IMPLEMENTATION OF DSN-MUI FATWA NO. 123 OF 2018: OPTIMIZING THE MANAGEMENT OF FUNDS THAT SHOULD NOT BE RECOGNIZED AS INCOME IN SHARIA FINANCIAL INSTITUTIONS

Ahmad Rifai[1], Oyo Sunaryo Mukhlas[2]

[1] UIN Sunan Gunung Djati Bandung
[2] UIN Sunan Gunung Djati Bandung

E-mail: [1)] rifai395@gmail.com, [2)] oyosunaryo@uinsgd.ac.id

Abstract

This study aims to analyze the implementation of DSN-MUI Fatwa No. 123 of 2018 concerning the optimization of fund management that should not be recognized as income in Islamic financial institutions (LKS). This fatwa is an important instrument in maintaining sharia compliance and preventing the mixing of halal and non-halal funds in the operation of LKS. This study uses a qualitative approach with a case study method in several selected LKS. Data collection techniques were carried out through in-depth interviews, observations, and documentation studies. The results show that most of the LKS have separated and recorded non-revenue funds administratively, but systemic implementation still faces various challenges, such as limited human resources, technological infrastructure, and the absence of uniform technical reporting standards. However, there are optimization efforts through the formation of SOPs, collaboration with Islamic social institutions, and the integration of supervisory functions by DPS. This research shows that the implementation of fatwas not only demands formal compliance, but also requires a sustainable transformation of governance and social accountability. These findings are expected to contribute to strengthening regulations and improving the quality of Islamic financial practices in Indonesia.

Keywords: ***DSN-MUI Fatwa, Islamic Financial Institutions, Non-Revenue Funds, Sharia Compliance, Management Optimization.***

1. INTRODUCTION

In the last two decades, the development of Islamic financial institutions in Indonesia has progressed quite rapidly, both in terms of quantity and quality. This growth was driven by the increasing awareness of the Muslim community on the importance of financial transactions in accordance with sharia principles, as well as regulatory support from national financial authorities. However, along with this growth, challenges arise in terms of accountability, Sharia Compliance, and transparency in fund management, especially related to funds that under sharia law should not be recognized as the income of the Institution (Nugroho & Roziq, 2025).

In response to this issue, the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) issued Fatwa No. 123 of 2018 concerning Funds That Should Not Be Recognized as Income, which provides guidelines for Islamic financial institutions (LKS) in treating funds from sources that are not in accordance with sharia principles, such as funds from late payments (gharamah), funds from void or unauthorized transactions, and funds from activities that contain non-halal elements. This fatwa emphasizes that these funds cannot be recognized as institutional income, but must be separated and channeled for social interests (charity) or the public benefit (Ritonga et al., 2025).

The implementation of this fatwa is not only a benchmark for sharia compliance, but also requires technical and institutional readiness from LKS in designing an effective and productive accounting system, internal supervision, and fund distribution strategy. Not a few Islamic financial institutions are still experiencing ambiguity in understanding and implementing this fatwa, both in terms of fund classification, accounting recording, to distribution and reporting. This is where the urgency of this study becomes important, given that optimal management of non-revenue funds will increase public trust and strengthen the integrity of the national Islamic financial system (Latuconsina et al., 2025).

This research has novelty in several important aspects. First, this study not only examines the implementation of DSN-MUI Fatwa No. 123 of 2018 in terms of normative compliance, but also explores strategic mechanisms for optimizing non-halal fund management that have not been widely discussed in the previous literature. Second, this study highlights the institutional aspects and information systems of sharia accounting in supporting the implementation of fatwa in a sustainable manner, including integration between sharia compliance units and CSR units in fund distribution. Third, this study will provide a conceptual and practical model in the form of a non-revenue fund management framework that can be used as a reference for other LKS in formulating sharia-based internal policies and good governance (Santi & Putri, 2025).

With this approach, the research is expected to make a significant contribution in answering the challenges of fatwa implementation at the practical level, as well as providing a conceptual basis for the development of technical guidelines by sharia supervisory authorities. In addition, the results of this study are also expected to strengthen the position of Islamic financial institutions as institutions that are not only formally compliant with fatwas, but also able to optimize their social functions in realizing economic justice and blessings(Fadillah Mursid et al., 2023).

2. IMPLEMENTATION METHOD

This study uses a descriptive qualitative approach, which aims to deeply understand the implementation of DSN-MUI Fatwa No. 123 of 2018 concerning Funds That Should Not Be Recognized as Income in Islamic financial institutions, as well as explore optimization strategies in the management of these funds. This approach is considered relevant because it is able to capture the dynamics of internal policies, operational mechanisms, and sharia compliance practices that cannot be quantitatively measured. This research relies on two types of data sources, namely primary data and secondary data. Primary data was obtained through in-depth interviews with key informants such as the Sharia Supervisory Board (DPS), sharia compliance managers, finance and accounting division staff, and social fund managers (CSR or ZIS) at Islamic financial institutions that were the object of the research.

