

***Mudharabah* Compliance Analysis in Construction Service Companies: A Qualitative Case Study of CV Wafifudin Jaya, West Bandung Regency**

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Received: 05-10-2024 Revised: 18-01-2025 Accepted: 08-03-2025 Published: 30-04-2025

Abstract: *Mudharabah* (profit-sharing partnership) is a foundational contract in Islamic commercial jurisprudence, yet empirical research examining its operationalisation in conventional Indonesian construction companies remains scarce. This study analyses the compliance of the profit-sharing arrangements practised by CV Wafifudin Jaya a construction and building-material service company in West Bandung Regency, West Java against the normative provisions of *mudharabah* in Islamic economics, with reference to DSN-MUI Fatwa No. 07/DSN-MUI/IV/2000. A qualitative single-case study design was employed, with primary data drawn from semi-structured interviews with the President Director, supplemented by document analysis and non-participant observation. Data were analysed using thematic analysis with a deductive framework derived from the rukn (pillars) and shurut (conditions) of *mudharabah*. The findings reveal that CV Wafifudin Jaya operates a flexible dual role *mudharabah* model: the company functions as *shahibul maal* (capital provider) in agricultural partnerships and as *mudharib* (fund manager) in construction sub-contracting arrangements. The scheme demonstrates substantive compliance with core *mudharabah* pillars contracting parties, capital provision, and profit-sharing but three compliance gaps are identified: the absence of written contracts, the lack of explicit loss-bearing clauses, and insufficient specification of business scope. The study contributes to the literature on *mudharabah* operationalisation in non-banking commercial enterprises and proposes a five-element reform pathway for achieving documented Sharia compliance.

Keywords: *Mudharabah*; Sharia Compliance; Construction Industry; Profit Sharing; Islamic Economics

Abstrak: *Mudharabah* (*kerjasama bagi hasil*) merupakan akad fundamental dalam fiqh muamalah Islam, namun penelitian empiris yang mengkaji operasionalisasinya pada perusahaan konstruksi konvensional di Indonesia masih langka. Penelitian ini menganalisis kesesuaian pelaksanaan bagi hasil di CV Wafifudin Jaya perusahaan jasa konstruksi dan bahan bangunan di Kabupaten Bandung Barat, Jawa Barat terhadap ketentuan normatif *mudharabah* dalam ekonomi syariah, dengan rujukan khusus pada Fatwa DSN-MUI No. 07/DSN-MUI/IV/2000. Desain studi kasus kualitatif digunakan dengan data primer dari wawancara semi-terstruktur dengan Direktur Utama, dilengkapi analisis dokumen dan observasi. Data dianalisis melalui analisis tematik dengan kerangka deduktif

yang diturunkan dari rukun dan syarat mudharabah. Temuan menunjukkan bahwa CV Wafifudin Jaya menerapkan model mudharabah peran ganda yang fleksibel: perusahaan berperan sebagai *shahibul maal* dalam kemitraan pertanian dan sebagai *mudharib* dalam pengaturan sub-kontrak konstruksi. Skema ini menunjukkan kepatuhan substantif terhadap pilar-pilar inti mudharabah, namun tiga celah kepatuhan teridentifikasi: ketiadaan kontrak tertulis, tidak adanya klausul penanggungian kerugian eksplisit, dan spesifikasi ruang lingkup usaha yang tidak memadai.

Kata Kunci: Mudharabah; Kepatuhan Syariah; Industri Konstruksi; Bagi Hasil; Ekonomi Islam.

