

MODERATION IN DSN-MUI FATWAS: Achieving Justice and Balance in the Sharia Economic System

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Abstract

Religious practices in Indonesia are heavily influenced by a fiqh-oriented perspective, emphasizing legalistic approaches to various issues. This drives the government to seek legitimacy from religious scholars, particularly through the Indonesian Ulema Council (MUI) and its Fatwa Commission, along with the National Sharia Council (DSN), which play central roles in issuing fatwas on Sharia economics. This study explores DSN-MUI's methodology in fatwa issuance and its integration of moderation values, focusing on justice and balance. Utilizing textual analysis and data triangulation for validation, the research employs descriptive and evaluative methods. The findings indicate that DSN-MUI employs methodologies such as nash qath'i (definitive textual evidence), qauli (scholarly opinions), and manhaji (methodological reasoning), along with solutions like al-Taysir al-Manhaji (methodological facilitation) and Tafriq al-Halal 'an al-Haram

(differentiation of lawful and unlawful). While fatwas emphasize moderation, practical implementation requires reinforcement through regulations, education, and adaptation to contemporary contexts. This study enriches academic discourse by emphasizing the integration of moderation values in building an inclusive Islamic economy and highlights leveraging technology to enhance fatwa relevance and effectiveness in addressing modern economic challenges.

Praktik keagamaan di Indonesia sangat dipengaruhi oleh perspektif berbasis fiqh yang menekankan pendekatan legalistik terhadap berbagai isu. Hal ini mendorong pemerintah untuk mencari legitimasi dari ulama, khususnya melalui Majelis Ulama Indonesia (MUI) dan Komisi Fatwa-nya, serta Dewan Syariah Nasional (DSN) yang berperan penting dalam penerbitan fatwa ekonomi syariah. Penelitian ini mengeksplorasi metodologi yang digunakan oleh DSN-MUI dalam penerbitan fatwa dan integrasi nilai moderasi, dengan fokus pada keadilan dan keseimbangan. Menggunakan analisis tekstual dan triangulasi data untuk validasi, penelitian ini menerapkan metode deskriptif dan evaluatif. Hasilnya menunjukkan bahwa DSN-MUI menggunakan metodologi seperti nash qath'i (dalil tekstual definitif), qauli (pendapat ulama), dan manhaji (penalaran metodologis), serta solusi seperti al-Taysir al-Manhaji (kemudahan metodologis) dan Tafriq al-Halal 'an al-Haram (pembedaan antara yang halal dan haram). Meskipun fatwa-fatwa tersebut menekankan moderasi, implementasi praktisnya masih memerlukan penguatan melalui regulasi, pendidikan, dan penyesuaian dengan konteks kontemporer. Penelitian ini memperkaya wacana akademik dengan menekankan integrasi nilai moderasi dalam membangun ekonomi Islam yang inklusif, serta pentingnya memanfaatkan teknologi untuk meningkatkan relevansi dan efektivitas fatwa dalam menghadapi tantangan ekonomi modern.

Keywords: *moderation, DSN-MUI Fatwas, Islamic Economic System.*

Introduction

In the context of an increasingly complex societal life, the values of moderation have become highly relevant to various aspects, including Islamic law. Moderation, encompassing the principles of justice (al-'adl) and balance (al-tawazun), lies at the core of Islamic teachings and serves as a critical foundation for addressing diversity and social dynamics. These values not only foster harmony among individuals, communities, and the state but also act as a guide to avoid extremism and radicalism, which contradict the essence of Islam as *rahmatan lil 'alamin* (a mercy to all creation). Islam is inherently a religion of moderation, as reflected in both its spiritual and non-spiritual teachings, as well as its followers, as highlighted in Surah Al-Baqarah (2:143)¹. According to Quraish Shihab, this verse serves as a starting point for discussing religious moderation from an Islamic perspective, often referred to as *wasathiyah*, although other terms in the Qur'an convey similar meanings².

The prevalence of extreme ideologies and actions in religious practice has become a shared concern among religious leaders, governments, and societies worldwide. Haedar Nashir highlights several instances of such conflicts, including those in Northern Ireland (Protestant vs. Catholic), Egypt (Sunni vs. Coptic), Iran (Shia vs. Baha'i), India (Hindu vs. Muslim), Sri Lanka (Buddhist vs. Hindu), Thailand (Buddhist vs. Muslim), Sudan (Islam vs. Christianity and tribal religions), and Afghanistan (Sunni Pashtun vs. Salafi Islam), among others, including Indonesia. According to a report by The Wahid Institute cited in a

