

Ethnomethodological Insights into Hybrid Contract Practices in Islamic Accounting

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Abstract

This study aims to explore the implementation of Sharia accounting for hybrid contract financing at PT Bank Syariah Indonesia Tbk, where several contracts are not yet regulated under current Sharia Accounting Standards. The focus of this research is to identify how these hybrid contracts align with Sharia principles and the existing regulatory framework while assessing the practical challenges faced by Islamic financial institutions. The primary data sources include direct observations and in-depth interviews with informants, specifically employees of PT Bank Syariah Indonesia Tbk, who provide insights into the operationalization of Sharia accounting in practice. This research adopts a qualitative approach with an interpretive paradigm, utilizing the ethnomethodology method to conduct an in-depth analysis of indexicality, reflexivity, and accountability within the accounting processes. The findings reveal that the application of Sharia accounting in hybrid contract financing at PT Bank Syariah Indonesia Tbk represents a form of innovation that consistently aligns with regulations, Sharia principles, and Sharia accounting standards. Despite the absence of comprehensive standards, the bank effectively adapts existing guidelines to manage these hybrid contracts realistically. To support the ongoing development of Islamic banking in Indonesia, it is imperative for regulators and standards boards to establish detailed rules and guidelines for Sharia accounting in hybrid contract financing, ensuring uniformity and transparency across the industry.

Keywords: Islamic Banking; Sharia Accounting; Hybrid Contract; Financing

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Introduction

The Islamic economy in Indonesia is experiencing rapid growth. According to the Global Islamic Economy Indicator, Indonesia's Islamic economy reached the 4th rank in 2020. At the virtual launch of the State of Global Islamic Economy Report 2020/2021 on September 17th, 2020, Vice President Ma'ruf Amin emphasized the urgent need to enhance the Islamic economic ecosystem in Indonesia. The Master Plan for the Sharia Economy in Indonesia (2019-2024) envisions an Islamic banking system that is modern, universal, and accessible to all Indonesians (Kementerian Perencanaan Pembangunan Nasional/Badan Perencanaan Pembangunan Nasional, 2018). To address the challenges facing the Indonesian populace, Indonesia requires a banking system that embodies the principles of Islamic economics while accommodating the nation's socio-cultural diversity.

Islamic banking operates based on Sharia principles. According to Law No. 21 of 2008, Islamic banks conduct their business activities in alignment with Islamic law, as outlined in the fatwas of the Indonesian Ulema Council, which include principles such as justice and balance (*'adl wa tawazun*), benefit (*maslahah*), universalism, and the prohibition of *gharar* (*uncertainty*), *maysir* (gambling), *riba* (usury), *zalim* (oppression), and *haram* (forbidden practices). Recent statistics from the Financial Services Authority indicate a yearly increase in the use of *mudharabah*, *musyarakah*, and *murabahah* contracts for financing in Sharia banks (Fazriani & Mais, 2019). To support further growth, the availability of diverse Sharia products and the expertise of Sharia economic professionals are crucial for developing classical Islamic financial sciences and introducing Sharia-compliant products for financial transactions and *muamalah* activities.

Transactions in Islamic banking often involve multiple contracts or treaties integrated into a single arrangement (Zulkifli, 2007). Contemporary fiqh literature permits the use of hybrid contracts, or *al-uqud al-murakkabah*. The majority of Hanafiyah scholars, some Malikiyah scholars, and Safi'iyah and Hambali scholars believe that the multi-contract law is legal and permissible according to Islamic law" (Aryanti, 2017). Therefore, hybrid contracts are permissible, valid, and not prohibited. The development of Islamic banking contracts and products is guided by fatwas issued by the National Sharia Council (DSN-MUI) and is closely monitored by the Sharia Supervisory Board (DPS) and the Financial Services Authority (OJK).

When implementing hybrid contracts, Islamic banks must adhere to proper accounting practices (Handayati & Prasetyo, 2020). Islamic financial institutions in

Indonesia follow the guidelines set forth in PSAK 59, which was initially published in 2009 and later replaced by PSAK 101 in 2015, addressing the presentation of Islamic financial statements. Further guidance is available in PSAK 102-112, which provide detailed accounting standards. However, there remains a gap in accounting standards that fully capture the complexities of Islamic banking transactions, particularly those involving hybrid contracts (Handayati & Prasetyo, 2020).