Introduction

The Indonesian economy relies substantially on the construction sector, which contributes approximately 10% to national GDP and employs over 8 million workers (BPS, 2023). Within this sector, small and medium construction enterprises operating as *Commanditaire Vennootschap* (CV) or *Perseroan Terbatas* (PT) frequently engage in profit-sharing partnerships with capital providers, sub-contractors, and project owners. These partnerships bear structural resemblance to *mudharabah*, the classical Islamic profit-sharing contract in which one party (*shahibul maal*) provides capital, and another (*mudharib*) provides expertise and labour, with profits shared according to a pre-agreed ratio and financial losses borne by the capital provider (Antonio, 2001; Az-Zuhaili, 2007; Ascarya, 2015). As Indonesia's Islamic economic ecosystem matures and the Muslim population increasingly demands Sharia-aligned commercial practices, the question of whether these conventional profit-sharing arrangements comply with the substantive requirements of *mudharabah* becomes both empirically significant and practically urgent.

Despite the extensive literature on *mudharabah* in Islamic banking (Antonio, 2001; Karim, 2013; Wiros, 2005), empirical studies examining the operationalisation of *mudharabah* in non-banking commercial enterprises particularly construction companies remain remarkably scarce. The existing literature has concentrated on three domains: *mudharabah* deposit and financing products in Islamic banks (Nurhayati & Wasilah, 2014; Wiros, 2010), *mudharabah*-based microfinance in *Baitul Maal wat Tamwil* (BMT) institutions (Ilmi, 2002), and the theoretical jurisprudence of *mudharabah* contracts (Az-Zuhaili, 2007; Mubarak, 2013). What is largely absent is empirical evidence from the real-economy commercial sector construction, manufacturing, agriculture, trade where profit-sharing partnerships are practised daily but rarely evaluated against *fiqh muamalah* standards.

CV Wafifudin Jaya, a construction and building-material service company established in 2016 in West Bandung Regency, West Java, presents an instructive case for filling this gap. The company, directed by Bapak Ade Rohman, provides building construction, renovation, interior design, and infrastructure services (roads, bridges, drainage). During its operations, CV Wafifudin Jaya engages in profit-sharing arrangements with external partners sometimes as the capital provider,

sometimes as the fund manager creating a dual-role *mudharabah* configuration that has not been previously documented in academic literature. The company's partnerships with government agencies (Dinas PUPR), hospitals (RS Cicendo), and private firms (PT Satria Jingga Perkasa) involve substantial capital flows and project-based profit allocation, yet these arrangements operate without formal Sharia governance documentation.

Three gaps motivate the present study. First, the construction sector's profit-sharing practices have not been systematically assessed against *mudharabah* provisions, despite their structural similarity. Second, the dual-role configuration where the same company functions alternately as *shahibul maal* and *mudharib* depending on the project raises distinctive compliance questions that the single-role banking literature does not address. Third, the pathway from informal, oral-agreement-based *mudharabah* practice to documented, Sharia-compliant *mudharabah* governance has not been mapped for construction SMEs.

The objectives of this study are threefold: (1) to describe the *mudharabah* provisions established by Islamic jurisprudence and codified in DSN-MUI Fatwa No. 07/DSN-MUI/IV/2000; (2) to analyse the profit-sharing arrangements practised by CV Wafifudin Jaya and assess their compliance with these provisions; and (3) to propose concrete reforms that would bring the company's practices into documented Sharia compliance. The study contributes empirically by extending *mudharabah* compliance analysis from the banking sector to the construction industry, theoretically by examining the dual role *mudharabah configuration*, and practically by offering a reform pathway transferable to similar construction SMEs.

The significance of this research extends beyond the specific case of CV Wafifudin Jaya. Indonesia's construction sector comprises over 200,000 registered construction companies, the vast majority of which are small and medium enterprises owned by Muslims who routinely engage in profit-sharing partnerships (BPS, 2023). If, as this study suggests, many of these partnerships are substantively but not formally aligned with *mudharabah* principles, then the potential for large-scale formalisation driven by awareness, templates, and advisory support rather than operational restructuring represents a significant opportunity for expanding the reach of the Islamic economic ecosystem beyond its current concentration in banking and finance. The remainder of the article is organised as follows: Section 2 outlines the method; Section 3 presents the findings across the normative framework, company profile, dual-role model, and compliance assessment; Section 4 discusses implications; and Section 5 concludes.

