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Research Article

Musyarakah Mutanaqisah as a Financing Solution for Working Capital and Productive Property in Islamic Financial Institutions in Indonesia

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Abstract

This study examines the implementation of *Musyarakah Mutanaqisah* (MMQ) as a financing instrument for working capital and productive property in Islamic Financial Institutions (IFIs). Unlike conventional financing, MMQ offers a dynamic ownership transition mechanism that allows customers to gradually acquire full ownership of financed assets while sharing profits and risks with the bank. The research employs a qualitative approach through an analytical review of scholarly literature and publications from IFIs, focusing on the operational structure, benefits, and challenges of MMQ. The findings highlight that MMQ provides greater flexibility compared to other Sharia-compliant contracts such as *Murabahah* and *Ijarah Muntahiyah Bi Tamlik*, as it enables customers to secure assets while mitigating financial burdens through staged payments. MMQ proves to be a viable solution for business actors and property investors, offering an equitable risk-sharing model and a structured path toward ownership. The study also underscores the importance of financial literacy and strategic marketing in enhancing MMQ adoption, emphasizing the role of digital platforms and personalized consultation in promoting its benefits. The results suggest that optimizing MMQ for productive financing can strengthen the Islamic banking sector and expand financial inclusion for businesses. Further empirical research is needed to measure MMQ's long-term impact on business sustainability and financial stability.

Keywords: Financing; Islamic Financial Institutions; *Musyarakah Mutanaqisah*; Productive Property; Working Capital.

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Introduction

Working capital financing and productive property in Islamic Financial Institutions play a strategic role in economic development, particularly in supporting business

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growth and increasing productivity. Working capital is essential for maintaining business operational continuity, such as purchasing raw materials, paying salaries, and covering other operational costs, which ultimately contribute to economic output growth and job creation. Meanwhile, productive property financing enables entrepreneurs to acquire or develop fixed assets, such as buildings, factories, or commercial spaces, which can strengthen long-term business competitiveness. In the Islamic finance ecosystem, these services are provided through contracts such as *Murabahah, Ijarah,* and *Musyarakah Mutanaqisah* (MMQ), ensuring transactions remain compliant with Sharia principles.

Islamic Financial Institutions implement various Sharia-compliant contracts tailored to financing needs and objectives. The *Murabahah* contract (cost-plus sale) is the most commonly used, particularly for working capital financing related to goods procurement. Under this scheme, the Islamic bank purchases the goods required by the customer and resells them with a pre-agreed profit margin. This margin is fixed and disclosed at the outset, providing certainty in installment amounts for the customer and minimizing uncertainty (*gharar*). Meanwhile, the *Ijarah Muntahiyah Bi Tamlik* (IMBT) contract (lease-to-own arrangement) is frequently employed in productive property financing. Here, the financial institution leases an asset to the customer for a specified period with periodic rental payments. At the end of the lease term, ownership of the asset may transfer to the customer through a final payment or grant, as mutually agreed at the contract's inception (Faizal, 2023; Milati & Arifin, 2021).

In addition to *Murabahah* and *Ijarah*, Islamic Financial Institutions also apply *Musyarakah* (partnership) and *Mudharabah* (profit-sharing) contracts in certain cases. Under the *Musyarakah* contract, both the financial institution and the customer contribute capital to a joint venture, with profits distributed according to the agreement and losses borne proportionally based on capital contributions. In the *Mudharabah* contract, the financial institution (*Shahibul Maal*) provides all the capital, while the customer acts as the entrepreneur-manager (*Mudharib*). Profits are shared based on a pre-agreed ratio, while losses are fully borne by the capital provider, unless caused by negligence or contractual breaches by the *Mudharib*. Through these diverse contracts, Islamic Financial Institutions can offer financing solutions aligned with Sharia principles and customer needs, whether for asset ownership or business development (Harahap, 2024).

However, each contract presents unique challenges that may limit its flexibility and effectiveness in financing working capital or productive property. In the *Murabahah* contract, the fixed margin set at the outset can become a constraint in unstable economic conditions. For instance, in working capital financing, if raw material prices fluctuate due to inflation or supply chain disruptions, customers must still pay installments based on the pre-agreed margin, even if market conditions have shifted. This can lead to liquidity challenges for customers or push them to seek alternative financing options with greater flexibility. In productive property financing, fixed margins may also become burdensome if market interest rates decline, as customers remain bound to the unchanging sale price, while competing financing products might offer more competitive terms. These limitations in flexibility make *Murabahah* less optimal in addressing rapidly changing economic dynamics, prompting a shift toward profit-sharing mechanisms or phased ownership contracts as more adaptive alternatives.

