International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Of Micro Sharia People's Business Credit (KUR) Financing Products At Bank Syariah Indonesia Sub-Branch Office Bulukumba Samratulangi

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Abstract

This research aims to find out more deeply about Sharia Micro KUR Financing Products and find out how BSI KCP Bulukumba minimizes the risks faced.The methodology used in this research is descriptive qualitative, utilizing interviews, observation, and documentation to gather information from BSI employees. The results showed that KUR Mikro Syariah has played an important role in facilitating access to financing for micro enterprises, thus contributing to their growth and sustainability. However, challenges such debtor default have been identified as significant obstacles. To mitigate these risks, BSI has implemented risk management strategies that are compliant with sharia principles, including regular monitoring. The study reached the conclusion that while KUR Mikro Syariah has the potential to boost Bulukumba's economy, continuous improvements in supervision and support mechanisms are important to maximize the impact it can have on the local economy.

Keywords: KUR, Financing,Risk

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INTRODUCTION

Islamic banks are financial institutions that act as a conduit for people or companies that have excess funds and do not have funds for other commercial and sharia activities. According to its growth, BSI is a financial entity whose finances strongly support the development of micro- entrepreneurs. The majority of Indonesia's population are MSME players, MSMEs contribute significantly to the country's economic development and increase employment opportunities. Indonesia in 1998 was hit by an economic crisis, the number of MSME players was seen to increase. The emergence of Sharia/Syariah Banking as an answer to the fears and concerns of the Muslim community in Indonesia towards secular life financing, which is implemented through the launch of a micro business financial product called BSI KUR Mikro Syariah which is tailored to the desires of additional capital or investment purposes.

Kredit Usaha Rakyat (KUR) is a loan of initial funds and/or deposits to an organization, such as an individual, business unit, or group of companies, which is active and profitable but does not have additional capital or sufficient additional capital. One of the branch offices that runs this KUR Mikro Syariah program is the Bulukumba Samratulangi Sub-Branch Office (KCP), South Sulawesi. BSI Bulukumba Branch Office is located in an area with unique economic characteristics, especially in terms of micro and small businesses. Bulukumba, located in South Sulawesi, has a lot of potential in fisheries, agriculture, and crafts. One of the areas in South Sulawesi where the majority of the population relies on the micro and small economic sector as a source of income. KUR Mikro Syariah has the potential to drive local economic growth, which can increase the income and welfare of local communities by providing financial access to micro and small businesses.

Islamic financing is defined as the provision of money or bills based on agreements or contracts between banks and other parties according to Law No. 10 of 1998. The financed party must immediately return the money or provide part of the profit as compensation. Financial institutions such as sahib need trust to fulfill their promises Islamic financing is financing that is based on the principles of Islamic sharia. Sharia financing can be carried out using a sharia contract decided by the National Sharia Council of the Indonesian Ulema Council (DSN MUI) or a Sharia Conformity Statement issued by the DSN MUI.

One of the branch offices that runs this KUR Mikro Syariah program is the Sub-Branch Office (KCP) Bulukumba Samratulangi, South Sulawesi. BSI Bulukumba

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Branch Office is in an area with this can cause them not to be too interested in applying, and the second thing to know in the implementation of Islamic Micro KUR financing products at Bank BSI Sub-Branch Office (KCP) Bulukumba Samratulangi is risk management. From a bank's perspective, risk is the possibility of unfavorable circumstances that will negatively affect the bank's income and capital lthough risk cannot be avoided, it can be regulated and controlled. Due to the nature of its business, Islamic banking must participate in managing the companies it provides financing to minimize risk, so it is considered to have an advantage in risk management. Therefore, Islamic banks also require a number of procedures and methodologies, just like any other banking institution. These procedures include those intended to identify, measure, monitor, and control risks arising from business activities, known as risk management. At BSI KCP Bulukumba Samratulangi To provide KUR financing to prospective debtors, an assessment of prospective debtors, periodic monitoring, procurement of collateral, and validation of prospective debtor information are first carried out. But unfortunately, when financing is provided, there are still some customers who fail to utilize it properly and optimally, and this happens every year, so they are considered a risk to the Bank. In addition, in KUR financing, there are still customers who do not prioritize their obligations to pay installments every month or are in arrears, and are substandard, so it is necessary to carry out risk management through Rescheduling, Reconditioning, and Restructuring to reduce bank losses.

