

REGULATION AND PRACTICE OF SALAM AND ISTISHNA CONTRACTS IN THE ISLAMIC BANKING SYSTEM IN INDONESIA

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Abstract:

This study analyzes the regulation and practice of akad salam and istishna in the Sharia banking system in Indonesia. By paying attention to the existing regulatory framework, this article examines the practical implementation of akad salam and istishna by Sharia banks in Indonesia as well as the challenges faced in the application of the contract. The results of the analysis highlight the importance of a deep understanding of sharia principles in the development of appropriate sharia banking products and services.

Keywords: *Akad Salam, Istishna, Sharia Banking, Regulation, Practice.*

Abstrak:

Penelitian ini menganalisis pengaturan dan praktik akad salam dan istishna dalam sistem perbankan syariah di Indonesia. Dengan memperhatikan kerangka regulasi yang ada, artikel ini mengkaji melalui metode kajian pustaka praktik penerapan akad salam dan istishna oleh bank syariah di Indonesia serta tantangan yang dihadapi dalam penerapan akad tersebut. Hasil analisis menyoroti pentingnya pemahaman mendalam tentang prinsip-prinsip syariah dalam pengembangan produk dan layanan perbankan syariah yang tepat.

Kata Kunci: Akad Salam, Istishna, Perbankan Syariah, Regulasi, Amalan, Indonesia.

INTRODUCTION

Sharia Banking or Islamic Banking is a banking system developed based on Islamic Shari'ah (law). In Islamic banking, there are several types of contracts or financial transactions that are different from conventional banking, one of which is the salam contract and istishna contract.

Salam is a transaction where the buyer makes payment in advance to the seller to obtain goods that will be delivered by the seller at a later date. While Istishna is buying and selling where the goods traded still do not exist and will be handed over in a deferred manner while the payment is made in installments. However, the specifications and prices of the ordered goods must have been agreed at the beginning of the contract.¹ In the istishna contract, the specifications of the goods or services ordered must be clear.

¹Al Hadi, A. A. (2017). *Fikih muamalah contemporary*. 213.

This encourages transparency and responsibility among the parties involved in the transaction and eliminates uncertainty in the transaction.

In Islamic banking, the istishna contract is intended to finance indented house ownership (residential projects that are still in the form of design and are not ready to be built if they have not met the purchased quota). Currently, there are many indented housing in Indonesia, but in practice, Islamic banks rarely use istishna contracts. Likewise, with the salam contract, Islamic banks are not interested in applying the salam contract in Islamic banking because of the large risks faced by banks to finance the greeting contract, such as crop failure or failure to deliver goods.²

The use of istishna and salam contracts is one of the good alternatives in conducting transactions for house construction, manufacturing, construction, and agricultural business sectors, but Islamic banks prefer to use murabahah contracts, musyarakah mutanaqisah, and ijarah, even though these contracts should be used for financing transactions for tangible/available goods. This makes istishna and salam financing one of the low-use contracts and rarely offered by Islamic banks in Indonesia.³

METHOD

The type of research used is qualitative research with the method used, namely library *research*, by reviewing books, articles, and journals to obtain theories related to the problems raised as the topic of this scientific work. The reason this research uses this type of qualitative research is because of its *elaborative* nature, qualitative research can easily help researchers to dig deeper into information related to a research topic which later the information obtained can be used to determine research objectives. Find information from various sources such as books, journals, articles, and documents related to Islamic banking, salam contracts, and istishna contracts.

RESULTS AND DISCUSSION

Salam is a classic forward *contract (Akad)* where the price is paid in advance at the time of contract making (Akad) for goods that are set to be delivered at a later time.⁴ Salam in Islamic banking is buying and selling by ordering an item, but payment has been made in cash. Salam is a buying and selling transaction where the goods being traded do not yet exist. Therefore, the goods are delivered deferred while payment is made in cash. The bank acts as the buyer, while the customer is the seller.

² FAIQ, Y. M. (2016). *FACTORS AFFECTING THE NON-APPLICATION OF SALAM CONTRACTS IN ISLAMIC BANKING (STUDY ON 3 ISLAMIC BANKS IN BALI PROVINCE)* (Doctoral dissertation, University of Muhammadiyah Yogyakarta). 8.

