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Contemporary Sale And Purchase Law: A Comparative Study Of Leasing, Consignment, And Franchising Within The Framework Of Sharia Economic Law

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Abstract

This study examines contemporary sale and purchase practices namely leasing, consignment, and franchising within the framework of Sharia Economic Law. To delimit the scope of analysis, the research focuses on two primary objectives: (1) to explain the basic concepts of contemporary sale and purchase (leasing, consignment, and franchising) from the perspective of Sharia Economic Law, and (2) to conduct an in-depth comparative analysis of leasing, consignment, and franchising as forms of contemporary transactions based on their contractual structures, mechanisms, risk distribution, and Sharia compliance. This research employs a qualitative approach using a comparative study design. The qualitative method is selected to enable an in-depth understanding of contractual concepts (ʿaqd), legal principles, and normative implications underlying contemporary business practices. The study does not emphasize quantitative measurement but focuses on interpretative and normative analysis derived from Islamic legal texts and modern business practices. Data sources consist of primary and secondary materials. Primary data include normative Islamic legal sources such as the Qur'an, Hadith, and classical as well as contemporary fiqh muʿāmalah literature. Secondary data are obtained from academic journals, books, previous studies, statutory regulations, and fatwas issued by

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authoritative institutions such as the National Sharia Council of the Indonesian Ulama Council (DSN-MUI). Data were collected through systematic literature review and analyzed using descriptive-comparative qualitative analysis based on the interactive model of Miles and Huberman, encompassing data reduction, data display, and conclusion drawing. The findings indicate that consignment demonstrates the highest level of compatibility with Sharia principles due to its clear ownership status, simple contractual structure, and balanced risk distribution. Leasing is conditionally permissible when structured as ijārah muntahiyah bi al-tamlīk with strict contractual separation, while conventional leasing remains inconsistent with Sharia due to elements of riba and injustice. Franchising, as a multi-contract arrangement, requires careful contractual reconstruction and continuous Sharia supervision to ensure justice, transparency, and compliance with maqāṣid al-sharīʿah. This study contributes to the development of Sharia-compliant frameworks for contemporary economic transactions and provides normative guidance for policymakers and practitioners in Islamic finance and business.

Keywords: Leasing, Consignment, and Franchising.

INTRODUCTION

The development of the global economy in the modern era is characterized by increasingly complex patterns of business transactions that go beyond the conventional forms of sale and purchase as recognized in classical economic systems. Economic transformation driven by technological advancement, market globalization, and the growing demand for efficiency and flexibility in commercial activities has given rise to various forms of contemporary commercial transactions (Yufriadi, F., Syahriani, F., & Afifi, A. A. 2024). These transactions are no longer merely based on the direct exchange of goods and money, but instead involve more complex contractual mechanisms such as financing, distribution, brand licensing, and long-term business cooperation. In this context, economic law plays a crucial role as a normative instrument that regulates relationships among economic actors in order to achieve justice, legal certainty, and collective welfare (Matyushok, V., Vera Krasavina, V., Berezin, A., & Sendra Garcia, J. 2021).

In the Islamic economic system, economic activities are not viewed solely as efforts to fulfill material needs, but also as part of muamalah worship that must be aligned with Sharia principles. Sharia economic law places the values of justice (al-ʻadl), public benefit (al-maslahah), honesty (ash-shidq), and the prohibition of oppressive practices, riba, gharar, and maisir as the fundamental foundations of every transaction. Therefore, every form of economic transaction,

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whether classical or contemporary, must be examined and evaluated for its conformity with these Sharia principles. The main challenge currently faced by Sharia economic law is how to respond to the dynamics of modern transactions without losing the substantive normative values of Islam.

Historically, the concept of sale and purchase in Islam has been comprehensively discussed in classical fiqh literature. Scholars have formulated the pillars and conditions of sale, types of contracts, and the basic principles governing lawful exchange of property (bay') (Hassan, M. K., Mostofa Hossain, M., & Muneeza, A. 2024). However, the development of time has given rise to new forms of transactions that are not explicitly discussed in classical fiqh texts. This condition demands a contextual ijtihadi approach, while remaining grounded in maqasid al-shariah as the primary objective of Islamic law. Accordingly, the study of contemporary sale and purchase practices becomes an academic and practical necessity in the development of Sharia economic law.