Meanwhile, the IMBT contract offers a phased ownership scheme through leasing, but the fixed rental payments required from customers pose challenges in fluctuating business conditions. If a business experiences declining revenue, customers remain obligated to pay rent without significant adjustment mechanisms. From the Islamic Financial Institution's perspective, this contract also has limitations, as income is restricted to pre-agreed rent without opportunities to benefit from the appreciation of financed asset values.

In the general *Musyarakah* contract, joint ownership of fixed assets remains shared without a mechanism for gradual ownership transfer. This makes it less appealing to customers seeking full ownership within a specific timeframe. On the other hand, the *Mudharabah* contract faces significant challenges in risk allocation. Under this scheme, the Islamic Financial Institution bears all capital risk, while profits are shared according to a pre-agreed ratio. However, if the business incurs losses without negligence from the manager, the institution must absorb the entire loss. This risk makes *Mudharabah* less ideal for high-uncertainty sectors, as financial institutions become more vulnerable to capital losses without guaranteed returns.

As a solution to the challenges in the above contracts, MMQ offers a more flexible and adaptive alternative, particularly for productive property financing. MMQ is a partnership model that allows asset ownership to transition gradually from the Islamic Financial Institutions (IFIs) to the customer. Initially, both the IFIs and the customer hold shared ownership of the financed asset. The customer then gradually purchases the IFIs ownership share through periodic payments, reducing the IFIs stake while increasing the customer's ownership until full ownership is transferred (Putri, Karyono, & Purnamasari, 2025).

The key advantage of MMQ lies in its flexibility in risk and profit sharing. Unlike *Murabahah*, which imposes a fixed margin at the outset potentially burdensome in unstable economic conditions MMQ allows returns to be adjusted based on the financed asset's performance. This makes it more adaptive compared to IMBT, which only charges fixed rental fees without enabling IFIs to share in asset appreciation gains. In terms of risk management, MMQ outperforms standard *Musyarakah* by incorporating a gradual ownership reduction mechanism, allowing IFIs to systematically reduce their risk exposure. In conventional *Musyarakah*, IFIs and customers maintain long-term shared ownership without a clear ownership adjustment scheme, often making it less appealing for customers seeking full asset ownership. Meanwhile, MMQ ensures more proportional risk-and-reward sharing, as the diminishing ownership stake reduces the IFI's liability over time.

Additionally, MMQ overcomes the limitations of *Ijarah* by offering a gradual ownership mechanism. In the *Ijarah* contract, IFIs act solely as asset owners leasing to customers, limiting returns to rental payments without potential gains from asset appreciation. Conversely, in MMQ, IFIs retain an interest in the asset until full ownership transfers, allowing them to benefit from any increase in asset value. With these advantages, MMQ emerges as a strategic choice for productive property and working capital financing, as it is more sustainable and aligned with Islamic economic justice principles. This contract not only provides greater flexibility for customers in managing cash flow but also creates a more optimal balance of risk and returns for IFIs.

Research on the implementation of MMQ in Islamic banking financing has been widely studied, though most focus remains on consumptive financing, particularly in home ownership. Salamah et al. (2024) in her study highlights how MMQ is applied in the Sharia Home Ownership Credit (KPR) scheme at Bank Syariah Indonesia (BSI). In this study, MMQ is used for home ownership through a lease-purchase system, where the bank and customer co-own the property, and the customer gradually purchases the bank's ownership share until full ownership is transferred. Meanwhile, research conducted by Utama et al. (2023) in his study also examines the application of MMQ in the property sector, though still within the context of home ownership. The study analyzes how MMQ is used to finance home purchases in a Sharia-compliant housing development, employing a similar approach where customers gradually take over property ownership from the bank through installment payments until full ownership is achieved.

Both studies indicate that MMQ is predominantly applied in the context of consumptive financing, where customers use this contract to acquire home ownership through a gradual ownership transfer system and rental payments to the bank. However, this approach has limitations in addressing more productive financing needs, such as working capital and property financing for business purposes. Consumptive financing through MMQ is generally fixed, with profit-sharing gains derived from rent or fixed margins on property purchases. This contrasts with working capital and productive property financing, where the financed assets can directly generate income, necessitating more flexible profit-sharing and ownership transfer mechanisms.

This study aims to address the gap in MMQ research by analyzing how this contract can be applied to more productive financing, specifically working capital and productive property financing. Unlike previous studies focused on consumptive financing, this research highlights how MMQ can support business sectors through financing productive assets, such as production machinery, operational vehicles, or commercial properties. Additionally, it examines how the flexibility of the MMQ scheme in profit-sharing and ownership transfer can provide greater benefits for businesses and Islamic Financial Institutions. Thus, this study offers a new perspective on optimizing MMQ in financing frameworks oriented toward productive economic development, rather than merely facilitating consumptive asset ownership.