¹ وَكَذَلِكَ جَعَلْنَاكُمْ أُمَّةً وَسَطًا لِتَكُونُوا شُهَدَاءَ عَلَى النَّاسِ وَيَكُونَ الرَّسُولُ عَلَيْكُمْ شَهِيدًا ۗ وَمَا جَعَلْنَا الْقِبْلَةَ الَّتِي كُنْتَ عَلَيْهَا إِلَّا لِنَعْلَمَ مَنْ يَتَّبِعِ الرَّسُولَ مِمَّنْ يَنْقَلِبُ عَلَى عَقْبَيْهِ ۗ وَإِنْ كَانَتْ لَكَبِيرَةً إِلَّا عَلَى الَّذِينَ هَدَى اللَّهُ ۗ وَمَا كَانَ اللَّهُ لِيُضَيِّعَ إِيمَانَكُمْ ۗ إِنَّ اللَّهَ بِالنَّاسِ لَرَّءُوفٌ رَحِيمٌ

"And it is thus that We appointed you to be the community of the middle way so that you might be witnesses to all mankind and the Messenger might be a witness to you. We appointed the direction which you formerly observed so that We might distinguish those who follow the Messenger from those who turn on their heels For it was indeed burdensome except for those whom Allah guided. And Allah will never leave your faith to waste. Allah is full of gentleness and mercy to mankind".

² Quraish Shihab, *Wasathiyah, Wawasan Islam Tentang Moderasi Beragama* (Jakarta: Lentera Hati, 2019).

press release by the Indonesian Conference on Religion and Peace (ICRP) on January 23, 2014, there were 245 cases of religious freedom violations in 2013, involving 278 acts of intolerance. This was preceded by 278 cases with 363 acts of intolerance in 2012, 267 cases in 2011, 184 cases in 2010, and 121 cases in 2009.

To address these issues, the Ministry of Religious Affairs issued Decree No. 529 of 2021, establishing a Working Group on Strengthening Religious Moderation Programs. This group is tasked with: 1) Coordinating the formulation and implementation of religious moderation programs; 2) Providing guidance on the development of action plans for these programs; 3) Designing follow-up actions for strengthening religious moderation; 4) Overseeing the implementation of these action plans; 5) Monitoring and evaluating program execution; 6) Coordinating with other ministries and institutions on religious moderation initiatives; 7) Reporting its activities to the Minister of Religious Affairs.

This decree aims to foster harmonious religious life in Indonesia. Given the country's diverse population, friction between groups can arise easily. Thus, understanding and applying values that promote coexistence is essential to avoid egoism, intolerance, discrimination, and other divisive attitudes.³ In the context of Islamic economics and finance, the fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) play a strategic role. These fatwas provide Sharia-based legal guidance for Islamic financial industry players, ensuring that their products and practices align with Sharia principles. However, amidst the rapid growth of the Sharia economy, the challenge of integrating and applying moderation values within these fatwas has emerged as a critical issue requiring further study.

From 2000 to 2024, the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) issued more than 100 fatwas, covering topics such

³ Sumarto Sumarto and Emmi Kholilah Harahap, "Mengembangkan Moderasi Pendidikan Islam Melalui Peran Pengelolaan Pondok Pesantren," *Ri'ayah: Jurnal Sosial dan Keagamaan* 4, no. 01 (July 3, 2019): 21, <https://doi.org/10.32332/riayah.v4i01.1488>.

as banking, cooperatives, insurance, and other sectors. The formulation of these fatwas follows a structured procedure involving various religious organizations and relevant institutions to ensure the fatwas are acceptable to all parties and do not conflict with existing regulations. The issuance process adheres to fundamental principles aimed at safeguarding Islamic teachings in theology, law, and social issues⁴. How are the values of moderation, particularly in the aspects of Sharia justice and balance, reflected in DSN-MUI's fatwas? Can these fatwas provide solutions that not only comply with Sharia law but also address the diverse needs of society? These questions are crucial to understanding how DSN-MUI fatwas maintain the relevance of Islamic law through the lens of moderation amidst dynamic social and economic changes.

A study on the integration of moderation values in DSN-MUI fatwas, with a focus on justice and balance, is expected to provide deeper insights into how the principles of moderation are embedded in the development of contemporary Islamic law. Additionally, this study could serve as a foundation for identifying opportunities and challenges in strengthening the role of moderation as a basis for Sharia legal decision-making in Indonesia. Discussions about fatwas and moderation have become a significant concern for many scholars and stakeholders. Fatwas are extensively discussed in classical fiqh texts, particularly concerning Islamic legal products, as well as in the contexts of fiqh, qanun (Islamic statutory law), and *qadha'* (judicial decisions). Similarly, moderation is explored by Islamic scholars in fiqh and tafsir (Qur'anic exegesis). Research on fatwas and moderation has drawn widespread attention, reflected in dissertations, theses, independent studies, and various journal articles.