Mr. Irfandi as MBR at BSI KCP Bulukumba Samratulangi, said that one of the causes of risk in Sharia Micro KUR financing products is the human factor itself, such as divorce. According to him, personal problems like this can have an impact on his business because he thinks of himself and does not care about the business they have done with their partner. In addition, families who are more than one month late in paying KUR can also cause delays in repaying KUR financing.

From the above factors, BSI KCP Bulukumba Samratulangi needs to establish risk management in order to suppress or prevent problematic financing, so that the bank does not experience losses, the risk management system must be managed efficiently in order to determine the factors that hinder the system, then evaluate by setting policies according to the problems faced. It is expected that this process will result in greater added value as it considers more potential gains than potential losses. As a result, it is very important to know how Bank BSI Bulukumba Samratulangi Sub-Branch Office (KCP) implements risk management in sharia KUR

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Micro financing products. In addition, this research will look at how Bank BSI Sub-BranchOffice (KCP) Bulukumba Samratulangi mitigates risks and reduces losses associated with Islamic KUR Micro financing. and this research also aims to increase understanding of the application of Islamic KUR Micro financing products at BSI Sub-Branch Office (KCP) Bulukumba Samratulangi. This research is expected to assist BSI Bank in increasing the effectiveness of the use of KUR Mikro syariah products, giving business owners more access to Islamic financing, and helping the economic growth and welfare of the people of Bulukumba.

Based on the above background, the researcher formulated the problem, among others:

1. How is the application of KUR Micro Syariah financing products at Bank Syariah Indonesia Sub-Branch Office (KCP) Bulukumba Samratulangi?
2. How does Bank Syariah Indonesia Sub-Branch Office minimize the risks that occur in Sharia Micro KUR Financing Products?

Reviewing the formulations previously compiled, the objectives of this study are:

1. To find out more deeply about the KUR Mikro Syariah Financing Products available at Bank Syariah Indonesia KCP Bulukumba Samratulangi
2. To find out how Bank Syariah Indonesia KCP Bulukumba Samratulangi prevents orminimizes the risks that occur.

One of the benefits of this research is as follows:

a. Academic: It is hoped that this research will increase the knowledge of readers, especiallystudents whose majors are related to this research, and benefit many parties.

b. Practitioners: It is hoped that this research will provide input and suggestions for practitioners and academics in further research so that it can be a reference or comparison with future studies.

LITERATURE REVIEW

Previous Research

Nurhaliza, Ahmad Sanusi Lukman, and Sri Wahyuni Hasibuan (2022) have previously conducted research with the aim of understanding the requirements of customers who wish to receiveSharia Micro People's Business Credit financing products at PT. BSI KCP Binjai Sudirman and how the implementation of Sharia Micro KUR products is implemented. The results of this study indicate that the requirements for the Murabahah contract in the financing begin with fulfilling the conditionsthat have been

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set to apply for Murabahah financing at Bank BSI KCP Binjai Sudirman. These requirements include conditions that need to be met both by legal entities or business entities and byindividuals who want to apply for financing(Nurhaliza et al., 2022).

Previous researchers, namely in 2021 Sakhiratul Muffrikha, Fitri Nur Latifa and Masruchin with the title Implementation of Financing Risk Management at BSI KCP Mojokerto Bangsal with Qualitative methods, where the results of the study are strategies carried out in suppressing existing risks, namely through the 5C process which is implemented in all financing products.products in BSI KCP Mojokerto Bangsal (Muffrikha et al., 2021).

Research conducted in 2022 by Irma Rahmawati Panjaitan and Khairina Tambunan discussed the implementation of Sharia Micro People's Business Credit (KUR) Financing for micro business development at BSI KCP Perbaungan. The results showed that the implementation of KUR Mikro Syariah at BSI KCP Perbaungan can be done through several stages, and KCP Perbaungan operates effectively without significant funding problems. The mission of the KUR Mikro Syariah program is to help micro businesses run smoothly, encourageincreased sales and income, and provide opportunities for customers to develop various types of businesses. Thus, optimization efforts are needed from the bank and local government in carrying out Sharia Micro People's Business Credit (KUR) Financing at BSI KCP Perbaungan (Panjaitan & Tambunan, 2022).