³ Wijayanti, A. A., Waluyo, B., & Fatah, D. A. (2021). Analysis of Factors Affecting Low Financing with Istishna Agreement on Islamic Banking. *SERAMBI: Journal of Islamic Management and Business Economics*, 3(3). 119.

⁴ Ardi, M. (2016). Principles of Agreement (Akad), Sharia Contract Law in the Application of Salam and Istisna. *DIKTUM: Journal of Sharia and Law*, 14(2). 276.

The measurement, recognition, presentation, and disclosure of greeting transactions previously regulated in PSAK 59 concerning Sharia Banking Accounting was replaced by PSAK 103 concerning Salam Accounting.⁵ In banking practice, when the goods have been handed over to the bank, the bank will sell them to the customer's counterparty or to the customer himself in cash or installments. The selling price set by the bank is the bank's purchase price from the customer plus profit. In the case of banks selling them for cash, it is usually called *bridging financing*. Meanwhile, if the bank sells it in installments, both parties must agree on the selling price and payment period. The selling price is stated in the sale and purchase agreement and if it has been agreed cannot change during the validity of the contract. Generally, this transaction is applied in financing goods that do not yet exist such as the purchase of agricultural commodities by banks to then be resold in cash or installments.⁶ Salam is usually used in financing for farmers with a relatively short time, around 2 to 6 months.

So far, the salam financing scheme has not been touched much, especially by Islamic banks. The products offered still revolve around musharakah, mudharabah, murabahah, and ijarah. The percentage of istisna' financing is still small compared to other types of financing in Islamic banking. Salam financing has never been used again from 2003 until now as published in Islamic banking statistics.⁷

In greetings, there is also a parallel greeting agreement which means carrying out two greeting transactions consisting of banks and producers and between banks and buyers. This parallel mechanism is based on the consideration that what the bank buys in the greeting transaction is goods and the bank does not intend to make it as inventory, so the salam II transaction is carried out to the buyer. Parallel greetings are practiced because banks are not capable enough to put ordered goods into inventory. Because, when the bank makes the ordered goods as inventory, the implication that arises is that the bank must provide a place to store these items. In addition, the bank buys and sells these goods. This is certainly impossible for banks to do. So before the bank orders goods to customers, the bank looks for buyers first. Parallel greetings can also be done because banks facilitate someone to produce a result. The bank acts as a "provider of funds" that will be used by customers to produce certain goods ordered by the bank.⁸

Akad Salam is one of the financing in Islamic banking that is devoted to implementation in agriculture. Akad salam can benefit Islamic banks because buyers have submitted down payments, but Islamic

⁵ Amni, S. S., & Faujiah, A. (2020). Management of Akad Salam in Islamic Financial Institutions. *EKOSIANA Journal of Sharia Economics*, 7(1), 31.

⁶ Hasanah, U. (2018). Bay'Al-Salam and Bay'Al-Istisna' (Study of Islamic Economic Products). *Intiqad: Journal of Islamic Religion and Education*, 10(1), 165.

⁷ Qusthoniah, Q. (2016). CRITICAL ANALYSIS OF SALAM CONTRACTS IN ISLAMIC BANKING. *Sharia*, 5(1), 104.

⁸ Afandi, M. Y. (2009). *Muamalah fiqh and its implementation in Islamic financial institutions*. TheGung Pustaka, 159.

banks are afraid to face risks such as crop failure or failure to deliver goods. This is avoided by Islamic banking. This makes the salam contract rarely used by Islamic banking.

Factors that cause the failure of the success of the salam financing contract lie in the difficulty of marketing the harvest, lack of understanding of banking practitioners about the application of the salam contract, lack of socialization to the public about the financing of the salam contract, high costs, and the risks inherent in financing based on contracts.⁹

Istishna is a contract of sale and purchase of goods between two parties based on orders from other parties, and the ordered goods will be produced according to agreed specifications and sold at prices and payment methods agreed in advance. Istishna is a sales agreement between *almustashni* (buyer) and *as-shani* (producer who also acts as seller).¹⁰ The buyer can pay the price for the ordered item in the future, either in a lump sum or in installments.¹¹

Istishna financing in Islamic banks is carried out between the booker and the recipient of the order. The specifications and prices of goods are agreed at the beginning of the contract with payment in stages. Islamic banks as the recipients of the order, and the customer is the orderer. Based on the customer's order, the Islamic bank orders the goods to the maker, then the maker carries out work under the Islamic bank's order to meet the customer's needs.¹² Usually, this type is used in manufacturing. Thus, the provisions of *istishna* follow the terms and rules of the contract of greetings.¹³ In Islamic banking, *istishna* financing is intended for short-, medium-, and long-term financing procurement financing used to meet the needs of procurement of goods (*istishna* objects).