Methods

Research Design

This study employs a qualitative single-case study design (Yin, 2018), appropriate for the in-depth, contextual examination of a contemporary commercial practice evaluated against an external normative framework. The case-study orientation captures both procedural detail and interpretive nuance that survey methods cannot access (Creswell & Poth, 2018; Sugiyono, 2017).

Research Site

The research was conducted at CV Wafifudin Jaya, located at Kp. Tenjonagara RT.002 RW.002, Desa Mekarjaya, Kecamatan Pacet, Kabupaten Bandung Barat, Jawa Barat, Indonesia (postal code 40385). The company was established on 24 October 2016 and provides construction, renovation, interior design, and infrastructure services. Its organizational structure comprises specialists in civil engineering, architecture, and construction management. The company maintains office facilities, a materials warehouse, a construction-equipment storage facility, a workshop, and worker amenities including changing rooms, a canteen, and rest areas. CV Wafifudin Jaya was selected as the research site because: (a) it actively practises profit-sharing partnerships in both capital-provider and fund-manager roles; (b) its partnerships involve substantial capital and multiple partner types; (c) the director expressed willingness to discuss the Sharia dimensions of these arrangements; and (d) the company granted full research access.

Informant and Sampling

The principal informant was Bapak Ade Rohman, President Director (Direktur Utama) of CV Wafifudin Jaya, selected purposively based on his authoritative knowledge of all partnership arrangements. As the founder and sole director, he possesses comprehensive knowledge of both the strategic rationale and operational mechanics of every profit-sharing partnership the company has entered. Supplementary information was obtained from company documents including partnership agreements, project records, and financial correspondence.

Data Collection

Data was collected through three complementary techniques between August and October 2024. First, semi-structured in-depth interviews were conducted with the President Director across three sessions totaling approximately four hours, covering the company's history, partnership structures, capital-flow mechanisms, profit-distribution practices, and awareness of Islamic commercial principles. All interviews were audio-recorded with consent and transcribed verbatim. Second, non-participant observation was conducted at the company office and one active project site to document the operational context. Third, document analysis was performed on company records including partnership agreements, project completion reports, and

financial settlement documents. Multiple data sources enabled methodological triangulation (Patton, 2015).

Data Analysis

Data were analysed using thematic analysis following Braun and Clarke (2006), within a deductive framework derived from the *ruk'n* (pillars) and *shurut* (conditions) of *mudharabah* as articulated by classical jurists (Az-Zuhaili, 2007) and codified in DSN-MUI Fatwa No. 07/DSN-MUI/IV/2000. Six deductive codes were applied: contracting parties (*aqid*), capital (*ra's al-maal*), business activity (*al-'amal*), profit (*al-rihb*), contract declaration (*sighat*), and loss-bearing provisions. Inductive codes capturing emergent themes dual-role flexibility, project-based temporality, informal trust mechanisms supplemented the deductive framework. Trustworthiness was ensured through source triangulation, member checking with the informant, and a preserved audit trail (Lincoln & Guba, 1985).

Results and Discussion

Normative Framework: *Mudharabah* Provisions in Islamic Jurisprudence

The synthesis of classical and contemporary *fiqh muamalah* sources identifies six core provisions that constitute the normative benchmark for *mudharabah* compliance assessment. First, the contracting parties: *mudharabah* requires two parties *shahibul maal* (capital provider) who contributes 100% of the financial capital, and *mudharib* (fund manager) who contributes expertise, labour, and management. Both parties must be of legal capacity and act with free consent (Az-Zuhaili, 2007; Antonio, 2001). Second, the capital: must be specified in amount, in legal tender, and delivered to the *mudharib*; it cannot be in the form of receivables or debt (Ascarya, 2015). Third, the business activity: the *mudharib* undertakes productive activity using the capital; in *mudharabah mutlaqah* (unrestricted), the *mudharib* has discretion over the type of activity; in *mudharabah muqayyadah* (restricted), the *shahibul maal* specifies the activity scope (Antonio, 2001). Fourth, profit-sharing: the *nisbah* (ratio) must be agreed on contract formation, expressed as a percentage of profit (not a fixed nominal amount), and known to both parties. Fifth, the contract declaration (*sighat*): *ijab* (offer) and *qabul* (acceptance) must be expressed clearly, either orally or in writing, with DSN-MUI Fatwa No. 07/2000 recommending written documentation for evidentiary purposes. Sixth, loss-bearing: financial losses fall exclusively on *shahibul maal* unless caused by the *mudharib*'s negligence or contractual violation; the *mudharib* loses only time, effort, and opportunity cost.