In this study, what distinguishes it from the previous research above is the concentration on a particular location where this research focuses on the Bank Syariah Indonesia Sub-Branch Office (KCP) Bulukumba Samratulangi, which is located in South Sulawesi. This allows a better understanding of the use of Sharia Micro KUR financing products in the area as well as the obstacles faced in its management. To ensure that Sharia Micro KUR financing products can provide greater benefits for people in need, this research will also specifically explain how risk management is carried out at the Bank Syariah Indonesia Sub-Branch Office (KCP) Bulukumba Samratulangi which previous researchers did not discuss.

CONCEPT OF ISLAMIC FINANCING

Definition of Financing

Sharia financing is financing based on the principles of Islamic sharia. Islamic financing can be carried out using a sharia contract decided by the National Sharia Council of the Indonesian Ulema Council (DSN MUI) or a Sharia Conformity

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Statement issued by the DSN MUI. This financing can be carried out by Islamic financial institutions such as Islamic banks, Islamic cooperatives, and Islamic microfinance institutions. Investments that have been planned, both by individuals and companies, can be assisted by Islamic financing(Panjaitan 2022).

Types Of Financing

Islamic banking provides various types of financing:

1. Sharia Working Capital Financing
2. Islamic Investment Financing
3. Sharia Consumptive Financing
4. Syndicated Financing
5. Take Over Financing
6. Letter of Credit Financing

FINANCING BENEFITS

Both banks, debtors, and customers benefit from financing through Islamic banking channels. The benefits of bank financing include increased bank profitability, profit margin income or profit sharing according to the pre-agreed financial agreement between the Islamic bank and the debtor, and financial activities that can help better understand the bank's employees. Advantages of financing for debtors: Meeting the needs when needed by returning the money according to the time of the agreement, increasing the customer's business, and requiring low financing. The financing time limit is adjusted to the type of financing and the customer's ability, in addition to the above benefits. Because banks provide money to business people and money managers, financing functions as a tool to encourage economic growth or progress in the real sector for the country(Kurniadi, 2017).

Financing Principles

The economic system formed by Islam is very different from the others, because the Islamic economy is based on a sharia system that has become a role model for every Muslim in daily life in accordance with maqosid and in accordance with operational strategies to realize a goal of human welfare. To achieve prosperity and a better life, the goal has great value also in terms of brotherhood and economic social justice between material and spiritual satisfaction. Conventional and sharia banking in Indonesia often refer to debt as credit. To provide to other parties, people

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often use debt. According to Law No.10 of 1998, funding is based on sharia principles, which means the provision of money or similar bills by agreement or contract between two parties, which obliges the financier to return the funds or request them within a certain period of time. Therefore, every transaction carried out by an Islamic institution must be based on the yield system and trade or business based on the exchange of money for goods. Therefore, mu'amalah applies the principle that to increase the production of goods and servicesstop the use of credit, speculation, and inflation (Panjaitan & Tambunan, 2022).

Financing Agreements

Mostly, Islamic banks use transactions or contracts for profit (tijarah) and partly from self-help activities (tabarru'). The result of tijarah is business (al-bai), which is conducted in the form of contracts for the exchange and distribution of various products. In Islamic banks, murabaha, salam, and istisnha are the three most common types of sale and purchase contracts used for working capital and investment financing. Technically, escrow can be used as collateral to pay off debt (Azharudin, 2021).

The client may request the bank's assistance to purchase the goods by organizing a special meeting to prevent undesirable things from happening. According to the general provisions of murabahah stipulated by the National Syariah Commission, if an Islamic bank purchases goods from a third party on behalf of the customer, then in principle the murabahah sale and purchase contract should be signed after the goods are signed and the Islamic bank is contracted to provide services at the Islamic bank, including wakalah. Bank Indonesia defines wakalah as an agreement that authorizes an advocate to perform certain tasks on their behalf.