In *Istishna* there is also *Parallel Istishna*' is an *istishna* contract where the buyer gives flexibility to the seller to find subcontractors in carrying out their obligations. Then the seller enters into a second contract with the other party to fulfill its obligations towards the buyer. So, here appear three parties who are making transactions. The position of the third party should not interfere with the first agreement made between the seller and the buyer. One of the consequences if a bank enters into an *istishna* contract, namely the Bank as a party ready to procure goods against customers, is responsible to customers for errors in the implementation of subcontractors and guarantees arising from them. It is this

⁹ Jaharuddin, J., & Maesarach, R. M. (2021). AKAD SALAM AND ITS PROBLEMS IN ISLAMIC BANKING, A CRITICAL APPROACH. *Media Economy*, 29(2). 9.

¹⁰ Pradesyah, R. (2018). Analysis of the development of contracts in Islamic banks. *Aghniya: Journal of Islamic Economics*, 1(1). 78.

¹¹ Ardi, M. (2016). Principles of Agreement (Akad), Sharia Contract Law in the Application of Salam and Istishna. *DIKTUM: Journal of Sharia and Law*, 14(2). 273.

¹² Wijayanti, A. A., Waluyo, B., & Fatah, D. A. (2021). Analysis of Factors Affecting Low Financing with Istishna Agreement on Islamic Banking. *SERAMBI: Journal of Islamic Management and Business Economics*, 3(3). 118.

¹³ Supriyadi, A. (2018). Sharia Bank in the philosophical, juridical and sociological perspective of the Indonesian nation. *MALIA: Journal of Islamic Banking and Finance*, 1(1). 8.

obligation that justifies the validity of parallel istishna', as well as the basis that banks may collect profits if any.¹⁴

Although the Istishna contract is very important in various areas of economic and social life, it involves various risks faced by the Bank at the time the contract is executed. Factors that cause low financing with istishna contracts include: 1). Has a high financing risk. Akad istishna was created to facilitate financing related to the construction or construction of houses where many things can happen related to objects/goods that have not been the point at the beginning of financing, surely developers need capital to build/make ordered goods that require banks to disburse large enough financing at the beginning, which means that the bank bears full responsibility if the funds do not return to the point in istishna financing, the initial capital can also be misused by both developers and customers. 2). There are other contract alternatives. Islamic banks have a variety of products for financing home ownership, namely musyarakah mutanaqisah (MMQ) and ijarah muntahiya bittamlik (IMBT). Both contracts have mechanisms that are not so complex and have a relatively lower risk than istishna contracts. With the existence of alternative products that can be distributed more easily and the risk is low, the bank avoids using products that complicate the point, therefore, if there are customers who want to apply for homeownership financing, the Bank itself will first offer these two contracts to customers. Akad istishna is not a priority in financing disbursement, currently, the majority of financing disbursements at Islamic banks are still dominated by murabahah because the murabahah system is a system that provides more definite returns with a certain margin level and is easier to calculate.¹⁵ 3). Risk of developer failure. In addition to the criteria that are not met, failing to complete orders on time is also one of the risk factors for developer failure that may occur in financing with this istishna contract. This is why Islamic banks rarely offer financing with istishna contracts because the difficult mechanism must be full of good financing calculations and analysis. 4). Islamic bank business strategy. As one of the business institutions, Islamic banks are required to generate profits for shareholders. These demands make the bank management focus on business and profits, so the bank is very selective in financing the business sector, and of course, the business sector financed is a business sector that is more profitable and provides fast and definite results.

In the distribution of financing, in general, istishna contracts whose payback time is uncertain are the main factors for banks that are very careful to finance this sector. 5). Advantages. The istishna agreement is considered to have not provided significant benefits for the bank, so it needs to be reviewed so that it can be profitable for the bank and also for customers and other alternative contracts have better business aspects than istishna. 6). Moral standards of customers and developers. Because of this factor,

¹⁴ Afandi, M. Y. (2009). *Muamalah fiqh and its implementation in Islamic financial institutions*. TheGung Pustaka. 169.

