Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah *(Journal of Islamic Economics)*
Volume 17 (1), Jan-Jun 2025
P-ISSN: 2087-135X; E-ISSN: 2407-8654
Page 1 - 26

Received: 22 May 2025
Revised: 16 June 2025
Accepted: 29 June 2025
Published: 30 June 2025

Toward Shariah-Compliant Contract Governance in Islamic Banking Spin-Offs: Legal Reflections on Indonesia's Law No. 4/2023

Akhmad Affandi Mahfudz[1*], Iqbal Maulana Firdaus[2], Laura Kuanova[3]

Abstract. *Indonesia's Law No. 4/2023 requires Islamic banking units (UUS) to spin off into independent Islamic commercial banks (BUS), raising Shariah compliance concerns over ongoing contracts. This study examines three key contracts—musyārakah, muḍārabah, and ijārah—using qualitative analysis of laws, fatwas, and institutional documents. It identifies four key issues: early termination, defaults during restructuring, unclear asset transfers, and changes in contract objects. These issues threaten both Sharia integrity and legal certainty. The paper proposes a governance framework grounded in qawāʿid fiqhiyyah and maqāṣid al-Sharīʿah to guide ethical contract transitions. The findings offer practical insights for regulators, Sharia boards, and industry stakeholders to align legal reforms with Islamic principles.*

Keywords: *Islamic legal theory; contract governance; maqāṣid al-sharīʿah; spin-off regulation; banking transformation*

Abstrak. *UU No. 4/2023 mengharuskan Unit Usaha Syariah (UUS) bertransformasi menjadi Bank Umum Syariah (BUS), menimbulkan persoalan kepatuhan syariah atas kontrak berjalan. Studi ini mengkaji tiga akad utama—musyarakah, mudharabah, dan ijarah—dengan analisis kualitatif terhadap regulasi, fatwa, dan dokumen kelembagaan. Ditemukan empat isu utama: pemutusan dini, gagal bayar saat restrukturisasi, pengalihan aset yang tidak jelas, dan perubahan objek akad. Masalah ini berisiko melemahkan kepastian hukum dan integritas syariah. Studi ini menawarkan kerangka tata kelola berbasis qawāʿid fiqhiyyah dan maqāṣid al-Sharīʿah untuk menjamin transisi kontrak yang etis. Temuan memberikan panduan bagi regulator, DPS, dan industri agar reformasi hukum selaras dengan prinsip syariah.*

Kata kunci: *teori hukum Islam; tata kelola kontrak; maqāṣid al-sharīʿah; regulasi spin-off; transformasi perbankan*

[1]University of Darussalam, Gontor, Indonesia
[2]University of Darussalam, Gontor, Indonesia
[3]Al Farabi Kazakh National University, Kazakhstan
E-mail: [1]affandi@unida.gontor.ac.id, [2]iqbal@mhs.unida.gontor.ac.id, [3]Kuanova.laura@kaznu.kz

Introduction

Islamic banking has been essential to the tremendous expansion of the global Islamic finance sector in recent decades. Conventional banks frequently create specialised Islamic banking windows or subsidiaries within their organisations as they become more aware of the market's potential. However, as these businesses grow and expand, the issue of a full spin-off into separate Islamic banks comes up. This calculated action offers special opportunities and challenges, especially with regard to choosing and putting into practice suitable Shariah-compliant structures. The potential Shariah typologies that could be applied to the spin-off of Islamic bank operations are examined in this essay, along with their benefits, drawbacks, and suitability depending on a number of contextual factors.

Banking plays a pivotal role in influencing a country's economic growth due to its function as an intermediary in the financial system. Banks' effectiveness in facilitating this intermediation is reflected in the financial turnover they generate, which is directly correlated with the growth in the assets they manage. Notably, there has been a significant increase in total assets within the banking sector. Data indicates that total assets rose from approximately $593.948 billion in 2020 to around $870.223 billion by March 2024 (Indonesia Financial Services Authority, 2024) showing a robust upward trend in the financial health of these institutions. This growth underscores the critical role banks play in fostering economic stability and expansion.

The increasing prevalence of Islamic Commercial Banks has garnered significant interest from both practitioners and academics, highlighting their distinct business model. In the context of Indonesia, the process of establishing a robust Shariah framework during the spin-off process is critical (Haribowo, 2016). The issuance of fatwas serves as an essential component in the development of Islamic economics and functions as a benchmark for assessing its advancement within the country. The principle of maslahat plays a pivotal role in the deliberations of the Dewan Syariah Nasional Majelis Ulama Indonesia (DSN-MUI) fatwas. In several instances, the welfare of customers is prioritized above other considerations, underscoring the ethical dimensions embedded in the decision-making process (Hilman, 2018).

The Financial Sector Development and Strengthening Law (P2SK Law) aims to enhance public welfare and reform the financial landscape in Indonesia, promoting inclusivity and stability within the sector to facilitate economic growth (Indonesia Financial Services Authority (OJK), 2025). This legislation places

DOI: https://doi.org/10.15408/aiq.v17i1.46725

particular emphasis on the role of Islamic Financial Institutions, underscoring the significance of fatwas as authoritative guidelines for operations within Islamic finance frameworks.

The significance of this research lies in assessing the compliance with Sharia principles during the transition of Islamic windows to Islamic Commercial Banks, as stipulated by Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector. This study focuses on the comprehensive (full spin-off) and partial (specific outfolio products) integration of Sharia aspects during the establishment of Islamic Commercial Banks from existing Islamic windows. The objective is to ensure the consistent interpretation and application of Sharia tenets throughout financial transactions in this evolving regulatory framework.

Critically, this transformation involves complex contractual and regulatory dynamics that have not been adequately addressed in existing legal or academic frameworks. Most notably, the spin-off process affects the continuity and legitimacy of Islamic financial contracts—such as *mushārakah*, *muḍārabah*, and *ijārah*—raising concerns about default risks, ownership transfers, and asset reclassification. These issues carry significant implications for customer protection, institutional integrity, and Shariah compliance.

Given that Shariah principles mandate fairness, risk-sharing, and the preservation of contracts (*hifẓ al-ʿaqd*), any misstep in contract transition can compromise the legitimacy of Islamic banking operations. As Indonesia becomes one of the world's largest Islamic finance markets, developing a structured, Shariah-aligned approach to UUS spin-offs is not only legally important, but economically and theologically imperative.

Methods

This study employs a qualitative research methodology, aimed at gaining a scientific understanding of phenomena within a social context (Lim, 2024; Sætra, 2019). The focus is on facilitating in-depth communicative interactions between researchers and the observed phenomena (Nathan et al., 2019; Rutledge & Hogg, 2020; Wilson et al., 2016). The research explores experiences reported by subjects in a detailed, descriptive manner, utilizing language that reflects the nuances of the specific natural context (Naeem et al., 2023; Tomaszewski et al., 2020). Various scientific techniques are integrated to enhance the rigor and depth of the analysis.

Figure 1. Research Flowchart

Source: Authors

This research provides a detailed examination of the spin-off process of the Sharia Business Unit into an Islamic Commercial Bank, in compliance with Law No. 4 of 2023 regarding the Development and Strengthening of the Financial Sector. It critically assesses the mandated transformation of the Sharia Business Unit into a fully operational Islamic Commercial Bank, evaluating both partial integration of select portfolio products and the holistic approach of full consolidation from a Sharia-compliant perspective (Indonesia Financial Services Authority (OJK), 2023). The analysis delves into the implications of this transition, exploring the operational and regulatory frameworks that guide the spin-off while ensuring adherence to Islamic financial principles.

