of finance and assets. Until now, the maqashid sharia perspective on Sukuk has focused primarily on the legal basis, product system, and other issues regarding the fulfillment of sharia laws (Dewi et al., 2020; Haerisma, 2017). As long as the transaction is safeguarded from usury, *gharar*, and *maysir*, and as long as *syarik* (perpetrator of *syirkah*), in this case, Sukuk holder and Sukuk issuer, agree on the terms in the Sukuk issuance, Sukuk can also be traded on the capital market (Sahroni & Karim, 2015; Sudarsono, 2015). One of the factors that influence investors in investing is the structure of the Sukuk, following the contract used, including buying and selling (Murabahah Sukuk), assets (Ijarah Sukuk), projects (Istisna' Sukuk), business (Musyarakah Sukuk), or investment (Mudharabah Sukuk) (Mohd Zin et al., 2011; Nawawi, 2012).

Akad is a contract that binds both parties from the date of the contract's entry into effect until its expiration. The choice of the contract will rely on the level of risk and return that each party, particularly the investor and the business manager, is willing to assume (Nugroho, 2022b; Rachmawati & Ab ghani, 2017). The contract involves assets, the right to use property, and the transfer of property ownership/property rights from one party to another. Following muamalah fiqh, assets may be mobile or immovable, replaceable or irreplaceable, definite/'*ayn* (physical assets), or uncertain/*dayn* (financial assets: cash, gold, foreign currency, equity, and sukuk) (Ayub, 2007). Therefore, the determination of the contract in the issuance of sukuk in the Capital Market, which must comply with Sharia provisions, is essential. Extremely significant is the determination of the contract in issuing sukuk on the Capital Market, which must comply with Sharia regulations. Therefore, the concept of contract in the context of fiqh and how the contract is utilized in the issuance of sukuk must be clarified, particularly concerning the transfer of ownership of property/property benefits between the sukuk issuer and the investor (Nugroho, 2022a; Rachmawati & Ab ghani, 2017).

Ijarah-structured Sukuk has dominated the issuing of Sukuk on the capital market in Indonesia to date. Therefore, Table 1 pertains to Sukuk issuance in Indonesia over the past six years.

▪ **Table 1. Sukuk Issuance in Indonesia (2016 – 2021)**

Year	Accumulation of Issuance		Accumulation of Outstanding	
	Number	Total	Number	Total

		(In Trillion Rp)		(In Trillion Rp)
2016	100	20,425	53	11,878
2017	14	3,564	27	12,574
2018	12	9,905	34	14,031
2019	6	3,244	57	31,942
2020	16	5,123	57	32.900
2021	16	8,093	64	36,370

In 2017, 17 out of the total outstanding Sukuk employed the Ijarah structure, while 10 used the Mudharabah structure. In addition, in 2018, 26 of the total outstanding Sukuk utilized the Ijarah structure, while 8 utilized the Mudharabah structure. As a result, 32 Sukuk issued in 2019 utilized the Ijarah structure, 23 Sukuk utilized the Mudharabah structure, and 2 Sukuk utilized the Wakalah form. The following year, 36 outstanding Sukuk utilized the Ijarah structure, 20 outstanding Sukuk utilized the Mudharabah structure, and one outstanding Sukuk utilized the Wakalah structure. Finally, in 2021, 45 outstanding Sukuk utilized the Ijarah structure, 17 outstanding Sukuk utilized the Mudharabah structure, and two outstanding Sukuk utilized the Wakalah structure. From the overall Sukuk issuance in Indonesia, it can be seen that the Ijarah structure continues to predominate. Sukuk Ijarah is securities consisting of financing contracts based on sharia principles issued by corporations or governments, with the issuer having to repay the principal of the sukuk at maturity in the form of rewards collected from asset leasing.

The emergence of Islamic financial instruments, including Sukuk, is motivated by the suitability of fundamental human rights in sharia maqashid. In this case, the sukuk, one of the Islamic financial instruments, is allowed in Islam because its implementation applies Islamic principles, including aiming to achieve public benefit based on Islamic values under the law of Allah SWT (Akram et al., 2021). Nonetheless, there is still uncertainty over the compatibility of Sukuk with sharia, as the Sukuk system is still viewed as equivalent to the conventional bond system. Therefore, it is essential to examine how the structure of sukuk incorporates the maqasid of sharia, particularly the maqasid of sharia assets so that sukuk can become a reliable investment instrument and a means of maslahah.