¹⁵ Sari, M. N. V. (2023). Implementation of Istishna Agreement in Indonesian Sharia Banking. *An-Nisbah: Journal of Sharia Banking*, 4(2). 901.

banks cannot freely provide financing to customers. There is a relatively high risk, especially in the application of financing products. The risk is that the customer uses the funds not as stated in the contract, negligence and deliberate error, and concealment of profits by dishonest customers. This also applies to developers, because the istishna contract involves three parties. In practice, the problem that occurs in istishna financing is that the house is not built or the production process does not run after the bank disburses the money in the first stage.¹⁶

DISCUSSION

Legal Basis of Akad Salam and Istishna

The legal basis of the contract of greetings is found in surah Al-Baqarah verse 282, which reads;

يَا أَيُّهَا الَّذِينَ آمَنُوا إِذَا تَدَايَنْتُمْ بِدَيْنٍ إِلَىٰ أَجَلٍ مُّسَمًّى فَاكْتُبُوهُ وَلْيَكْتُب بَيْنَكُمْ كَاتِبٌ بِالْعَدْلِ

It means, "O believers, if you do not give money for the appointed time, you should write it down. And let one writer among you write it right..." (Al-Baqarah. QS. 2 : 282).¹⁷

Hadith narrated by Ibn Majah: Meaning: From Shuhaib (ra), that the Prophet (peace be upon him) said; three things are blessed by him, namely buying and selling tough, buying and selling muqaradhah (mudharabah) and mixing wheat with flour for home purposes not for sale. Hadith narrated by Ibn Majah.

Based on these two propositions, transactions or buying and selling with greetings are allowed. The goal is to get convenience in running a business because the goods can be sent later. If there is fraud or the goods are not under the order, the customer or entrepreneur has a special right, namely the right to cancel it or continue it with compensation such as reducing the price.

The legal basis of the istishna contract is found in surah Al Baqarah verse 275.

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يُفُومُونَ إِلَّا كَمَا يُفُومُ الَّذِي يَتَحَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ذَلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا وَاللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا فَمَنْ جَاءَهُ مَوْعِظَةٌ مِنْ رَبِّهِ فَانْتَهَىٰ فَلَهُ مَا سَلَفَ وَأَمْرُهُ إِلَى اللَّهِ وَمَنْ عَادَ فَأُولَٰئِكَ أَصْحَابُ النَّارِ هُمْ فِيهَا خَالِدُونَ

It means: "Those who eat (take) usury cannot stand but like the establishment of a person who enters Satan because of (the pressure of) madness. Their situation is because they say buying and selling is the same as usury, even though Allah has legalized buying and selling and forbidding usury. Those who have come to him a prohibition from his Lord, then continue to stop (from taking usury), then for him

¹⁶ Wijayanti, A. A., Waluyo, B., & Fatah, D. A. (2021). Analysis of Factors Affecting Low Financing with Istishna Agreement on Islamic Banking. *SERAMBI: Journal of Islamic Management and Business Economics*, 3(3), 123.

¹⁷ Sarwat, A., & Buy, F. J. (2018). Fiqh House Publishing. *South Jakarta*. 10.

what he has taken first (before the prohibition comes); and his business (left up) to God. The one who returns (takes usury), then that person is the inhabitants of hell; they remain in it" (Qs. Al Baqarah: 275)

Based on these and other verses the 'ulama' declares that the original law of every business is lawful, except that which is forbidden in strong and shahih propositions.¹⁸

Terms of Akad Salam and Istishna

Terms of Akad Salam A greeting contract requires the fulfillment of conditions in each pillar, whether contained in the money or the goods. 1). Money that is used as a means of payment in the greeting contract must meet the following criteria: a). Clear Value. The money must be clearly stated in its value or exchange rate. In ancient times, it must be explained whether it was in the form of gold or silver coins. b). Delivered in Cash. Payment of money on the contract must be made in cash or cash at the assembly of the contract of greeting as well, without anything being owed or delayed. 2). Conditions on the goods: a). Not the Ain but the specifications. In the greeting contract, the seller does not sell a certain item that has been determined, but what is sold is an item with certain specifications. b). Goods Clear Specifications. The goods ordered must be explained in specification, both quality and quantity. Including for example type, type, color, size, and other specifications.¹⁹ In short, every desired criterion must be established and understood by both parties, as if the goods in question were in front of both of them. c). Goods are not handed over during the contract. If the goods are handed over in cash, then the main purpose of the greeting is not even achieved, which is to give flexibility to the seller to work on obtaining the goods within a certain time. d). Clear Time of Submission. It must be stipulated when the contract is made about the time (maturity) of delivery of goods. The maturity can be set by a specific date, month, or year, or by the number of days weeks or months from the conclusion of the greeting contract. e). It is possible to be handed over in due course. f). Clear Place of Submission. What is meant by guaranteed goods is that the ordered goods are not specified other than the criteria. As for the procurement, it is left entirely to the entrepreneur, so that he has freedom in this matter. Entrepreneurs have the right to bring goods from existing fields or supplies, or by buying them from others.²⁰