The analytical technique applied is thematic content analysis based on principles of doctrinal legal research and enriched by comparative legal analysis. Key Shariah contractual principles (e.g., *mushārakah, muḍārabah, ijārah*) are examined within four transactional dimensions: early settlement, default, ownership transfer, and change of object. These dimensions are extracted through open coding, categorization, and pattern matching.

In this regard, *murābahah* is not included in this research due to several reasons. First, Murabaha is the most popular contract that most of the Islamic banks in Indonesia undertake. *Murābahah* is the underlying contract for many of their products and services. Second, *murābahah* is the major Fatwa of DSN-MUI (National Religious Council) that was released for Islamic banks compared to other contracts, including regulation of OJK. This indicates that Shariah governance has been regulated and therefore excluded in this research. It is not difficult to find Shariah resolution in the event of spin-off operation of Islamic windows regardless of the type of corporate action. Third, the *murābahah* contract is considered a debt transaction. Therefore, any Shariah issues related to spin-off operation are easy to refer to the Fatwa of DSN-MUI and OJK regulation.

Strengthen methodological validity; document triangulation is employed, combining statutory materials, fatwa texts, and statistical reports from OJK. This study also proposes a Shariah-compliant governance framework using Islamic legal maxims (*qawāʿid fiqhiyyah*) and *Maqāṣid al-Sharīʿah*, allowing the findings to move beyond

DOI: https://doi.org/10.15408/aiq.v17i1.46725

descriptive analysis toward conceptual generalization. The focus of the data collection pertains to Islamic banking statistics released by the Financial Services Authority, specifically distinguishing between Islamic windows and Islamic Commercial Banks. This analysis employs triangulation methods to enhance data collection processes while simultaneously validating the credibility of the collected data.

The Islamic windows Separation Regulations and Policies outlined in Law No. 4 of 2023 concerning Financial Sector Development and Strengthening (FSP) stipulate that financial institutions must effectuate the separation of their Islamic windows into Islamic Commercial Banks (Indonesia Financial Services Authority (OJK), 2023). The application of this legislation is further delineated by POJK No. 12 of 2023, which governs the licensing and spin-off criteria for Islamic windows. Notably, a mandatory asset threshold of IDR 50 trillion, or an amount exceeding 50% of the parent institution's total assets, is established as a prerequisite for the spin-off process.

However, unlike Malaysia—which underwent a comprehensive restructuring through the Islamic Financial Services Act (IFSA) 2013—Indonesia's regulatory transformation is still evolving. Malaysia's approach emphasized centralized Shariah governance, including a more robust integration of Shariah Advisory Councils in all financial decisions, whereas Indonesia decentralizes such decisions to each institution's Shariah Supervisory Board.

Comparative studies show that Malaysia's centralized model led to higher standardization of contracts and risk mitigation in Shariah-based transactions, particularly in sukuk and Islamic banking spin-offs. Indonesia, on the other hand, faces challenges in harmonizing Shariah interpretations across multiple institutions, especially regarding asset transfer and contractual validity during spin-offs.

The spin-off or separation under Law of the Republic of Indonesia Number 40 of 2007 regarding Limited Liability Companies constitutes a legal action wherein a company disaggregates its business operations (Law of the Republic of Indonesia Number 24 of 2007 Concerning Limited Liability Company, 2007). This process entails the automatic transfer of all or part of the company's assets and liabilities to one or more newly formed or existing companies. Specifically, it can result in either a complete division of assets and liabilities among two or more entities or a partial transfer to one or multiple companies, executed by operation of law (Kaltsum et al., 2022).

From a theoretical perspective, this study draws on Islamic financial contract theory, which posits that Islamic contracts (e.g., *mushārakah, muḍārabah, ijārah*) are binding ethical relationships governed by mutual trust, risk-sharing, and transparency. These principles align closely with the agency theory framework, where the *shāhibul al-māl* (principal) entrusts capital to a *muḍārib* (agent), creating potential moral hazard and information asymmetry—issues that become more pronounced during institutional restructuring such as spin-offs.

In a recent study conducted by Iim Hilman (Hilman, 2018), various strategic scenarios for separating Islamic windows have been identified. These scenarios include a direct spin-off of the Islamic windows with the largest asset base, potential mergers with existing Conventional Banks (BUS), or converting traditional banks into Islamic banking entities. Additionally, research conducted by Yusoff, Hassan, and Salman (Yusoff, A., Hassan, R., Salman, 2023) on Shariah Risk and Compliance in Financing Contracts delves into the specific risks inherent in *murābahah* and *ijārah* financing structures. The study identifies key risk categories such as credit, operational, market, and liquidity risks, while underscoring the necessity for robust Shariah-compliant risk management frameworks. These strategies are vital to maintaining compliance and ensuring financial stability within Islamic finance operations.

Past failures in Islamic windows spin-offs often resulted from the lack of alignment between Shariah requirements and operational realities, including inadequate risk-sharing mechanisms and fragmented contract enforcement. To mitigate this, integrating both Islamic jurisprudence and contemporary governance theories is critical in designing a spin-off model that is both legally sound and Shariah-compliant.

The legal framework governing the spin-off process for Islamic windows into Islamic Commercial Banks is anchored in Law of the Republic of Indonesia Number 21 of 2008 concerning Sharia Banking (Yuspin et al., 2023). This legislation mandates the transition of Islamic windows through a structured spin-off (Sitompul et al., 2024). This requirement is further reinforced by Law Number 1 of 2016, which addresses guarantees, thus establishing a supportive legal environment for the transformation (Law No. 1, 2016). Additionally, Law Number 4 of 2023 focuses on the development and strengthening of the financial sector, with particular emphasis on enhancing Islamic Financial Institutions (Law No. 4, 2023). Support for this transition is also provided by the DSN-MUI Fatwa Number 136/DSN-MUI/VII/2020, which outlines the procedures for the conversion, modification, and transfer of liabilities and assets from Conventional Banks to Islamic Bank assets (Fatwa's MUI No.136, 2020). This regulatory landscape collectively facilitates the orderly implementation of the spin-off process within Indonesia's financial sector.

In the context of segregating Islamic windows from Islamic Commercial Banks, specific Sharia aspects such as early settlement, default, change of ownership,

DOI: https://doi.org/10.15408/aiq.v17i1.46725

and change of object warrant careful consideration (Nugroho et al., 2019). Sharia Governance and DPS Strengthening, followed up by POJK No. 2 of 2024, strengthens sharia governance by establishing the obligation for Islamic Commercial Banks and Islamic windows to have a sharia compliance function, sharia risk management, sharia internal audit, and conduct an external review of the implementation of sharia governance. This aims to ensure that the operations of Islamic banks are fully compliant with Shariah principles.

Results and Discussion

According to Law Number 21 of 2008 regarding Islamic Banking, an Islamic bank is defined as a financial institution that conducts its operations in accordance with Islamic principles, which are interpreted and regulated by the Indonesian Ulama Council. This framework emphasizes the principles of justice, balance, benefit, and universalism, while strictly excluding any *ḥarm* elements (Utama, 2018). Islamic banks function primarily as intermediaries that accept deposits from capital owners (depositors) and are obligated to finance investors within the asset domain. The financing structures or schemes employed must adhere to Islamic law, ensuring compliance with Shariah requirements throughout their financial activities (Dass et al., 2023).