Meanwhile, secondary data was obtained from various relevant documents such as financial statements, internal policies, institutional SOPs related to the management of non-revenue funds, academic literature, scientific journals, and regulations issued by the OJK, BI, and DSN-MUI, especially Fatwa No. 123 of 2018.

The data collection technique was carried out through semi-structured interviews with open-ended questions in order to obtain exploratory and in-depth answers. In addition, a documentation study was also conducted to examine official documents of financial institutions related to non-halal fund policies and reporting. If possible, direct observation is carried out to see actual practices in recording and disbursing funds that cannot be recognized as income. All data obtained were then analyzed using a thematic analysis method, which consisted of three main stages, namely data reduction, data categorization based on main themes such as fatwa implementation mechanisms, obstacles, and optimization strategies, and data interpretation with reference to the theoretical framework of sharia compliance, social fund governance, and the principle of sharia financial transparency. This research was carried out on several Islamic financial institutions, both Islamic commercial banks and BPRS, which were selected purposively by considering several criteria, including having a non-halal fund management unit, having issued a report on the distribution of social funds, and having an active Sharia Supervisory Board and involved in supervision. To ensure the validity and validity of the data, triangulation techniques are used, both source triangulation and method triangulation, namely by comparing the results of interviews, documents, and observations. In addition, reconfirmation was carried out to the informant to ensure that the researcher's interpretation was in accordance with real conditions and that there were no distortions of meaning.

3. RESULTS AND DISCUSSION

Result

This research produced several main findings related to the implementation of DSN-MUI Fatwa No. 123 of 2018 on Islamic financial institutions (LKS), especially in the aspects of identification of non-revenue funds, recording and reporting mechanisms, distribution strategies, and challenges and initiatives to optimize their management.

Understanding and Attitude to DSN-MUI Fatwa No. 123 of 2018

Most of the informants from the Sharia Supervisory Board (DPS), compliance staff, and financial managers stated that they had known and understood the content of DSN-MUI Fatwa No. 123 of 2018, which was issued as a guide for Islamic financial institutions (LKS) to manage funds that cannot be recognized as income. This fatwa is seen as an important instrument in maintaining the operational integrity of the institution, especially related to the separation of funds that are not sourced from halal transactions or that are not in accordance with sharia provisions, such as late fines, funds from unauthorized transactions, and interest from conventional banks. In many large and established MFAs, these fatwas are considered the main operational guidelines that guide internal policies, and are taught and implemented through clear and systematic standard procedures. In these institutions, this fatwa has become part of an internal control system that is strengthened with internal audit and supervision from the competent DPS (Mujaddidi et al., 2024).

Nevertheless, the level of technical understanding related to the implementation of this fatwa shows significant variation among Islamic financial institutions, especially when comparing between large institutions and small or emerging institutions. In LKS which has a more mature sharia compliance structure and a strong supervision department, the implementation of this fatwa has permeated all operational activities of the institution, from recording transactions to distributing non-halal funds. In contrast, in smaller or newly developed institutions, despite the understanding of the existence of fatwas, its application in the form of structured policies and procedures is still limited. Many of them are still ad-hoc, with non-uniform implementation, depending on the understanding of the individual or department concerned (Muhammad et al., 2025).

In addition, there are differences in the institution's attitude towards the urgency of implementing fatwas. LKS that have been operating for a long time with a wider market share tend to be more proactive in following this fatwa because of the awareness of the importance of maintaining their sharia reputation in the eyes of customers and regulators. They see compliance with this fatwa as part of an effort to build credibility and increase market confidence. Meanwhile, newly developed or smaller LKS on an operational scale often face challenges in allocating sufficient resources for the overall implementation of fatwas. In some of these institutions, compliance with fatwas is more of a formality and has not been deeply integrated into their operational policies and procedures (Khoiriyah et al., 2025).

Overall, although the understanding of DSN-MUI Fatwa No. 123 of 2018 is quite broad among LKS managers, there is still a gap in optimal implementation. For this reason, further training for staff at various levels and technical capacity building of institutions are needed to ensure that this fatwa is implemented effectively and comprehensively, so that the main goal of separating non-halal funds from the income of Islamic financial institutions can be maximally achieved.

