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MUSYARAKAH IN ISLAMIC ACCOUNTING PERSPECTIVE: CONCEPT AND APPLICATION

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<p>Info Article Received : 01 Oktober 2025 Revised : 04 November 2025 Accepted : 01 Desember 2025 Publication : 30 Desember 2025</p>	<p>Abstract: <i>This study aims to analyze the basic concept of musyarakah contract according to sharia principles and its implementation in the accounting practices of Islamic financial institutions, especially based on Sharia Financial Accounting Standard (PSAK) No. 106. The research method used is a literature study with a descriptive-analytical approach, examining the theoretical basis of literature sources and implementation reports in several Islamic financial institutions. The results show that the application of musyarakah contracts in accounting requires separate recording of assets and liabilities arising, measurement of musyarakah investments at the fair value of non-cash assets delivered, and transparent recognition of profit-sharing income and expenses., challenges in accounting implementation often arise related to transparency issues, difficulties in business feasibility analysis, and the diversity of musyarakah products. Alignment between sharia concepts and accounting standards (PSAK 106) is essential to ensure fair and transparent practices. A deep understanding by practitioners of Islamic Financial Institutions is required to ensure sharia compliance and accountable presentation of financial statements.</i></p>
<p>Keywords: Sharia Accounting, Musyarakah Agreements, Sharia PSAK 106</p> <p>Kata Kunci: Akuntansi Syariah, Akad Musyarakah, PSAK Syariah 106</p>	
<p>Licensed Under a Creative Commons Attribution 4.0 International License</p> 	<p>Abstrak: Penelitian ini bertujuan untuk menganalisis konsep dasar akad musyarakah sesuai prinsip syariah dan implementasinya dalam praktik akuntansi lembaga keuangan syariah, khususnya berdasarkan Standar Akuntansi Keuangan Syariah (PSAK) No. 106. Metode penelitiannya adalah studi kepustakaan dengan pendekatan deskriptif-analitis, mengkaji landasan teoretis dari sumber-sumber literatur dan laporan implementasi di beberapa lembaga keuangan syariah. Hasil penelitiannya adalah penerapan akad musyarakah secara akuntansi memerlukan pencatatan terpisah atas aset dan liabilitas yang timbul, pengukuran investasi musyarakah pada nilai wajar aset nonkas yang diserahkan, serta pengakuan pendapatan dan beban bagi hasil yang transparan, tantangan dalam implementasi akuntansi seringkali muncul terkait isu transparansi, kesulitan dalam analisis kelayakan usaha, dan keragaman produk musyarakah Keselarasan antara konsep syariah dan standar akuntansi (PSAK 106) sangat penting untuk memastikan praktik yang adil dan transparan. Diperlukan pemahaman yang mendalam oleh praktisi Lembaga Keuangan Syariah untuk memastikan kepatuhan syariah dan penyajian laporan keuangan yang akuntabel.</p>

INTRODUCTION

The Islamic finance industry is experiencing rapid growth globally, including in Indonesia. This growth is driven by the demand for financial products and services that comply with sharia principles, which prohibit *riba* (interest), *gharar* (uncertainty), and *maisir* (speculation) (Latifah et al., 2024; Sari et al., 2023). One important instrument in Islamic financing that reflects the principles of partnership and profit sharing is the *musyarakah* contract (Purbasari & Murni, 2020). *Musyarakah* is a cooperation agreement between two or more parties to combine capital, assets, or expertise to run a certain business, with an agreement to share profits based on an agreed ratio (Supriyanto, 2025), while losses are borne proportionally according to each party's capital contribution. This unique characteristic distinguishes it from conventional debt-based financing systems. In practice, *musyarakah* is applied in various Islamic banking products, such as working capital financing, project investment, and asset ownership financing (*Musyarakah Mutanaqishah* or MMQ).

Although the *musyarakah* concept has a strong sharia foundation and a vital role in Islamic economics, its implementation poses its own challenges in the accounting aspect. Islamic accounting aims to provide financial information that is transparent, accountable, and in accordance with sharia principles (Aditiya et al., 2023). In Indonesia, accounting standards for *musyarakah* transactions are regulated in Statement of Financial Accounting Standards (PSAK) No. 106 on *Musyarakah* Accounting. PSAK 106 provides guidance on the recognition, measurement, presentation, and disclosure of these transactions for Islamic financial institutions (as active or passive partners) (Budianto & Dewi, 2022). However, in its implementation, practical issues and challenges often arise. For example, difficulties in conducting active supervision of financed businesses, potential moral hazard on the part of business partners, as well as complex accounting treatment especially for non-cash assets submitted as capital (Mustaghfirin & Latifah, 2023). Lack of adequate understanding and socialization of these accounting standards can also lead to inconsistencies in the financial reporting of Islamic institutions (Ruslan & Jaffar, 2012).