Islamic banking is characterized by its prohibition of interest (*ribā*), distinguishing it from conventional banking systems. Instead, it operates on mechanisms of profit-sharing and loss-bearing that transcend mere capital considerations (KHAN, 2014). In Indonesia, the trajectory of Islamic banking and financial institutions has shown remarkable progress in recent years, highlighting the growing acceptance and integration of Islamic economics within the broader financial landscape (Ramadhan, 2022). Notably, during the global financial crisis of 2008, Islamic financial institutions demonstrated significant resilience, maintaining stability and performance levels that contrasted sharply with their conventional counterparts, thereby underlining the robustness of the Islamic finance model (Tabash & Dhankar, 2018).

The Global Islamic Economy Indicator (GIEI) report, which serves as a comprehensive benchmark for 81 countries, positions Indonesia in the third rank. This ranking is notably bolstered by the nation's considerable Muslim demographic, which plays a pivotal role in driving the Islamic economy (Shafaki, 2023). To enhance Islamic banking development, it is essential to leverage government support through targeted banking policy interventions, alongside the integration of Islamic

http://journal.uinjkt.ac.id/index.php/iqtishad
DOI: https://doi.org/10.15408/aiq.v17i1.46725

finance principles and increased capital for Islamic banking institutions (Farah et al., 2025). Government intervention should be complemented by reinforcing the function of Islamic financial institutions, which should serve as a cornerstone in the execution of these principles.

Islamic Financial Institutions are adeptly positioned to fulfill clients' financial needs within the parameters of Islamic law, which governs their operations. These institutions provide a range of financial services that adhere strictly to Sharia principles (Najih, 2023). In light of the complexity and evolving nature of financial transactions, reliance on a single contract structure has proven insufficient for addressing the diverse requirements of clients (Gafrej & Boujelbéne, 2022; Shamsuddin & Ismail, 2013; Tatiana et al., 2015). Consequently, adopting multi-contract frameworks is gaining traction as a viable solution. This approach effectively navigates the intricate dynamics of transactions in Islamic finance, thereby enhancing the capacity of Shariah Financial Institutions to meet market demands more comprehensively (Maulin, 2020; Mihajat, 2014).

The establishment of Islamic windows within Conventional Commercial Banks, as authorized by Law Number 10 of 1998 through the Indonesian law of Capital Market (UUPS), necessitates termination via institutional separation or spin-off. The framework for such separation is delineated in Law Number 40 of 2007 regarding Limited Liability Companies (UUPT). According to Law Number 21 of 2008, all Conventional Commercial Banks that host Islamic windows are mandated to undergo a separation process, resulting in the formation of distinct business entities. Since the inception of the regulation enforcing this separation for Conventional Commercial Banks, there has been a marked improvement in the sector. This is evidenced by the notable increase in the number of banks and their total assets, as reported in Sharia Banking statistics for March 2023, which include 13 Islamic Commercial Banks and 20 Islamic windows. The asset total reached 793.599 billion, reflecting a rise from 771.292 billion in February (Otoritas Jasa Keuangan, 2024).

The growth of Islamic Banking underscores the importance of developing and refining operational separations from their parent institutions. The advantages of this strategic separation encompass enhanced focus on core business activities, improved risk management practices, optimized financial management, better access to Islamic financing options, increased competitive stance, and elevated shareholder value (Farah et al., 2025). A critical consideration in Islamic banking is the integrity of existing contracts, which are meticulously formulated with oversight from Sharia experts through the Sharia Supervisory Board (Faizi, 2024).

DOI: https://doi.org/10.15408/aiq.v17i1.46725

However, discrepancies often arise between the theoretical framework and practical implementation (Mainata et al., 2023; Yulyanti & Endang Hatma Juniwati, 2022).

As such, there is a pressing need for expanded supervision, guidance, and comprehension regarding the contracts in use to ensure that all *mu'āmalah* activities align with Sharia principles. In light of the aforementioned contract discussions, it is evident that the spin-off process of an Islamic window into an Islamic Commercial Bank involves specific partnership contracts, namely *mushārakah* and *muḍārabah*, along with *ijārah* agreements (Ananda, 2023; Indrayanti et al., 2023). This represents a significant advancement in discourse concerning the spin-off procedure, as traditional discussions have predominantly centered on the *murābahah* (sale and purchase) contract in separation agreements (Aviva et al., 2024). A thorough examination of the process and its implications is essential for the effective transition of Islamic windows to fully-fledged Islamic Commercial Banks.

Table 1. Spin-Off Aspects

Contract Type	Aspect	Provision in Spin-Off Context
Mushārakah	Early Settlement	Customers with a greater volume of assets retain the discretion to accept or reject a spin-off. Conversely, if the financial institution possesses a larger asset base, the customer is obligated to comply with the spin-off.
Mushārakah	Default Payment	Bank with 10% equity stake and the customer with 90%, any proceeds from the sale of the property should be allocated in accordance with these ownership percentages. The appreciation in property value will be advantageous to both parties involved.
Mushārakah	Change of Ownership	This process takes place following the completion of all installment payments, provided there have been no discrepancies in payment history. At this stage, only a name change is necessary.
Mushārakah	Change of Object	Clients holding a substantial asset volume have the autonomy to either accept or decline a spin-off. In contrast, if the financial institution maintains a more significant asset base, clients are required to adhere to the spin-off terms.
Muḍārabah	Early Settlement	The profit-sharing percentage should be delineated at the outset to ensure clarity and alignment of interests. Strong emphasis on integrity and robust oversight mechanisms is critical for effective collaboration.

DOI: https://doi.org/10.15408/aiq.v17i1.46725

Contract Type	Aspect	Provision in Spin-Off Context
Muḍārabah	Default Payment	Risks arise from mismanagement or evolving market conditions. Effective mitigation involves conducting thorough analyses, establishing robust agreements, and implementing continuous monitoring mechanisms to ensure adaptive responses to potential threats.
Muḍārabah	Change of Ownership	The transfer of ownership will involve a straightforward name change from Islamic windows to Islamic Commercial Banks, with no alterations to the existing terms. Both parties must provide their consent for this process to proceed.
Muḍārabah	Change of Object	The object does not provide a guarantee of profit due to inherent future uncertainties. It is not suitable for use as a mechanism for assuring profits from spin-off activities.
Ijārah	Early Settlement	The remaining tenor must be fully completed prior to the transfer of assets to Islamic Commercial Banks. Transfers of assets are not permitted during the tenor period.
Ijārah	Default Payment	The improper use of the subject matter (e.g., utilizing a residential property as a restaurant) voids the contractual agreement. The intended purpose of the object must be consistent with the stipulations outlined in the contract.
Ijārah	Change of Ownership	In the event of a sale of a leased asset, the lease agreement remains in effect and is automatically assumed by the new owner. Conversely, a spin-off pertains solely to the transfer of the entity's name and associated rights, without the transfer of underlying assets or liabilities.
Ijārah	Change of Object	Unauthorized alteration of object usage is strictly forbidden. Compliance with both Sharia law and applicable national legislation is mandatory.