Methods

This study employs a qualitative approach with a descriptive-analytical method to examine the implementation of the MMQ contract as a financing solution for working capital and productive property in IFIs. This approach was chosen because the study does not focus on collecting empirical data through surveys or interviews; rather, it aims to analyze and interpret the concept and practice of MMQ based on available literature sources. The descriptive-analytical method in this library-based study enables the construction of a systematic and theoretical argument regarding how MMQ can meet asset-based financing needs while simultaneously identifying its advantages compared to other Sharia-compliant contracts (Ramdhan, 2021, pp. 6–7).

The research data were collected through literature review, analyzing various academic sources, including journal articles, books, fatwas, regulations, and information from official websites of Islamic Financial Institutions and Islamic financial authorities. These sources were utilized to gain a comprehensive understanding of MMQ implementation and compare it with other contracts from the perspectives of Islamic law and industry practices. The analysis was conducted thematically by identifying key aspects such as the flexibility of MMQ in asset-based financing, its advantages over other contracts, and the potential for its optimization within the Islamic financial system.

Through this approach, the study not only describes the application of MMQ descriptively but also seeks to construct a deeper understanding of MMQ's role in addressing Islamic financing challenges. Therefore, the findings of this study are expected to contribute theoretically to the academic discourse on Sharia-compliant financial innovations and provide broader insights for the development of more flexible and sustainable Islamic financial products.

Results and Discussion

Working Capital and Productive Property Financing Products in Islamic Financial Institutions

Islamic financial institutions play a primary role in providing financing that aligns with Islamic principles, emphasizing fairness, transparency, and proportional risk-sharing between the bank and customers (Fitriani & Nisa, 2024). Unlike conventional financial institutions focused on interest-based lending, Islamic financial institutions implement a contract-based system that avoids usury (*riba*) and ensures every transaction has a tangible economic foundation. The financing provided aims not only to generate financial profit but also considers ethical aspects and the sustainability of the customer's business. Through the risk-sharing principle, contracts such as *Musyarakah* and *Mudharabah* enable financial institutions and customers to share profits and risks fairly, preventing one party from bearing unilateral burdens. This approach not only creates a more balanced relationship in financial transactions but also promotes stable and sustainable economic growth (Ramadhan, Sagita, & Hendra, 2024).

The fundamental difference between Islamic financing and conventional loans lies in their transaction mechanisms and sources of profit. In conventional systems, banks earn profits through interest charged to customers, regardless of whether the financed business generates profits or incurs losses. Conversely, Islamic financing must be based on tangible assets (*asset-backed financing*) and conducted through contracts that ensure active involvement from both parties (Amani & Khoirunisa, 2024). For example, the *Musharakah* contract allows the bank and customer to jointly contribute capital and share business outcomes proportionally to their contributions (Sapinah, Ahmad, & Ilyas, 2025). Meanwhile, under *Mudharabah*, the bank acts as the capital provider, while the customer manages the business, with profits distributed according to a pre-agreed ratio. Thus, Islamic financing does not merely provide funds but also ensures mutual added value for both parties, avoiding exploitation or imbalance in profit distribution (Chairina, 2025).

Working capital financing and productive property financing are services provided by IFIs to support business needs, both for short-term operational requirements and long-term investments (Ahmadsyah, Rahmati, & Aufa, 2019). This financing provides businesses with flexibility in managing cash flow to maintain continuity, particularly when facing short-term financial challenges. On the other hand, productive property financing focuses on acquiring or developing fixed assets that enhance productivity and business competitiveness. This type of financing is often used for long-term investments, such as purchasing office buildings, commercial spaces, constructing factories, or renovating business facilities to improve efficiency and growth. By utilizing productive property financing, businesses can expand their scale, create added value, and sustainably increase production capacity (Sarwo & Rayuningsih, 2021).

Working capital and productive property financing in Islamic Financial Institutions currently utilize various contracts tailored to financing needs and objectives. For working capital financing, the *Murabahah* contract is frequently used as it provides price certainty and a pre-determined profit margin. This contract allows businesses to acquire raw materials or required goods without significant upfront capital (Firdaus, Ropiah, Putranto, & Putri, 2025). However, the main drawback of *Murabahah* is its lack of flexibility, as the profit margin is fixed from the outset, requiring customers to meet payment obligations regardless of their business conditions. If a business faces financial difficulties, the repayment burden remains, which can hinder business continuity, particularly for SMEs with unstable cash flow.