## 2. Literature Review

### Sukuk

Sukuk is derived from the plural form of the Arabic word *sakk*, which means "sharia bond." However, the correct Arabic term is '*Sukukis*,' which means Islamic Investment Certificate. Moreover, each holder of sukuk (investor) is separated into "sukuk assets" (Haneef, 2009). The development of the idea of Sukuk results from Ijtihad and the interpretation of the laws in the Qur'an and Sunnah (Mif Rohim & Shereeza, 2013). According to Fatwa National Sharia Board-Indonesian Council of Ulama (DSN-MUI) (2000) No.32/DSN-MUI/IX/2002, Sukuk (Sharia Bonds) are long-term securities based on sharia principles provided by issuers to Sukuk holders with the profit-sharing basis, and repay when the Sukuk matures. In addition, the Decree of the Chairman of the Capital Market and Financial Institution Supervisory Agency (Bapepam) No. KEP-130/BL/2006 dated 23 November 2006 regarding the issuance of sharia securities defines sukuk as "a certificate or certificate of ownership which has the same value and has an integral or undivided part of participation in (a) ownership of certain tangible assets; (b) the value of benefits and services for specific projects or particular investment a; and (c) ownership of specific financial instruments. Several characteristics differ between sukuk and bonds, including the business of firms producing Sukuk must be under sharia principles, and Sukuk has a framework that distinguishes the different types of issuance; Sukuk is not an interest-bearing debt instrument, but rather a sharia-compliant investment product (Sukmadilaga et al., 2021). As a guarantee that the issued Sukuk has the same value as the accessible assets, issuing sukuk necessitates an underlying asset with economic worth. The roles of the underlying assets include (1) being usury-free, (2) being a requirement for trading Sukuk on the capital market, and (3) determining the type of sukuk (Kholis, 2010). In addition, to issue sukuk, the Capital Market Sharia Expert Team must opine that the sukuk complies with sharia standards.

### Contract in Sukuk Issuance

1. Mudharabah contract. Mudharabah can mean trading (Az-Zuhaili et al., 2011). Mudharabah is a contract binding between two parties on the condition that one of them sends a particular amount of money to the other party for trading and the profits obtained are split in half as per the agreement (Sabiq et al., 1981; Rachmawati & Ghani, 2015).
2. Ijarah contract. According to the language, ijarah means renting or buying and selling benefits (Az-Zuhaili et al., 2011). The goal of an Ijarah contract (lease) is to get benefits in exchange for payment. In other words, ijarah is a method of acquiring benefits through purchasing and selling assets (Rachmawati & Ghani, 2015).

### Maqasid Shariah

In simple terms, maqasid sharia refers to the objectives attained by the sharia provisions of all human laws established by Allah SWT. According to Arafah & Nugroho (2016), maqashid refers to the meanings, pearls of wisdom, and the like that Allah wills in each Shari'a, both general and specific, to assure human welfare in this world and the hereafter. Imam Al-Ghazali stated that maqasid sharia is significant preservation for the welfare of society through self-protection (*hifdzu an-nafs*), protection of faith (religion) (*hifdzu ad-din*), protection of wealth (*hifdzu al-maal*), protection of reason (*hifdzu al-aql*), and protection of offspring (*hifdzu an-nasl*) (Maikabara et al., 2020; Nugroho & Husnadi, 2014). The five protections in maqasid sharia allude to the benefit of humans because the interests and continued existence of humans depend heavily on these five protections (Rizal & Amin, 2017). Fasa et al., (2020) argue that *maslahah* is a better concept to explain economic motives from an Islamic economic perspective which is part of the objectives of sharia. Therefore, any production activities that impact *maslahah* are crucial for humanity. *Maslahah* is composed of values ingrained in the global system, particularly the economic system (Choudhury, 2018).

Based on the sharia maqasid of property development by Qaradawi (2010), the sharia objectives of property development are to uphold justice so that the strong do not oppress the weak and the rich do not oppress the poor; distribute wealth fairly in the hands of as many people as possible; empowering unemployed human resources; maintain brotherhood (*ukhuwwah*), and prevent hostility from cheating in a transaction. Meanwhile, the sharia purpose of spending/consumption of assets (Qaradawi, 2010) is to fulfill obligations as humans, namely worshipping Allah SWT, and to express gratitude for Allah's gifts. As for the maqasid sharia of wealth acquisition, it is to strive for humans to work and walk on earth to acquire wealth, not to be lazy, and to eat from sound sustenance; to prosper the earth and run the government; so that humans meet their needs following sharia; and so that people appreciate work.