DSN-MUI Fatwa No. 07/DSN-MUI/IV/2000 on *Mudharabah* (*Qiradh*) Financing provides the most authoritative contemporary Indonesian codification of these principles. The fatwa establishes several specific provisions relevant to the present compliance assessment. Article 1 stipulates that *mudharabah* financing involves the provision of capital by the *shahibul maal* to the *mudharib* for a productive

commercial activity, with profits distributed according to a ratio agreed in the contract. Article 2 requires that the profit-sharing ratio be expressed as a proportion (percentage) of profit, not as a fixed nominal amount, a distinction that prevents the contract from collapsing into a disguised interest-bearing loan. Article 3 addresses loss-bearing: the *shahibul maal* bears all financial losses except those resulting from the *mudharib*'s wilful misconduct, negligence, or contractual violation. Article 4 permits *mudharabah* to be time-limited or project-limited, consistent with CV Wafifudin Jaya's project-based partnerships. Article 5 recommends though does not require that the contract be documented in writing and that the parties maintain transparent financial records. Together, these provisions constitute the regulatory benchmark against which CV Wafifudin Jaya's practices are evaluated.

The distinction between *mudharabah mutlaqah* and *mudharabah muqayyadah* is particularly relevant to the construction-sector context. In *mudharabah mutlaqah*, the *shahibul maal* grants the *mudharib* unrestricted discretion over the type, location, and manner of business activity a configuration appropriate when the *mudharib* possesses superior market knowledge and the *shahibul maal* trusts the *mudharib*'s judgment. In *mudharabah muqayyadah*, the *shahibul maal* restricts the *mudharib* activities to a specified scope for example, requiring that capital be used only for a particular construction project rather than for any business the *mudharib* chooses. The classification has implications for risk allocation: *muqayyadah* limits the *mudharib*'s discretion but also limits the *shahibul maal*'s risk to the specified activity; *mutlaqah* grants broader discretion but exposes the *shahibul maal* to wider risk. As discussed below, CV Wafifudin Jaya's practices occupy an ambiguous position between these two categories.

Profile of CV Wafifudin Jaya

CV Wafifudin Jaya is a construction and building-material service company established on 24 October 2016 in Pacet District, West Bandung Regency. Under the directorship of Bapak Ade Rohman, the company provides four categories of services: construction (offices, factories, hospitals), building renovation, interior design and build-out, and infrastructure works (roads, bridges, drainage channels). The company's vision is to become a leading construction firm producing high-quality, sustainable building works. Its mission emphasizes client-centered service, construction innovation, long-term partnership development, and environmental and occupational safety stewardship. The company has established partnerships with government agencies including the Dinas Pekerjaan Umum dan Penataan Ruang (PUPR), healthcare institutions (RS Cicendo), and private firms (PT Satria Jingga Perkasa), demonstrating operational credibility across public and private sectors.

The Dual-Role *Mudharabah* Model at CV Wafifudin Jaya

Interview data reveal that CV Wafifudin Jaya operates a distinctive dual role *mudharabah* model in which the company alternates between the *shahibul maal* and

mudharib positions depending on the nature of the partnership and the project requirements.

Role 1: CV Wafifudin Jaya as *shahibul maal*. In certain partnerships particularly in the agricultural sector CV Wafifudin Jaya provides capital to an external partner who manages the productive activity. The company contributes full financial investment, while the partner contributes land, labour, and agricultural expertise. Profits generated from the harvest are shared according to a ratio agreed at the outset of the partnership. This configuration follows the classical *mudharabah* template: one party provides capital, the other provides amal (productive effort), and returns are shared proportionally.