This study aims to explore the application of Islamic accounting principles to hybrid contract financing at PT Bank Syariah Indonesia Tbk. It seeks to analyze the social behaviors and activities related to the implementation of Sharia accounting in these types of financing contracts. A qualitative research approach was employed, utilizing an interpretive perspective and ethnomethodological analysis methods.

Literature Review

Sharia accounting

Muslims follow Sharia accounting principles as instructed in surah Al-Baqarah; paragraph 282, emphasizing accurate, fair, and honest transaction recording. The Qur'an is a universal law that applies to all human beings worldwide. Sharia accounting is practiced to establish a monotheistic economic and business reality, following sunatullah (Anggraeni, 2016). The practical application of Islamic accounting involves modifying conventional accounting concepts and theories to fit the requirements of Sharia-compliant companies. These modifications are made to ensure that financial reporting aligns with Islamic values and Sharia goals (Mukhzarudfa & Qodri, 2019). Sharia accounting follows specific accounting policies such as the Accounting and Auditing Standards for Islamic Financial Institutions issued internationally by AAOIFI and the latest PSAK 101-112 in Indonesia.

The primary purpose of accounting activities is to convert transactions into financial information. In Islamic banking, hybrid contract financing is conducted by Islamic Sharia. Therefore, Islamic accounting for hybrid contract financing is done by adhering to Islamic law, namely the Al-Qur'an and hadith. Sharia accounting in Islam is a means of ensuring accountability to God and his creatures. According to a study by (Saputro, 2010), the application of Islamic principles and norms is a mandatory requirement for subjects of Islamic banking. Hence, implementing sharia compliance in Islamic banking through sharia governance is crucial for achieving this goal.

Accountability

Accountability is crucial for the continuity of a business organization. Accountability and accounting are closely linked, with accounting serving as a means of ensuring accountability (Badan Pengembangan dan Pembinaan Bahasa, 2016). By upholding accountability, accounting information can fulfill its role, while also serving as the main foundation for maintaining trust among stakeholders. In Islam, the concept of accountability extends beyond stakeholders to include accountability to God and society (Kalbarini, 2018). This broad perspective stems from Islamic law and Sharia, which provides specific guidelines for commercial activities, business organization, and financial reporting. Islamic accountability encompasses spiritual, mental, and material aspects, emphasizing the role of humans as khalifatullah fil ardh and abd' Allah. Humans are khalifah on earth, and their duty as khalifah is commonly referred to as imaratul ardh (prosper the earth) and worship Allah (Mardiyah et al., 2018).

Hybrid contract

A multi-contract is an agreement between two parties to carry out a transaction that involves two or more individual contracts. This means that all the legal implications of the combined contract and all the rights and obligations arising from it are considered as one inseparable unit (Aryanti, 2017). The hybrid contract combines single or multiple contracts in a transaction without creating ambiguity, uncertainty, or riba. It is designed to meet the needs of the Islamic finance industry and promote the growth of Islamic banking and financial institutions. In a separate study, it was mentioned that "Akad will continue to evolve alongside the increasingly sophisticated human interactions, requiring innovations to meet their needs" (Mujahidin, 2019). Innovation in contract development is inevitable due to human needs.

Islamic accounting for hybrid contracts

Sharia accounting continues to develop and has become a focus in financial institutions, both national and international, however, the transformation of accounting in response to muamalah contracts often creates complications for financial institutions, business entities, and auditors. This complexity has led to the need for a contract design in the form of combined contracts and wa'ad, known as hybrid contracts or al-'uqud al-murakkabah, especially in the modern era. Islamic banking requires sharia-compliant recording regulations based on the fiqh

muamalah concept. The PSAK Syariah regulates accounting for multi-contract practice (hybrid contract) in financing products to specify which contracts should be recorded (Mingka, 2013). As in the contract *Musyarakah Mutanaqisah* (MMQ), "What contracts need to be recorded, *ijarah* or *musyarakah*?". The same goes for other financing of hybrid contracts, like *Kafalah bil Ujrah* on L/C, *Hawalah bil Ujrah* on factoring, *Wakalah bil Ujrah* on factoring, or pawn products that contain three contracts *Rahn*, *Qardh*, and *Ijarah*. The application of hybrid contracts requires a new PSAK that is more relevant to the theory of hybrid contracts because there is currently no Sharia PSAK that regulates the bookkeeping of *Wakalah*, *Kafalah*, and *Hawalah* contracts.