### 3. Method

This study was conducted in 2021-2022 using data collected in the same year. This study employs a qualitative research methodology to investigate the circumstances, conditions, or other matters related to the object of research, which will be presented in the form of a report on the findings of an analysis of the ideal sukuk structure from the perspective of maqasid sharia assets. Napitupulu et al. (2020) and Oktris et al. (2022) states that qualitative methods collect meaningful, in-depth data. This approach can be implemented by analyzing and drawing

conclusions based on data gathered using the relevant theory, with the authors collecting research data from the study's object.

The analysis is conducted using secondary data that gives information about the structure of Sukuk in Indonesia, namely the prospectus for the issuance of Sukuk, OJK regulations, DSN MUI fatwas, and the annual report of the Sukuk-issuing business. The research sample, consisting of enterprises with outstanding Sukuk at the end of November 2021, included 33 companies. Additionally, secondary data was acquired through perusing the literature, accounting rules, and Sukuk issuing prospectus. As a result, there are 33 potential corporate sukuk issuances, comprising 15 issuers of Ijarah Sukuk, 17 of Mudharabah Sukuk, and one issuer of Wakalah Sukuk. Other secondary data sources include OJK regulation No.3/POJK.04/2018 on Sukuk Issuance and Requirements, fatwa No.32/DSN-MUI/IX/2002 on Sharia Bonds, and the annual reports of 33 Sukuk-issuing businesses. The author used the method of data analysis in the field model (Miles et al., 2020) . In this model, data analysis is done both while collecting data and after it is done within a certain amount of time. This is done through the stages of Data Reduction, Data Display, and Conclusion/Verification. In essence, conclusions were made at the time of data reduction, and when conclusions were made, they were always based on reduced data or data that had been reduced, as well as display data.

#### **4. Results and Discussion**

In this study, 33 Sukuk issuance as research samples. However, due to the similarity of the schemes used in the issuance of the Sukuk, only 7 (seven) Sukuk were analyzed in depth. The seven Sukuk consist of 4 (four) Ijarah Sukuk, 2 (two) Mudharabah Sukuk, and 1 (one) Wakalah Sukuk. Results and discussion of the seven Sukuk from the perspective of maqasid sharia, especially maqasid sharia treasures of thought of Yusuf Qaradawi.

##### **A. Data Analysis Results**

###### **1. Ijarah Sukuk Angkasa Pura**

Ijarah Sukuk Angkasa Pura is issued with the following scheme:

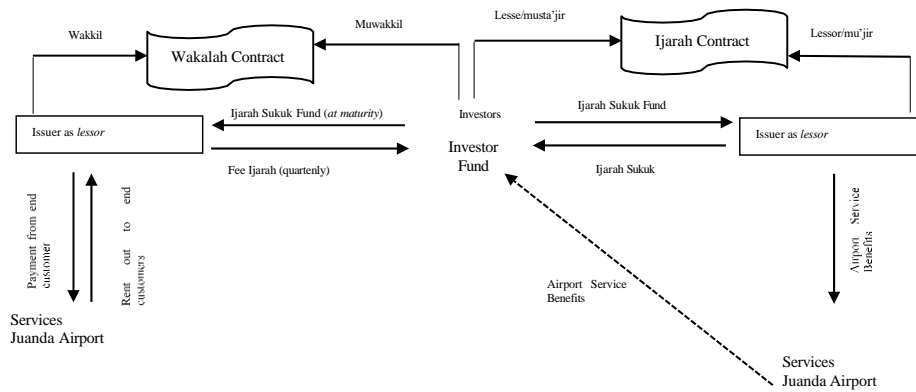


Figure 1 Scheme of Ijarah Sukuk Angkasa Pura

Sukuk funds are utilized to develop five airports owned by a sukuk issuer. During the tenure of Ijarah Sukuk, the Sukuk issuer passes to sukuk holder (represented by the Trustee) the benefits of the services provided to passengers at the airport terminal operated by the Company. Regarding the Ijarah object, the trustee agreement stipulates that the Sukuk issuer will replace the Ijarah Object with a value proportional to the transfer of the benefits of the Ijarah Object. If the Ijarah Object cannot be utilized, the transfer of the Ijarah Object from the Sukuk issuer to the Sukuk holder is impeded, and the Ijarah Object's value decreases.