Role 2: CV Wafifudin Jaya as Mudharib. In construction sub-contracting arrangements, CV Wafifudin Jaya takes the mudharib role. When the company secures a construction project (vendor/tender) but requires additional capital to execute the work, it enters a partnership with an external capital provider. The capital provider (*shahibul maal*) contributes the financial resources needed to complete the project, while CV Wafifudin Jaya contributes its construction expertise, management capacity, and workforce. Upon project completion and payment receipt, profits are distributed according to the pre-agreed ratio. The *mudharabah* terminates at project completion it is project-based (per-pengerjaan) rather than ongoing.

This dual-role flexibility is a distinctive feature of CV Wafifudin Jaya's profit-sharing practice. Unlike banking *mudharabah* where the institution is permanently positioned as either *shahibul maal* (in financing) or mudharib (in deposit mobilisation) the construction company shifts roles based on the capital structure of each individual project. This adaptability reflects the project-based nature of the construction industry, where capital requirements vary substantially across contracts and where the same firm may have surplus capital for one project while requiring external financing for another.

Compliance Assessment Against *Mudharabah* Provisions

Table 1 presents the compliance assessment of CV Wafifudin Jaya's profit-sharing practices against the six core *mudharabah* provisions identified in the normative framework.

Table 1. *Mudharabah* Compliance Assessment CV Wafifudin Jaya

<i>Mudharabah</i> Element	Normative Requirement	CV Wafifudin Jaya Practice
1. Contracting parties	Two parties: <i>shahibul maal</i> and mudharib; legal capacity; free consent	Compliant two parties clearly identified in each partnership; both act voluntarily
2. Capital (ra's al-maal)	Specified amount; legal tender; delivered to mudharib	Compliant capital amount agreed and transferred in cash or bank transfer

3. Business activity (al-'amal)	Productive activity; scope specified (<i>muqayyadah</i>) or unrestricted (<i>mutlaqah</i>)	Partially compliant activity is clear (construction/agriculture) but scope not formally documented
4. Profit-sharing (nisbah)	Ratio agreed at contract formation; percentage-based; known to both parties	Compliant ratio agreed verbally before work commences
5. Contract declaration (<i>sighat</i>)	<i>Ijab</i> and <i>qabul</i> ; DSN-MUI recommends written form	Partially compliant oral agreement only; no written contract
6. Loss-bearing	Financial loss on <i>shahibul maal</i> ; <i>mudharib</i> loses effort only (unless negligent)	Non-compliant no explicit loss-bearing clause; implicit assumption only

Source: Author's analysis of interview, observation, and document data against fiqh muamalah provisions and DSN-MUI Fatwa No. 07/2000, 2024.

The compliance assessment reveals a mixed profile. On the positive side, CV Wafifudin Jaya satisfies the three most fundamental *mudharabah* requirements: the contracting parties are clearly identified, the capital is specified and delivered, and the profit-sharing ratio is agreed in advance. These three elements constitute the structural core of *mudharabah*, and their presence confirms that the company's partnerships are substantively not merely superficially aligned with the Islamic profit-sharing model.

However, three compliance gaps emerge. The first and most significant is the absence of written contracts. All partnership agreements at CV Wafifudin Jaya are conducted orally, relying on personal trust and community reputation rather than documented legal instruments. While oral *mudharabah* contracts are technically valid under classical fiqh the *sighat* can be expressed in any clear form the DSN-MUI Fatwa No. 07/2000 explicitly recommends written documentation for evidentiary and dispute-resolution purposes. The absence of written contracts creates *gharar* (uncertainty) regarding the precise terms of the agreement and leaves both parties vulnerable in the event of disagreement. From a legal standpoint, oral contracts also lack enforceability under Indonesian civil law, which requires written evidence for commercial disputes exceeding certain thresholds.