M. Atho' Mudzhar examined the revitalization of *maqasid al-shariah* (objectives of Sharia) in the development of Islamic economics in Indonesia through DSN-MUI fatwas (2000-2006). His findings show that fatwas incorporate a minimum of one and a maximum of five fiqh principles from 11

⁴ Zakaria Syafei, "Tracing Maqasid Al-Shari'Ah in The Fatwas Of Indonesian Council Of Ulama (MUI)," *JOURNAL OF INDONESIAN ISLAM* 11, no. 1 (July 9, 2017): 99, <https://doi.org/10.15642/JIIS.2017.11.1.99-124>.

categories. The principles were used 134 times across fatwas, averaging 2.5 principles per fatwa. The most dominant principle is that transactions are permissible unless explicitly prohibited by evidence.⁵ Faizi researched the reconstruction of DSN-MUI fatwas for the development of Islamic banking in Indonesia. He concluded that the classical fiqh concepts and formulations must be critically appreciated in response to modern economic challenges and adapted creatively through *ijtihad* (independent reasoning) within Sharia boundaries⁶. Panji Adam Agus Putra analyzed the construction of the *mudharabah* contract in DSN-MUI Fatwa No. 03/DSN-MUI/IV/2000 on Deposits. His study concluded that the deposit products in Islamic banks employ a repeated *mudharabah* contract. Here, the Islamic bank serves as the first *mudharib* (entrepreneur) and simultaneously acts as the *shahibul mal* (capital provider) for the second *mudharib* (mudharib yudharib). Based on the dominant scholarly opinion (*qaul rajih*), such contracts are permissible due to considerations of *urf* (custom) in Islamic financial institutions and the general concept of *mudharabah*⁷. Further more, Ahmad Zuhdi explored the positivization of DSN-MUI fatwas in Indonesia's legal system in his doctoral dissertation at UGM Yogyakarta. He concluded that the positivization process was conducted democratically, with minimal political influence, as all parties recognized the utility of Sharia economic law. Supporting factors included ideological, sociological, historical, and political aspects. However, DSN-MUI's position within Indonesia's constitutional framework remains unclear, warranting further investigation. He also noted that the positivization of DSN-MUI fatwas significantly impacted Indonesian law, introducing a new legal discipline and

⁵ M. Atho Mudzhar, "Revitalisasi Maqasid al-Shari'ah dalam Pengembangan Ekonomi Syariah di Indonesia (Studi Kasus atas Fatwa-fatwa DSN-MUI Tahun 2000-2006)," *JURNAL INDO-ISLAMIKA* 4, no. 1 (June 20, 2014): 1–19, <https://doi.org/10.15408/idi.v4i1.1558>.

⁶ Faizi, "Rekonstruksi Fatwa DSN-MUI Pada Pengembangan Industri Perbankan Syariah Di Indonesia," *Jurnal An Nur*, 1, Vol. IV (2012).

⁷ Panji Adam Agus Putra, "Konstruksi Akad Mudhârabah dalam Fatwa Dewan Syariah Nasional-Majelis Ulama Indonesia Nomor: 03/DSN-MUI/IV/2000 tentang Deposito" 1 (2020).

mobilizing government agencies and the public to engage in Sharia economic activities⁸.

Research on moderation has been extensively conducted, including studies by Sitti Chadidjah, Agus Kusnayat, and Uus Ruswandi, which focused on the implementation of moderation values in Islamic Religious Education (PAI) learning. Their findings concluded that the implementation of moderation values in elementary, junior high, high schools, and universities is grounded in the same conceptual framework of *wasathiyyah* (moderation), encompassing *tasamuh* (tolerance), *tawazun* (balance), and *i'tidal* (justice). Currently, moderation values are emphasized in Islamic Religious Education curricula at all educational levels. Although these values are still considered part of the hidden curriculum, schools at the elementary, junior high, and high school levels explicitly promote attitudes of *tasamuh*, *tawazun*, and *i'tidal* as mandatory behaviors. In contrast, in higher education, the habituation of these values is less apparent⁹.

Another study was conducted by Abd. Rouf Muhammad Amin, who explored and described the principles of Islamic moderation formulated by Islamic legal scholars (*ushuliyun* and *fuqaha*). His research aimed to highlight the phenomena of moderation within Islamic law as demonstrated by scholars in the tradition of legal reasoning (*istinbath*). Rouf concluded that the works of Islamic legal scholars are rich in theoretical and practical evidence of *wasathiyyah* principles. He noted that the *wasathiyyah* envisioned by these scholars significantly differs from the concept of Islamic moderation presented by liberal thinkers, which tends to be influenced by Western perspectives¹⁰.

Despite the wealth of studies on moderation, no existing research has

⁸ Ahmad Zuhdi, "Positivisasi Fatwa DSN MUI Dalam Sistem Hukum Di Indonesia," *Repository UGM*, Desember 2015, <http://etd.repository.ugm.ac.id/>.

⁹ Sitti Chadidjah et al., "Implementasi Nilai-Nilai Moderasi Beragama dalam Pembelajaran PAI: Tinjauan Analisis Pada Pendidikan Dasar Menengah dan Tinggi," *Al-Hasanah : Islamic Religious Education Journal* 6, no. 1 (June 26, 2021): 114–24, <https://doi.org/10.51729/6120>.

¹⁰ Rauf Amin, "Prinsip dan Fenomena Moderasi Islam dalam Tradisi Hukum Islam," *Al-Qalam* 20, no. 3 (December 16, 2014): 23, <https://doi.org/10.31969/alq.v20i3.339>.

specifically addressed the implementation of moderation values in DSN-MUI fatwas. Therefore, an examination of how the principles of religious moderation are applied within DSN-MUI fatwas is deemed a relevant and significant topic for further exploration.