One form of contemporary transaction widely used in modern business practice is leasing. Leasing, or sewa guna usaha, is a financing mechanism that allows users to obtain the benefits of an asset without directly owning it. In practice, leasing often contains elements of leasing (ijarah) as well as sale (bay'), particularly in leasing schemes that include an option to acquire ownership at the end of the contract period. The complexity of contracts in leasing has generated debate among scholars and practitioners of Sharia economic law, especially regarding contract clarity, potential gharar, and the conformity of financing structures with the prohibition of riba (Jafarzadeh, M., & Razmi, S. M. 2021).

In addition to leasing, consignment practices have also become an important phenomenon in modern trade, particularly in the distribution sector. Consignment is a form of cooperation between the owner of goods (consignor) and the selling party (consignee), whereby goods are entrusted for sale under a profit-sharing or commission-based system. From the perspective of Sharia economic law, consignment raises issues related to the status of ownership, allocation of risk (dhaman), and the clarity of the contract used whether it falls under wakalah, ju'alah, or another form of hybrid contract. Ambiguity in consignment contracts has the potential to cause disputes and injustice between the parties (Akbar, M. I., & bin Mohd Bakri, M. F. 2024).

Franchise or franchising is a modern business cooperation model involving the use of trademarks, business systems, and specific operational standards in exchange for royalty payments. Franchising has grown rapidly alongside economic globalization and cross-border brand expansion. From the perspective of Sharia economic law, franchising raises normative issues related to the legitimacy of contracts, the validity of royalty payments, and the balance of

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rights and obligations between franchisors and franchisees. Furthermore, the dominance of franchisors in regulating business operations often raises questions concerning contractual justice and protection of weaker parties (Wibowo, A. S., Hardyansah, R., Darmawan, D., Saputra, R., & Negara, D. S. 2024).

Although leasing, consignment, and franchising have distinct characteristics, all three represent complex and multi-contract forms of contemporary sale and business cooperation. These practices often do not rely on a single type of contract but instead combine multiple contracts simultaneously (uqud murakkabah). This creates specific challenges in legal assessment, particularly in determining whether such contract combinations are permissible under Sharia or instead contain prohibited elements. Therefore, a comparative study of these three transaction models is essential to achieve a comprehensive and systematic understanding (Emerson, R. W., & Hunt, Z. R. 2021).

The main problem arising in contemporary sale and purchase practices is the gap between modern business regulations and the principles of Sharia economic law. On one hand, business actors require flexibility and efficiency in conducting their operations. On the other hand, the application of Sharia principles demands clarity of contracts, fair risk distribution, and freedom from riba and gharar (Sarwar, M. 2024). This tension between economic pragmatism and Sharia norms often leads to legal ambiguity and confusion among Muslim business actors.

In addition, the limited availability of academic literature that specifically compares leasing, consignment, and franchising within a single Sharia economic law framework presents another challenge. Many studies tend to examine each practice separately without identifying their fundamental similarities and differences. In fact, a comparative approach is essential for identifying general principles, potential issues, and normative solutions that can be applied more broadly. This lack of comparative studies has the potential to hinder the theoretical and practical development of Sharia economic law that is adaptive to contemporary developments.

Based on these issues, this research offers an academic solution through a comparative study of leasing, consignment, and franchising practices from the perspective of Sharia economic law. This study seeks to analyze the contractual structures, transaction mechanisms, and legal implications of each business model by referring to Islamic legal sources such as the Qur'an, Hadith, fiqh principles, and the opinions of contemporary scholars. Through a comparative approach, this research is expected to reveal points of convergence and fundamental differences among these practices, while also assessing their level of conformity with Sharia principles.

The urgency of this research continues to increase alongside the rapid development of the

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Sharia finance and business industries in Indonesia and the broader Muslim world. As a country with a Muslim-majority population, Indonesia has significant potential for the development of a just and sustainable Sharia economic system. However, this potential cannot be optimized without strong legal foundations that are relevant to contemporary business practices. Therefore, in-depth academic studies on contemporary sale and purchase law are an urgent necessity for the development of Sharia-based policies, regulations, and business practices.

This research also has practical relevance for business actors, legal practitioners, and regulators. The findings are expected to provide normative guidance in designing business contracts that comply with Sharia principles while minimizing the potential for legal disputes. For academics, this research can enrich the body of knowledge in Sharia economic law, particularly in the context of continuously evolving contemporary transactions. Meanwhile, for regulators, the findings of this research can serve as a reference in formulating policies and regulations that are responsive to the dynamics of the modern economy.