The conditions of istishna' are as follows: 1). Both parties who transact are reasonable, legally capable, and have the power to make purchases and sell 2). Ridha/willingness of both parties and not breaking promises. 3). Shani' expresses the ability to make goods. 4). If the raw material comes from mushtasni', then this contract is no longer Istishna', but turns into ijarah. 5). If the content of the contract requires that Shani 'only work, then this contract is also no longer istishna', but changed to Ijarah. 6). Mashnu' (ordered goods) has clear criteria such as type, size (type), quality, and quantity. 7). The goods ordered

¹⁸ Sarwat, A., & Buy, F. J. (2018). Fiqh House Publishing. *South Jakarta*. 99.

¹⁹ Sarbat, Ahmed. (2014). Fikih. *Faqih of Islam*. 60.

²⁰ Sarwat, Fikih. 63.

are not included in the categories prohibited by sharia (unclean, haram / unclear) or cause harm (cause immorality).²¹

The istishna agreement allowed by the Hanafi school scholars has several requirements, as applicable to the greeting contract, including 1). Mention & agreement on the criteria of goods at the time of the contract, these requirements are to prevent disputes between the two parties at the due date of delivery of the goods ordered. 2). Not limited to the time of delivery of goods. When the time of delivery of goods is determined, then the contract automatically turns into a contract of greeting, so that it applies to him all the laws of the contract of greeting, according to Imam Abu Haneefah. However, his two disciples, Abu Yusuf, and Muhammad ibn Al Hasan examined it, and they both argued that it was okay to determine the time of surrender, and not cause it to turn into a greeting contract, because this is the tradition of society since time immemorial in the contract of istishna'. Thus, there is no reason to prohibit the timing of delivery of ordered goods, because the traditions of this society do not investigate the propositions or laws of the Shari'a. 3). The goods ordered are goods that have been usually ordered with an istishna contract'. This requirement is a direct effect of the permissibility of the istishna contract'. It has been explained above that the contract of istishna' is permissible based on the tradition of Muslims that has been going on since time immemorial. Thus, this contract only applies and is allowed on goods that ordinary people order under the istishna contract scheme'. As for others, it is returned to the original law. However, by referring to the propositions for the permissibility of the contract of istishna', then by itself, this requirement is not strong. How not, because the contract of istishna' is not only based on the tradition of Muslims but also based on the postulates of the Qur'an and As-Sunnah. If this is the case, then there is no reason to limit the contract of istishna' to goods ordered by ordinary people under the istishna scheme only.²²

Benefits and advantages of Akad Salam and Istishna

This greeting agreement is permissible in Islamic sharia because it has great wisdom and benefits, whereas human needs in muamalat often cannot be separated from the needs of this contract. Both parties, namely sellers and buyers can both benefit and benefit by using a greeting contract. The buyer (usually) gets benefits in the form of 1). Guarantee to get the goods according to what he needs and at the time he wants. 2). he also gets goods at a cheaper price when compared to purchases when he needs them.

While sellers also get benefits that are no less large than buyers, including 1). Sellers get capital to run their business in halal ways so that they can run and develop their business without having to pay interest. Thus, as long as it is not yet due, the seller can use the payment money to run his business and seek as much profit as possible without any obligation. 2). The seller has flexibility in fulfilling the

²¹ Sudiarti, S. (2018). Contemporary muamalah fiqh. 98.