Therefore, it is important to examine in depth the concept and application of *musyarakah* contracts from an Islamic accounting perspective. This study aims to analyze how sharia principles are translated into applicable accounting standards, as well as identify gaps between ideal concepts and actual practices in the field (Rifqi et al., 2023). This comprehensive understanding is expected to improve the transparency and

accountability of Islamic financial statements, as well as strengthen public confidence in the Islamic finance industry as a whole.

METHOD

This research uses a qualitative approach with a literature review method (systematic literature review) to analyze, synthesize, and summarize existing knowledge regarding the concept and application of musyarakah contracts from a sharia accounting perspective (Latifah et al., 2021). The data sources in this research are secondary, including: Primary Sources: Relevant national and international scientific journals, research articles, and theses/dissertations that discuss musyarakah contracts and Islamic accounting. Secondary Sources: Textbooks, Sharia Statement of Financial Accounting Standards (PSAK), and other relevant reference sources.

The data collection technique was conducted through a systematic literature study with the following steps (Booth et al., 2021): Planning: Formulating the main research question. Literature Searching: Conducting an extensive literature search using keywords such as “musyarakah contract”, “Islamic accounting”, “PSAK 106”, “musyarakah literature review”, “musyarakah application”, and “Islamic accounting musyarakah” on academic databases such as Google Scholar, Garuda, and other scientific journal portals. Selection and Evaluation: Screening the literature based on relevance to the topic, year of publication and quality of the source (accredited/reputable journals). Data Extraction: Collected and recorded key information from each relevant source, including definitions, pillars, terms, types of musyarakah, accounting principles used, implementation challenges, and proposed solutions.

Data analysis was conducted qualitatively with the following steps (Hadi, 2021): Inventory (Rhodes, 2011): Organizing data that has been extracted from various sources. Classification: Grouping the data into main themes relevant to the research title, such as: Basic concepts of musyarakah contracts (Sharia). Relevant Islamic accounting principles and standards (PSAK 106). Interpretation: Analyzing and interpreting the findings from the classified literature to answer the research questions. This stage includes comparisons between theoretical concepts and applied practices, as well as identifying research gaps or evidence-based recommendations. Synthesis and Reporting: Synthesizing all findings in a structured manner and reporting them in the form of a coherent narrative, presenting a comprehensive picture of "Musyarakah Agreements in Islamic Accounting Perspective: Concepts and Applications".

RESULTS AND DISCUSSION

Results

1. Concept and Characteristics of the Musyarakah Agreement

The musyarakah agreement is applied as a cooperation agreement between an Islamic Financial Institution and a business partner (customer) to combine capital in a specific (Putra & Huwaina, 2023) project or business, with an agreement to share profits and bear losses proportionally according to capital. Types of Musyarakah where Islamic Financial Institutions implement two main types of musyarakah (Nugroho et al., 2024):

a. Permanent Musyarakah

Permanent musyarakah (also called musyarakah daimah) is a contract of cooperation between two or more parties for a certain business in which each partner's share of capital remains fixed until the end of the contract period (Auliah et al., 2023). The criteria for permanent musyarakah are: Partners contribute capital (funds or assets) to run a project or business. The percentage of capital ownership and profit (and loss) sharing are agreed upon at the outset and do not change during the term of the agreement. The venture can be long-term or ongoing for as long as the partners wish, with no plan for a gradual transfer of capital ownership from one party to the other. Example 1: Two individuals or companies agree to set up a factory or retail store. Each invests an equal amount of capital (for example, IDR 200 million each) and agrees to share profits and losses according to their capital share (50:50). This ownership share will remain the same as long as the company is in operation (Hidayati & Usnan, 2019). Example 2: An Islamic bank and a customer agree to finance a solar power project. The bank and the customer both invest a certain portion of capital. They share the profits from the operation of the project on a permanent basis (e.g. over the 20-year life of the project) with no intention of either party buying out the other party's portion of ownership.