The second gap concerns the specification of business scope. While the general nature of the activity is understood by both parties (construction or agriculture), the specific scope including project parameters, timeline, quality standards, and permissible sub-contracting is not formally defined. In *mudharabah muqayyadah*, the *shahibul maal* specifies the business scope to limit risk exposure; in *mudharabah*

mutlaqah, the mudharib has broad discretion. CV Wafifudin Jaya's arrangements fall into an undefined middle ground: the activity is implicitly understood but not explicitly categorised as either *mutlaqah* or *muqayyadah*, creating ambiguity about the mudharib's authority and the *shahibul maal*'s expectations.

The third gap concerns loss-bearing provisions. The classical *mudharabah* principle holds that financial losses fall exclusively on *shahibul maal*, with the mudharib bearing only the loss of time and effort. At CV Wafifudin Jaya, no explicit loss-bearing clause is articulated in the partnership agreements. The informant indicated that loss allocation is handled informally on a case-by-case basis, with both parties typically absorbing losses proportionally rather than following the *shahibul maal*-bears-all principle. This informal arrangement may be equitable in practice but diverges from the *mudharabah* normative standard and could create disputes if a substantial loss occurs.

Discussion: The De Facto Compliance Configuration in Construction SMEs

The findings reveal a pattern consistent with what the broader Islamic economics literature has termed 'de facto Sharia compliance' a configuration in which commercial practices substantively align with Islamic principles but lack the formal documentation, governance structures, and institutional recognition that would convert compliance from implicit to certified (Iskandar et al., 2020). CV Wafifudin Jaya's profit-sharing partnerships embody the spirit of *mudharabah* capital and expertise combine for productive enterprise with pre-agreed profit distribution, but they do not satisfy the documentary standards recommended by DSN-MUI or required by Indonesian commercial law.

This de facto compliance configuration is likely widespread among Indonesian construction SMEs, most of which are owned by Muslims who intuitively apply Islamic commercial norms without formal reference to *fiqh muamalah* frameworks. The informant confirmed that his partnership practices are informed by general Islamic values honesty, mutual benefit, trust rather than by specific knowledge of *mudharabah* jurisprudence or DSN-MUI fatwa. This finding suggests that the barrier to formal compliance is not religious resistance but institutional awareness: the gap between Islamic commercial practice and Islamic commercial documentation reflects a knowledge deficit rather than a values deficit.

The dual role *mudharabah* model documented at CV Wafifudin Jaya also carries theoretical implications for the *mudharabah* literature. Classical *fiqh* and contemporary banking scholarship typically treat *shahibul maal* and mudharib as fixed roles assigned to distinct parties. The CV Wafifudin Jaya case demonstrates that in real-economy commercial practice, a single entity can occupy both roles across different partnerships providing capital in one project while managing capital in another. This role fluidity does not violate *mudharabah* principles, since each

individual partnership maintains the binary *shahibul maal*–*mudharib* structure. However, it does raise questions about aggregated risk exposure: when the same entity bears capital risk in one partnership and operational risk in another, the compound risk profile may require more sophisticated governance than simple single-role arrangements. Future theoretical work should explore the risk-management implications of dual-role *mudharabah* configurations.

The project-based temporality of CV Wafifudin Jaya's partnerships is another distinctive feature. Unlike banking *mudharabah* deposits, which typically run for defined calendar periods (1, 3, 6, or 12 months), the construction *mudharabah* terminates at project completion a variable endpoint determined by construction progress rather than calendar dates. This temporality aligns with the classical fiqh principle that *mudharabah* concludes when its purpose is fulfilled, but it creates practical challenges for profit accounting: the nisbah must be applied to a profit pool that is only determinable at project completion, and interim cash-flow needs may require advance distributions that must be reconciled against the final settlement. The absence of written contracts exacerbates these challenges, since oral agreements may not specify how interim distributions are handled or how cost overruns affect the profit pool.