The Sukuk issuer and the Sukuk holder also enter into a Wakalah Agreement, where the Sukuk holder as Muwakkil (beneficiary of the Ijarah Object) grants the Sukuk issuer the authority to: (i) Provide services to passengers at the airport terminal managed by the Sukuk issuer, as the Representatives of Sukuk Holders; and (ii) Represent all interests of Muwakkil, including collecting and receiving all proceeds from the use of the Ijarah Object.

2. Ijarah Sukuk Moratelindo

Ijarah Sukuk Moratelindo is issued with the following scheme:

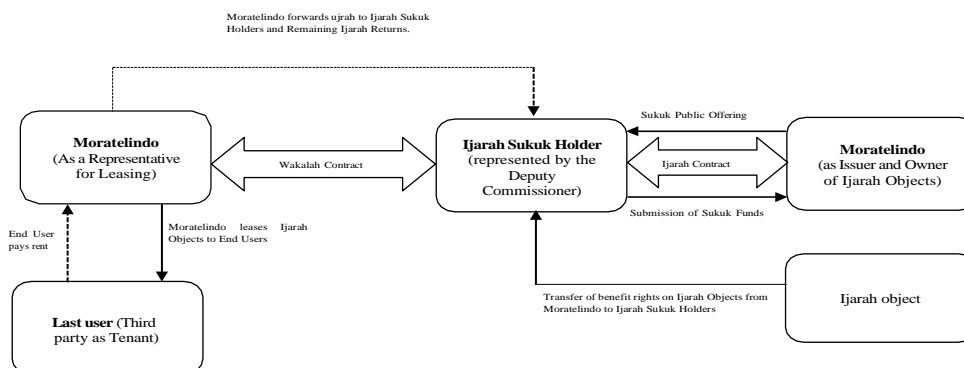




Figure 2 Scheme of Ijarah Sukuk Moratelindo

Sukuk funds are utilized for Backbone and Access investment needs and the building of Inland Cable and Ducting, which includes passive and active infrastructure-supporting devices. Following Ijarah Agreement between the Sukuk issuer and Sukuk holder (represented by the Trustee), Moratelindo (Sukuk issuer) transfers the beneficial rights of the Ijarah object to Sukuk Holder in the form of the Sukuk issuer's backbone and Access. In the meantime, Sukuk Holder (as *Muwakkil*) allows the sukuk issuer (as Representative) to lease the Ijarah object to end users, including himself, following *Wakalah* Agreement. Moratelindo, as the beneficiary (*Wakil*) of Sukuk Holder, also acts as *Mu'jir* (Lessor), leasing the Ijarah object to the end user as *Musta'jir* (Lessee). For the rented Ijarah Object, the end user pays Moratelindo rental fees. Moratelindo transfers the rental payments from end users to Sukuk Holders, per the agreed-upon timetable, and repays the Sukuk funds at maturity.

### 3. Ijarah Sukuk Indosat

Ijarah Sukuk is issued with the following scheme:

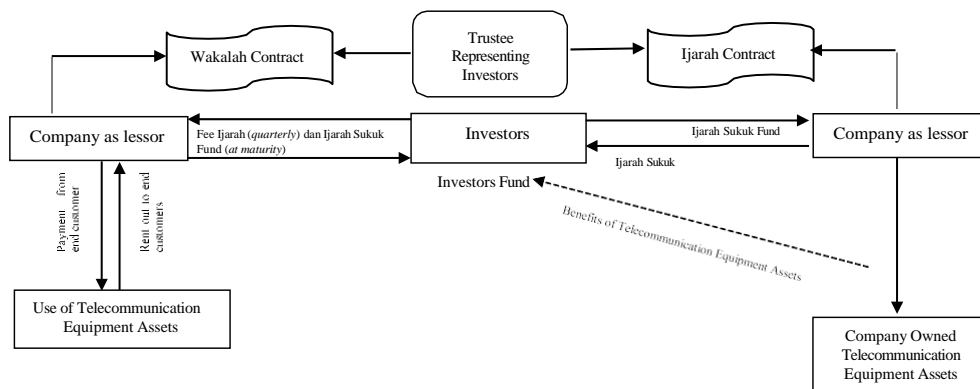


Figure 3 Scheme of Ijarah Sukuk Indosat

Based on Ijarah Agreement between Sukuk issuer and Sukuk holder (represented by the Trustee), Sukuk issuer has transferred the rights to a portion of the network capacity benefits used by the Sukuk issuer to provide MIDI services. Sukuk issuer guarantees the functionality of the MIDI network whose benefits become the ijarah object, protects against the risk of damage/depreciation to the transferred benefits, and ensures the availability of substitute ijarah objects in specific circumstances. Furthermore, based on the *Wakalah* Agreement, the Sukuk Holder as *Muwakkil* (the recipient of the Ijarah Object), grants special powers to the Sukuk issuer as Representative to a. Create and maintain and extend agreements/contracts with third parties (MIDI network users); b. Representing all interests of *Muwakkil* in implementing

agreements with third parties, including collecting and receiving all MIDI network utilization results from third parties; and c. This represents *Muwakkil's* interest in finding third-party substitutes to take advantage of the MIDI network.

Network Infrastructure in the form of Access Network Infrastructure (Radio & Transport), Core Network (Packet Core & Gateway), and IT Infrastructure will be purchased with Sukuk money to boost capacity and expand the Company's network coverage.

#### 4. Ijarah Sukuk PLN

Ijarah Sukuk PLN is issued with the following scheme:

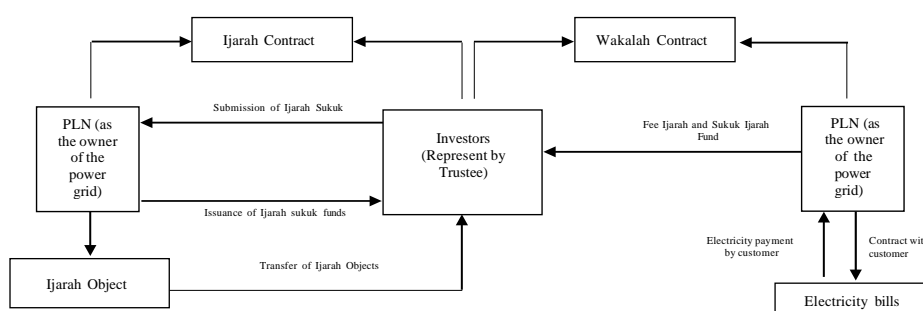


Figure 4 Scheme of Ijarah Sukuk PLN

Based on the Ijarah contract signed by the Sukuk issuer and Sukuk holder (represented by the Trustee), the Sukuk issuer intends to transfer the beneficial rights to the Ijarah Object, namely the electricity network owned by the Sukuk issuer along with sales contracts with third parties/customers, which are transferred to Sukuk holders through an Ijarah contract. The ijarah object is the Electric Network in the form of Installed Distribution Equipment in a particular area. The sukuk holder (represented by the Trustee) and Sukuk issuer then sign the Wakalah Agreement. As the beneficiary of the Sukuk Holder's power of attorney, the Sukuk issuer rents Ijarah Object to enter into and carry out agreements/contracts with third parties and for their extension. Sukuk funds will be used for investment activities for power plants, transmission networks, interconnections, and electricity distribution networks.

#### 5. Mudharabah Sukuk Lontar Papyrus Pulp & Paper Industry

Mudharabah Sukuk Lontar Papyrus Pulp & Paper Industry is issued with the following scheme:

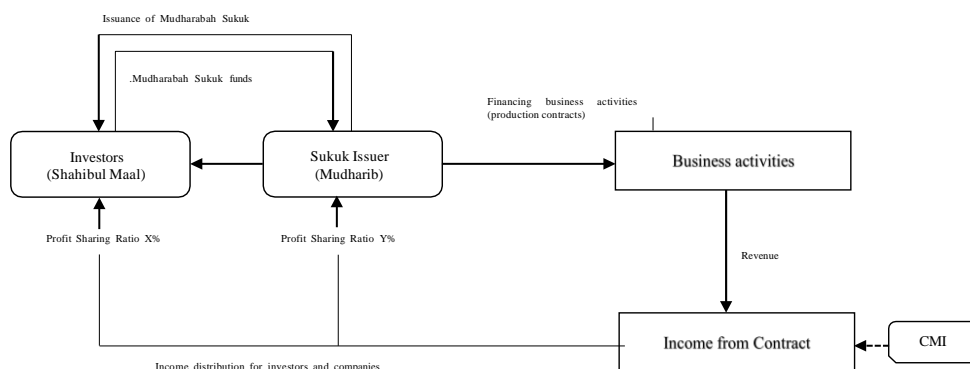


Figure 5 Scheme of Mudharabah Sukuk Lontar Papyrus Pulp & Paper Industry

Through the mudharabah contract between the Sukuk issuer and Sukuk holder (represented by the Trustee), the Sukuk holder, as the owner of the funds (*shahib al-maal*), provides Sukuk Funds (*Ra'sul Maal*) to the Sukuk issuer (*mudharib*) to be managed. Shared Revenue Basis is the gross profit created by the Company's sales under the Sales Contract. Periodically, the Company distributes Revenue Sharing based on the Profit Sharing Ratio. Sukuk issuers employ Sukuk Funds to fund capital expenditures related to pulp production, such as the purchase of wood processing, pulp processing, chemical plants, water treatment facilities, and power plants. CMI purchases production results based on a Sales Contract with the Sukuk issuer.

### 6. Mudharabah Sukuk OKI Pulp & Paper Mills

Mudharabah Sukuk OKI Pulp & Paper Mills is issued with the following scheme:

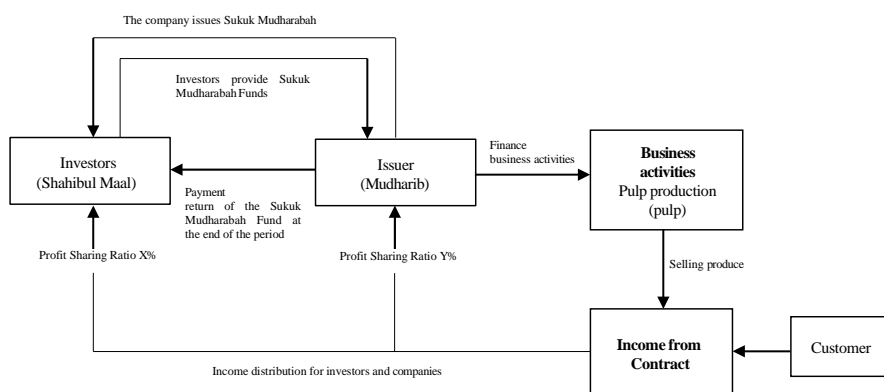


Figure 6 Scheme of Mudharabah Sukuk OKI Pulp & Paper Mills

Through the mudharabah contract, the Sukuk holder, as the owner of the funds (*shahib al-maal*), provides Sukuk Funds (*Ra'sul Maal*) to the Sukuk issuer (*mudharib*) to be managed. Shared Revenue Basis is the gross profit created by the Company's sales under the Sales Contract. Periodically, the Company distributes Revenue Sharing based on the Profit Sharing

Ratio. Sukuk issuers utilize Sukuk Funds to finance capital expenditures associated with pulp manufacturing, such as the acquisition of machinery and equipment for the pulp, tissue, and chemical manufacture, as well as civil works and infrastructure. In executing Sales Contracts with third parties, pulp production is a business activity.

## 7. Wakalah Sukuk Medco Power Indonesia

Wakalah Sukuk Medco Power Indonesia is issued with the following scheme:

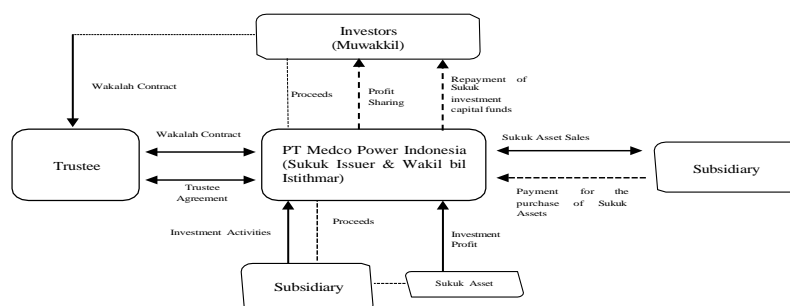


Figure 7 Scheme of Wakalah Sukuk Medco Power Indonesia

Wakalah contracts are unique compared to ijarah and mudharabah contracts. Through a wakalah contract, PT Medco Power Indonesia, as a Sukuk issuer, declares itself to act as a representative of the Sukuk holder (represented by the Trustee) to manage the proceeds from the Sukuk issuance in the context of profit-making activities by 1) Sukuk issuer will submit to the Sukuk holder regarding the planned use of funds in various investment activities to be carried out; 2) The Sukuk issuer then discloses the investment activities conducted, including the type of activity, the composition of activities, the profit calculation for each activity, and the calculation of composites; 3) If the Sukuk are to be traded on a secondary market, Sukuk Issuer must keep at least 51% of the use of funds as tangible assets. The sukuk issuer intends to utilize the Sukuk funds as the Company's capital expenditures for the PLTP Ijen and PLTGU Riau projects.

## B. Analysis of the Ideal Sukuk Structure from the Perspective of Wealth Maqasid Syariah (hifz al-mal)

Based on the corporate Sukuk scheme outlined above, which includes ijarah Sukuk, mudharabah, and wakalah, it is possible to assess the issuance of Sukuk from the standpoint of maqasid sharia to benefit the larger society.

### 1. Ijarah Sukuk

- a. The existence of a contract between the Sukuk issuer and the Sukuk holder can fulfill the maqasid sharia in upholding justice so that the strong do not oppress the weak and the

rich do not oppress the poor where the issuance of Sukuk carried out by the company is carried out using an Ijarah contract with the number of underlying Sukuk stipulated at the beginning of the issuance. Applying sharia aspects in these transactions is also carried out carefully by sticking to the agreement between the parties.

- b. Following sharia principles, one of the requirements for issuing Ijarah Sukuk is the existence of an underlying asset in the form of an Ijarah object. The existence of an underlying Sukuk can satisfy the maqasid sharia, preserve brotherhood (*ukhuwwah*), and minimize fraud-related enmity during transactions. Therefore, the transactions have a concrete basis in the form of assets, and there is an agreement that if the Ijarah object is damaged and poses a risk to the Sukuk holder, the company will give compensation by replacing it with another Ijarah object of equal economic and legal value.
  - c. The company uses the Sukuk funds to 1) finance airport development; 2) finance Backbone and Access investment, including passive and active equipment and infrastructure; 3) finance Network Infrastructure in the form of Access Network Infrastructure (Radio & Transport), Core Network (Packet Core & Gateway) and IT Infrastructure which aims to increase capacity and expand the Company's network coverage; 4) finance investment activities for power plants, transmission networks, and interconnection of power distribution networks on the islands of Sumatra, Java, Bali, Nusa Tenggara, Kalimantan, Sulawesi, Maluku, Papua. Combining the usage of already-owned assets allows for the expansion of the business. This activity satisfies the maqasid sharia requirement of spreading equitable wealth to as many people as feasible. In this activity, the distribution of assets is accomplished by converting immovable assets into cash for developing assets and as a new source of wealth/income for the company, which will then be distributed to Sukuk holders.
  - d. In the issuance of Sukuk Ijarah, the new assets developed are: 1) airports; 2) company infrastructure; 3) electricity generation and network; 4) Network Infrastructure in the form of Access Network Infrastructure (Radio & Transport), Core Network (Packet Core & Gateway), and IT Infrastructure. These asset developments can empower unemployed human resources by employing them in infrastructure projects. This is following the word of Allah QS. Al-Maidah verse 2 commands humans to help each other and work together in goodness so that no human being is unemployed or unproductive.
2. Mudharabah Sukuk
- a. By purchasing paper-making equipment, Sukuk funds are used to enhance the company's production process. The company intends to acquire and develop its wealth by expanding

its business by acquiring paper-making equipment to boost its output volume. This practice can fulfill maqasid sharia duties to worship Allah SWT, to work and traverse the earth to obtain money, not to be idle, and to consume nutritious food.

- b. The company asserts in its sustainability report that it manages its resources carefully and responsibly, adopting the precautionary principle in identifying and controlling negative environmental impacts. This activity is by maqasid sharia to express gratitude for the blessings Allah SWT has bestowed upon humanity, in the hope that humans will not destroy what Allah SWT has created, use all things on earth to taste without excess, and preserve the environment for the survival of living things.
- c. Profits will be generated from the selling of paper. Thus, it is anticipated that the company will continue to operate. From the company's inception, employees can get salaries/wages. The income will subsequently be used to satisfy basic needs. This money will assist the worker as well as others. This fulfills the maqasid aspect of sharia so that humans meet their needs in a way that is under sharia.