Methods

Types and data sources

This study is qualitative research with an interpretive perspective approach, using ethnomethodology research methods. Qualitative research employs a naturalistic approach to understanding a present phenomenon and seeks to gain insight and understanding by exploring the same situation (Anggito & Setiawan, 2018). The primary data sources in this study were informants obtained through in-depth interview techniques. The research was conducted at PT Bank Syariah Indonesia Tbk. This research involved several stages. The research will begin with in-depth interviews with PT Bank Syariah Indonesia Tbk employees. Following this, the annual report for the year 2021 of PT Bank Syariah Indonesia Tbk. will be reviewed. The informants for the interviews were chosen based on their experience of more than 5 years at the bank, as well as their deep understanding of the research problems. After collecting the data, the researcher will then assess its quality, perform analysis, interpret the findings, and draw conclusions for the final research report.

Population and samples

The primary data collection involved conducting interviews through direct dialogue. The interviews were carried out in an unstructured manner to gather information to solve existing problems. After conducting the interviews, the next step is to take notes on the results. Researchers can then use the results of these interviews to carry out the observation stage and gather data from other secondary sources.

Table 1. List of Informants

No	Informants (Actors)	Inisial
1	Corporate Finance & Accounting - Department Head	AA
2	Corporate Finance & Accounting - Team Leader	SAA
3	Corporate Finance & Accounting – Officer	ES
4	Policy & Procedure - Department Head	AG
5	Sharia Compliance - Team Leader	TT
6	Distribution Strategy – Officer	PY

Data analysis techniques

The research method used in this study is ethnomethodology, which is based on the idea that "subjectivity" is the core of real experience and social order (Lisa Zakia Azizah et al., 2022). Social facts are formed through the interpretive actions of individuals involved in daily organizational processes. Ethnomethodology focuses on exploring the methods and thought processes that individuals use through practice and reasoning. The approach emphasizes the use of rules, values, principles, and similar elements as a form of logic, enabling subjects to explain how they recognize, describe, and consider existing and applicable rules or methods in their environment. The ethnomethodological approach concerns the study of social interactions with the environment and activities carried out by humans in everyday life (Khaerana & Zam, 2020).

The research conducted by Lovita et al. (2020) outlined three stages and ten steps involved in using the ethnomethodological method. The stages are carried out in sequence: introduction to the research area, entering the research area and presenting the research report. According to Nahria & Laili (2018), ethnomethodology is the study of the methods used to examine how individuals create and interpret their daily lives. It also focuses on the methods individuals use in their daily activities to achieve certain goals. This study requires researchers to abandon existing assumptions, theories, propositions, and categories about the object phenomena being studied.

Kepramareni et al. (2014) describe in their studies that ethnomethodology is built on two basic elements: indexicality and reflexivity. The analysis of the results of the observations from this method is divided into two groups. The first group focuses on indexicality and involves understanding how actors perceive their roles and activities. The second group, which is related to reflexivity, looks at the meaning

that goes beyond the awareness of the actors or subjects and examines the relationship of meaning between different phenomena (Gamar & Djamhuri, 2015).

In Ainina (2016) ethnomethodological study, the analysis is conducted in three stages: indexicality, reflexivity, and accountability. Indexicality is the stage where the researcher captures symbolic information, such as utterances, gestures, body language, rules, or actions that contain signs of imperfection. Reflexivity describes the practice of a social framework that produces an interaction that can be interpreted and observed at the same time. The third stage, accountability, involves reviewing or describing a phenomenon and examining how relationships occur in interactions to achieve a clear methodological status that will be used in drawing research conclusions. In this stage, researchers will convey conclusions on the results of their study, aiming to answer research questions, such as how to apply Sharia accounting to hybrid contract financing products at PT Bank Syariah Indonesia Tbk.

Result and Discussions

Implementation of Sharia Accounting

The accounting guidelines for Sharia entities are based on the Sharia Accounting Standards prepared by the Sharia Accounting Standards Board (DSAS-IAI). Effective Sharia SAK as of January 1, 2021, are KDPPLKS, 13 PSAK, and 2 ISAK. At PT Bank Syariah Indonesia Tbk, Sharia accounting in hybrid contracts financing is guided by SAK Sharia, which applies to the main contract in such financing. In the *Murabaha bil Wakalah* contract, bookkeeping is based on PSAK 102 Murabaha. For the *Musyarakah Mutanaqisah* contract, bookkeeping follows PSAK 106 *Musyarakah*, and for the IMBT contract, bookkeeping adheres to PSAK 107 *Ijarah*. Hybrid contract financing transactions, such as *Kafalah bil Ujroh*, *Wakalah bil Ujroh*, and *Hawalah bil Ujroh*, are recorded based on the transaction's nature or prevailing practices in other sharia banks.