Identify Types of Funds That Should Not Be Recognized as Income

Funds that are categorized as not should be recognized as income in Islamic financial institutions (LKS) generally include several types of funds derived from transactions that do not meet sharia principles or are not valid according to Islamic law. Based on the results of the research, the types of funds that are often categorized as non-halal funds or funds that cannot be recognized as income include:

1. Gharamah Late Payment Penalty (Gharamah), which comes from customers financing murabahah, ijarah, or other types of financing, is a fund imposed as a sanction for late payment by customers. Although the amount of this fine is often specified in the contract, according to sharia principles, this late fine should not be considered as income as it relates to the taking of unauthorized profits, which is contrary to the principle of fairness in sharia transactions. Therefore, these funds must be segregated and not recorded in the income statement as operating income.
2. Funds Remaining Contracts or Cancelled Margins derived from cancelled or uncontinued transactions, such as remaining contracts or margins that cannot be fulfilled or cancelled, should also not be considered income. This includes situations where a contract (e.g. murabahah or ijarah financing) is not executed or canceled for

certain reasons, such as the customer's failure to meet requirements or other technical issues. These funds, even if they have been received or owed in transactions, cannot be recognized as income because they are not based on legitimate or valid transactions according to sharia principles.

3. Funds Unauthorized Transactions Funds that arise as a result of procedural or technical errors, such as system or administrative errors that result in overpayments or unauthorized transactions, also cannot be recognized as income. An example is a case where the banking system or financing application miscalculates the amount that must be paid by the customer, resulting in an overpayment that is not in accordance with the agreed contract. In this case, the funds must be returned to the customer or distributed in accordance with applicable sharia principles, not included in the institution's operating income.
4. Non-Halal Funds from Third Parties Funds that are sourced from transactions that are not in accordance with sharia principles, such as interest received from conventional banks or the results of conventional bank clearing, should also not be recognized as income. This is especially the case in situations where Islamic financial institutions do not yet have full access to Islamic banks and must make temporary funds placement in conventional banks. Interest proceeds received from such placements must be segregated and channeled for sharia-compliant purposes, such as social activities, and should not be included as institutional income.

In general, Islamic financial institutions have procedures in place to identify and separate funds that cannot be recognized as income in their financial statements. To ensure compliance with sharia principles, most LKS use a special account code labeled "Dana Amanah" or "Non-Halal Fund" in their accounting system. This approach allows for transparency in fund management and facilitates internal oversight to ensure that unauthorized funds are not mixed with halal operating income. The management of these funds also includes clear separation measures between funds that are temporary (e.g. trust funds) and funds that cannot be recognized as income according to sharia, thus preventing potential misuse or errors in financial statements (Regita, 2025).

However, although most MFIs have implemented this segregation of funds in their internal reports, there are still challenges in ensuring that they are not inadvertently included in operating income. Some institutions still face difficulties in managing complex record-keeping systems, especially in smaller or newly developed institutions. Therefore, there is a need for continuous training and the development of more sophisticated systems to minimize the potential for errors and ensure that the management of non-halal funds is carried out in full accordance with sharia principles.

Non-Revenue Fund Recording and Reporting Process

The process of recording funds that should not be recognized as income in Islamic financial institutions (LKS) is generally carried out in a short-term liability account or as a trust fund, rather than recorded in an operating income account. A clear separation between non-halal funds and halal revenue is an important step in maintaining the integrity of sharia and avoiding mixing between legitimate and illegitimate sources of revenue. Thus, funds such as late fines (gharamah), funds remaining for canceled contracts, or interest from conventional banks are recorded as obligations that must be distributed or returned in accordance with sharia provisions, not as income that can be used by the institution. However, these recording and reporting practices of non-revenue funds show significant variation between Islamic financial institutions, especially based on the size and operational maturity of each institution. In large and established institutions that already have a good internal supervision structure, the recording of non-halal funds is carried out systematically and transparently. These institutions generally already have an integrated information system that allows them to segregate and manage those funds accurately. In practice, this recording is often regularly reported to the Sharia Supervisory Board (DPS) to ensure compliance with the DSN-MUI fatwa, as well as to the Financial Services Authority (OJK) in the annual financial statements. Some institutions even explicitly list the amount and use of these non-halal funds in their annual reports, with the aim of demonstrating their commitment to transparency and accountability in the management of non-halal funds (M et al., 2025).

In addition, transparent and accurate reporting involves not only DPS and OJK, but also other stakeholders, such as customers and investors, who can assess the extent to which institutions carry out their operations in accordance with sharia principles. Some Islamic financial institutions even implement independent sharia audits that serve to ensure that all their transactions and financial records are in accordance with the provisions of fatwas and applicable sharia principles. This further strengthens public trust in institutions, especially in terms of honesty and accountability (Hendrik et al., 2025). However, on the other hand, in smaller LKS or those that do not have an established reporting system, the recording of non-income funds is still often done manually or incidentally. Some of these institutions do not have sophisticated information systems that can automatically separate and manage non-halal funds, so recording and reporting are often not well documented. This manual recording process increases the risk of errors in reporting and allows non-halal funds to be clearly separated from operating income. This also has an impact on transparency, as infrequent and poorly documented reporting can reduce the credibility of the institution in the eyes of supervisors and customers (A. Z. Putri et al., 2025).