In productive property financing, the IMBT contract is commonly used. This scheme allows customers to lease productive assets, such as buildings or production machinery, with an option for ownership at the end of the lease period. The contract enables businesses to utilize assets without needing to purchase them outright immediately. However, IMBT also has limitations, such as a fixed payment structure that is less flexible in adjusting to the customer's business conditions. Additionally, since full ownership is only transferred at the end of the lease period, customers face limitations in optimizing the asset's value during the financing term.(Mulato, 2019)

IFIs have also implemented *Musyarakah* and *Mudharabah* contracts in working capital and productive property financing (Litriani, 2018). Under *Musyarakah*, the bank and customer jointly contribute capital to a business or project, with profits shared according to capital contributions and losses similarly borne by both parties. However, this contract carries risks for the bank, particularly if the customer mismanages the business, potentially leading to losses for both parties (Noviandi, Salahudin, & Yusuf, 2024). Meanwhile, *Mudharabah* offers a profit-sharing scheme where the bank provides funds, and the customer manages the business. While this provides flexibility for customers (as there are no fixed repayment obligations), the bank bears significant risk since profits are only realized if the business succeeds. This makes banks more selective in channeling *Mudharabah* based financing, especially for high-risk projects or businesses without a proven track record (Adam Hafidz Al Fajar, 2023).

Some IFIs have begun implementing MMQ contract as a more flexible and equitable solution for working capital and productive property financing. For instance, Bank Syariah Indonesia (BSI) has adopted MMQ in its *BSI SME Mitra Modal Kerja* product, designed to help SMEs acquire productive assets such as machinery and equipment (Bank Syariah Indonesia, n.d.). Similarly, BTN Syariah primarily uses MMQ in consumer property financing, such as its *KPR BTN Bersubsidi iB* and *KPR Hits BTN iB* products, where homeownership is transferred gradually between the bank and the customer. However, in the context of productive property financing, the application of MMQ remains underutilized. Despite its potential, MMQ's flexibility in asset ownership allowing customers to gradually assume ownership while utilizing the asset for business operations has not been fully leveraged in this sector (Djaki, 2020).

By comparing the various contracts used in working capital and productive property financing, MMQ emerges as a more adaptive solution compared to *Murabahah*, IMBT, *Musyarakah*, or *Mudharabah*. MMQ provides a balance between ownership certainty and payment flexibility, making it better suited for business needs requiring a gradual ownership scheme without bearing the burden of high fixed installments. Therefore, optimizing the implementation of MMQ in working capital and productive property financing within IFIs can serve as a strategic step to enhance fairer and more sustainable financing accessibility for businesses.

Innovation in Musyarakah Mutanaqisah Contract

MMQ is an innovation in Sharia-compliant contracts designed to accommodate financing needs with the flexibility of gradual ownership transfer. Linguistically, the term originates from two Arabic words: *musyarakah*, meaning "partnership" or "collaboration," and *mutanaqisah*, meaning "diminishing" or "reducing" (Kadir, Lutfi, Bin Sapa, & Hafid, 2022). This contract combines the principles of partnership with a mechanism that allows one party's ownership to diminish gradually until the asset is entirely owned by the other party (Najah & Januri, 2024).

MMQ emerged as a response to the challenges in Islamic finance, which required a partnership-based financing solution with greater flexibility in asset ownership. In Islamic financing schemes, contracts such as *Murabahah* and Ijarah have limitations in terms of ownership structure and risk allocation, while standard *Musyarakah* does not allow for gradual ownership transfer. MMQ fills this gap by combining the principles of partnership and diminishing ownership, enabling a progressive transfer of asset ownership from the IFIs to its partner. This concept was developed to address the need for long-term flexible financing in Islamic Financial Institutions, particularly in productive property and working capital financing. Through its diminishing ownership mechanism, MMQ allows customers to acquire assets without having to pay the full price upfront, while ensuring a more equitable risk-sharing arrangement compared to conventional financing contracts.

Fatwa No. 73/DSN-MUI/XI/2008 on *Musyarakah Mutanaqisah* serves as the primary guideline for the implementation of this contract in IFIs. This fatwa affirms that MMQ is permissible under Shariah as it adheres to the principles of justice, transparency, and risk-sharing. The provisions in this fatwa cover various fundamental aspects to ensure that MMQ remains compliant with Islamic economic principles. One of the key provisions of this fatwa is that MMQ consists of two contracts, namely *Musyarakah* (partnership) and *Bai'* (sale and purchase). At the initial stage, IFIs and the customer jointly own an asset in a partnership scheme, with ownership portions determined based on each party's capital contribution. Over time, the customer gradually purchases IFIs ownership share until full ownership of the asset is attained.