b. Musyarakah Mutanaqisah

An asset ownership agreement in which one party's (usually the customer) portion of ownership will gradually increase through purchases (Cahyani & Janwari, 2024), while the other party's (the bank) ownership decreases (Asyiqin & Alfurqon, 2024). An example is Islamic home or apartment financing, where the customer and the bank initially both own the asset. The customer then makes installments to gradually purchase the bank's portion of ownership up to 100%. Example: Sharia Home Ownership Loan (KPR) Financing: The customer and the bank enter into a

musyarakah mutanaqisah contract to buy a house. The customer provides a down payment (DP) as an initial ownership contribution, for example 10%. The bank provides the remaining capital for the purchase of the house, making it a 90% owner. The customer leases (part or all) of the house from the bank and pays a monthly rental fee. This rental payment also includes the gradual purchase of the bank's ownership portion. So, each time the customer pays, his portion of ownership increases, while the bank's portion decreases. Once all the installments are paid, the entire ownership of the house asset passes to the customer. Rukun dan Syarat: The application in the field has fulfilled the main pillars of musyarakah, which include the parties to the contract, the object of the contract (capital and business), and a clear *ijab kabul*, as well as clarity on the profit-sharing ratio (Latifah & Muawanah, 2025).

2. Accounting Application (PSAK 106)

Initial Recognition and Measurement: Musyarakah capital is recognized upon delivery of cash or non-cash assets. Non-cash assets are measured at fair value at the time of the contract, and the difference between fair value and book value is recognized as gain or loss (PRATIWI, 2024). **Measurement After Initial Recognition:** Jointly managed musyarakah assets are measured using the cost method after initial recognition, less accumulated depreciation and impairment losses, if any. **Distribution of Operating Profit:** Business profits are shared based on the agreed ratio (e.g. revenue sharing or profit sharing). Losses are shared in proportion to the capital contributions of all partners (Suhartono et al., 2019). **Presentation:** Musyarakah financing is presented in the statement of financial position (balance sheet) of the LKS as part of earning assets or murabaha receivables (for certain schemes in MMQ). **Disclosure:** LKS has made adequate disclosures in the Notes to the Financial Statements (CALK), including accounting policies for musyarakah transactions, details of capital portion, profit sharing method, and related risks.

Discussion

In general, the application of musyarakah contracts in LKS is in accordance with sharia principles and PSAK 106. The main characteristics of musyarakah as a partnership based on risk-sharing and profit-sharing are reflected in the agreement. PSAK 106 provides clear technical guidance on accounting treatment, which helps LKS to present transactions in a transparent and accountable manner (Latifah et al., 2025; Reken et al., 2025). Musyarakah financing, especially permanent ones, still tends to be less popular

than sale and purchase-based products (such as murabahah) due to the complexity of business analysis and supervision. Islamic Financial Institutions face difficulties in conducting in-depth business analysis, and there is a risk of moral hazard from business partners (customers) who may be less transparent in the management of funds or take excessive risks (Latifah, 2025). There is still a lack of complete understanding on the part of banks and customers on the essence of musyarakah financing as a whole. The implementation of PSAK 106 helps overcome some of the challenges by requiring detailed disclosures and clear measurements. Recognizing non-cash assets at fair value at the outset of the contract, for example, ensures fairness to all partners. However, the challenge of monitoring business performance in real-time remains an operational issue that impacts the accuracy of periodic profit sharing calculations.

CONCLUSION

The ideal and actual concept of musyarakah contracts has been well regulated in Islamic accounting through PSAK 106. Its implementation reflects the principles of fairness and transparency, although it still faces operational and educational barriers that require continuous improvement from Islamic financial institutions. Musyarakah in accounting requires separate recording of assets and liabilities incurred, measurement of musyarakah investments at the fair value of non-cash assets delivered, and transparent recognition of profit sharing income and expenses. In the application of musyarakah there are still many challenges in implementation, namely transparency issues, difficulties in business feasibility analysis, and the diversity of musyarakah products (for example, musyarakah mutanaqisah or musyarakah decline). The alignment between sharia concepts and accounting standards (PSAK 106) is essential to ensure fair and transparent practices. In-depth understanding by practitioners of Islamic Financial Institutions is required to ensure shariah compliance and accountable presentation of financial statements.

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