Source: Authors

Mushārakah Contract

The Mushārakah contract is a foundational partnership structure employed within Islamic Financial Institutions (Aviva et al., 2024). A particularly notable variant of this contract is the *Mushārakah Mutanāqiṣah*, characterized by a cooperative arrangement (*Shirkah*) wherein the share of ownership of assets or capital by one party is systematically diminished through the incremental acquisition process by the other party (Indrayanti et al., 2023). In the context of

DOI: https://doi.org/10.15408/aiq.v17i1.46725

this study, four critical aspects are analyzed regarding the spin-off process of Islamic windows into Islamic Commercial Banks, pertinent to the implementation of Law No. 4 of 2023. This legislation is focused on the enhancement and development of the financial sector, with specific emphasis on the operations and frameworks of Sharia Financial Institutions. The aspects discussed will provide comprehensive insights into the regulatory and practical implications of this transition within the framework of Islamic finance.

Early Settlement

In the context of a spin-off, the rights of approval or rejection are contingent upon the ownership distribution between the customer and the bank. Specifically, if the customer holds a greater ownership stake than the bank, they possess the authority to either approve or reject the spin-off initiative. Conversely, if the bank's ownership exceeds that of the customer, the latter is obligated to adhere to the bank's decision regarding the spin-off.

Assuming a payment tenor of 3 months, with the customer having made a total of 30 million in principal payments out of a 100 million obligation (representing 30% of the principal), ownership dynamics play a critical role in the decision-making process. Should the customer maintain a controlling interest relative to the bank, they retain the prerogative to influence the spin-off outcome. However, if the bank possesses a higher asset base compared to the customer, the customer must comply with the bank's directives concerning the spin-off. This framework underscores the significance of asset ownership in governing the respective roles of the bank and the customer in such corporate actions.

Default Payment

In cases of default regarding payment obligations, a practical resolution involves liquidating the asset in question, such as a property, and distributing the proceeds in alignment with ownership stakes between the lender and the borrower. This arrangement typically proves advantageous for both parties, given the historical appreciation of asset values over time.

Consider a scenario where the borrower encounters payment challenges, possessing a payment schedule spanning three months for a total obligation of 30 million. Here, the bank retains a 10% stake in the asset, while the borrower holds 90%. If a decision is made to initiate a sale of the property, the proceeds will be allocated based on the proportional ownership. Post-sale, the bank is likely

DOI: https://doi.org/10.15408/aiq.v17i1.46725

to realize a return that exceeds the remaining payment balance of 30 million, reflecting the asset's appreciation. Consequently, this strategy benefits both the financial institution and the borrower, as it maximizes recoverable value while addressing the payment difficulties faced by the customer.

Change of Ownership

The change of ownership occurs after all installments have been fully repaid and there are no outstanding payment issues. In the context of a spin-off, this pertains specifically to a nominal change in ownership without modifying the underlying contract structure. A shift in ownership under this agreement is enacted once all stipulated installments have been completed and are confirmed as settled. Provided that there are no existing payment complications and that the agreed-upon tenor has been adhered to, a mere change of ownership name is sufficient. Additionally, if any Sharia-compliance issues arise, they must be addressed according to the parameters previously outlined (Lestari & Atasoge, 2021).

Change of Object

Modification of the Object in the *Mushārakah* Contract. To effectuate a change of object within a *Mushārakah* contract, the original object must be fully settled before the transition to the new object. This approach is essential in ensuring compliance with Sharia principles during the spin-off process. Per the initial contractual agreement, the completion of the current object, bound by the relevant contract, is a prerequisite for any alteration. Once the original object is resolved, transitioning to the new object is permissible. These four key aspects serve as a framework for addressing financing challenges within the *Mushārakah* contract, particularly during the spin-off process. This cooperative agreement must yield mutual benefits for both parties, aligning with Sharia guidelines to ensure no party experiences detriment.

Muḍārabah Contract

The concept of *muḍārabah* contracts is fundamentally akin to partnership arrangements, wherein one party (*the shāhibul al-māl*) contributes capital while the other party takes on the management role. This structure is commonly utilized in Islamic Financial Institutions through mechanisms such as savings accounts and investment deposits. It is imperative to consider various Sharia-compliant aspects during the execution and operationalization of the mudharabah contract,

DOI: https://doi.org/10.15408/aiq.v17i1.46725

particularly concerning profit-sharing, risk allocation, and adherence to Islamic ethical principles.

Early Settlement

The percentage of profit sharing must be agreed upon in advance to avoid uncertainty. Close supervision is required to ensure that there is no fraud in the profit-sharing process, especially during spin-off. The initial payment in question is a profit where the presentation must be determined at the beginning; this is so that the work does not consider the profit/loss because it has been stated at the beginning. This can also make customers work maximally without the need to think about uncertain profit presentations. Then, in carrying out this contract, there needs to be careful supervision so that there is no reproach for Islamic economic actors to commit fraud in carrying out this contract, especially in the process of sharing the results. Apart from that, Amanah is an important foundation that must be carried out so that this *mu'āmalah* runs properly and correctly in accordance with Sharia aspects.

Default Payment

Risks in *muḍārabah* contracts may arise from mismanagement or changes in business conditions. To avoid non-performing financing, it is important to conduct careful risk analysis, make clear agreements, and conduct regular supervision of business activities. In a mudharabah contract, non-performing financing is defined as when the party providing capital (*shāhibul al-māl*) experiences losses because the business results do not meet expectations or because the party managing the capital (*muḍārib*) makes mistakes or negligence in managing the business. Some of the causes can arise from mismanagement done in a bad way, then changes in business conditions where what initially made a profit gradually became a loss due to the passage of time and technological changes.

To avoid problematic financing in *muḍārabah* contracts, it is important to conduct a careful risk analysis before starting cooperation, make a clear and fair agreement between the two parties, and regularly supervise and monitor business activities. Good communication between both parties is also important to resolve problems quickly and prevent conflicts from developing.

Change of Ownership

In instances where a spin-off occurs without a modification of tenure, the transition involves a nominal rebranding from Islamic windows to Islamic

DOI: https://doi.org/10.15408/aiq.v17i1.46725

Commercial Banks. However, should issues arise in the profit-sharing framework, it becomes imperative to scrutinize the financial health of the project at hand, potentially necessitating a third-party valuation. When the spin-off procedure is executed without alterations in tenor, it merely represents a transfer of nomenclature from the Islamic windows to the separating Islamic Commercial Banks. It is critical that all stakeholders, comprising the capital owner (*shāhibul al-māl*) and the operator (*muḍārib*), arrive at a consensus regarding the rights and obligations associated with this asset transfer (Wulandari et al., 2018).

In the event that profit-sharing difficulties surface, a thorough assessment of the financial condition of the managed entity or project is warranted. This appraisal should aim to establish a fair value and might require the expertise of third-party evaluators or the Islamic Commercial Bank that is facilitating the spin-off. Should the capital owner (*shāhibul al-māl*) be the customer while the bank assumes the role of *muḍārib*, obtaining the explicit consent of the capital owner becomes essential. If the customer is unwilling and the spin-off process is to progress, the following approaches may be adopted.

In the context of asset transfer, the Islamic windows must prioritize clear and proactive communication strategies. This entails a comprehensive elucidation of the rationale behind the asset transfer, encompassing both strategic and financial motivations, and articulating the benefits for all stakeholders involved. Effective communication is fundamental in fostering trust and ensuring that clients and stakeholders grasp the full implications of the transfer.

When a client expresses disagreement or concerns regarding the asset transfer, it is essential to engage in constructive negotiation. The bank and the client should collaboratively seek a resolution that meets the interests of both parties. This could involve restructuring existing financing arrangements or providing targeted incentives to address the client's concerns and facilitate acceptance of the transfer.

