

ABSTRACT

**SHARIA PRINCIPLES OF MUSYARAKAH MUTANAQISHAH
CONTRACT IN SHARIA BANKING**

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Musyaraka mutanaqishah is an innovation product that was born as an effort from Sharia Banking to pursue its growth and meeting developed needs of the society. Its popular use to facilitate residential loan in Indonesia results in complications when traced to its Sharia root. Using Statute, Conceptual, and Case approach, it can be concluded that in its purest form, musyaraka mutanaqishah it is unfit to be used in the context of Indonesian banking.

The type of research in this dissertation is prescriptive normative legal research, using three approaches, namely Statute Approach, Conceptual Approach, and Case Approach. While the material of law in this research are: Al-qur'an and Al-Hadith, primary law material and secondary law material. The primary legal material is all the rules and legal norms associated with the object of research while the secondary law material obtained from literature sources, whether in the form of Al-Qur'an commentary, books, research texts, legal opinions and all materials related to this research.

The result of this research begins by making a uniform concept of musyaraka mutanaqishah as its philosophy and characteristics as an instrument of partnership relations between parties who are able to create financial stagnation for those who need business capital. The context of shirkah in which places the parties proportionally objective to achieve the meaning of Justice in an intrinsic and the legal certainty. Through the formulation of legal principles in the musyarakah mutanaqishah contract as one of the models in productive business partnerships, it can be relied on in conformity with sharia principles that represent maqashid sharia so as to realize prosperity in Islamic perspectives and can broadly support on national economic growth.

Keywords: Sharia Principles, Musyaraka mutanaqishah, Sharia Banking.