Research Methods

This study employs a normative legal research approach to examine the implementation of moderation values in the fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) within the context of the Islamic economic system. The moderation values referred to in this study align with the principles outlined by the Ministry of Religious Affairs of the Republic of Indonesia: national commitment, tolerance, anti-violence, and cultural accommodation.

All materials for this research are derived from written sources, including Islamic jurisprudence (*fiqh*) texts, books, DSN-MUI fatwas, as well as journals and encyclopedias relevant to the topic. The research follows these steps: (1) Literature Review (Library Research). This involves collecting primary and secondary materials related to DSN-MUI fatwas and moderation in Islamic law. Primary sources include *fiqh* texts and DSN-MUI fatwas, while secondary sources comprise journal articles, books, and encyclopedias supporting the understanding of moderation in Islamic economics. (2) Legal Text Analysis Approach. The analysis of DSN-MUI fatwas employs a legal text analysis approach, focusing on the content of the fatwas regarding moderation, particularly the values of justice (*‘adl*) and balance (*tawazun*) in the Islamic economic system. Data are validated using triangulation methods, combining various sources to verify findings. (3) Descriptive and Evaluative Analysis. After collecting data, a descriptive and evaluative analysis is conducted to understand how moderation values are applied in DSN-MUI fatwas and the extent to which these reflect justice and balance in the Islamic economic system. This approach aims to identify challenges and opportunities for strengthening moderation in

Indonesia's Islamic economic legal framework. According to John W. Creswell, data analysis is a continuous process involving reflection on existing data, posing analytical questions, and taking concise notes throughout the research.¹¹ Therefore, this study adopts a qualitative approach that is reflective and critical, aiming to gain deeper insights into the application of moderation values in DSN-MUI fatwas.

Methodology for Issuing Fatwas by DSN-MUI

According to KH. Ma'ruf Amin, former Chairperson of the Indonesian Ulema Council (MUI) (2015–2020), one of the essential conditions for conducting *ijtihad* or issuing fatwas is adherence to a clear methodology (*manhaj*).¹² Issuing fatwas without a proper methodological framework is prohibited in Islam¹³. The method for issuing fatwas by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) follows the guidelines established by the MUI Fatwa Commission. Based on MUI Fatwa No. U-596/MUI/X/1997, dated October 2, 1997, all matters discussed within the Fatwa Commission, including those related to Islamic economics, must be based on the Qur'an, Sunnah, *ijma'*, and *qiyas*.

In the Standard Operating Procedure (SOP) established by DSN-MUI, it is explained that the issuance of fatwas on Islamic economics and finance begins with the receipt of an application from Islamic Financial Institutions (LKS), Islamic Business Institutions (LBS), Islamic Economic Institutions (LPS), and regulators, followed by the recording of the application letter. Afterward, a

¹¹ Achmad Fawaid, *Pendekatan Kualitatif, Kuantitatif, Dan Mixed* (Yogyakarta: Pustaka Pelajar, 2013).

¹² Johari Johari, Maghfirah Maghfirah, Ahmad Maulidizen, Habiburrahman Rizapoor, "Istihsān Method and Its Relevance to Islamic Law Reform: Content Analysis of Fatwa of Majelis Ulama Indonesia on Corneal Transplant", *De Jure: Jurnal Hukum dan Syariah* Vol 15, No 1 (2023), 5.

¹³ Rahman Helmi, "Manhaj Penetapan Fatwa Hukum Ekonomi Syariah di Indonesia," *Syariah Jurnal Hukum dan Pemikiran* 18, no. 2 (December 8, 2018): 301, <https://doi.org/10.18592/sy.v18i2.2518>.

meeting of the DSN-MUI Daily Executive Body (BPH) is held, inviting the applicant to present their case. If the requested fatwa already exists, the next procedure is to deliver the fatwa to the applicant, followed by dissemination and publication. However, if the fatwa does not exist, the next step is a study conducted by the relevant BPH division, followed by a BPH meeting, and preparation of the fatwa draft by the BPH division. After that, the fatwa draft is presented during the BPH meeting with the regulator invited. The next step is to prepare the final DSN-MUI fatwa draft, which will then be discussed in a plenary session of DSN-MUI. If the draft is approved, the next step is to refine the wording of the draft fatwa resulting from the plenary session, which will become the DSN-MUI fatwa decision, and will be communicated to the applicant, followed by dissemination and publication¹⁴.