Islamic banks follow specific standards and guidelines to ensure accountability in their financial reports. When processing financing transactions using contracts like *Murabaha bil Wakalah*, they do not keep records of inventory. Instead, they conduct contract-based buying and selling transactions, reducing their exposure to inventory risks. As a result, there is no recording of inventory in *Murabaha bil Wakalah* transactions, as indicated in the interview results below.

" If there is no wakalah contract, it means that we are crediting Murabaha supplies, if this is cash directly to the customer's account."– AA

In the Murabaha contract with a matching agreement using Wakalah, PT Bank Syariah Indonesia Tbk. did not keep records of the Wakalah transaction, as disclosed in the interview.

"It is not recorded because it is considered that there is no financial transaction in the wakalah contract, maybe the difference is that we give it not in goods but cash, maybe in the form of its implementation, so Debits: Murabahah Receivables – Credits: Deferred Margins and Accounts (cash), so it's cash. That's the wakalah."– AA

Sharia accounting for the wakalah contract in Islamic banks does not need to be recorded by the bank due to the absence of real financial transactions. There are no specific guidelines in PSAK 102 Accounting Murabaha for Murabaha transactions involving a wakalah contract. For the treatment of financing transactions in Murabaha, refer to PSAK 50, 55, and 60 for guidance on Financial Instruments.

The main contract for MMQ financing at PT Bank Syariah Indonesia Tbk. is a *musyarakah* contract, which follows accounting standards (PSAK 106). The contract involves gradually transferring funds between partners, but Sharia accounting guidelines lack clear explanations, especially regarding *ijarah* transactions. *Musyarakah Mutanaqisah* is a partnership between the bank and the customer, involving capital contributions for purchasing goods, as mentioned in the interview results.

"That's right because we face musyarakah. So we record it as musyarakah. We say syirkah, customers provide capital in the form of self-financing, and the FTV is for financing to value. For example, for a second house, 30% for the customer - 70% for the bank, if it's a new house it's 20% because of the regulations. It is appropriate if using a musyarakah mutanaqisah contract, so there is a portion of customer capital and there is a portion of bank capital. In this case, the goods are houses, 30% are customers, 70% are banks. Included in musyarakah transactions, then the goods are cultivated, by renting them out to the customers themselves." - AA

From the explanation above, there are two stages of the transaction in the MMQ contract, starting with *Musyarakah* and then *Ijarah*. But in PSAK 106 *Musyarakah* only records the transactions of *syirkah* (cooperation), while the lease transactions do not need to be recorded. Revenue recognized in financing product transactions with MMQ contracts is profit sharing derived from customer lease payments for assets purchased in transactions *syirkah*. As stated in the results of the interview below.

"Yes, same as *musyarakah mutanaqisah*. *Ijarah* is on the side of how we get the yield or return on investment, but what we record there is no *ijarah*, right? There is *ijarah*, but it is not recorded. The bank has provided the capital for the completed transaction, then there is income paid to the principal then there is a remainder, which is profit sharing. For profit sharing the value is fixed, because it comes from rent. What is the rental value, that's what's recorded. Not fixed, but reviewable and predictable because it comes from *ijarah* transactions." - AA

Regarding PSAK 106 *musyarakah* has not described the actual MMQ transactions which are also disclosed in the interview results below.

"SAK for *Musyarakah* contract only discusses partnerships, whereas in *musyarakah mutanaqisah*, apart from partnerships, there are lease transactions and then buy and sell transactions, which means that there are sales and purchases that are not captured on the *musyarakah*, so DSAS should also issue PSAK related to *musyarakah mutanaqisah*, because this PSAK *musyarakah* only just capture the partnership transaction, but if we look again at the obligations that arise between the bank and the customer, it's not only in the partnership but also in the leasing transaction. So indeed PSAK 106 does not describe the actual MMQ transactions." - TT

In hybrid contract transactions, that use *Wakalah*, *Kafalah*, and *Hawalah* contracts, some contracts lack guidelines but have been widely practiced. For the accounting treatment, the bank considers several factors, including the introduction of new products by the regulator and best practices in other Islamic banks. If there are no Sharia accounting guidelines for certain accounting records, input and suggestions will be sought from supervisors and regulators of Sharia banks before implementation.