MICRO SHARIA PEOPLE'S BUSINESS CREDIT (KUR)

Definition of Sharia Micro KUR

According to the regulation of the Minister of Finance, Kredit Usaha Rakyat (KUR) is a government program to encourage the growth of micro, small, and medium enterprises (MSMEs) by providing credit or financing to MSMEs (micro, small, and medium enterprises) in the form of working capital, operations, and investments supported by guarantee agreements for manufacturing companies. Kredit Usaha Rakyat (KUR) Syariah is working capital or investment financing for individual or private borrowers, especially for active and viable business groups and

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the lower middle class economy. The state provides loan guarantees to increase financial opportunities for MSMEs. The objectives of KUR Syariah are to increase the availability of financing for the manufacturing industry, increase competition for micro, small, and medium enterprises, and promote economic growth and employment. Askrindo Syariah and Jamkrindo Syariah are Islamic financial institutions that issue KUR Syariah and provide KUR Syariah funds (Kurniadi, 2017).

The Role Of Micro Business Credit Financing (KUR)

The new order government started the small business criteria no.9 of 1995 to help MSME players. Article XI and 38 other articles make up this law, which regulates how MSME authorityis used in Indonesia. As part of a more dynamic and globalized economic development, the UMKM Law No.9 of 1995 should be revised to provide legal, business, and security certainty for micro, small, and medium enterprises in Indonesia.

RISK MANAGEMENT CONCEPT

Definition of Risk Management

Risks in banking are events that may occur, both predictable and unpredictable, which may affect the bank's income and capital. Identifying, analyzing, and controlling risks in every business activity with the aim of improving business efficiency and productivity is known as risk management (Iskandar & Nuruddin, 2017). Risk control covers the bank's operations with a reasonable level of risk in a directed, integrated, and continuous manner through identification, measurement, monitoring, and supervision. Return risk, which is a term for income and risk, is always faced by those who manage business units. Banks face many risks, such as financing, liquidity and market, legal risk, operational risk, and reputation risk (Usaha & Kur, 2019).

Types Of Risk In Islamic Banks

Islamic banks use sharia principles, which distinguish them from conventional banks. The possible hazards to be faced show the consequences of such differences. According to POJK 65 of 2016, Islamic banks are subject to 10 risks, while POJK 18 of 2016 stipulates only 8 risks for conventional banks. In addition, the businesses run by Islamic banks pose two additional risks. Unlike conventional banks, they stem from the profit-sharing system in the syirkah contract. As aresult of

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the implementation of the shirkah contract, Islamic banks face investment and return risks.(Kredit et al., 2019) ten hazards associated with Islamic banking should be recognized.

1. Credit Risk:
2. Market Risk
3. Liquidity Risk
4. Operational Risk
5. Legal Risks
6. Reputational Risk
7. Strategic Risk
8. Compliance Risk
9. Risk Yield
10. Investment Risk

Process Risk Management

According to the Ministry of Finance of the Republic of Indonesia, the risk management process is an iterative, systematic, logical, and measurable process used to manage risk. It includes the application of policies, procedures, and practices to implement context setting, risk identification, risk analysis, risk evaluation, risk handling, communication and consultation, and monitoring and review. To reduce the number of NPFs, financing risk management is very important. This is because if financing is healthy and does not experience problems, the number of non-current customers can also be reduced, which has a positive impact on NPF in Islamic Banks. When providing financing, banks can conduct a risk assessment of the financing provided to the debtor. One of the methods used to conduct this analysis is the 5C method, which is expected to analyze the feasibility of financing provided to debtors accurately and precisely. The 5C method used in this analysis is as follows:

a. Character
b. Capacity
c. Capital,
d. Collateral

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In addition, we can analyze by looking at the debtor's finances and abilities throughability analysis so that the bank can find out whether the debtor is able to pay off his obligation

In addition, banks can also analyze prospective debtors by seeing how much they are able to paythe down payment for KUR financing with a murabaha contract through ability analysis. Banks can also analyze prospective debtors by looking at and assessing whether the collateral providedis valuable or not. If the financing problem comes from the customers themselves and causes them to become substandard and pose a risk to the bank, it is necessary to do the 3Rs: Reschedule, Reconditioning, and Restructuring.