DSN-MUI uses a method for issuing fatwas that is based on three main approaches: *nash qath'i*, *qauli*, and *manhaji*¹⁵. The first approach, *nash qath'i*, involves referring directly to clear texts from the Qur'an and Hadith when addressing issues that are explicitly mentioned in these sources. When an issue is not directly addressed by these texts, the next step is to turn to the *qauli* and *manhaji* approaches. The *qauli* approach relies on the opinions of prominent Islamic scholars from various schools of thought, as found in authoritative *fiqh* books. This approach is utilized when the answer can be derived from a single, consistent opinion in the classical *fiqh* texts. However, if such an opinion is no longer relevant or practical due to its difficulty in implementation, or if the legal reasoning (*illah*) is no longer considered valid, a re-examination of the opinion (*i'adah al-nadhrah*) is carried out. This is in line with the practices of earlier scholars, who were not bound by outdated views when they became inadequate for current issues. When the answers cannot be fully derived from *nash qath'i* or

¹⁴ DSN MUI, "Ragam SOP," in *Standar Operasional Dan Prosedur Di DSN-MUI* (DSN MUI, June 5, 2017), <https://dsnemui.or.id/kami/ragam-sop/#more-1941>.

¹⁵ Ma'ruf Amin, "Solusi Hukum Islam (Makhorif Fiqhiyyah) sebagai Pendorong Arus Baru Ekonomi Syariah di Indonesia," *Pidato Pengukuhan Guru Besar dalam Bidang Hukum Ekonomi Syariah UIN Maulana Malik Ibrahim Malang*, 2017.

the opinions found in *fiqh* books, DSN-MUI turns to the *manhaji* approach. This method involves collective *ijtihad* (*ijtihad jama'i*), where scholars engage in a collaborative effort to arrive at a conclusion. They employ various techniques such as reconciling differing opinions (*al-jam'u wa al-taufiq*), selecting the opinion with stronger evidence (*tarjih*), drawing analogies with established rulings (*ilhaqi*), and using deductive reasoning (*istinbath*).¹⁶

In issuing fatwas, DSN-MUI relies on at least four *fiqh* solutions as its foundation: *al-Taysir al-Manhaji*, *Tafriq al-Halal 'an al-Haram*, *I'adah al-Nadhar*, and *Tabqiq al-Manath*¹⁷. *Al-Taysir al-Manhaji* can be understood as choosing an opinion that is lighter but still in line with the rules¹⁸. Even though a more lenient opinion (*al-taisir*) is taken, it must remain within the framework of the established methodology. However, the use of this method should not be excessive (*al-mubalaghah fi al-taysir*), as it could lead to a dismissive attitude (*al-tasahul*). This method is intended to prevent the endorsement of fatwas without adhering to the guidelines. It is not uncommon for an issue to be addressed with a lenient fatwa that only considers the aspect of its benefit, without paying attention to its methodological appropriateness (*al-manhaj*). This could potentially lead to seeking only the lighter views (*tatabbu' al-rukhash*), which is prohibited in Islam.

The second principle relates to the separation between halal and non-halal assets (*al-tafriq baina al-halal wa al-haram*)¹⁹. Generally, people understand that when halal and haram mix, the haram takes precedence, according to the principle:

¹⁶ Rauf Amin, "Prinsip dan Fenomena....269

¹⁷ Rauf Amin, "Prinsip dan Fenomena....21

¹⁸ Rauf Amin, "Prinsip dan Fenomena....17

¹⁹ Rauf Amin, "Prinsip dan Fenomena....24

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“If halal and haram are mixed, the mixture is considered haram.”.

However, from the perspective of DSN-MUI, this principle is more appropriately applied in the food sector, particularly for liquids, and is not suitable for use in the economic field. This is because halal and haram in food are related to the ingredients (*'ain*), so when a mixture occurs, it leads to a merging and fusion that is difficult to separate. In such cases, this principle is appropriate. However, if the halal and haram can be separated, for example, in the case of a mixture between halal and non-halal wealth, this principle is not applicable. Instead, the more appropriate principle is the separation of halal from haram (*tafriq baina al-halal 'ani al-haram*). The explanation is that wealth or money, from the fiqh perspective, is not inherently haram because of its substance (*'ainiyah*) but because of how it was acquired, which may not be in accordance with sharia (*li gairih*). Therefore, it can be separated into what was obtained through halal means and what was not. Thus, halal funds can be recognized as legitimate income, while non-halal funds should be separated and allocated for public interest.

This principle is used for the opinions of previous scholars that are no longer considered suitable for guidance due to factors such as difficulty in implementation (*ta'assur*, *ta'adzdzur*, or *shu'ubah al-amal*). Re-examination is done by revisiting the opinions that were once considered authoritative, while considering weaker legal opinions (*marjuh* or even *mahjur*), because of a new legal rationale (*'illah*) or because the opinion may bring more benefit. These opinions are then adopted as the basis for legal decisions. This theory represents a middle ground or moderate approach between legal scholars who are too lenient (*mutasabil*) in applying the principles of Islamic economic law, causing Islamic economics to become trapped in labeling. Conversely, with this theory, the development of Islamic economics is not too rigid or confined to classical *fiqh* principles that might be difficult to apply in the modern era (*mutasyaddid*). Meanwhile, *tahqiq al-manath* or the analysis of legal reasons (*'illah*) is an analysis

aimed at identifying any other legal rationale (*'illah*) in a case, in addition to the previously known rationale, whether from text (*nash*), consensus (*ijma'*), or analogy (*istinbath*).²⁰