In some cases, smaller institutions may rely on incidental reports that are prepared only when needed, in the absence of consistent reporting standards. This indicates that although they have made efforts to comply with sharia principles, major challenges still exist in terms of the management and reporting of non-income funds in a systematic and structured manner. Therefore, efforts are needed to strengthen the reporting and recording systems in these institutions through training, technical capacity building, and the introduction of more sophisticated information systems to improve efficiency and accuracy in the reporting of non-revenue funds. Overall, although large Islamic financial institutions have demonstrated high compliance with non-revenue fund reporting with good transparency, smaller MFIs still face challenges in the implementation of adequate reporting. Therefore, it is important to strengthen regulations, increase internal oversight, and provide support to small institutions so that they can manage non-halal funds more efficiently, and comply optimally with sharia principles.

Non-Revenue Fund Distribution Strategy

Most Islamic financial institutions (LKS) channel the non-revenue funds they receive to various social causes that are in line with sharia principles, which emphasize concern for community welfare and social balance. The distribution of non-income funds is generally carried out to support various humanitarian and social programs that benefit the wider community. Some of the areas that are often the main focus of this fund distribution include:

1. LKS's Natural Disaster Assistance Program often disburses non-revenue funds to help victims of natural disasters, such as earthquakes, floods, or other major accidents. The program focuses on providing emergency assistance, such as food, clothing, and medical care to disaster victims. The distribution of funds in this form is one of the tangible manifestations of the principle of helping in Islam, as well as a form of LKS' contribution to the people affected by disasters.
2. Compensation for Orphans and Poor People Many Islamic financial institutions also use non-revenue funds to provide compensation to orphans and the poor (poor). This assistance can be in the form of cash grants, education financing, or assistance in the form of other living needs. In the framework of sharia, the distribution of funds to help orphans and poor people is one of the practices that is highly recommended and is part of the social obligations of institutions in carrying out the function of sharia finance.
3. Development of Public Facilities Several LKS distribute non-revenue funds for the construction of public facilities that can be used by many people, such as mosques, toilets (baths, washes), and other places of worship. The construction of these public facilities not only provides direct benefits to the community, but also supports the purpose of sharia to create public benefits (mashlahah) in social life.
4. Educational Aid and Scholarships Non-income funds are also often used to support education, either through the provision of scholarships to underprivileged outstanding students, or through funding for the construction of educational facilities such as schools and colleges. LKS plays an active role in helping to create more equitable educational opportunities, in accordance with the principles of justice and equity taught in sharia.

The distribution of non-income funds is carried out through two main ways that are often found in LKS:

1. Distributed Directly by the CSR Division or Internal Social Unit Large LKS usually has a corporate social responsibility (CSR) division or internal social unit that is specifically responsible for managing and distributing non-revenue funds. This unit works to ensure that the funds are used appropriately and in accordance with the goals that have been set. The distribution of funds is carried out based on social needs that have been prioritized by the institution, with strict supervision so that there is no misuse.
2. Cooperation with Amil Zakat Institutions (LAZ), Foundations, or Partners of Islamic Social Institutions In addition to being distributed directly through internal units, many LKS also collaborate with amil zakat institutions (LAZ), foundations, or other Islamic social organizations in distributing non-income funds. This collaboration

allows LKS to reach more parties in need, as well as improve the efficiency of fund distribution. LAZ and these foundations usually have larger networks and resources to distribute aid to communities in need in a more structured and targeted manner.

The process of disbursing these funds also varies among Islamic financial institutions. Some MFIs have a scheduled and programmed distribution system on an annual basis, where they set annual social programs and distribute funds at a predetermined time. This scheduled approach allows institutions to better plan the distribution of funds and ensure that they are used optimally for agreed social goals. However, not a few LKS still distribute non-income funds incidentally, based on incoming requests or proposals from various parties. This incidental distribution is usually carried out when there is an urgent need or proposal from the community or social organization that needs help. While this allows for flexibility in the distribution of funds, it can sometimes reduce the effectiveness and efficiency in the use of the funds due to a lack of careful planning (Ayu & Putri, 2025).

In general, transparency and accountability in the distribution of non-revenue funds are a major concern for many MFIs. Some major institutions have developed transparent reporting mechanisms, including listing the amount of funds disbursed and the programs funded in their annual reports. This provides clear information for the public and related parties regarding the use of these funds, and strengthens public trust in LKS' commitment to carrying out sharia principles and their social responsibility. Although many MFIs have implemented sound disbursement strategies, challenges in the distribution of non-revenue funds remain, especially for smaller institutions or those with limited resources. Therefore, it is important for all Islamic financial institutions to continue to improve the distribution system and ensure that these funds that are not recognized as income are disbursed in the most beneficial way and in accordance with applicable sharia principles (Anwar et al., 2025).