METHODOLOGY

This research uses qualitative research methods by seeking information directly at the BSI Sub-Branch Office (KCP) Bulukumba Samratulangi. This research was conducted at Bank Syariah Indonesia in Bulukumba Regency. The bank is located on Jl. Samratulangi, Caile Village, UjungBulu District, Bulukumba Regency, South Sulawesi Province. The research will be conducted from October 2023 to November 2023. Researchers can get results from data collection through observation, interviews, and documentation. By using data analysis techniques, namely data processing, data reduction, informative description, making conclusions, researchers will use data triangulation by combining interviews, observations, and document studies to ensure research validity. In addition, researchers will ask sources to verify the results of the research. All research steps will be thoroughly documented to ensure reliability and for other researchers to follow.

RESULTS AND DISCUSSION

Research Results

Implementation of Sharia Micro People's Business Credit (KUR) Financing Products at Bank Syariah Indonesia Bulukumba Samratulangi Sub-Branch Office

KUR Mikro Syariah financing is provided to businesses that are considered viable and productive, especially those that have not previously received financing from a bank. The range of this financing ranges from 10 million to 500 million, with

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customers typically coming from sectors such as fisheries, livestock, agriculture, processing, production services, and trade.

Mr. Irfandi said that the two types of contracts used are Murabahah and Musyarakah. At BSI KCP Bulukumba Samratulangi, KUR financing more often uses the Murabahah contract. Murabahah is a type of sale and purchase transaction in which goods are sold at an initial price aswell as an agreed profit. Murabahah in Islamic banking is an agreement in which an Islamic bankprovides financing to its clients to purchase raw materials or other business capital. The customerwill repay the financing at a certain point at the bank's selling price, which is calculated based onthe bank's purchase price plus a profit margin.

The interviews showed that there are two (2) categories of Sharia Micro Kur financing: (a) Additional financing of labor or corporate capital, which is used to increase trade and productiondemand; the financing period should not exceed three (3) years. (b). Investment Financing: For amaximum of five (5) years, investment financing is used to meet capital and facility needs According to Irfandi, Micro Business Representative at BSI KCP Bulukumba Samratulangi, in order to provide Kur Kur Micro Shariah services, clients must fulfill certain requirements set by the Bank. These include: "The basic requirement is to submit a photocopy ofApplicant's and Partner's KTP, photocopy of KK, Marriage Act, Photocopy of NPWP, SIUP (Letter of Business Permission), BPKB & STNK / Certificate, Photocopy of Mutation of Security Account, BPJS employment as well as 4 X 6 passport photos for applicant and partner.""After filling out the form and submitting it to BSI KCP Bulukumba Sam Ratulangi, thecustomer can apply for KUR Micro Shariah financing. After that, the bank will check all the filesneeded for the financing. First, marketing contacts CS to check DHN and Dukcapil. This is doneto ensure that the KTP has been registered with Dukcapil. After that, CS uses BI Checking to check the DHN. The branch office will then receive the marketing report. The bank will handle the potential client's financing through survey or On The Spot inspection and pay the client's business immediately when the documents are evaluated, deemed complete, and deemed appropriate. A 5C analysis - character, capacity, capital, collateral, and economic conditions - is conducted by the bank on the client. After that, Murabahah Academy is launched. The consumershould receive the amount provided when the funds are transferred to their account. "

At BSI KCP Bulukumba Sam Ratulangi, there are several obstacles that hinder the distribution of KUR Mikro Syariah, including the problem of bad debts and

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problematic financing. For example, there are clients who are still applying for loans in BI Checking due to their working capital status. Overall, there are no problems: low prices make marketing easier. When a prospective application customer has financing facilities at other banks, that is the only significant problem." surveys and analysis show that the implementation of KUR Mikro Syariah is very important for the growth of small businesses.As the internal survey of BSI KCP Bulukumba Sam Ratulangi shows, the maintenance of KUR Mikro is very important. There are many advantages and profit margins from the application of KUR Mikro Syariah. Individuals who own a business and wish to obtain credit can apply for a KUR Mikro Syariah loan, provided they meet the bank's requirements. This sustains small businesses and allows larger franchises to expand.

Risk Management On People's Business Credit Products (Kur) At Bank Bsi Bulukumba Sam Ratulangi Sub-Branch Office

Mr. Irfandi said that there are several obstacles that can hinder the delivery of People's Business Credit (KUR) products to the Bulukumba Sam Ratulangi Sub-Branch Office of BSI Bank. These factors are divided into two groups: internal and external factors. Internal factors include human resources (HR), information technology, lending policies and procedures, and internal controls. External factors include government policies, debtors, economic and political situation, and competition. Internal factors cause credit risk for lending banks. Factors varying the ratio of non-performing loans (NPL) KUR Bank BSI Sub-Branch Office Bulukumba Sam Ratulangi can come from financial factors or human resources (HR) of the bank. This may be due to errors that occur during the financing application process by authorized credit officers,especially for KUR.