This fatwa also stipulates that profits must be distributed according to the pre-agreed *nisbah* (profit-sharing ratio), while losses are borne in proportion to ownership shares. This provision provides a strong legal foundation for risk-sharing mechanisms in MMQ, distinguishing it from *Murabahah*, where all liability is immediately transferred to the customer. Additionally, the fatwa permits the leased utilization of MMQ assets (ijarah), either by the *syirkah* partner (customer) or a third party. In this context, if the financed asset is leased to the customer, the rental income generated can be distributed based on the ownership proportions of each party. This structure offers greater flexibility for IFIS to generate revenue throughout the financing period, unlike *Murabahah*, which only relies on a fixed margin (Dewan syariah Nasional, 2008).

As outlined in the fatwa, customer payments in MMQ consist of two main components. First, installment payments to gradually acquire IFIs ownership share, thereby reducing IFIs portion in the asset over time. Second, profit-sharing payments or rental fees, depending on the nature of the financed asset. If the asset is productive, such as manufacturing machinery, operational vehicles, or commercial properties that generate income (e.g., rented shop houses), IFIs profit comes from a share of business revenue.

However, if the financed asset is non-productive, such as residential property or personal vehicles, the asset does not generate profits that can be shared between IFIs and the customer. In such cases, IFIs cannot receive profit-sharing as in productive assets. Therefore, in the MMQ scheme for consumptive assets, IFIs earns returns through an *ijarah* (lease) contract, since the asset does not produce divisible business profits. Throughout the financing period, the customer has two financial obligations: (1) installments for purchasing IFIs ownership share and (2) rental fees for the portion of the asset still owned by IFIs. For instance, if IFIs initially owns 70% of a financed house, the customer must pay rental fees to IFIs, calculated based on the agreed market rental value. As the customer gradually purchases IFIs ownership share, IFIS's stake decreases, leading to a corresponding reduction in rental payments. At the end of the financing period, once the customer has acquired full ownership, the rental obligation ceases, and the asset completely belongs to the customer (Mitasari, Ramadhan, & Rahmawati, 2023).

MMQ exhibits fundamental differences compared to conventional lease agreements, particularly in terms of ownership structure, risk-sharing mechanisms, and profit distribution. In MMQ, the contract is based on the principle of partnership (*musyarakah*), which is then accompanied by a lease (*ijarah*) arrangement and concludes with the gradual transfer of ownership to the customer. In contrast, conventional financing relies on an interest-based loan system, which falls under riba and is inconsistent with Islamic financial principles (Balgis, 2017).

Regarding asset ownership, MMQ allows IFIs and the customer to share ownership based on their respective capital contributions. Over time, the customer gradually purchases IFIs ownership share until full ownership is attained (Yulianto, 2018). Conversely, in conventional financing, the asset remains under the ownership of the bank or leasing company until the end of the financing term, requiring the customer to fully repay the loan along with interest before acquiring complete ownership. In terms of risk-sharing, MMQ offers a more equitable structure, as both the bank and the customer bear risks proportionally to their ownership shares. If a loss occurs, IFIs also shares in the loss according to its share of the investment. This differs from conventional financing, where all risks are placed solely on the customer, while the bank continues to receive interest payments regardless of the customer's business performance (Balgis, 2017).

Payments under MMQ take the form of rental fees, which are only charged when the asset provides actual benefit to the customer. In contrast, conventional financing requires fixed installment payments, even if the asset is still under construction or not yet operational. Moreover, in MMQ, the rental amount can be periodically adjusted based on an agreement between the bank and the customer, whereas in conventional financing, installment amounts fluctuate based on changes in interest rates. Additionally, MMQ incorporates a profit-sharing system, where profits generated from the asset are distributed between IFIs and the customer in accordance with the pre-agreed profit-sharing ratio (*nisbah*). Conversely, conventional financing solely generates revenue through fixed interest charges, without considering the profitability of the financed business.

Regarding late payment penalties, MMQ imposes a maximum fine of 1%, which must be allocated to charitable funds and does not constitute profit for the bank. In contrast, conventional financing imposes late payment penalties that increase the total interest burden, benefiting the bank financially. If the customer is unable to settle the financing, MMQ allows the asset to be sold, with proceeds distributed proportionally to each party's ownership share. In conventional financing, however, the bank can seize the asset without any risk-sharing mechanism. Furthermore, in MMQ, the asset's price is determined by real market value rather than interest rate fluctuations, whereas conventional financing heavily depends on interest rate movements in determining asset prices and installment payments. Overall, MMQ provides a more just and partnership-based financing structure compared to conventional financing. This equitable scheme ensures mutual benefits for both parties, offers greater flexibility in asset ownership, and facilitates more transparent risk and profit-sharing, making it more aligned with Islamic economic principles (Balgis, 2017).