Challenges in Fatwa Implementation

The implementation of DSN-MUI Fatwa No. 123 of 2018 faces various challenges that need to be overcome by Islamic financial institutions (LKS) to ensure that the management of non-income funds is carried out in accordance with sharia principles. Based on this research, some of the main challenges identified in the implementation of this fatwa are as follows:

1. Absence of Standard Technical Reporting Standards from the Supervisory Authority (OJK/DSN) One of the main challenges faced by LKS in the implementation of this fatwa is the absence of standard technical reporting standards from supervisory authorities, both from the OJK and DSN-MUI. In the absence of clear and uniform guidelines, each LKS is required to develop their own reporting format in accordance with existing internal policies. This has the potential to lead to inconsistencies in the reporting of non-revenue funds across agencies, hindering effective oversight efforts and reducing the level of transparency. Each LKS can have a different interpretation in classifying and reporting non-income funds, which in turn adds complexity in monitoring compliance with the fatwa. The existence of clear technical reporting standards from supervisory authorities can facilitate the implementation of this fatwa at all levels of Islamic financial institutions (Assyifa et al., 2025).

2. Lack of Technical Understanding at the Operational Level, Especially in Small Branches, Another significant challenge is the lack of technical understanding regarding the implementation of the DSN-MUI Fatwa at the operational level, especially in small branches of LKS. Although leadership and management at headquarters generally understand the principles of fatwas, often in smaller branches, understanding of these is still limited. This could be due to a lack of adequate training for staff in these branches, resulting in inconsistent implementation of fatwas. A lack of in-depth understanding of the technical procedures for separating non-halal funds from daily transactions or inappropriate reporting can affect the accuracy of the management of such funds, which risks violations of sharia principles.
3. Limitations of IT Systems to Automatically Separate Non-Halal Funds. Many MFIs, especially smaller or newly developed, face challenges in terms of information technology (IT) system limitations. Most institutions do not yet have an IT system that is able to automatically separate non-halal funds from daily transactions in their financial system. Without an integrated and automated system, the management of non-income funds is often done manually, which increases the risk of recording errors and mixing non-sharia funds with halal income. Even if IT systems are in place, full integration and automation in separating non-halal funds may require a large investment in software and training, which is a challenge for institutions with limited budgets.
4. There is no routine sharia audit that specifically reviews the management of non-income funds. Although some LKS already have strong sharia supervision structures, routine and specific sharia audits examining the management of non-income funds have not been implemented consistently in many institutions. A more in-depth sharia audit is needed to ensure that non-halal funds are managed in accordance with the DSN-MUI fatwa and do not interfere with legitimate funds. Without a sharia audit that specifically assesses the management of these funds, there is a potential for errors in the reporting and use of funds that risk harming institutions and reducing public trust. Therefore, a sharia audit that is more focused on non-income funds should be part of a stricter internal policy in each MFI.
5. Potential Reputational Risk If Non-Halal Funds Are Not Managed and Distributed Transparently. One of the biggest challenges in the implementation of this fatwa is the potential reputational risk that can arise if non-halal funds are not managed and channeled with high transparency. Non-halal funds, if not handled carefully, can lead to negative perceptions of Islamic financial institutions, both from the public and from regulators. Unclear publications or reports regarding the management of these funds can reduce the level of trust of customers and other stakeholders in the institution. In addition, the potential for uncertainty regarding the use of non-halal funds could open up loopholes for practices that are not in accordance with sharia principles, ultimately damaging the institution's reputation. Therefore, it is important for LKS to ensure that non-halal funds are managed transparently and distributed in

accordance with the social goals that have been set, so as not to cause doubts among the public.

Overall, the challenges faced in the implementation of the DSN-MUI Fatwa No. 123 of 2018 require serious attention from all Islamic financial institutions. Joint efforts are needed to improve understanding, strengthen the reporting system, and ensure the use of appropriate technology so that the management of non-income funds can be carried out efficiently and in accordance with sharia principles. In addition, stronger internal oversight and regular and specialized sharia audits can help institutions in overcoming these challenges (Afiffah, 2025).