In addition to internal bank factors, debtors can also be a component that greatly affects credit risk. Since the debtor is the one who uses or wears the credit, and they have to return it, credit officers can cause bad credit risk that hinders the distribution of KUR products if they do not understand or help the debtor with his business problems.The results of the interview above show that BSI KCP Bulukumba Samratulangi faces several problems that cause unhealthy financing, which are caused by various causal factors.

Therefore, to reduce the negative impact that can occur to the Bank, risk management must be carried out. BSI KCP Bulukumba Samratulangi fully implements risk management for Kur Mikro Syariah financing products.

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The results of the interview conducted by Mr. Irfandi show that to improve employee performance in the implementation of risk management at BSI KCP Bulukumba Samratulangi, first of all, employees must have adequate knowledge, and they must be trained in terms of collection. In addition, the financing itself is analyzed and the analysts are given training on how to analyze and reduce unhealthy or problematic financing in the future, which can harm the Bank.

Mr. Irfandi also said that risk management is applied to KUR Mikro Syariah financing products from the start of the file entry. This is done by checking prospective customers against OJK's SLIK data to ensure that they have no dependents to other parties and no history of default. We also look at the prospective customer's income to see whether they can afford the installments or not.

When business is slow, consumers face problems growing their business. They have to find other funds to pay the installments because they have to pay the installments on time. Sometimes, funds that should be used to pay installments are instead used for consumptive needs.

The risk management process carried out at BSI KCP Bulukumba Samratulangi in realizing healthy financing is by carrying out several processes, among others:

1. Risk Identification Process

BSI KCP Bulukumba in an effort to identify the risks that will arise using the first step, namely the principle of knowing the customer well, conducting a survey that is right on target and making an agreement at the beginning that is mutually agreed upon. We also monitor whether the proposed financing is in accordance with the collateral provided or not. And if it is deemed appropriate, it will still be checked again with 5C. In this context, an in-depth analysis ofhow the 5Cs are applied in risk identification at BSI KCP Bulukumba Samratulangi will provide valuable insights into good risk management practices.

a. Character
b. Capacity
c. Capital
d. Collateral
e. Conditions

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2. Risk Measurement Process:

After knowing the various types of financing risks that will be faced, BSI KCP Bulukumba uses a financing risk measurement system to measure these risks. This process considers several things:

a. The quality of each type of risk in financing and the financial condition of theCustomer and the terms of the financing agreement.
b. The financing period is linked to the potential changes that occur.
c. Collateral and collateral-related aspects.
d. There is a possibility of default.
e. Capacity to absorb failure in financing

3. Risk Monitoring Process

The bank monitors the client. In addition, the bank also conducts continuous supervision by visiting the client's home sometimes to check on the situation. But this is done because it is more efficient.

BSI KCP Bulukumba Samratulangi implements information systems and procedures to monitor the condition of each customer in KUR Micro Syariah financing. The risk monitoring system implemented by BSI includes:

a. Maintained Micro Marketing's awareness of and ascertainment of customers' financialcondition by tracking the improvement of their business income and financial condition.
b. Maintain customer compliance with the terms of the financing agreement, such as maintaining their responsibility to repay Kur Mikro Syariah financing.

4. Risk Control Process

The Bank controls risks in the following ways after identifying potential financing risks:

a. Report any issues to the head of microfinance for prompt preventive action.
b. Establish an installment rescheduling policy.