The Values of Moderation in DSN-MUI Fatwas

In his book *Fatwa dalam Sistem Hukum Islam* (Fatwas in the Islamic Legal System), Ma'ruf Amin asserts that issuing a fatwa solely based on necessity (*al-hajah*), benefit (*al-maslahah*), or an understanding of the core objectives of Islamic teachings (*maqashid al-syari'ah*), without grounding it in religious texts (*al-nushush al-syar'iyyah*), constitutes an excessive stance (*ifrathi*). Conversely, issuing a fatwa solely based on rigid adherence to religious texts without considering benefit or the objectives of Islamic teachings, thereby ignoring new issues that require responses, is considered an imprudent stance (*tafrithi*).²¹ For Ma'ruf Amin, the correct approach lies not in extremism (*ifrathi*) or negligence (*tafrithi*), but in maintaining a balanced and moderate path (*wasathiyyah*), though he does not explicitly define the criteria for this moderation.

Meanwhile, M. Atho Mudzhar references Oni Sahroni, who identifies three schools (*madrasah*) of *ijtihad* in Islam. These are: (1) *the madrasah al-mu'aththilah li al-nushush* (those who neglect the texts), which tends to alter the intent of religious texts under the pretext of benefit; (2) *the madrasah zhahiriyyah* (literalists), which rigidly adheres to the apparent meanings of texts and the classical works of earlier scholars (*salaf*); and (3) *the madrasah al-wasathiyyah* (moderates), which balances the specific details of texts (*juz'i*) with the comprehensive objectives of Islamic teachings (*maqashid al-syari'ah*). According to him, Ma'ruf Amin aligns with the third, moderate school of *ijtihad*. M. Atho Mudzhar also cites Setiawan Budi Utomo, who asserts that the DSN-MUI, as the authority on Islamic economics and banking in Indonesia, has chosen a moderate

²⁰ Rauf Amin, "Prinsip dan Fenomena....50

²¹ Rauf Amin, "Prinsip dan Fenomena....283

approach to Islamic commercial law (*syariah muamalah*), enabling progressive development of Islamic financial products. According to Budi Utomo, the DSN-MUI deliberately avoids two other approaches. The first is the liberal school (*tasahhuliy* or *ibahiy*), which tends to easily and legally label conventional financial system products as “sharia” or “Islamic.” The second is the conservative school (*tasyaddudiy*), which rigidly adheres to a “black-and-white” perspective, maintaining the simplicity of Islamic financial transactions as described in classical *fiqh* texts and rejecting the development of products that resemble conventional financial systems.²²

Thus, moderation represents the middle path in performing *ijtihad*, where a *mujtahid* avoids two extreme tendencies (*al-ghuluw*): *tasahuly* (excessive leniency) and *tasyaddudy* (overly rigid strictness). The recognition from various Muslim scholars mentioned above should prompt the Islamic community to carefully consider the fatwas issued by the DSN-MUI and to explore the values of moderation inherent within these fatwas.

The Ministry of Religious Affairs of the Republic of Indonesia has identified four indicators and values of moderation: national commitment, tolerance, anti-violence, and accommodation of culture. The first indicator, national commitment, is crucial for assessing how one's religious perspective, attitude, and practices affect their loyalty to the nation's foundational consensus, especially regarding the acceptance of Pancasila as the state ideology and their stance against ideologies that challenge Pancasila and nationalism. The second indicator, tolerance, reflects an attitude of providing space for others and respecting their rights to believe, express their beliefs, and voice opinions, even if these differ from one's own convictions. The anti-violence indicator underscores that radicalism in the context of religion is understood as an ideology or belief aimed at bringing about social and political changes through violent or extreme means in the name of religion, whether through verbal, physical, or ideological

²² Mudzhar, “Revitalisasi Maqasid al-Shari’ah dalam Pengembangan Ekonomi Syariah di Indonesia (Studi Kasus atas Fatwa-fatwa DSN-MUI Tahun 2000-2006).”

violence. Lastly, the practice of religion that accommodates local culture reflects the willingness to accept religious practices that integrate local traditions and cultural expressions. This indicator measures the extent to which religious actions embrace and incorporate local customs and traditions²³.

Based on an analysis of 40 DSN-MUI fatwas that embody moderation values, it can be concluded that the application of moderation in these fatwas has successfully provided balanced solutions between Sharia principles and practical needs in the field. These moderation values can be categorized into several groups: national commitment, anti-violence, tolerance, and accommodation of culture.

1) National Commitment: The DSN-MUI Fatwa No. 04/DSN-MUI/IV/2000 on *Murabahah* reflects national commitment through the binding provision of *al-wa'ad* (promise), requiring the party making the promise to fulfill the stipulated terms in the agreement. This emphasis on honoring promises embodies a value of moderation that strengthens legal relationships between parties while upholding the principles of justice and legal certainty.