"The practice that is common in all banks now for *kafalah bil ujroh* is indeed recognized as *qardh*. Approved by all bank supervisors, internal auditors, external auditors - KAP, OJK banking supervisors. Because there is no codification of *kafalah* products, even for reporting to the OJK, there is no form for *hawalah* and *kafalah* in the reporting form. So for reporting the contracts are combined with *qardh*." - AA

In cases where the accounting guidelines have not been regulated for hybrid contracts financing for *Wakalah*, *Kafalah*, and *Hawalah* contracts, they are recorded according to the contract that is closest or similar to the nature of the transaction. In this situation, the *Qardh* contract is used because it has the same substance. This information was revealed in the results of the interview below:

"Because there are no specific accounting standards yet, while in substance they are the same as *qardh* and *ujroh*, follow the accounting policies that are similar." - AA

The practice of recording Sharia-compliant finance contracts such as *kafalah bil ujroh*, *hawalah bil ujroh*, and *wakalah bil ujroh*, which do not have regulated Sharia accounting standards, is currently recognized by PT Bank Syariah Indonesia Tbk. as *qardh* receivables because they are considered to have the same substance, and therefore follow the accounting practice of the *qardh* contract.

Indexicality, reflexivity, and accountability analysis

After collecting data through interviews, the next step is to analyze it using an ethnomethodological approach. The analysis will interpret the consistent social interactions and activities among employees within PT Bank Syariah Indonesia Tbk. as they implement hybrid contract financing products and apply sharia accounting. The stages of analysis include indexicality, reflexivity, and accountability, aiming to understand the meaning behind these interactions. Below is an analysis table:

Innovation in financing products

Table 2. Interview 1 revealed that hybrid contracts are an innovation in financing products at PT Bank Syariah Indonesia Tbk. The following table presents the analysis results:

Table 2. Interview 1

No	Informant	Interview	Indexicality	Revlexivity
1	AA	So, Islamic bank have hybrid contracts because everything now is a contract-based product, we are no murabaha, but financing based on Murabaha, financing based on <i>musyarakah</i> , because a bank is a monetary institution, not a sector real, then the transaction is contract-based.	Hybrid contracts are a form of innovation in running financing products at Islamic banks based on real sector contracts, because Islamic banks are monetary institutions.	Hybrid contracts make it easier for Islamic banks to implement financing products.
2	PY	If I apply for financing for a house using an employee financing facility from 2017 or 2016, if I'm not mistaken, it's an MMQ contract. There are also cars, I use general financing with murabahah bil wakalah, there are also micro and cooperative financing with <i>ijarah</i> contracts.	Hybrid contract is an innovation in implementing various types of financing products in Islamic banks.	Hybrid contracts facilitate the application of various financing products in Islamic banking.
3	TT	The point is that in the future it is possible to develop a hybrid contract that is applicable in the market, as long	The development of a new hybrid contract that is applicable is a form of	Hybrid contracts are more applicable in their implementation.

No	Informant	Interview	Indexicality	Revlexivity
4	AG	as the need arises, there will be new developments. Hybrid contracts are considered more flexible for business unit, for example in determining prices and also in their implementation.	innovation in meeting community needs. The hybrid contract is a form of innovation to make it more flexible in its implementation for business units.	Hybrid contracts are more flexible in their application in Islamic banking.

Source: Data processed by researchers (2022)

After reviewing the data in Table Interview 1, the analysis of indexicality reveals that the Hybrid contract offers convenience, applicability, and flexibility in Islamic banking. The reflexivity analysis suggests that the Hybrid contract represents an innovative approach to developing Islamic banking business. Furthermore, the accountability analysis from Table Interview 1 demonstrates that hybrid contracts are a form of innovation in Islamic banking. This is because they offer convenience, increased applicability, and flexibility when implemented in financing products at PT Bank Syariah Indonesia Tbk.

The results of Indexicality, reflexivity, and accountability analysis from Table Interview 1, researchers have captured the essence of innovation in the implementation of hybrid contract financing activities at PT Bank Syariah Indonesia Tbk.