Fund Management Optimization Initiative

Several Islamic financial institutions (LKS) have implemented various initiatives and innovations in order to optimize the management of funds that should not be recognized as income, to ensure compliance with the DSN-MUI Fatwa No. 123 of 2018 and sharia principles in general. These initiatives aim not only to address the challenges at hand, but also to improve efficiency and transparency in the management of such funds. Some of the main initiatives carried out by LKS are as follows:

1. Development of Special SOPs on the Management of Non-Revenue Funds

   Several LKS have designed and developed Standard Operating Procedures (SOPs) that specifically regulate the management of non-income funds. This SOP covers various aspects, ranging from identifying non-revenue sources of funds, recording and reporting, to distributing them in accordance with sharia principles. With this SOP, every institution can ensure that the management of non-revenue funds is carried out consistently and structured, as well as facilitate internal supervision in detecting potential irregularities. This SOP is also a clear guideline for all units involved in the management of the fund, both at the central and branch levels.
2. Internal Reporting System Integration with DPS Dashboard for Real-Time Monitoring

   To strengthen oversight and increase transparency, several LKS have integrated their internal financial reporting systems with dashboards that can be accessed in real-time by Sharia Supervisory Boards (DPS). With this system, DPS can directly monitor the reporting of non-revenue funds and evaluations related to their distribution. This technology-based reporting system not only speeds up the reporting process, but also minimizes the possibility of errors or irregularities, as well as ensuring that every step of fund management is in accordance with sharia principles. In addition, with real-time monitoring, DPS can provide a faster response if there are indications of irregularities in the management of non-income funds.
3. Data-Based Social Needs Mapping for Targeted Distribution of Funds

   Some LKS have also conducted data-based social needs mapping to ensure that the distribution of non-income funds is carried out on target. This data-driven approach requires LKS to identify and analyze areas or groups that need social assistance, as well as ensure that the funds distributed provide optimal benefits in accordance with the principles of maqashid sharia, which is to maintain the welfare of the people. The use of technology and data analysis allows institutions to make more informed decisions in determining the priorities of fund disbursement, as well as ensuring that the funds disbursed are not only on target but also have a positive impact on communities in need.

4. Internal Training for Accounting and Finance Staff related to the Technical and Procedural Implementation of Fatwa

   To ensure a better understanding of the implementation of DSN-MUI Fatwa No. 123 of 2018, several LKS have held internal training focused on strengthening technical and procedural knowledge regarding the management of non-revenue funds. This training is given to accounting, finance, and other related staff so that they can better understand the principles of fatwa and procedures that must be followed in the management of non-revenue funds. With this training, staff involved in the management of non-income funds will be better prepared to implement fatwas appropriately, and can reduce the risk of errors in recording and reporting funds that are not in accordance with sharia principles.

Overall, the various initiatives and innovations carried out by LKS are an important step to improve the quality of non-revenue fund management, as well as ensure that all processes involving these funds are in accordance with sharia principles. Through the development of clear SOPs, the application of technology in reporting and supervision, data-driven social needs mapping, and ongoing internal training, LKS can be more optimal in carrying out their obligations in managing non-revenue funds, while maintaining public trust in the integrity of Islamic financial institutions.

Discussion

The results of the study show that although the DSN-MUI Fatwa No. 123 of 2018 has been well received by Islamic financial institutions (LKS), its implementation still faces a number of obstacles that hinder the optimization of its implementation. Although most LKS understand the importance of this fatwa in maintaining sharia principles, in reality, sharia compliance is not only sufficient at the normative level, but also requires a mature structural and systemic readiness of institutions to implement these principles consistently and comprehensively. One of the main challenges faced is weaknesses in the recording and reporting systems that cause a gap between established sharia policies and operational practices on the ground. The reporting system that still relies on manual methods and the lack of technology integration in the recording of non-revenue funds shows that there are limitations in the capacity of institutions, both in terms of information technology and human resources. Human resources, especially those involved in operations in small branches, often lack adequate technical understanding of the implementation of fatwas, thus affecting the quality of implementation of sharia policies at the field level. This shows that to achieve more optimal implementation, LKS needs to strengthen technical capacity, both through more intensive training for operational staff and by investing in information systems that can support more transparent and efficient recording and reporting (Mikraj & Ulya, 2025).

The presence of DSN-MUI Fatwa No. 123 of 2018 is an important milestone in efforts to separate non-sharia funds from the institution's profit potential, thereby maintaining revenue blessings and increasing public trust in Islamic financial institutions. The segregation of non-revenue funds not only serves as a measure to ensure compliance with sharia principles, but also as an effort to maintain the integrity of the institution in carrying out its business activities. In this context, the optimization of the management of funds that should not be recognized as income must be seen not only in terms of accounting separation, but also in how the funds are managed and distributed effectively, transparently, and in accordance with the principles of maqashid sharia, which emphasizes the achievement of social goals, justice, and the welfare of the people. In practice, this means that LKS needs to ensure that non-revenue funds are not only segregated administratively, but also used for purposes that provide maximum benefit to the community, such as the distribution of social assistance, education, and the development of necessary infrastructure. Effective management also involves the use of appropriate technology to monitor and report the use of funds with high transparency, so that the public can clearly see how the funds are being channeled and have a positive impact. Thus, the implementation of this fatwa will not only maintain the blessings and benefits of the institution, but also support the great goal of sharia in realizing a more just and prosperous society (Maghfur, 2025).