2) Anti-Violence: The DSN-MUI Fatwa No. 07/DSN-MUI/IV/2000 on *Mudharabah* and No. 08/DSN-MUI/IV/2000 on *Musyarakah* demonstrate anti-violence values. These fatwas emphasize that guarantees can only be executed if there is a clear breach by the *mudharib* (fund manager), thus preventing arbitrariness or actions that could harm one of the parties in the contract. Additionally, the fatwa on penalties for customers who delay payments (Fatwa DSN-MUI No. 17/DSN-MUI/IX/2000) contains principles of anti-violence, aiming to prevent abuse of authority and ensure fair and proportional penalties.

3) Tolerance: The fatwa on Sharia Mutual Funds (DSN-MUI Fatwa No. 20/DSN-MUI/IX/2000) employs a multi-contract approach involving *wakalah* and *mudharabah*. This reflects the value of tolerance by allowing for

²³ Kementerian Agama, *Moderasi Beragama* (Badan Litbang dan Diklat Kementerian Agama RI, 2019).

innovation and flexible contract development that meets market demands without compromising core Sharia principles. Similarly, the DSN-MUI Fatwa No. 21/DSN-MUI/X/2001 on Sharia Insurance includes two types of contracts—*tijarah* and *tabarru'*—which can be chosen or combined as needed, providing room for adaptation in the development of Sharia financial products.

4) Accommodation of Culture: The DSN-MUI Fatwa No. 28/DSN-MUI/III/2002 on Currency Exchange (*Al-Sharf*) embodies accommodation of culture by allowing foreign exchange transactions to be settled within two days, acknowledging the inevitability of such delays in international transactions. This approach illustrates how Sharia principles can be adapted to meet global needs without violating Islamic law. Similarly, the *Rahn Tasjily* fatwa (DSN-MUI No. 68/DSN-MUI/III/2008) introduces the concept of *urf* (local tradition) as a legal basis when the Qur'an does not provide detailed explanations, highlighting respect for local contexts in the application of Sharia.

The DSN-MUI fatwas also create opportunities for the development of more progressive Sharia financial products that adapt to contemporary needs. The fatwas on Hajj Financing (DSN-MUI Fatwa No. 29/DSN-MUI/VI/2002) and Debt Transfer (DSN-MUI Fatwa No. 31/DSN-MUI/VI/2002) illustrate how DSN-MUI facilitates more flexible Sharia transactions through the use of multi-contracts. This approach allows for variations in transaction forms while maintaining compliance with Sharia principles. DSN-MUI fatwas also aim to prevent potential conflicts between parties involved in transactions. For instance, the fatwa on Penalties for Capable Customers Who Delay Payments (DSN-MUI Fatwa No. 17/DSN-MUI/IX/2000) applies penalties to prevent disputes and ensure discipline, without causing harm to any party unilaterally. This reflects the value of moderation, avoiding all forms of physical or verbal aggression in business relationships. Thus, the DSN-MUI fatwas analyzed exemplify the application of moderation values that are vital for the development of Sharia economics in Indonesia. DSN-MUI strives to balance the firmness of Sharia law with the flexibility needed in the dynamics of modern

economics. This moderate approach not only supports stability and fairness within the Sharia economic system but also provides room for innovation and adaptation to changing times. These fatwas serve as a significant foundation for ensuring that Indonesia's Sharia economic system continues to evolve inclusively, equitably, and relevantly, while remaining firmly grounded in fundamental Sharia principles.

Analysis of the Incorporation of Moderation Values in DSN-MUI Fatwas: Perspectives on Justice and Balance in Sharia in Indonesia

The fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) play a critical role in shaping the Sharia economic system in Indonesia.²⁴ As normative and operational guidelines for the Sharia financial industry, these fatwas significantly influence the implementation of Islamic economic practices. Within the context of Islamic moderation, the values of justice (*al-'adl*) and balance (*al-tawazun*) are essential aspects that must be integrated into every Sharia legal product. Moderation, or *wasatiyyah*, is a hallmark of Islam that rejects all forms of extremism, whether in legal approaches, economic practices, or social interactions.

The DSN-MUI fatwas serve as instruments for implementing these values amidst the evolving social and economic dynamics. In practice, the incorporation of moderation values ensures that the fatwas not only remain consistent with Sharia principles but also address the needs of modern society. This study examines how moderation values, particularly from the perspectives of justice and balance, are integrated into DSN-MUI fatwas, the challenges encountered, and the opportunities available to strengthen the implementation of these values.

²⁴ Imam Mustofa, "TEXT AUTHORIZATION IN THE DEVELOPMENT OF SHARIA ECONOMIC LAW IN INDONESIA: Study of the Fatwa of the National Sharia Council of the Indonesian Ulama Council", *Jurisdictie: Jurnal Hukum dan Syariah* Vol 13, No 2 (2022) , 213.