Preliminary observations conducted by the researcher indicate that leasing, consignment, and franchising practices have been widely implemented across various business sectors, ranging from micro, small, and medium enterprises (MSMEs) to large corporations. However, the understanding of business actors regarding the Sharia legal aspects of these practices remains relatively limited. Many business contracts are drafted by adopting conventional models without adequate modification in accordance with Sharia principles. This condition has the potential to result in legal non-compliance and cause long-term harm to certain parties.

The study of contemporary sale and purchase law through a comparative analysis of leasing, consignment, and franchising within the framework of Sharia economic law is therefore a relevant, timely, and strategic endeavor. This research is expected to bridge the gap between fiqh muamalah theory and modern business practice, while making a tangible contribution to the development of a just, adaptive, and sustainable Sharia economic system. To delimit the scope of this study, the researcher focuses on two main objectives: 1) to explain the basic concepts of contemporary sale and purchase (leasing, consignment, and franchising) within the framework of Sharia Economic Law; and 2) to conduct an in-depth comparative analysis of leasing, consignment, and franchising as components of contemporary sale and purchase within the framework of Sharia Economic Law.

RESEARCH METHOD

This research employs a qualitative approach using a comparative study design. The

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qualitative approach is chosen because this study aims to gain an in-depth understanding of the concepts, contractual structures, legal principles, and normative implications of contemporary sale and purchase practices namely leasing, consignment, and franchising from the perspective of Sharia economic law. The focus of the research is not on quantitative measurement, but rather on the analysis of meaning, normative conformity, and the legal construction underlying each transaction model. The qualitative approach is considered the most relevant for exploring normative and interpretive arguments derived from Islamic legal texts and contemporary business practices (Thomann, E., & Maggetti, M. 2020).

The type of research used is a comparative study, which involves comparing several objects of analysis in order to identify similarities, differences, and distinctive characteristics among them. In the context of this research, the comparative study is applied to compare leasing, consignment, and franchising practices based on their contractual structures, transaction mechanisms, distribution of risks and profits, and their level of conformity with the principles of Sharia economic law. This comparative approach enables the researcher to identify common principles and substantial differences among each transaction model, thereby allowing for the formulation of more comprehensive and systematic legal conclusions. The data sources in this research consist of primary and secondary data relevant to the study of Sharia economic law and contemporary sale and purchase practices (Thomann, E., & Maggetti, M. 2020).

Primary data are obtained from normative sources of Islamic law, including the Qur'an and Hadith related to the principles of muamalah, sale and purchase, leasing, business cooperation, and the prohibition of riba, gharar, and maisir. In addition, primary data include classical and contemporary fiqh muamalah literature, such as works by scholars of the Islamic legal schools as well as the opinions of modern jurists discussing contemporary contracts and multi-contract arrangements (uqud murakkabah).

Meanwhile, secondary data are derived from scientific journal articles, academic textbooks, previous research findings, statutory regulations related to business and Sharia economics, and fatwa documents issued by official institutions such as the National Sharia Council of the Indonesian Council of Ulama (DSN–MUI). Secondary data also include references to positive law and modern business practices related to leasing, consignment, and franchising, both in national and international contexts. The use of diverse data sources aims to strengthen the analysis and ensure that the study is conducted in a comprehensive and multidisciplinary manner.

The data collection procedure in this research is carried out through a systematic and staged literature review. The first stage involves identifying and selecting data sources relevant to

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the research topic, including classical literature, contemporary literature, and regulatory documents. The second stage consists of collecting and classifying data based on transaction categories, namely leasing, consignment, and franchising. Each category is analyzed in terms of its definition, operational mechanism, contractual structure, and legal implications from a Sharia perspective. The next stage involves in-depth reading of the classified sources, accompanied by the documentation of key findings related to the principles of Sharia economic law. All collected data are then systematically organized to facilitate comparison and further analysis. This procedure is carried out iteratively and reflectively to ensure the completeness and depth of the analyzed data. The data analysis technique employed in this research is descriptive-comparative qualitative analysis, referring to the interactive analysis model of Miles and Huberman, which consists of three main stages: data reduction, data display, and conclusion drawing (Aslanyan-rad, E. 2024).