Strategies such as integration between the finance, compliance, and CSR divisions, as well as cooperation with external social institutions, are very potential steps to ensure that non-halal funds can provide optimal benefits for the people. This integration allows for better coordination between internal units within Islamic financial institutions (LKS), ensuring that any decisions related to non-revenue funds can be taken taking into account sharia principles, social benefits, and transparent governance. By involving the finance, compliance, and CSR divisions in the process of managing and disbursing funds, LKS can ensure that the funds are not only segregated accounting, but also channeled to programs that have a positive impact on society, such as social assistance, education, and infrastructure. Cooperation with external social institutions, such as amil zakat institutions or Islamic social foundations, is also important to expand the reach of fund distribution, ensure that aid reaches those who really need it, and that the programs run effectively and efficiently (D. A. Putri & Mawardi, 2025).

In addition, more detailed and clear technical guidelines are needed from supervisory authorities such as the OJK or the central DPS so that each LKS has standard standards in reporting and distributing non-halal funds. These guidelines will provide more structured guidance and ensure uniformity in the implementation of fatwas, reducing potential for confusion or irregularities in fund management. Without clear guidelines, each institution may develop different internal policies, which can lead to inconsistencies and ineffectiveness in the implementation of the fatwa. With more detailed technical guidelines, the implementation of DSN-MUI fatwa No. 123 of 2018 will not only become a symbol of sharia compliance, but will also become an integral part of sharia risk management and sustainable governance. This will ensure that LKS not only focuses on the normative compliance aspect, but also on the application of sharia principles in their operations, while maintaining the integrity, blessings, and public trust in the institution (Muharni et al., 2025)

4. CONCLUSION

This study concludes that the implementation of DSN-MUI Fatwa No. 123 of 2018 in Islamic financial institutions has been carried out with varying levels of compliance, depending on institutional capacity, internal systems, and the role of the Sharia Supervisory Board (DPS) in each LKS. Most LKS have been able to identify and separate funds that should not be recognized as income, such as late payment funds, funds remaining for canceled contracts, and non-halal funds from third parties, into separate accounts that are not recorded in the income statement. However, the implementation of the fund recording and reporting system is still not uniform and faces various obstacles, such as a lack of technical standards, limited human resources, and inadequate information system infrastructure. On the other hand, some LKS have shown positive initiatives in optimizing the management of these funds through programmatic distribution and collaboration with Islamic social institutions, as well as strengthening accountability through SOPs and integration of internal supervision systems. However, challenges in the form of a lack of standard guidelines from the authorities, potential reputational risks, and the absence of a sharia audit that focuses on this aspect are still significant obstacles in achieving truly optimal and transparent management. Thus, this fatwa not only demands normative compliance, but also encourages institutional transformation in aspects of governance, transparency, and social responsibility. Optimal implementation requires synergy between regulations, human resource capacity, information technology, and LKS' commitment to internalize the values of sharia maqashid in every non-halal fund management activity.

REFERENCES

Afiffah, R. (2025). Efisiensi Multi akad Murabahah dan Rahn Pada Produk Mulia Syariah Ultimate di Pegadaian Syariah (Studi Kasus). Ats-Tsarwah, 5(1), 12–19.

Anwar, K., Arifin, T., & Jubaedah, D. (2025). Fatwa DSN-MUI Tentang Dropship Menurut Perspektif Sosiologi Antropologi. Jurnal Kajian Islam Dan Sosial Keagamaan, 2(3), 448–455.

Assyifa, Z., Mairiza, D., Delia, D. A., Pahlawan, U., & Tambusai, T. (2025). Edukasi Penerapan Manajemen Keuangan Keluarga Syariah Untuk Mengelola Pengeluaran Dan Meningkatkan Tabungan Keluarga Pada Komunitas Ikatan Keluarga XIII Koto Kampar Sadayoung. Journal of Community Sustainability (JOCS, 2, 41–55.

Ayu, B., & Putri, S. (2025). TOKOPEDIA SYARIAH DAN PERLINDUNGAN KONSUMEN MUSLIM : PERSPEKTIF HUKUM EKONOMI SYARIAH. Jurnal Multidisiplin Ilmu Akademik, 2(2), 186–193.

Fadillah mursid, Oyo Sunaryo Mukhlas, Isnayati Nur, & Atang Abdul Hakim. (2023). Perkembangan Akad Mudharabah Dalam Fiqh Ke Dalam Fatwa Dewan Syariah Nasional Majelis Ulama Indonesia (Dsn-Mui). El-Iqthisadi Jurnal Hukum Ekonomi Syariah Fakultas Syariah dan Hukum, 5, 61–75. https://doi.org/10.24252/el-iqthisady.vi.38352

Hendrik, J., Marasi, S., Rosfader, L. T., Audina, Z. P., Waillisa, R., & Alfiansyah, A. M. (2025). Implementasi Pegadaian Syariah Sebagai Lembaga Keuangan Syariah dalam Kajian Hukum. J-CEKI : Jurnal Cendekia Ilmiah, 4(2), 1925–1936.