In scenarios where the transfer results in financial detriment to either the bank or the client, it is crucial to settle and dissolve the *muḍārabah* contract formally. Given that the essence of a *muḍārabah* agreement is rooted in cooperation aimed at profit generation, the occurrence of a loss renders the contract nonviable. Therefore, in adherence to Sharia principles, the termination of the contract is necessary to maintain transparency and equity within the business relationship.

DOI: https://doi.org/10.15408/aiq.v17i1.46725

Change of Object

Change of Object. The object in the *Muḍārabah* contract cannot be used as a guarantee of profit due to future uncertainties. Therefore, the bank should not use the object as a guarantee of profit in the spin-off process. Then there is an object as one of the instruments of the spin off process, this indicates that the existing object cannot be used as a guarantee of profit by the bank that will spin off because we will not know how things happen in the future or the guarantee of profit from the project being carried out (example: PT KAI is given funds by the bank to make double tracks so that train services become more numerous and faster, but profits cannot be limited to the initial time or in advance, because the process of installing rails takes time to make double tracks).

Ijārah Contract

The *Ijārah* agreement constitutes a contractual leasing arrangement between two parties, wherein a predetermined fee is established. Within Islamic financial institutions, various types of *Ijārah* contracts exist, with *Ijārah* and *Ijārah Muntahiya bi-Attamlik* being particularly prevalent among Islamic banks (Aviva et al., 2024). Key considerations in the spin-off process associated with these contracts involve specific financial, legal, and operational aspects that must be meticulously addressed to ensure compliance with Sharia principles and the efficacy of asset utilization.

Early Settlement

Any remaining tenure must be fully addressed before transferring the underlying asset to the Islamic Commercial Banks. This step is critical to ensure compliance with Sharia principles throughout the spin-off process. For instance, consider a scenario where a client seeks to settle their obligations with the bank while still having a remaining tenure of three months on their *Ijārah* agreement. Such a situation presents challenges concerning both holistic assessment and ownership rights associated with the *Ijārah* contract. It can be difficult to ascertain the precise value of the assets to be transferred. Consequently, to facilitate a smooth spin-off, it is imperative first to resolve the outstanding tenure associated with the contract. Only after this obligation is satisfied should the asset be transferred to the segregating bank (Abdul Basir et al., 2022).

http://journal.uinjkt.ac.id/index.php/iqtishad
DOI: https://doi.org/10.15408/aiq.v17i1.46725

Default Payment

The misuse of the leased asset can lead to the cancellation of the contract. For instance, if a residential property is repurposed as a restaurant without the lessor's authorization, this constitutes a breach of the initial stipulations of the lease. The utilization of the asset must align with the terms agreed upon at the outset. The challenge arises particularly within *Ijārah* contracts since the essence of these agreements lies in the rightful benefit derived from the leased object. Suppose the conditions governing this benefit are violated, such as a change in the purpose of the asset from residential to commercial. In that case, this can result in the termination of the contract due to the misalignment of use with the agreed parameters. Thus, maintaining compliance with the defined purpose of the asset is vital to uphold the integrity of the *Ijārah* agreement (Abdul Basir et al., 2022).

Change of Ownership

A change of ownership occurs when the asset owner (*mu'jir*) transfers ownership of the leased asset to another entity, which may arise through sale or other means. The lessee (*musta'jir*) typically retains the right to continue the lease agreement with the new owner, unless the contract stipulates otherwise. Particularly in scenarios involving corporate actions such as spin-offs, if the conditions facilitating the transition are met without disruption to the profit-sharing tenor or related terms, the change primarily results in a modification of the entity's name and the transfer of rights, rather than a substantive alteration to the lease agreement itself. It is vital to closely review the specific terms outlined in the Ijārah contract to ensure that the transition adheres to applicable legal frameworks, including compliance with Sharia law in instances where the transaction falls within the purview of Sharia finance. The clarity of these provisions plays a crucial role in navigating the complexities associated with ownership transitions within *Ijārah* arrangements.

Change of Object

The unauthorized change of use of a leased property is prohibited without the express consent of the landlord. In the context of spin-off processes, it is essential to consider both Sharia compliance and the applicable legal framework in Indonesia. Tenants must not exploit the leased asset without the owner's prior knowledge. For example, if a lease agreement (*Ijārah muntahiya bi-Attamlik* contract) is executed for a residential property, repurposing that property for commercial use—such as

DOI: https://doi.org/10.15408/aiq.v17i1.46725

converting it into a restaurant—requires the explicit consent of the asset owner, such as the financing bank.

In the spin-off process, aside from adhering to Sharia principles, it is crucial to align with economic factors, particularly the established regulations (positive law) in force in Indonesia. The relevant regulation governing the spin-off of Islamic windows is the Financial Services Authority Regulation No. 59/POJK.03/2020, which outlines the requirements and procedures for separation. Under Article 2 of the regulation, the separation of Islamic windows from a Conventional Commercial Bank can be executed via several mechanisms. One approach is to establish a new Islamic Commercial Bank through a spin-off. This method enables the Islamic windows to transition into an independent entity, fully operational and compliant with Sharia principles.

An alternative strategy involves transferring the rights and obligations of the Islamic windows to an existing Islamic Commercial Bank, designated to manage ongoing operations post-separation. This transfer not only ensures operational continuity but also capitalizes on the infrastructure and market presence of the receiving institution. Another option is to create a new Islamic Commercial Bank from the separation process, which could involve collaboration among multiple Conventional Commercial Banks with Islamic windows. This collaborative spin-off enables the pooling of Sharia-compliant assets and resources from various entities into a single, cohesive Islamic banking institution.

Moreover, the separation can also occur by transferring the rights and obligations of the Islamic windows to an Islamic Commercial Bank without ownership ties to the Conventional Commercial Bank. This flexibility enhances possibilities for strategic alliances and organizational restructuring. Throughout all these methods, adherence to Indonesian laws and regulations governing Islamic financial institutions is paramount. Ensuring Sharia compliance and maintaining legal integrity are essential for the legitimacy and sustainability of the spin-off, protecting stakeholder interests and upholding Islamic finance principles.

Islamic Legal Maxims (*Qawā'id Fiqhiyyah*) in Spin-Off Operation

Based on the ideas of Sharia law, Islamic finance is a quickly expanding industry. The Qur'an, Hadith, and the *Ijma'* (consensus) of the Muslim community are the sources of Sharia law, the Islamic legal system. The application of legal maxims, which are broad guidelines for interpreting and applying the law, is one of the most important aspects of Sharia law. The application of three Islamic

DOI: https://doi.org/10.15408/aiq.v17i1.46725

legal maxims—*Al-Ghurm Bil-Ghunm, Al-Dharār Yuzal, and Al-'Urf*—to financial transactions will be discussed in relation to spin-off operations.

Al-Ghurm Bil-Ghunm

The Islamic legal maxim "*Bil-Ghunm*" states that "profit is linked to risk." This adage stems from the idea that anyone looking to turn a profit must also be willing to take on the risk of losing money. This adage is used in financial transactions to make sure that all parties fairly split the transaction's risks and rewards. A partnership agreement, for example, requires that the partners divide the company's gains and losses in accordance with their predetermined ratio. This guarantees that the partners bear both the responsibility for the losses and the right to the profits. In this regard, Islamic Windows Bank should oversee and assess critically this concept prior to executing the spin-off operation. An Islamic bank may face a challenging Sharia issue in the case of acquisition among Islamic banks.