The Financing Scheme for Working Capital and Productive Property Using the Musyarakah Mutanaqisah Contract

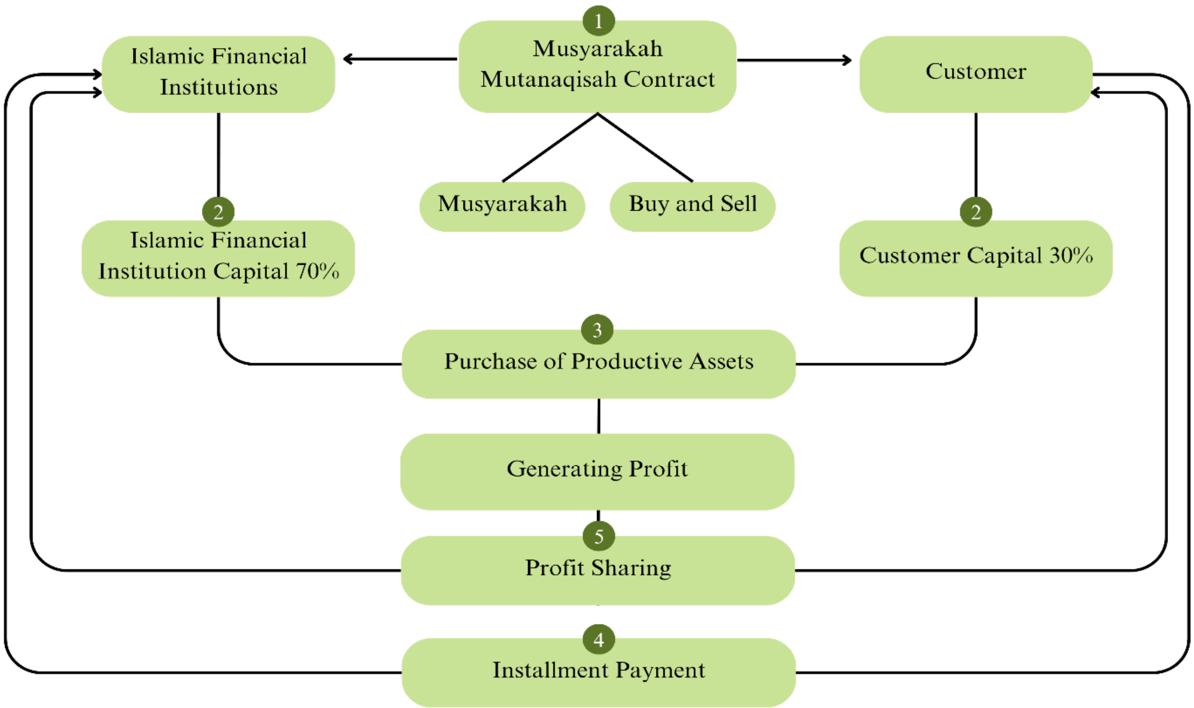

Figure 1. The Musyarakah Mutanaqisah Contract Scheme in Working Capital and Productive Property Financing

Explanation:

1. MMQ Contract: The customer and the Islamic Financial Institution (IFIs) jointly contribute capital to acquire an asset. Over time, the customer gradually purchases the ownership portion of IFIS through a sale and purchase contract until full ownership is attained.
2. Joint Capital Contribution: The Islamic Financial Institution provides funds (e.g., 70%), while the customer contributes the remaining portion (30%).
3. Acquisition of Productive Assets: The funds are used to acquire income-generating assets, such as rental properties or business production equipment.
4. Installment Payments: The customer repurchases IFIs ownership share gradually through installment payments, reducing IFIs ownership in the asset over time until full ownership is transferred to the customer.
5. Profit Sharing: Profits generated from the productive asset are distributed according to the agreed profit-sharing ratio (*nisbah*).

Based on the provisions stipulated in the Decision of the National Sharia Board - Indonesian Ulema Council (DSN-MUI) No. 01/DSN-MUI/X/2013 on the

Implementation Guidelines for *Musyarakah Mutanaqisah* (MMQ) in Financing Products, several key aspects must be considered in the application of MMQ financing. In the MMQ financing scheme, the capital provided by the IFIs and the customer must be expressed in the form of *hishshah* (ownership portion). For instance, in working capital financing for a production machine worth IDR 500 million, the IFIs may contribute 80% of the total asset value (IDR 400 million), while the customer provides 20% (IDR 100 million). Consequently, the initial ownership of the asset is divided based on the agreed capital proportion. A similar approach applies to productive property financing, where assets such as commercial shophouses (*ruko*) or office buildings can be financed with an initial ownership structure of 70% by the IFIS and 30% by the customer.