Because the banking industry is full of risks, the risks that arise at BSI KCP Bulukumba Samratulangii are always faced with the risk of customer default in microfinance activities or in this case Credit Risk. To prevent problematic microfinance, BSI KCP Bulukumba overcomes it in a way:

1) *Restructuring*.
2) Rescheduling:

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International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
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3) *Reconditioning*

DISCUSSION

Implementation of Sharia Micro KUR Financing at BSI Bulukumba Sam Ratulangi Sub-Branch Office

In accordance with the guidelines set by the Economic Coordinator of the Republic of Indonesia, funds from Sharia Financial Institutions will be used to support KUR Mikro Syariah. This rule is consistent with the bank's main objective, which is to provide capital to improve people's standard of living. BSI's branch office in Bulukumba Sam Ratulangi, provides Kur Micro Syariah, which is considered a goal. Priority is given to production sectors including production, processing, fisheries, agriculture, hunting, and urban areas. The implementation of KUR Micro Syariah financing is done through seven stages which include:

a. Financing Application Stage
b. BI Checking Stage
c. Survey Stage
d. Financing Analysis Stage
e. Decision-making stage for financing
f. Fund Disbursement Stage

From the explanation above that the results of research conducted by the two previous researchers, namely Nurhaliza, Ahmad Sanusi Lukman, and Sri Wahyuni Hasibuan (2022) Irma Rahmawati Panjaitan and Khairina Tambunan in 2022 are in line with those conducted by Bank BSI KCP Bulukumba Samratulangi, as well as the explanation in Chapter II about the seven stages of the Sharia Micro KUR financing process (Panjaitan & Tambunan, 2022).

The implementation of KUR Mikro Syariah at BSI KCP Bulukumba Samratulangi showsenormous potential to assist small business development. The benefits of Islamic financing can benefit the local economy, despite difficulties with registration and regulation. Microfinance theory is in line with this research, which emphasizes that access to financing is crucial to improving people's welfare. Therefore, KUR Mikro Syariah serves as not only a financing tool, but also as a tool to encourage small businesses and support sustainable economic growth.

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International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
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Risk Management on People's Business Credit Products (KUR) at Bank BSI Bulukumba Sam Ratulangi Sub-Branch Office

BSI Bank conducts risk identification by conducting a thorough assessment of prospective customers, which includes an assessment of their behavior and financial condition. This is in accordance with risk management theory, which states that risk identification is a veryimportant first step in the risk management process.

Previous studies have shown that data-driven methods to identify risks are more effective in reducing non-performing loans. Risk management is a crucial element in banking operations, especially in lending. Research at BSI KCP Bulukumba Samratulangi shows that the implementation of effective risk management, including the use of the 5C framework (Character, Capacity, Capital, Collateral, and Conditions), is essential in identifying and managing credit risk. At BSI KCP Bulukumba, the use of 5C for risk identification is in line with existing risk management theories, such as decision-making theory and organizational behavior theory.

In decision-making theory, relevant and accurate information is an important part of the decision-making process. Studies by Sakhiratul Muffrikha, Fitri Nur Latifa and Masruchin, found that conducting a thorough analysis of character, capacity, capital, collateral, and conditions can improve the quality of lending decisions(Muffrikha et al., 2021).).In addition, as indicated by the theory of organizational behavior, employee training and development are essential to improve employees' ability to identify and manage risks. Research at BSI KCP Bulukumba shows that employees who receive training better understand the 5Cs and are more able to use them effectively when conducting risk identification.

Research conducted at BSI KCP Bulukumba Samratulangi shows that using the 5C framework is very effective for identifying credit risk. BSI can better identify and manage risk by analyzing character, capacity, capital, collateral, and condition. This study is in line with existing theories on risk management and shows how important it is to train employees to improve their ability to manage risk. Therefore, the application of the 5C principles and investment in human resource development can be a useful approach to improve risk management in the banking sector.

Once identification is complete, BSI Bank proceeds with risk measurement. This includesassessing the quality of the risk and the financial circumstances of the customer. As explained By (Jorion.,2007) Sakhiratul Muffrikha, Fitri Nur Latifa and Masruchin where risk measurement theory emphasizes how important it is to use

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statistical models to measure credit risk. BSI banks have used good risk measurement, but recent research shows that many banks now use more complex risk models, such as Value at Risk (VaR) and stress testing, to make their risk measurement more (Muffrikha et al., 2021).

Ongoing risk monitoring is conducted by Bank BSI through field visits and monitoring ofcustomers' financial conditions. This is in line with risk management theory which states that monitoring is an integral part of the risk management cycle. (COSO, 2017). Research shows thatbanks that implement an effective monitoring system can detect problems early and take the necessary preventive actions. Risk control theory emphasizes that corrective action is essential toreduce the impact of identified risks. Recent studies have shown that digital technology, such as phone billing applications, can improve the effectiveness and efficiency of risk control. The research also emphasizes how important it is to provide employees with education and training on risk management. Trained employees can better analyze the risks of unsound financing and reduce them. This research shows that banks that invest in risk management training tend to do better in risk management.