Al-Dharār Yuzāl

"Necessity permits the prohibited" is the Islamic legal maxim known as *al-Dharār Yuzāl*. This maxim is founded on the idea that, in some situations, it might be acceptable to carry out an otherwise illegal activity if doing so is required to prevent hardship or injury. This adage is used in financial transactions to permit the use of financial instruments, like interest (*ribā*), that are typically forbidden by Sharia law. In a *Murābahah* transaction, for example, the bank buys an asset and sells it to a customer at a premium, enabling the customer to pay for the asset over time. Despite the fact that interest is involved, this transaction is allowed since it is required to complete the sale and protect the customer from hardship. The application of spin-off for an Islamic bank may encounter difficult situations, in particular if the bank is converted into a Sharia full-fledged bank. The bank has to remove any prohibited transactions and come up with Sharia-compliant products and services.

Al-'Urf

According to the Islamic legal maxim *al-'Urf*, "custom is the basis of judgement." This adage stems from the idea that traditions and customs are a fundamental source of law. This adage is used in financial transactions to permit the application of traditions and customs that are compliant with Sharia law. For example, in a *Muḍārabah* transaction, the investor-entrepreneur profit-sharing ratio is typically established by industry norms. This guarantees that all parties are aware of their rights

DOI: https://doi.org/10.15408/aiq.v17i1.46725

and responsibilities and that the transaction is fair and equitable. In this regard, the application of *Muḍārabah* in Spin-off operation wreaks more Sharia issues since the application of *al-Urf* has certain parameters and could not be generalized. The bank has to escalate the issue to Sharia authority for further Fatwa since *Muḍārabah* or *Mushārakah* is not a debt transaction. So, the solution in the event of default financing in the midst of spin-off execution should be treated differently.

Sharia-Based Typology for Spin-off Scenarios

The basic idea behind a spin-off is to create a new, independent legal entity by separating an Islamic window from its parent company. This calls for careful consideration of Sharia principles in the context of Islamic banking to guarantee that the newly established organisation functions in complete compliance. Sharia-compliant asset transfer models can facilitate the transition of assets from a conventional parent bank to a newly established Islamic entity, each carrying distinct characteristics, benefits, and challenges that necessitate thorough analysis concerning operational and Sharia compliance.

One prevalent structure is the *Istisna'a* contract, traditionally utilized in construction and manufacturing contexts. In this framework, the parent bank engages the new Islamic entity to "manufacture" or manage a portfolio of Sharia-compliant assets. This necessitates a detailed agreement outlining asset specifications and the transfer price. The primary advantage of this model is the rapid accumulation of a sizeable asset portfolio, enabling a swift operational rollout. However, complexities emerge in establishing a fair transfer price and mitigating disputes over asset quality, necessitating comprehensive documentation to minimize *Gharar* (uncertainty). The underlying portfolio's compliance with Islamic finance standards requires thorough vetting by a Sharia Board.

Another viable model is the *Mushārakah Mutanāqisah*, or diminishing partnership. This involves a joint venture where both the parent bank and the newly formed Islamic institution co-own and manage the existing Islamic banking operations. The new entity progressively acquires the parent bank's equity, leading to full ownership over time. This model promotes a gradual and less risky transition, with the benefit of leveraging the parent bank's expertise during the initial phase. Challenges may include joint operational management, profit-sharing ratio agreements, and ensuring transparency throughout the transition process. Regular and equitable valuations of partnership assets are essential to prevent any *Ribā* (interest).

The *Ijārah* model presents a lease-based asset transfer strategy. Here, the parent bank leases its Sharia-compliant assets (e.g., real estate or equipment) to

http://journal.uinjkt.ac.id/index.php/iqtishad
DOI: https://doi.org/10.15408/aiq.v17i1.46725

the new Islamic institution, often coupled with a *Wa'ad*—a purchase undertaking committing the new entity to acquire the leased assets at the lease term's conclusion. This arrangement allows the Islamic bank to utilize critical assets with minimal upfront capital outlay, facilitating financial flexibility through scheduled lease payments. Close attention to Sharia compliance during the lease period is critical, as poorly structured contracts may inadvertently resemble a concealed sale. The dual aspect of the lease and purchase promise introduces legal and Sharia complexities that must be navigated through robust contract design.

Additionally, the issuance of *Sukuk* (Islamic bonds) by the new entity can serve as a capital-raising mechanism to acquire the parent bank's Islamic assets. This involves transferring the assets to a Special Purpose Vehicle (SPV), conferring beneficial ownership to *Sukuk* holders. This model fosters capital raising via a Sharia-compliant, transparent framework while providing ethical investment opportunities. However, this process demands considerable regulatory oversight, meticulous investor engagement, and intricate structuring to ensure compliance. The suitability of the underlying assets is crucial, as they must generate sufficient returns to meet *Sukuk* obligations while adhering to Sharia law.

In practice, a mixed approach employing various models may be optimal for achieving a Sharia-compliant spin-off. For instance, the core financial assets could be transitioned utilizing an *Istisna'a* structure, while operational assets such as office space and IT infrastructure could be managed through *Ijārah* contracts. This hybrid strategy enables operational efficiency and flexibility while providing tailored solutions that meet the specific requirements of the spin-off process in alignment with Islamic legal and ethical standards.

The selection of an appropriate Sharia typology for transitioning an Islamic window into an independent Islamic institution hinges on several critical factors that must be meticulously assessed. These factors ensure the alignment of the chosen structure with operational objectives, regulatory mandates, and Sharia compliance. Firstly, the asset composition is fundamental in identifying a suitable typology. The specific characteristics—nature, type, and valuation—of the assets under consideration, whether tangible real estate, financial instruments, or a composite portfolio, significantly dictate the appropriateness of various structures. For instance, *Ijārah* may be optimal for physical assets due to its leasing nature, while financial or project-driven assets might be better served by *Istisna'a* or *Sukuk* models.

The regulatory landscape also plays a pivotal role. Compliance with the legal and Sharia governance frameworks established by financial authorities and central banks within the jurisdiction influences the viability of the proposed structures. Regulatory

DOI: https://doi.org/10.15408/aiq.v17i1.46725

endorsement is crucial to ensure that the spin-off is both effective and sustainable, remaining fully compliant with national financial statutes. Financial resources are another key determinant in the structure selection process. Certain frameworks, such as *Sukuk* issuance, necessitate substantial capital investment, meticulous planning, and access to financial markets. Consequently, both the parent institution's and the newly established Islamic entity's financial capabilities will directly influence their capacity to implement and sustain intricate financial arrangements. In cases of budgetary constraints, simpler structures might be prioritized.

The role of the Sharia Board cannot be overstated in this context. Regardless of the proposed typology, the structure must receive validation from the Sharia Boards of both the parent institution and the new Islamic entity. These boards are tasked with scrutinizing the structure's compliance with Islamic jurisprudence, ensuring the transaction remains free from *Ribā, Gharar*, and unjust enrichment. Absent this approval, the transaction risks lacking religious legitimacy and may face challenges from stakeholders.

Finally, tax implications warrant thorough evaluation as different structures can carry distinct tax liabilities or advantages based on local taxation laws pertinent to asset transfers, leasing, or capital generation. A comprehensive assessment of these implications enables the institutions involved to select an optimal structure that adheres to Islamic finance tenets, while also enhancing financial efficiency by mitigating undue tax burdens. In summary, these interconnected elements provide a comprehensive framework for identifying the most fitting Sharia typology during the spin-off process. An informed decision-making process that encompasses these factors will facilitate a smoother transition and bolster the long-term prospects of the newly formed Islamic financial institution.