At the data reduction stage, the researcher selects, focuses, and simplifies data relevant to the research objectives, particularly data related to legal and contractual aspects of leasing, consignment, and franchising. This stage aims to filter the most substantial information and eliminate irrelevant data. The data display stage is conducted by organizing the reduced data into narrative descriptions and comparative tables to facilitate reading and comprehension. At this stage, data on each transaction model are presented side by side to clarify similarities and differences among the three. Finally, the conclusion-drawing stage involves formulating the main research findings based on comparative results and normative analysis, and linking them to the principles of Sharia economic law and maqasid al-shariah.

RESULTS AND DISCUSSION

The Concept of Sale and Purchase in Sharia Economic Law as an Analytical Foundation

The research findings indicate that the basic concept of sale and purchase (al-baiʿ) in Sharia economic law constitutes an asset-exchange activity based on the principles of mutual consent (an-tarāḍin), clarity of both the object and the contract, and freedom from elements of riba, gharar, and maisir. These principles are derived from the Qur'an, the Sunnah, ijmāʿ, and qiyās, and have subsequently been developed in both classical and contemporary fiqh muʿāmalah scholarship. From the perspective of Sharia economic law, sale and purchase is not narrowly understood as the exchange of goods for money, but rather as a transactional system that upholds justice, balance of rights and obligations, and the welfare (maṣlaḥah) of the parties involved. Accordingly, the emergence of contemporary sale and purchase practices such as

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leasing, consignment, and franchising is viewed as part of the dynamic nature of muʿāmalah and is, in principle, permissible so long as it complies with fundamental Sharia rules.

The normative analysis further demonstrates that Sharia economic law is flexible and adaptive in nature. The fiqh maxim al-aṣl fī al-muʿāmalāt al-ibāḥah affirms that all forms of transactions are fundamentally permissible unless there is explicit evidence prohibiting them. Therefore, contemporary sale and purchase practices cannot be deemed unlawful outright, but must instead be substantively analyzed based on their contractual structures and legal implications.

1) The Basic Concept of Leasing within the Framework of Sharia Economic Law

Leasing is one form of contemporary sale and purchase that emerged as a response to the needs of modern financing, particularly in the procurement of high-value capital goods such as vehicles, production machinery, and industrial equipment. In modern economic practice, leasing is regarded as an alternative solution to limited cash capital, as it allows users to obtain the benefits of an asset without having to make full payment upfront. This pattern indicates that leasing functionally serves as an instrument for the distribution of economic benefits that promotes business efficiency and productivity. Nevertheless, from the perspective of Sharia economic law, every transaction is assessed not only based on its economic function but also on its contractual structure, the clarity of rights and obligations, and its conformity with Sharia principles (Badriyah, S. M., Suharto, R., & Saraswati, R. 2023).

This research shows that, conceptually, leasing is not a contract explicitly recognized in classical fiqh muʿāmalah. Classical fiqh literature predominantly discusses transaction forms such as sale (al-baiʿ), lease (ijārah), and partnership (shirkah). However, Sharia economic law is dynamic and adaptive in nature, allowing modern economic practices to be analyzed through analogical reasoning (qiyās) and contractual reconstruction. In this context, leasing can be understood as a transaction whose substance closely resembles an ijārah contract, namely the transfer of usufruct rights over an asset for a specified period in exchange for an agreed payment. When leasing practices include an option or certainty of ownership transfer at the end of the lease period, the contractual construction may be analogized to ijārah muntahiyah bi al-tamlīk (IMBT) (Aldianto, F. A., Putro, P. W., Utami, N., & Rinawati, Y. 2023).

The primary issue of leasing from the perspective of Sharia economic law lies in conventional leasing practices that contain elements of interest and late-payment

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penalties. Interest in conventional leasing is considered riba because it involves an additional payment determined on the basis of time rather than the exchange of tangible goods or actual benefits. Moreover, cumulative late-payment penalty mechanisms further reinforce the riba character and create injustice for the lessee. Therefore, the research findings emphasize that conventional leasing is inconsistent with the fundamental principles of Sharia economic law, particularly the prohibition of riba and the principle of justice in muʿāmalah transactions.