Comply with sharia aspects

Table 3. Interview 2 revealed that informants frequently mention the word "sharia" when implementing hybrid contract financing products at PT Bank Syariah Indonesia Tbk. The following table presents the analysis results:

Table 3. Interview 2

No	Informant	Interview	Indexicality	Revlexivity
1	SAA	Yes.. usually the business process flow is explained first, what business unit wants the business flow to be, then asks for input from the risk unit, then go to sharia compliance, related to the contract,	Every new financing product submission will be asked for input to sharia compliance.	When developing a new hybrid contract financing product, a sharia opinion will be requested.

No	Informant	Interview	Indexicality	Revlexivity
		then to legal, finally to accounting, and IT.		
2	AA	For GL, it is still Kafalah and Wakalah, while in published financial reports it is recorded as qardh receivables. The DPS asked that it be kept in accordance with their respective agreements.	Bookkeeping of transactions for hybrid contract financing products must be recorded in accordance with the contract.	The bookkeeping of hybrid contract financing transactions is in accordance with the contract.
3	TT	Contracts in Islamic banks may not work if there is no fatwa, so the fatwa is issued first, then it is absorbed by the banking system, then it becomes a product.	The financing contract can run if the fatwa has been determined by the DSN-MUI.	Hybrid contract financing products at BSI must work in accordance with the DSN-MUI fatwa.
4	AG	We are at PPG as long as there is a DPS opinion that supports it, then the product can be run. Indeed the reference is from the fatwa and sharia opinion.	Hybrid contract financing products can run if the fatwa and sharia opinion have been issued.	Hybrid contract financing products can run after the publication of the DSN-MUI fatwa and sharia opinion.
5	PY	When asked what the purpose for, if it was to buy an object, for example I was buying a house, MMQ and murabaha contracts were offered. So I answered it was up to how good it was in sharia terms. So the purpose of the financing being explored again.	During the financing application process, the purpose and use are adjusted to the contract.	Hybrid contract financing at BSI is in accordance with its purpose and use.

Source: Data processed by researchers (2022)

According to the results in Table 3. Interview 2, the indexicality analysis indicates the hybrid contract financing products at PT Bank Syariah Indonesia Tbk are operated under the DSN-MUI fatwa and closely monitored by the DPS. The reflexivity analysis indicates that adhering to Sharia aspects is considered crucial in the implementation of hybrid contract financing. The accountability analysis from Table 2 reveals that compliance with Sharia aspects is essential in implementing hybrid contract financing products at PT Bank Syariah Indonesia Tbk.

In addition to upholding the company's vision and mission, it is important to maintain the trust of customers and the people of Indonesia. Most importantly, is the responsibility to Allah SWT. Comprehensive compliance with sharia aspects has been maintained since the development of the hybrid contract financing product, during financing transactions, and in the record of these transactions. Islamic banks need to uphold moral responsibility in their business operations, and comply with Sharia aspects being crucial for Sharia entities. In a study by Kusumaningrum et al. (2021), it was found that Sharia compliance significantly contributes to increasing customer trust and confidence in Islamic banks. The primary pillar of Sharia compliance disclosure for a Sharia entity is moral honesty and transparency on the part of management as a form of Islamic da'wah (Dahlifah et al., 2019). To ensure the maintenance of Sharia aspects, the Sharia Supervisory Board (DPS), a representative of the DSN-MUI, supervises the implementation of DSN fatwas and provides guidance or supervision of products, services, and business activities in Sharia banking. Additionally, at PT Bank Syariah Indonesia Tbk., there is a Sharia compliance work unit responsible for assisting in the development of new financing products, hybrid contracts, and activities related to the operations of PT Bank Syariah Indonesia Tbk.

Consistent and realistic

The Table 4. Interview 3, researchers have interpreted that social activities in the application of sharia accounting in hybrid contract financing are consistent and realistic behaviors carried out at PT Bank Syariah Indonesia Tbk. The following table shows the analysis results:

Table 4. Interview 3

No	Informant	Interview	Indexicality	Revlexivity
1	AA	Yes, do we want a hybrid contract or not. In terms of bookkeeping, look at what kind of contract is it, we refer to that. For example, murabaha and wakalah are hybrid contracts, but the main contract is murabaha, so we refer to PSAK 102, it's as simple as that.	Hybrid contract accounting books refer to sharia PSAK, according to the main contract that is applied to the financing transaction.	Hybrid contract accounting at BSI records the main contract with reference to SAK Syariah.
2	PY	For disbursement we are only intermediaries. But it doesn't settle for	Disbursement of funds for financing MMQ and	The disbursement of hybrid contract