Khoiriyah, S., Ujung, K., & Zainarti, Z. (2025). Analisis Peran Dewan Pengawas Syariah (

DPS) dalam Mengawasi Perusahaan Asuransi Syariah. Jurnal Penelitian Ilmu Ekonomi dan Keuangan Syariah, 3(1).

Latuconsina, S. B., Muti, A., & Rochim, A. (2025). TINJAUAN FATWA DSN-MUI NO . 108 / DSN-MUI / X / 2016 TENTANG PARIWISATA BERDASARKAN PRINSIP SYARIAH (STUDI KASUS SOFYAN HOTEL CUT MEUTIA MENTENG , JAKARTA). Jurnal Keuangan dan Manajemen Terapan, 6(1), 284–293.

M, A. N. R., Julia, E., Dwi, U., & Aulia, L. (2025). Implementasi Fatwa DSN-MUI dalam Transaksi Digital : Studi pada Marketplace Syariah di Indonesia. Jurnal Kajian Islam Dan Sosial Keagamaan, 2(3), 422–428.

Maghfur, A. (2025). Pola fatwa dewan syariah nasional terhadap produk lembaga keuangan syariah. Al-Muzdahir, 07(01).

Mikraj, A. L., & Ulya, S. A. Al. (2025). Implementasi Hukum Ekonomi Syariah dalam Sistem Perbankan Syariah di Indonesia : Analisis Regulasi dan Etika. Al Mikraj, 5(2), 1211–1221.

Muhammad, N., Fatah, A., Munir, M., & Rahmania, S. (2025). Pengaruh Konsistensi Penerapan Prinsip Syariah Terhadap Tingkat Kepercayaan Nasabah Di Baitul Maal Wat Tamwil Nuansa Umat (BMT NU) Cabang Bungatan Kabupaten Situbondo. KASBANA : Jurnal Hukum Ekonomi Syariah, 5(1), 146–162.

Muharni, Y., Jubaedah, D., Setiawan, I., & Suherli, I. R. (2025). Dinamika Akad Tunggal dan Akad Multi-Kontrak pada Lembaga Keuangan Syariah Bank. Eco-Iqtishodi, 6(2), 185–194.

Mujaddidi, M. Q., Handoko, L. H., & Almaududi, M. I. (2024). Studi Literatur Implementasi Fatwa DSN-MUI No . 02 Tentang Tabungan Wadi ' ah : Pendekatan PRISMA Framework. Jurnal Hukum Ekonomi Syariah, 7(2), 157–172.

Nugroho, A. P., & Roziq, M. K. (2025). Peran Dewan Pengawas Syariah Dalam Optimalisasi Produk BPRS Sarana Prima Mandiri Pamekasan. EKOMA : Jurnal Ekonomi, Manajemen, Akuntans, 4(2), 3570–3577.

Putri, A. Z., Pramudya, D. I., & Asiyah, B. N. (2025). Peran Dewan Pengawas Syariah dalam Menjamin Kualitas Produk pada Bank Syariah Indonesia (BSI). Jurnal Manajemen dan Bisnis Ekonomi, 3(1), 264–276.

Putri, D. A., & Mawardi, I. (2025). Implementasi Pembiayaan Murabahah KSPPS Rejeki Datang Rungkut Surabaya Bagi Tenaga Pendidik Perspektif Ekonomi Syariah. Jurnal Ilmiah erbankan Syariah, 5(1), 377–390.

Regita, R. (2025). Problematika Pengawasan Kesyariahan Peer-to-Peer Fintech Syariah : Analisis POJK Nomor 10 / POJK . 05 / 2022 dan Peran DSN. Al-Muamalat: Jurnal Ilmu Hukum & Ekonomi Syariah, 10(1), 130–145.

Ritonga, J. S., Devi, S. R., Siregar, I., Jewina, H., Maulana, D. A., Yuningsih, A., Fahmi, F., Syariah, P., & Syariah, K. (2025). Implementasi Fatwa Dsn-Mui Dalam Produk Perbankan Syariah: Antara Kepatuhan Dan Tantangan. Jurnal Pendidikan Bahasa Motivasi Harapan, 05(1).

Santi, M., & Putri, R. R. (2025). Peran Dan Otoritas Dewan Pengawas Syariah Dalam Mengawasi Aktivitas Transaksi Pada Lembaga Keuangan Syariah Di Indonesia. JSE: Jurnal Sharia Economica, 4, 1–18.

.