During the financing period, the financed asset must be used for business activities that comply with Sharia principles. If the asset is utilized under a sale-based structure, revenue may be derived from a profit margin. If the business activity follows a musyarakah or mudharabah model, profit distribution is conducted based on the pre-agreed *nisbah* (profit-sharing ratio). In cases where the asset is leased under an ijarah (leasing) structure, the customer is obligated to pay *ujrah* (rental fees) to the IFIs in proportion to the IFIs ownership share.

According to the implementation guidelines, every payment made by the customer to the IFIs consists of two components: ownership transfer (*naqlul hishshah bil 'iwadh*) and profit-sharing. Ownership transfer occurs whenever the customer makes payments corresponding to the agreed value per *hishshah* unit. If the amount paid exceeds the agreed unit value, the excess is considered as part of the IFIs profit. In other words, throughout the financing period, the IFIs ownership portion gradually decreases, while the customer's ownership share increases.

At the end of the financing period, once the entire ownership portion of the IFIs has been transferred to the customer, the asset becomes the full property of the customer. The IFIs continues to supervise the financing throughout the contract period to ensure that the asset is used in accordance with the agreed terms. In certain cases where the customer experiences payment difficulties, resolution may be sought through restructuring or asset liquidation, following the mechanisms established by the DSN-MUI (DSN MUI, 2013).

Marketing Strategies for Working Capital and Productive Property Financing Using the MMQ Contract

A marketing strategy is a comprehensive plan designed to achieve business objectives such as increasing sales, building brand awareness, or expanding market share. This strategy involves various activities focused on attracting and retaining customers by delivering optimal value. The key components of a marketing strategy include market segmentation (dividing customers into groups based on specific characteristics), targeting (selecting the market segments to focus on), and positioning (establishing a strong product image in the minds of consumers) (Suhairi, Harahap, Putra, & Ramadhani, 2023).

Moreover, marketing strategies are supported by the marketing mix elements product, price, place, and promotion designed to complement one another in achieving objectives. The primary goals of a marketing strategy include boosting sales, strengthening brand image, expanding market share, and enhancing customer satisfaction (Melani & Yuliana, 2024). However, these strategies must align with Islamic marketing principles, which emphasize adherence to Sharia, ethics, transparency, and fairness (Cahyani, Anwar, & Kania, 2024). In MMQ marketing, the marketing mix elements are tailored to comply with Sharia principles. The MMQ product must meet Sharia requirements by avoiding elements of usury (*riba*), uncertainty (*gharar*), and gambling (*maysir*). In terms of pricing, the MMQ scheme ensures fair and transparent agreements between customers and IFIs. Furthermore, MMQ marketing strategies emphasize social responsibility and business ethics, such as providing honest information to customers and ensuring sustainable benefits for both parties.

Transparency in the MMQ contract is a critical factor, as it ensures both parties fully understand their rights and obligations, particularly regarding the mechanism of diminishing ownership. In MMQ, IFIs and the customer co-own the asset, with the customer gradually purchasing the IFIs share over time. Clear disclosure of this process—such as how ownership percentages decrease for the IFI and increase for the customer with each payment—is essential to avoid ambiguity. This transparency aligns with Sharia principles by promoting fairness (*'adl*), eliminating uncertainty (*gharar*), and fostering trust through open communication. It also ensures compliance with ethical standards, as both parties are fully aware of their roles and the financial implications of the agreement. From the value proposition perspective, MMQ offers a Sharia-compliant solution for gradual asset ownership, providing an alternative for Muslims seeking to own property or business capital without violating Islamic law. This approach ensures MMQ marketing not only aims to boost sales but also builds trust and customer loyalty through principles of justice and blessings in transactions.

The marketing strategy for MMQ in working capital and productive property financing must be designed to highlight its advantages over conventional financing or other Sharia contracts. To enhance potential customers' understanding of MMQ's benefits, marketing strategies should begin with comprehensive educational approaches. This education can be conducted through seminars, workshops, and digital campaigns targeting small and medium enterprises (SMEs) and property investors. For example, banks can host events explaining how MMQ is more flexible compared to the *murabahah* contract, which sets a fixed margin upfront and does not allow gradual ownership (Sari, Mursalin, & Hartini, 2024).

The study conducted by Arlinta et al. (2024) in their research demonstrates that direct customer education, such as that provided to BSI payroll users, increases interest in Sharia financing products, particularly those using the MMQ contract. The results showed that 80% of customers expressed interest in the Multiguna Berkah financing product, with 20% securing large-scale financing. This strategy offers dual benefits: banks strengthen risk management and expand product awareness, while customers enhance their Sharia financial literacy and understand MMQ as a financing alternative.