Conversely, Sharia-compliant leasing is acceptable provided that it is designed with a clear and separated contractual structure. The research indicates that the separation between the lease contract (ijārah) and the ownership transfer contract is a fundamental requirement for maintaining the validity of the transaction. In an ijārah contract, the object of the transaction is the benefit (manfaʿah) of the asset, not the asset itself; therefore, payments made during the lease period constitute compensation for the utilization of that benefit. Any transfer of ownership at the end of the contract period must be conducted through a separate contract, such as sale or gift (hibah), agreed upon independently and not automatically. This separation is essential to avoid combining two contracts into a single transaction, which may result in gharar and legal ambiguity.

Clarity of the contractual object is a crucial aspect of Sharia leasing. The leased asset must have clear specifications, be capable of lawful (sharʿī) utilization, and be under the possession of the lessor. Clarity of the benefit is also an absolute requirement, including the type of use, duration of utilization, and responsibility for maintenance of the asset. In this regard, the discussion shows that the allocation of responsibilities between the lessor and the lessee must be arranged fairly, whereby damage not caused by the lessee's negligence remains the responsibility of the asset owner. This principle is consistent with the fiqh maxim that ownership risk is borne by the owner of the asset, not by the user of its benefit.

From the payment mechanism perspective, the research emphasizes that Sharia leasing must be free from elements of speculation and uncertainty. The payment scheme must be agreed upon in advance, fixed in nature, and not subject to unilateral modification. The absence of interest and time-based penalties serves as a key indicator of Sharia compliance. If penalties for late payment are imposed, such penalties must not be profit-oriented, but rather function as a disciplinary mechanism, with the proceeds allocated for social or charitable purposes rather than constituting income for the financing institution.

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Within the framework of Sharia economic law, leasing is not a pure sale transaction, but rather a hybrid form of transaction that combines multiple contracts with different functions. Therefore, this discussion demonstrates that the design of Sharia-compliant leasing contracts requires a high degree of caution to avoid violating the prohibitions of riba, gharar, and injustice. Contractual clarity, transparency of mechanisms, and balance of rights and obligations constitute the primary foundations for ensuring that leasing is not only legally valid but also fulfills the objectives of maqāṣid al-sharīʿah, particularly the protection of wealth (ḥifẓ al-māl) and the realization of economic welfare for the parties involved.

2) The Basic Concept of Consignment within the Framework of Sharia Economic Law

The research findings indicate that consignment represents a form of contemporary sale and purchase with the highest level of compatibility with the principles of muʿāmalah in Sharia economic law. This is due to the fundamental characteristic of consignment, whereby ownership of the goods remains with the owner (consignor) until a sale contract is concluded with a third party (Gibson, W. 2018). Accordingly, consignment does not automatically transfer ownership merely as a result of entrusting goods to another party, but rather constitutes a delegation of authority to market and sell the goods. This pattern is consistent with the principles of fiqh muʿāmalah, which emphasize clarity of ownership status (al-milk), clarity of contract, and the prohibition of transactions containing elements of gharar, tadlīs, and ẓulm.

From the perspective of Sharia economic law, consignment may be analyzed through the contractual framework of wakālah bi al-ujrah or samsarah. A wakālah bi al-ujrah contract involves the delegation of authority from the owner of goods to another party to perform a specific legal act namely, selling the goods in exchange for an agreed service fee. The party entrusting the goods acts as the muwakkil, while the receiving party acts as the wakīl. The commission or fee received by the agent constitutes a legitimate ujrah under Sharia, provided that it is determined transparently and agreed upon by both parties at the outset of the contract. In modern consignment practices, this mechanism is widely applied, particularly in the retail sector, MSME product distribution, and consumer goods marketing.

In addition to wakālah, consignment also corresponds with the concept of samsarah, or brokerage, as recognized in classical fiqh. Samsarah refers to intermediary practices that facilitate transactions between sellers and buyers, whereby the intermediary

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receives compensation for their services. The majority of scholars permit samsarah contracts as long as they do not involve deception, price manipulation, or exploitation of any party. In the context of consignment, the receiving party functions as an active intermediary who not only connects sellers and buyers but also facilitates the transaction until the goods are lawfully transferred. This further strengthens the normative legitimacy of consignment as a recognized muʿāmalah practice in Islamic law.