1) The Context of Moderation in DSN-MUI Fatwas. Moderation (*wasatiyyah*) in Islam emphasizes the importance of balancing ideal principles (Sharia principles) with practical realities faced by humanity. In the context of DSN-MUI fatwas, moderation is reflected through an adaptive and inclusive approach. DSN-MUI provides legal guidance that balances maintaining the authenticity of Sharia law with addressing modern challenges. For example, in the implementation of financial contracts such as *murabahah* (profit-based sales), *ijarah* (leasing), or *musyarakah* (partnership), DSN-MUI ensures these contracts can be applied in various financial sectors while adhering to fundamental Sharia principles. DSN-MUI fatwas also exhibit moderation by accommodating local community needs without neglecting global standards in the financial industry. However, this moderation is often tested by the rapid developments in the global financial sector. Financial instruments such as sukuk (Islamic bonds) or Sharia derivatives illustrate DSN-MUI's efforts to modernize Sharia applications without compromising its principles. Here, moderation serves as a strategic middle ground between Sharia interests and market needs.

2) The Perspective of Justice in DSN-MUI Fatwas. Justice (*al-'adl*) is the essence of Islamic teachings and an essential element in all Sharia legal products, including DSN-MUI fatwas. The perspective of justice in these fatwas is evident in several aspects: a) Transparency in Agreements: DSN-MUI ensures fairness by requiring detailed disclosures of costs, profit margins, and payment mechanisms in *murabahah* contracts to prevent information asymmetry that could harm any party involved. b) Consumer Protection: In Sharia insurance (*ta'awun*), the management of *tabarru'* funds is designed to provide equitable benefits to participants while ensuring the sustainability of the company. c) Fairness in Profit Sharing: DSN-MUI emphasizes fair agreements in profit-sharing ratios between capital providers (*shahibul mal*) and managers (*mudharib*) in *mudharabah* contracts. Despite incorporating principles of justice, implementation often faces challenges on the ground, such as differing levels of understanding and commitment to these principles among Sharia

financial practitioners.

3) The Perspective of Balance in DSN-MUI Fatwas. Balance (*al-tawazun*) ensures harmony between aspects such as spirituality and materiality, individuals and society, and traditional values and modern needs. DSN-MUI implements this principle through: a) Traditional and Modern Sharia Principles: Fatwas on hybrid contracts (*multiakad*) enable the combination of two contracts in one transaction, such as *murabahah* and *wakalah* (agency), provided they comply with Sharia. b) Equity in Financial Transactions: Fatwas on Islamic banking ensure balance between the rights and obligations of customers and financial institutions, including risk management, transparency, and fair cost determination. c) Global and Local Integration: Fatwas like those on sukuk accommodate international regulations while maintaining Sharia principles. However, maintaining balance also faces challenges, such as the need for quick responses to market demands, which can conflict with the time required to formulate comprehensive fatwas.

4) Challenges in Integrating Moderation Values in DSN-MUI Fatwas. Despite the foundational role of moderation values in DSN-MUI fatwas, their implementation faces several challenges: a) Varying Interpretations: Differences in understanding of moderation concepts among scholars, industry players, and the public can lead to inconsistent implementation. b) Public Awareness: Limited understanding of DSN-MUI fatwas among the public often prevents optimal benefits. c) Global Standards Pressure: The need to align with global standards can sometimes conflict with local Sharia principles.

5) Opportunities to Strengthen Moderation in DSN-MUI Fatwas. Collaboration among DSN-MUI, the government, and the Islamic financial industry can ensure the application of moderate and inclusive fatwas. Educating the public on the importance of moderation values in Islamic financial products can enhance understanding and trust in the industry. Digital technology can be utilized to disseminate fatwas, monitor their implementation, and provide transparency to the public.

Conclusion

The study of 40 DSN-MUI fatwas demonstrates that the institution has successfully integrated the values of moderation into its fatwas, emphasizing the principles of justice, balance, and flexibility. These fatwas reflect DSN-MUI's efforts to avoid two extremes in *ijtihad*: excessive rigidity (*tafrithi*) and excessive permissiveness (*ifrat*), while allowing room for innovation in the development of Islamic financial products. Through a multi-contract approach and sensitivity to local contexts, DSN-MUI fatwas facilitate the development of a progressive Islamic economic system that is adaptive to the changing times, while remaining aligned with fundamental Sharia principles. This moderate approach plays a crucial role in creating fair and inclusive solutions for all parties involved in Sharia-based transactions in Indonesia. To enhance the implementation of moderation values in DSN-MUI fatwas, it is recommended that the institution continues to strengthen collaboration with relevant stakeholders, such as regulators, Islamic finance practitioners, and academics. This collaboration would ensure that the fatwas issued are not only responsive to economic needs but also relevant to the social and cultural developments of Indonesian society. Furthermore, greater efforts should be made to educate the broader community about the values of moderation in Islamic economics to foster a deeper understanding and acceptance of DSN-MUI fatwas. Finally, DSN-MUI is encouraged to continuously update its fatwa guidelines by considering technological advancements and globalization, ensuring that the Islamic economic system remains competitive and in step with the dynamics of the international financial landscape.

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