Conclusions

The Islamic window's spin-off process, a meticulous approach to study, is imperative due to the lack of a specific fatwa governing this transition. It is crucial to ensure that the Sharia compliance aspects are robustly upheld during the conversion of the Islamic windows into an Islamic Commercial Bank, particularly concerning economic activities within Islamic financial institutions. This analysis identifies four critical elements to address during the spin-off: early settlement (payments made at the outset), default payments (issues related to problematic payments), transfer of ownership, and change of asset. These considerations are framed within the context of three primary contracts: *mushārakah, muḍārabah,* and *ijārah*. The urgency surrounding the spin-off of Islamic windows into fully operational Islamic Commercial Banks is underscored by the mandates established in Law No. 21 of 2008 concerning Islamic banking, alongside other relevant legislative frameworks. These legal foundations highlight the necessity for a structured and Sharia-compliant transition process to maintain the integrity and sustainability of Indonesia's Islamic banking sector.

A key recommendation from this research is for Sharia policymakers to develop a comprehensive framework specifically addressing the spin-off process. The current absence of such a framework poses a risk of commercial interests overshadowing strict adherence to Sharia principles. Establishing clearly defined guidelines would facilitate a methodical and compliant transition from conventional Islamic windows to independent Islamic Commercial Banks. Moreover, the success of the spin-off is heavily contingent on the quality and preparedness of the human resources involved. Thus, there is a pressing need to enhance the competencies of the professionals managing this transition. Investment in education, training, and professional development is essential to equip personnel with the necessary technical, legal, and Sharia knowledge to navigate the complexities of the spin-off effectively. A skilled workforce is critical for constructing a robust and credible Islamic banking infrastructure capable of supporting sustainable growth.

Furthermore, as the Islamic financial sector expands, rigorous oversight from key regulatory bodies is imperative. Institutions such as the Financial Services Authority (OJK), Bank Indonesia, and the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) must augment their supervisory roles. Their proactive involvement ensures compliance with Sharia regulations while fostering sound financial practices. Such oversight is vital for maintaining public trust, ensuring market stability, and promoting the healthy development of Indonesia's Islamic financial ecosystem.

To make sure that financial transactions adhere to Sharia law, Islamic legal maxims must be applied in the spin-off operation. In order to ensure that the parties involved share the risks and rewards of the transaction fairly, that necessary transactions are allowed in order to prevent hardship or *harm*, and that customary practices and traditions are used to ensure fairness and equity, the maxims of *Al-Ghurm Bil-Ghunm, Al-Dharār Yuzal*, and *Al-'Urf* are essential. To preserve the integrity and credibility of the Islamic finance sector as it expands, it is crucial to make sure that these maxims are applied correctly and consistently.

It is a challenging but strategically significant task to spin off Islamic bank operations from conventional banks. For the newly established organization to

DOI: https://doi.org/10.15408/aiq.v17i1.46725

function in complete accordance with Islamic principles and succeed in the long run, choosing the right Sharia typology is essential. The best option will depend on a thorough evaluation of the particular context, asset composition, regulatory environment, financial resources, and Sharia Board approval, even though there are a number of options available, such as *Istisna'a, Mushārakah Mutanāqisah*, *Ijārah,* and *Sukuk* issuance. In addition to helping the new Islamic bank, a properly organized and Sharia-compliant spin-off also supports the expansion and integrity of the larger Islamic finance sector. In order to support future spin-off procedures that are more seamless and effective, more research should concentrate on creating standardized Sharia regulations and guidelines.

References

Abdul Basir, M., Prihanto, D., Fahrizal, I., & Sri Imaniyati, N. (2022). Legal Consequences And Responsibility of Wa'ad Bonding Power to Sharia Compliance in Akad Al-Ijarah al-Muntahiyah Bi al-Tamlik. *Media Syari'ah : Wahana Kajian Hukum Islam Dan Pranata Sosial*, *24*(1), 95. https://doi.org/10.22373/jms.v24i1.10758

Ananda, M. A. (2023). Pemetaan Skema Spin Off (Uus) Unit Usaha Syariah Buk. *AL-IQTISHAD : Jurnal Perbankan Syariah Dan Ekonomi Islam*, *1*(2), 105–115. https://doi.org/10.47498/iqtishad.v1i2.2437

Aviva, I. Y., Utomo, Y. T., Yusup, M., Mardhiyaturrositaningsih, Kafabih, A., Pribadi, R. M., & Sholahuddin, M. (2024). Contemporary Issues & Developments in Islamic Economics. In G. U. Saefurrohman (Ed.), *Sustainability (Switzerland)* (1st ed., Vol. 11, Issue 1). Az-Zahra Media Society.

Dass, M. A., Dass, I. A., Govt, L., College, D., & Pora, D. H. (2023). Islamic Banking : An Overview of its Concepts and Operations. *International Journal of Research and Analytical Reviews (IJRAR)*, *10*(2), 88–93.

Faizi, F. (2024). How are Islamic banking products developed? Evidence from emerging country. *Cogent Economics and Finance*, *12*(1). https://doi.org/10.1080/23322039.2024.2378961

Farah, A. A., Mohamed, M. A., Ali Farah, M., Yusuf, I. A., & Abdulle, M. S. (2025). Impact of Islamic banking on economic growth: a systematic review of SCOPUS-indexed studies (2009–2024). *Cogent Economics and Finance*, *13*(1). https://doi.org/10.1080/23322039.2025.2490819

Fatwa of the National Sharia Council-Majelis Ulama Indonesia No.136 of 2020 Concerning Conversion, Conversion, and Transfer of Assets-Liabilities of Conventional Banks into Assets-Liabilities of Islamic Banks, National Sharia Board - Indonesian Council of Ulama (2020).

Gafrej, O., & Boujelbéne, M. (2022). An alternative model for Islamic venture capital firms. *International Journal of Islamic and Middle Eastern Finance and Management*, *15*(6), 1009–1018. https://doi.org/10.1108/IMEFM-04-2021-0145

Haribowo, I. (2016). The Indonesian Islamic Bank's Spin-off: A Study in Regional Development Banks. *Al-Iqtishad: Journal of Islamic Economics*, *9*(1), 53–68. https://doi.org/10.15408/aiq.v9i1.4308

Hilman, I. (2018). Sharia Business Unit Spin-off: Strategic Development Model of Sharia Banking in Indonesia. *International Journal of Islamic Banking and Finance Research*, *2*(2), 1–15. https://doi.org/10.46281/ijibfr.v2i2.43

Indonesia Financial Services Authority (OJK). (2023). *OJK ISSUES REGULATIONS ON SHARIA BUSINESS UNIT*. https://doi.org/SP 81/GKPB/OJK/VIII/2023

Indonesia Financial Services Authority (OJK). (2025). *Strengthening a Stable and Inclusive Financial Services Sector to Support National Priority Programs* (SP 29/GKPB/OJK/II/2025). Otoritas Jasa Keuangan.