The analysis shows that the validity of consignment in Sharia economic law is highly dependent on the fulfillment of the principle of contractual clarity (ta‘yīn al-‘aqd). Such clarity encompasses several essential aspects, including the specification of the consigned goods, the agreed selling price or pricing mechanism, the amount of commission or profit margin for the receiving party, and the allocation of responsibility for risks related to damage or loss of goods. In Sharia-compliant consignment, the risk associated with the goods fundamentally remains with the owner until a sale contract is concluded with the final consumer. This provision aligns with the fiqh maxim al-kharāj bi al-ḍamān, which states that entitlement to profit corresponds with the bearing of risk.

Consignment contains relatively minimal elements of riba compared to other forms of contemporary transactions such as leasing or interest-based financing. In consignment arrangements, there is no increment imposed on a principal debt because the legal relationship is not that of creditor and debtor, but rather one of agency or intermediation. The commission received by the receiving party does not constitute riba, as it represents compensation for actual and measurable services rendered. Thus, consignment fulfills the prohibition of riba, which is a fundamental pillar of Sharia economic law.

From the perspective of justice (al-‘adl), consignment demonstrates a relatively balanced distribution of risks and benefits. The owner of the goods benefits from expanded marketing networks without directly bearing operational selling costs, while the receiving party earns compensation for marketing and sales services provided. There is no unilateral imposition of risk, provided that the contract is structured transparently and proportionately. This principle aligns with the objectives of Sharia (maqāṣid al-sharīʿah), particularly ḥifẓ al-māl (protection of wealth) and ḥifẓ al-‘irḍ (protection of rights and dignity of transactional parties).

Nevertheless, the research findings also indicate that consignment practices may deviate from Sharia principles if not clearly regulated. Potential deviations identified in contemporary practice include unilateral price determination by the receiving party

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without the owner's consent, ambiguity regarding the timing of sales proceeds payments, and unjustified transfer of risk for goods damage to the receiving party. Such practices may contain elements of gharar and ẓulm that contradict Islamic muʿāmalah principles. Therefore, the study emphasizes the importance of formulating consignment contracts in written and detailed form to ensure compliance with Sharia principles.

Normatively, consignment reflects the principle of public benefit (maṣlaḥah) by providing broad economic advantages to goods owners, intermediaries, and consumers alike. Consignment opens opportunities for small and medium-sized enterprises to market their products without requiring substantial capital for distribution. In the context of the community economy, consignment can serve as a strategic instrument for strengthening a justice-based and cooperative economic system. This is consistent with Islamic values that promote mutual assistance in goodness (ta'āwun 'alā al-birr wa al-taqwā) and inclusive economic development.

Consignment is therefore one of the safest and most Sharia-compatible forms of contemporary sale and purchase compared to other modern transaction models. Its close alignment with classical muʿāmalah contracts, minimal potential for riba, and balanced distribution of risks and benefits render consignment not only valid from a fiqh perspective but also socially and economically relevant. Accordingly, consignment may be recommended as a contemporary transaction model worthy of development within the modern Sharia economic system, both at micro and macro levels, provided that it consistently adheres to the principles of transparency, justice, and Sharia compliance.

3) The Basic Concept of Franchising within the Framework of Sharia Economic Law

The research findings demonstrate that franchising constitutes the most complex form of contemporary sale and purchase in terms of contractual structure when compared to leasing and consignment. This complexity arises because franchising does not merely involve the direct exchange of goods or services, but also encompasses the granting of rights to use trademarks (brands), business systems, standard operating procedures, managerial support, and ongoing supervisory mechanisms from the franchisor to the franchisee. In modern business practice, franchising has developed as an effective business expansion model, as it enables the replication of proven business systems while simultaneously providing business opportunities to other parties with relatively measurable risks.

Within the framework of Sharia economic law, the research findings indicate that

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franchising cannot be understood as a single contract in the same manner as classical sale (al-baiʿ) in fiqh muʿāmalah. Rather, franchising is more appropriately categorized as a composite contract (al-ʻuqūd al-murakkabah), namely a combination of several interrelated contracts operating simultaneously within a single contractual relationship. First, there is an element of ijārah, particularly ijārah al-manfaʻah, reflected in the utilization of trademarks, business reputation, management systems, and operational standards owned by the franchisor. In this regard, the franchisee pays a fee or royalty as compensation for the use of these intangible assets. Second, elements of sale (al-baiʿ) arise in transactions involving the procurement of equipment, raw materials, or specific products that are often required to be purchased from the franchisor or designated suppliers. Third, elements of shirkah are evident in aspects of business cooperation, particularly in profit-sharing arrangements, division of roles, and shared responsibility for maintaining brand quality and sustainability (Erian, S. A. 2020).