In addition to education, MMQ marketing strategies must align with the type of financing offered. For working capital financing, marketing can focus on flexibility, accessibility, and rapid fund disbursement. The primary target for this scheme is SMEs requiring capital to improve cash flow and manage operational costs. Thus, marketing messages should highlight benefits such as flexible financing structures, equitable profit-sharing systems, and opportunities to enhance business competitiveness. Banks can leverage digital platforms and social media to reach this segment, featuring case studies of SMEs that have successfully utilized MMQ for business expansion.

On the other hand, marketing for productive property financing should emphasize long-term investment value, asset appreciation, and business expansion. The primary targets include property developers, investors, and large-scale businesses requiring funding for purchasing or developing productive assets. In this context, marketing strategies can focus on how MMQ enables gradual asset ownership with more flexible payment schemes compared to other contracts. This information can be reinforced through business seminars, workshops, and direct consultations that provide financing simulations tailored to each customer's needs.

Juneda (2019) research on marketing strategies for financing products at PT. BNI Syariah KC Parepare demonstrates that implementing the 7P marketing mix (product, price, place, promotion, people/employees, physical facilities, and process) significantly impacts the success of Sharia financing product marketing. The most effective strategy identified is direct promotion (door-to-door), where the bank visits potential customers to introduce products in a personalized manner. This approach aligns with Islamic marketing principles emphasizing partnership, transparency, and Sharia compliance. Therefore, in MMQ marketing, a proactive approach through direct visits to potential customers—particularly business actors requiring working capital or productive property financing—can enhance marketing effectiveness and strengthen trust-based relationships with clients.

In addition to direct promotion, digital technology also plays a crucial role in expanding MMQ marketing reach. Banks can develop online applications or portals enabling prospective customers to simulate MMQ-based financing. Features like financing calculators and gradual ownership charts help customers understand the financial benefits of this scheme. Furthermore, social media and digital platforms can build brand awareness through engaging educational content, such as animated videos explaining MMQ mechanics in simple and accessible terms. Through this approach, prospective customers can independently access information before further consultation with the bank (Setiawan, Nurdiansyah, Kushariyadi, & Sari, 2024, pp. 6–9).

Lastly, a personalized approach in marketing can enhance the appeal of MMQ products. Banks can offer direct consultations to potential customers to tailor financing schemes to their needs. For example, customers aiming to purchase productive property can be provided with simulations of profit-sharing and ownership structures based on their income projections. By combining strategies that emphasize education, marketing differentiation based on financing types, digital technology utilization, and personalized approaches, MMQ-based working capital and productive property financing products can attract more customers while strengthening the bank's position as an innovative and market-responsive Sharia financial institution (Erik Sibarani, Setiawan, Hadi, Williams, & Mkhize, 2024).

Conclusion

This study aims to analyze the implementation of the MMQ contract as a financing solution for working capital and productive property in IFIs. The key findings indicate that MMQ offers greater flexibility compared to other Sharia-compliant contracts such as *Murabahah*, IMBT, and *Musyarakah*, as it allows for gradual asset ownership with a more adaptive payment mechanism that aligns with the business conditions of the customer. Additionally, MMQ ensures a balance between the interests of IFIs and customers through a dynamic profit-sharing scheme and a proportional reduction in IFIs ownership over time.

Specifically, this study finds that the application of MMQ in working capital and productive property financing has the potential to enhance capital accessibility for businesses. In working capital financing, MMQ enables businesses to acquire productive assets such as production machinery or operational vehicles without the need for an upfront full payment. Meanwhile, in productive property financing, MMQ allows investors or entrepreneurs to gradually own commercial properties while continuing to generate income from them.

The primary contribution of this study is offering a new perspective on optimizing MMQ for more productive financing, rather than limiting its application to consumer financing, such as Home Ownership Financing (KPR). This research enriches the Islamic finance literature by explaining how MMQ can be adapted to various business needs beyond traditional applications. Furthermore, this study provides valuable insights for IFIS in designing more innovative MMQ-based financing products and for regulators in formulating policies that promote MMQ's development for broader business sectors.

From a practical perspective, this study highlights the importance of educating customers about MMQ mechanisms, ensuring transparency in contracts, and improving risk management by IFIs. A better understanding of MMQ's benefits and structure is expected to encourage more businesses to adopt this contract as a fairer and more sustainable financing alternative. Additionally, IFIS needs to develop educational marketing strategies, leverage digital technology, and adopt personalized approaches to enhance MMQ's market acceptance.

Despite its significant contributions, this study acknowledges several limitations. It is primarily based on literature reviews and has not empirically examined MMQ implementation across various IFIS. Therefore, future research could employ case study methods or quantitative analysis to measure the effectiveness of MMQ implementation in different business sectors. Additionally, further studies could explore regulatory policies and optimal marketing strategies to enhance MMQ adoption in Indonesia's Islamic financial industry.

Conflict of Interest
The authors declare no conflict of interest.

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