No	Informant	Interview	Indexicality	Revlexivity
		long. So after that, the funds are transferred to the dealer or property account. For example, if the funds settle for a long time, they are blocked, so there's nothing to do with it. This applies to all of my financing.	murabaha products is recorded in the customer's account.	financing funds has been recorded consistently to the customer's account.
3	AA	<i>Musyarakah mutanaqisah</i> is a hybrid contract, so the transaction includes <i>musyarakah</i> and <i>ijarah</i> . It's not that then we do the bookkeeping of <i>musyarakah</i> and <i>ijarah</i> , but the face is <i>musyarakah</i> , so we refer to PSAK <i>musyarakah</i> .	Bookkeeping on the <i>musyarakah mutanaqisah</i> contract refers to PSAK 106 <i>Musyarakah</i> .	Hybrid contract accounting at BSI has consistently referred to SAK Syariah.
4	SAA	Yes our judgment, but usually it's not really blank, if there is a new product making, then we learn or refer to BI. If BI proposes a new product, there is usually socialization or other materials delivered from BI or other banks that we can study first.	The bookkeeping of hybrid contract products refers to practices that are commonly applied to other banks.	Hybrid contract accounting at BSI runs realistically, following the needs and conditions in the field.
5	TT	So, the solution is to make two different records, at the internal Bank we make GL Receivables <i>Hawalah</i> , for reporting to LSMK to GL Receivables <i>Qardh</i> . So what can be improved in our area, because that's in our internal balance sheet, in our financial reports. So it is still recorded as <i>Hawalah</i> or <i>Ad-Dain Hawalah</i> receivables, then at the time of reporting to the OJK on GL <i>Qardh</i> Receivables.	The <i>hawalah bil ujroh</i> contract is recorded in accordance with the GL of the transaction contract and reported in accordance with OJK regulations.	Hybrid contract financing for which the bookkeeping guidelines have not been regulated is consistent in GL according to the contract, and reported according to regulatory provisions.

Source: Data processed by researchers (2022)

According to the Indexicality analysis in Table 4 Interview 3, sharia accounting is implemented under the Sharia Accounting Standard, similar to other Sharia banking practices. The Reflexivity analysis shows that the implementation of Sharia accounting is coherent and realistic. The Accountability analysis indicates that the application of Sharia accounting in hybrid contract financing at PT Bank Syariah Indonesia is consistent and guided by Sharia SAK and regulatory provisions, reflecting real conditions and common practices in other Sharia banking institutions.

Conclusion

This study aims to examine the implementation of Sharia accounting in Islamic banking. The findings from this ethnomethodological study indicate that hybrid contract financing at PT Bank Syariah Indonesia Tbk. represents an innovative practice within Islamic financial institutions. The implementation of hybrid contract financing at PT Bank Syariah Indonesia Tbk. is aligned with Sharia principles, as outlined by the DSN-MUI fatwa and under the supervision of the Sharia Supervisory Board (DPS). Sharia compliance has been a fundamental aspect of the process, from the development of new hybrid contract financing products to their offering to customers. Islamic banks have a moral responsibility to uphold Sharia compliance, which has been shown to enhance customer trust. The DPS continuously oversees the application of Sharia principles and product development at PT Bank Syariah Indonesia Tbk.

The application of Sharia accounting in hybrid contract financing at PT Bank Syariah Indonesia Tbk. is consistent with Sharia SAK and regulatory provisions, reflecting real-world conditions and practices common in other Sharia banking institutions. However, current Sharia accounting standards have certain limitations, such as the lack of specific guidelines for contracts like *Kafalah*, *Hawalah*, and *Wakalah*.

Overall, the implementation of Sharia accounting in hybrid contract financing at PT Bank Syariah Indonesia Tbk. is an example of innovation that adheres to regulations, Sharia principles, and Sharia accounting standards in a consistent and practical manner. To support the growth of Islamic banking in Indonesia, regulators and Sharia accounting standards boards must develop comprehensive accounting guidelines for Islamic banking. These guidelines should accommodate the diverse bookkeeping requirements of Sharia banking products, especially those involving hybrid contract transactions.

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