### 3. Wakalah Sukuk

- a. The existence of a contract between the Sukuk issuer and holder can meet the maqasid of sharia to protect justice so that the powerful do not oppress the weak and the wealthy do not oppress the poor where a corporation issues sukuk using a Wakalah contract with an exact set wealth amount at the start of the issuance term. The sharia portion of this transaction is meticulously applied by adhering to the agreement between the parties concerned.
- b. The company utilizes the sukuk funds to finance the PLTP Ijen and Riau PLTGU projects, explicitly assisting the Indonesian government's social and economic development programs and building the Gas to Power business portfolio. This activity satisfies the maqasid sharia requirement of spreading equitable wealth to as many people as feasible. In this activity, the distribution of assets is accomplished by converting immovable assets into cash for developing assets and as a new source of wealth/income for the company, which will then be distributed to Sukuk holders.

According to the examination of Sukuk issuers, several Sukuk issuers are organizations whose businesses have positive social consequences on society, such as PLN, which supplies electricity to the community, telecommunications companies, and others. Every part of human existence requires electricity. This objective is consistent with the Millennium Development Goals (MDGs) but is more social. Therefore, firms whose goods impact masalah may encourage sharia investors to invest in sharia-compliant securities so that they can contribute to

the community's welfare and give benefits.

However, the development of Sukuk in Indonesia continues to face obstacles. Initially, the parties involved in the issuing of Sukuk acknowledge that Sukuk is more complicated. Second, market players' comprehension of Sukuk is inadequate. Therefore, when they do not comprehend, they are lethargic and do not want to study. They feel more comfortable with the usual, which is more familiar. Third, in addition to seeking scale, parties involved in issuing Sukuk should also consider the sectors being financed, such as those related to the Sustainable Development Goals or those that benefit the community. The argument is that it can contribute to people's well-being and sustainability, or sustainability.

### 5. Conclusions And Recommendations

Investors, Sukuk issuers, regulators, and other parties involved in the issuance of Sukuk continue to view the issuing of Sukuk as complex and not straightforward. In addition, the popular understanding of Sukuk is limited. Due to the interrelationship between these two elements, the issue of Sukuk in Indonesia is still unable to compete with the issuance of bonds. Furthermore, due to investor protection, risk, and supervision issues, Sukuk issuance is currently limited in the capital market; nonetheless, Sukuk can flourish outside the capital market.

Even if the issuance of Sukuk is relatively limited compared to bonds, Sukuk as a sharia financial instrument should be able to help the larger community provided it takes maqasid sharia considerations into account. Based on an analysis of several corporate Sukuk utilizing Ijarah contracts, Mudharabah contracts, and Wakalah *Bi al-istitsmar* contracts, it is possible to conclude that all of them have evidence of the existence of a sharia purpose to protect assets (maqashid sharia hifdzul maal) related to expenditure, circulation, and development of assets. The Sukuk-issuing firms surveyed for this study utilize contracts to issue Sukuk and Sukuk funds to develop and construct new assets. Businesses can expand their operations by employing Sukuk funds to acquire assets as the underlying Sukuk. In addition to financing sectors connected to the Social Development Goals (SDGs), Sukuk monies can be used to create new employment possibilities. Companies can develop their assets by issuing Sukuk and utilizing their assets. On the other hand, corporations that issue Sukuk likewise manage their resources with care and responsibility to prevent any adverse environmental repercussions. This is done as an expression of gratitude for His blessings and to maintain the environment for the continued existence of living things.

The parties involved in the issuance of Sukuk must collaborate to enhance the amount of Sukuk

issued by corporations. However, due to its jurisdiction as a regulator and policymaker, OJK, as a regulator, is a party involved in a significant conflict. Although market participants like Sukuk issuers and investors want to issue and participate in Sukuk, they lack the policy and regulatory authority to do so. Therefore, authorities such as OJK and other parties such as DSN-MUI and KNEKS play a significant role in the development of Sukuk through legislation, strategic plans, and Sukuk schemes made available to market players. And it becomes crucial for these parties to ensure that Sukuk, one of the Islamic financial investment vehicles, can also be used to build assets that can benefit the broader community if the maqashid sharia method is employed.

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