A comprehensive and systematic approach to risk management at Bank BSI KCP Bulukumba Sam Ratulangi is demonstrated. Bank BSI can maintain the health of its KUR Mikro Syariah financing portfolio by effectively identifying, measuring, monitoring and controlling risks. With the development of new technologies and methods in risk management, Bank BSI must continue to adapt and adopt best practices in the banking industry.

To maintain the financial health of banks and customers, risk management is essential for the banking sector. This is especially true for credit. Three main strategies-restructuring, rescheduling, and reconditioning-are used to address credit risk at BSI KCP Bulukumba Samratulangi. The goal of these three approaches is the same: reducing the probability of defaultand ensuring that financing remains stable.

1. Restructuring.
2. Rescheduling:
3. Return Requirements

The three approaches are in line with previous research on risk management which showsthat a flexible credit management approach can reduce the likelihood of default. In addition, research by Sakhiratul Muffrikha, Fitri Nur Latifa and Masruchin found that banks that implement a broad risk management strategy,

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including restructuring, rescheduling, and re- terms, tend to perform better in the face of financial crises (Muffrikha et al., 2021).

In BSI KCP Bulukumba Samratulangi, the implementation of restructuring, rescheduling,and re-terms as part of risk management demonstrates the bank's commitment to maintaining a healthy loan portfolio and supporting customers in facing financial difficulties. These three strategies reduce the risk of default and strengthen the relationship between the bank and the customer. Hence, the effective implementation of risk management.

CONCLUSION

This study shows that the application of Sharia Micro People's Business Credit (KUR) Financing products at the Bulukumba Sam Ratulangi Sub-Branch Office of Bank SyariahIndonesia (BSI) has a significant influence on the growth of micro businesses in the area. In addition to making it easier for micro entrepreneurs to obtain financing, KUR Mikro Syariah helps small business actors overcome the problem of lack of capital.

To ensure that the financing provided is in accordance with sharia principles and safe for both the bank and the debtor, BSI has implemented strict risk management in its execution. BSI's commitment to reducing the risk of non-performing loans is demonstrated by the verification process, which includes checking OJK's SLIK data and analyzing the prospective customer's ability to pay. However, this study found several barriers that hinder the provision of KUR Mikro Syariah, including uncontrolled bookkeeping, misuse of credit, and debtor default history. To address these issues, BSI needs to improve supervision and monitor businesses and customers regularly.Overall, KUR Mikro Syariah at BSI Bulukumba Sam Ratulangi has tremendous potential to drive economic growth and improve overall community welfare. The program can benefit more micro businesses and the economy as a whole with improved customer support andongoing risk management.

Acknowledgements

Let me express my gratitude to :

1. Mr. Dr. Mukhaer Pakkanna,SE.,MM as a supervisor who is extraordinary and always patient in assisting the author to complete the thesis on time and Director of the Master of Sharia Finance Study Program, Ahmad Dahlan Institute of Technology and Business Jakarta;

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2. All Lecturers of the Master of Sharia Finance Postgraduate Program at the Faculty of Economics and Business, Ahmad Dahlan Institute of Technology and Business Jakarta Thank you for the knowledge provided, hopefully it will be a blessing for us and become a field of worship for you, may Allah always shower His Grace and Rahman on the knowledge provided.
3. Special thanks to my father and late mother who have given many sincere prayers and motivation, so that I continue to be a good person and spread the benefits of kindness to fellow creatures of Allah.
4. To my beloved siblings and extended family, thank you for your prayers and support so that the author can complete this thesis, hopefully the knowledge gained can be useful forthe family and the public.
5. To BSI KCP Bulukumba SamRatulangi, especially Mr. Irfandi as a resource person who has provided support and thought contributions to the author to explore this valuable knowledge and opportunity so that the author has gained a lot of extraordinary experience.
6. The extended family of UPT SPF SMPN 5 Bulukumba and all those who have provided encouragement and enthusiasm in the making of this thesis which the author cannot mention one by one.

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