Implications for Stakeholders

The findings carry implications for three stakeholder groups. For construction SME owners, the central message is that formalising existing *mudharabah* practices through written contracts and explicit terms does not require abandoning established business relationships or imposing alien bureaucratic processes. Rather, it involves documenting what already exists capital contributions, profit ratios, business scope in a form that provides legal protection, enhances partner confidence, and aligns with both Islamic jurisprudence and Indonesian commercial law. The five-element reform pathway proposed in this study is designed to be implementable with minimal cost and disruption.

For Islamic economic scholars and fiqh muamalah educators, the case demonstrates that *mudharabah* is not confined to banking institutions it is practised, albeit informally, across the real-economy commercial sector. This finding calls for expanded pedagogical attention to non-banking *mudharabah* applications, including the development of case-study teaching materials drawn from construction, agriculture, and trade sectors rather than exclusively from banking.

For policymakers and the DSN-MUI, the findings suggest an opportunity to develop simplified *mudharabah* contract templates specifically designed for SME use accessible, bilingual documents that translate complex fiqh requirements into practical, fillable forms. Such templates would lower the barrier to documented

compliance and accelerate the formalisation of what is already substantive Sharia practice across thousands of Indonesian commercial enterprises.

Proposed Five-Element Reform Pathway

Element 1: Written *Mudharabah* Contract Template. CV Wafifudin Jaya should adopt a standardised written contract template for all profit-sharing partnerships, specifying parties, capital amount, business scope, nisbah, duration, loss-bearing provisions, and termination conditions. The template should be bilingual (Bahasa Indonesia and Arabic contractual terms) and reviewed by a qualified Islamic commercial law practitioner.

Element 2: Explicit Loss-Bearing Clause. Each contract should include a clear statement that financial losses are borne by *shahibul maal* unless caused by the mudharib's negligence or contractual violation, consistent with the *mudharabah* normative standard and DSN-MUI Fatwa No. 07/2000.

Element 3: Business Scope Specification. Each contract should classify the arrangement as either *mudharabah mutlaqah* (unrestricted) or *mudharabah muqayyadah* (restricted) and specify the permissible scope of the mudharib's activities accordingly.

Element 4: Informal Sharia Advisory Function. The company should establish an advisory relationship with a local ustadz or Islamic scholar knowledgeable in fiqh muamalah to review partnership arrangements periodically and advise on compliance questions.

Element 5: Staff Awareness Programme. Key personnel involved in partnership negotiation should receive basic training on *mudharabah* principles, contract requirements, and the distinction between *mutlaqah* and *muqayyadah* arrangements, enabling them to structure future partnerships in documented compliance from inception.

Conclusion

This study assessed the compliance of profit-sharing arrangements at CV Wafifudin Jaya, a construction SME in West Bandung Regency, against the normative provisions of *mudharabah* in Islamic economics. Three principal findings emerge. First, CV Wafifudin Jaya operates a distinctive dual-role *mudharabah* model in which the company functions as *shahibul maal* in agricultural partnerships and as mudharib in construction sub-contracting a flexible configuration that reflects the project-based capital dynamics of the construction industry. Second, the company's practices demonstrate substantive compliance with the core *mudharabah* pillars contracting parties, capital provision, and profit-sharing ratio confirming that the partnerships are structurally aligned with the Islamic profit-sharing model. Third, three compliance gaps were identified: the absence of written contracts, the lack of explicit loss-bearing clauses, and insufficient specification of business scope gaps that are

institutional and documentary rather than operational, implying that reform requires formalisation rather than restructuring.

The study contributes to the Islamic economics literature in three ways. Theoretically, it extends *mudharabah* compliance analysis from banking to the construction sector, demonstrating that the analytical framework is applicable across commercial domains. Empirically, it documents the dual role *mudharabah* configuration a distinctive institutional form not previously described in the literature. Practically, it proposes a five-element reform pathway written contracts, loss-bearing clauses, scope specification, Sharia advisory, and staff training that provides a concrete, low-cost roadmap for construction SMEs to transition from de facto to documented compliance.

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