Indrayanti, S. P., Mranani, M., & Dewi, V. S. (2023). The Influence of Sharia Commercial Bank Financing on Profitability. *Proceedings Universitas Muhammadiyah Yogyakarta Undergraduate Conference*, *3*(1), 479–480. https://doi.org/10.18196/umygrace.v3i1.606

Kaltsum, U., Hasan, A., & Ali, R. (2022). Separation of Rights and Obligations (Spin-Off) Sharia Business Unit PT. Bank Sulselbar. *Budapest International Research and …*, 26162–26171.

KHAN, M. (2014). Islamic Banking Practices : Islamic Law and Prohibition of Ribā Author (s): MADIHA KHAN. *Slamic Studies*, *50*(3), 413–422.

Law of The Republic of Indonesia Number 1 of 2016 Concerning Guarantees, Regulation of The Supreme Audit Institution 1 (2016).

Law of the Republic of Indonesia Number 4 of 2023 Concerning the Development and Strengthening of the Financial Sector, Regulation of The Supreme Audit Institution 1 (2023).

Law of the Republic of Indonesia Number 24 of 2007 Concerning Limited Liability Company, Minister of Justice and Human Rights 1 (2007).

Lestari, D. M., & Atasoge, I. A. Ben. (2021). Criticism of Musyaraka Contract Implementation at Sharia Banking. *Jurnal Nisbah*, *7*(1), 8–14.

Lim, W. M. (2024). What Is Qualitative Research? An Overview and Guidelines. *Australasian Marketing Journal*. https://doi.org/10.1177/14413582241264619

Mainata, D., Parno, P., Pratiwi, A., & Irfan, I. (2023). Spin-Off Islamic Banking Window In Indonesia. *Al Qalam: Jurnal Ilmiah Keagamaan Dan Kemasyarakatan*, *17*(1), 624. https://doi.org/10.35931/aq.v17i1.1898

Maulin, M. (2020). Analysis and Implementation of Multi-Contract Development (Hybrid Contract) As a Solution for Islamic Banking Products. *International Journal of Business, Economics and Law*, *21*(2), 79–89.

Mihajat, M. I. S. (2014). Hybrid Contract In Islamic Banking and Finance : A Proposed Shariah Principles and Parameters for Product Development. *EBJM - Special Issue: Islamic Management and Business*, *2*(2), 89–100.

Naeem, M., Ozuem, W., Howell, K., & Ranfagni, S. (2023). A Step-by-Step Process of Thematic Analysis to Develop a Conceptual Model in Qualitative Research. *International Journal of Qualitative Methods*, *22*(October), 1–18. https://doi.org/10.1177/16094069231205789

Najih, R. A. (2023). MENYOAL IMPLEMENTASI TADRIJ DALAM UU PPSK (ANALISIS KEWAJIBAN SPIN-OFF LKS). *UNES LAW REVIEW*, *5*(4), 3366–3380.

Nathan, S., Newman, C., & Lancaster, K. (2019). Qualitative interviewing. *Handbook of Research Methods in Health Social Sciences*, 391–410. https://doi.org/10.1007/978-981-10-5251-4_77

Nugroho, L., Kuncoro, F. W., & Mastur, A. A. (2019). Analis Perbandingan Bank Umum Syariah Dengan Unit Usaha Syariah Dari Aspek Efisiensi; Kualitas Asset Dan Stabilitas Keuangan (Periode Tahun 2014-2017). *IQTISHADIA Jurnal Ekonomi & Perbankan Syariah*, *6*(2), 100–118. https://doi.org/10.19105/iqtishadia.v6i2.2354

Otoritas Jasa Keuangan. (2024). *Statistik Perbankan Syariah - April 2023*.

Ramadhan, D. S. (2022). Financial Technology and Sharia Compliance Regulations in Islamic Banking in Indonesia. *AL-ARBAH: Journal of Islamic Finance and Banking*, *4*(2), 217–231. https://doi.org/10.21580/al-arbah.2022.4.2.15647

Rutledge, P. B., & Hogg, J. L. C. (2020). In-Depth Interviews. *The International Encyclopedia of Media Psychology*, *September 2020*, 1–7. https://doi.org/10.1002/9781119011071.iemp0019

Sætra, H. S. (2019). Explaining Social Phenomena: Emergence and Levels of Explanation. In *Social Philosophy of Science for the Social Sciences. Theory and History in the Human and Social Sciences.* Springer, Cham. https://doi.org/https://doi.org/10.1007/978-3-030-33099-6_10

Shafaki, R. El. (2023). State of the Global Islamic Economy Report 2023. *Dubai's Department* of Economy and Tourism (DET), 1–3.

Shamsuddin, Z., & Ismail, A. G. (2013). Agency theory in explaining Islamic financial contracts. *Middle East Journal of Scientific Research*, *15*(4), 530–545. https://doi.org/10.5829/idosi.mejsr.2013.15.4.2361

Sitompul, M. H., Polem, T. R., Soemantri, A., & Muda, I. (2024). Spin-Off Obligation Sharia Business Units of Conventional Commercial Banks in Indonesia. *African Journal of Biological Sciences*, *6*(4). https://doi.org/10.48047/AFJBS.6.4.2024.1146-1157

Tabash, M. I., & Dhankar, R. S. (2018). The Relevance of Islamic Finance Principles in Economic Growth. *International Journal of Emerging Research in Management &Technology*, *2*, 2278–9359.

Tatiana, N., Igor, K., & Liliya, S. (2015). Principles and Instruments of Islamic Financial Institutions. *Procedia Economics and Finance*, *24*(July), 479–484. https://doi.org/10.1016/s2212-5671(15)00613-9

Tomaszewski, L. E., Zarestky, J., & Gonzalez, E. (2020). Planning Qualitative Research: Design and Decision Making for New Researchers. *International Journal of Qualitative Methods*, *19*, 1–7. https://doi.org/10.1177/1609406920967174

Utama, A. S. (2018). History and Development of Islamic Banking Regulations in the National Legal System of Indonesia. *Al-'Adalah*, *15*(1), 37–50.

Wilson, A. D., Onwuegbuzie, A. J., & Manning, L. S. P. (2016). Using paired depth interviews to collect qualitative data. *Qualitative Report*, *21*(9), 1549–1573. https://doi.org/10.46743/2160-3715/2016.2166

Wulandari, L., Siregar, H., & Tanjung, H. (2018). Spin Off Feasibility Study of Sharia Financing Unit: Study in Adira Finance. *Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah*, *10*(2), 299–312. https://doi.org/10.15408/aiq.v10i2.5781

Yulyanti, A., & Endang Hatma Juniwati. (2022). Pengaruh Spin-off dan Konsolidasi Bank Umum Terhadap Market Share dan Kinerja Bank Syariah di Indonesia. *Jurnal Ekonomi Syariah Teori Dan Terapan*, *9*(5), 643–657. https://doi.org/10.20473/vol9iss20225pp643-657

Yusoff, A., Hassan, R., Salman, S. A. (2023). Risk Assessment of Islamic Banking Products: A Case Study of Murabaha and Ijārah. In *Digitalisation: Opportunities and Challenges for Business. ICBT 2022. Lecture Notes in Networks and Systems*. Springer, Cham. https://doi.org/https://doi.org/10.1007/978-3-031-26956-1_55

Yuspin, W., Pamungkas, B. T., Wardiono, K., Ni'ami, M., & Zuhdi, S. (2023). THE CORPORATE SPIN-OFF: An Examination of Islamic Banking Legal and Regulatory Framework. *Jurisdictie: Jurnal Hukum Dan Syariah*, *14*(1), 37–54. https://doi.org/10.18860/j.v14i1.20586