²² Sarwat, A., & Buy, F. J. (2018). Fiqh House Publishing. *South Jakarta*. 70.

buyer's request because usually, the grace period between the transaction and the delivery of the ordered item is quite long.²³

For the government, the use of the greeting scheme with the characteristic of prepayment will accelerate the achievement of government targets in encouraging an increase in agricultural production procurement reserves. This scheme is seen as anticipating the reluctance of farmers to sell to wholesalers. Another advantage for the government is that achieving agricultural product procurement reserves with affordable funds, it will accelerate the government's role in exporting agricultural products abroad which has recently experienced price increases.

For Islamic banks, the greeting scheme is very profitable considering that buyers have handed over their money in advance. Thus, the risk of failure to pay debts does not exist at all. Although this transaction poses a new risk, namely failure to deliver goods, with the experience and network of farmers owned by the bank, this risk should not be difficult for Islamic banks to overcome.

Istishna transactions have several advantages, among others, in the istishna contract the ordered goods can be adjusted to what the buyer wants and the istishna contract can make it easier for buyers to carry out buying and selling transaction activities, especially in manufacturing which requires considerable costs while buyers only have a small source cost.²⁴

CONCLUSION

As a country with a majority Muslim population, Indonesia should carry out economic activities that avoid usury, maysir, gharar, and things prohibited in Sharia. The use of istishna contracts and greetings is one of the good alternatives in making transactions for house construction, manufacturing business sectors, construction, and agriculture. Islamic banking should bridge these needs by implementing and also offering financing with istishna and salam contracts.

In fact, according to a study, the greeting contract provides positive potential for Islamic banks and customers. Indonesia is an agricultural country that has vast fertile land. This is a potential for the country's economic resources by utilizing the agricultural sector. With the financing of greeting contracts given to farmers to develop agricultural products, it is expected that Islamic banks as intermediation institutions will contribute to having a positive impact and can provide benefits for farmers and Islamic banks. In addition, these benefits will also be obtained by the state because the wheels of the economy continue to run and contribute to agricultural production reserves. With the financing potential of the contract above, it is hoped that Islamic banking can develop the Islamic

²³ Sarwat, 53.

²⁴ Khotimah, H., & Farid, M. (2019). Analysis of the Implementation of Akad Istishna in Sharia Banking at Bank Syariah Indonesia (BSI) Lumajang. *Muhasabatuna: Journal of Sharia Accounting*, 1(2). 13.

economy through these financing products, and can be applied effectively and provide benefits for the country's economic growth.

The difficulty of implementing an istishna contract under PSAK, and the considerable risk of an istishna contract make Islamic banks look for their respective solutions to minimize the occurrence of risks. This makes the application of the istishna contract to each bank different. Therefore, by knowing the problems of Islamic banks in implementing the istishna contract that has been discussed through this research, it is hoped that the Financial Services Authority can further review the application of the istishna contract to Islamic banks, find solutions and make new provisions under sharia principles so that in the future the istishna contract will be easier to implement by Islamic banks. Istishna financing can be used as infrastructure development financing, therefore it is hoped that in the future the government can cooperate with Islamic banks to increase financing with istishna contracts in Indonesia.

SUGGESTION

The suggestion for further researchers is to continue this research with a focus on the following aspects:

1. More in-depth analysis of the Practical Implementation of Akad Salam and Istishna. Further research can expand the scope to understand in more detail how Sharia banks in Indonesia implement Akad Salam and Istishna in their daily practice. This includes studying operational processes, sharia compliance, and its impact on financial performance and economic development.
2. The Influence of Regulation on the Practice of Salam and Istishna Contracts. Further research can explore how the regulations in Indonesia affect the practice of Akad Salam and Istishna in Sharia banking. Further analysis of compliance with regulations, obstacles faced by banks in applying this practice, and the potential for regulatory improvement can be the focus of future research.
3. Comparative Study between Indonesia and Other Countries. Doing a comparison between the practice of akad salam and istishna in Indonesia with other countries that have a developing Sharia banking system can provide valuable insight. This can help in understanding the differences and similarities, as well as obtaining lessons that can be applied to improve Islamic banking practices in Indonesia.
4. Development of an Innovative Contract Model: Future research can concentrate on the development of contract models of Akad Salam and istishna that are more innovative and in line with market needs and Sharia principles. This involves an in-depth

understanding of stakeholder needs, the risks involved, and the potential to expand access to Sharia-based financial services.

By exploring these aspects further, future research in this field is expected to make a valuable contribution to the development of sharia banking in Indonesia as well as globally.

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