The complexity of contractual arrangements in franchising may give rise to Sharia-related issues if not designed carefully and transparently. One major concern is the potential presence of gharar (uncertainty), particularly regarding the rights and obligations of each party, royalty calculation mechanisms, and the allocation of responsibility in the event of business losses. In certain conventional franchising practices, franchisees are required to pay fixed royalties even when the business is operating at a loss. Such arrangements are considered problematic from a Sharia perspective, as they may result in injustice and conflict with the principles of al-ʻadl (justice) and al-tawāzun (balance) in Islamic muʿāmalah (Maulidini, A. 2020).

Furthermore, the research finds that franchising is also susceptible to exploitation when the bargaining position of the franchisee is significantly weaker than that of the franchisor. This imbalance is often reflected in standard-form contracts drafted entirely by the franchisor without sufficient opportunity for negotiation by the franchisee. From the perspective of Sharia economic law, such conditions may contradict the principle of riḍā bi al-tarāḍī (mutual consent), which constitutes a fundamental requirement for contractual validity. Contracts that are formally agreed upon but substantively involve economic coercion or information asymmetry may be considered ethically defective, even if they remain valid under positive law.

On the other hand, the research emphasizes that franchising is not automatically rejected within Sharia economic law. The foundational principle of muʿāmalah states that

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al-aṣl fī al-muʿāmalāt al-ibāḥah (the default rule in transactions is permissibility), as long as there is no explicit evidence prohibiting them. Accordingly, franchising may be accepted within the Sharia framework if its contractual structure is reconstructed in accordance with Sharia principles. Such reconstruction requires a clear separation of contracts (tafrīq al-ʻuqūd), ensuring that each contract whether ijārah, sale, or shirkahm has a distinct object, consideration, and legal consequence (Furqan, H. 2018).

The findings further indicate that clarity of the contractual object (maʻqūd ʻalayh) constitutes a crucial requirement in Sharia-compliant franchising. The utilization of trademarks, business systems, and operational standards must be clearly defined to prevent future disputes. Likewise, royalty payment mechanisms should be based on fair and proportional agreements, such as profit-sharing arrangements rather than fixed turnover-based payments. Profit-based models are more consistent with Sharia principles, as they distribute risks and benefits more equitably between franchisor and franchisee.

Beyond contractual aspects, the research also underscores the importance of Islamic business ethics in franchising practices. Sharia-compliant franchising must not only be free from riba, gharar, and maysir, but must also embody values of trust (amānah), honesty, and social responsibility. Franchisors are obligated to provide adequate guidance, training, and support to enable franchisees to operate their businesses effectively. Conversely, franchisees are obliged to maintain product quality and brand reputation as a form of entrusted responsibility inherent in the cooperation agreement.

Within the context of maqāṣid al-sharīʿah, franchising that is structured in accordance with Sharia principles has the potential to realize economic welfare (maṣlaḥah iqtisādiyyah) for society. Franchising can create employment opportunities, promote economic equity, and enhance the entrepreneurial capacity of the Muslim community. However, such welfare can only be achieved if the contractual structure does not result in injustice or imbalance. Therefore, Sharia supervision constitutes an essential element in the development of Sharia-based franchising, whether through fatwa institutions, Sharia supervisory boards, or regulatory frameworks that support fair business practices.

In conclusion, the research determines that franchising represents the most challenging form of contemporary sale and purchase from the perspective of Sharia economic law. The inherent complexity of its contractual arrangements necessitates a high degree of caution in contract design and business implementation. Franchising cannot be understood merely as a sale or lease, but rather as a multidimensional contractual

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construction that must be aligned with the principles of justice, transparency, and public welfare. Accordingly, franchising within the framework of Sharia economic law requires serious and continuous contractual reconstruction in order to function as a modern economic instrument that is not only business-efficient, but also legally valid, ethical, and conducive to blessing (barakah).

A Comparison of Leasing, Consignment, and Franchising within the Framework of Sharia Economic Law

1) Comparison of Contractual Structures

The results of the comparative analysis indicate that the most fundamental difference among leasing, consignment, and franchising lies in the contractual structures underlying each transaction practice. In Sharia economic law, contractual structure is not merely a technical contractual matter, but rather the primary determinant of a transaction's validity (ṣiḥḥah). A contract (ʿaqd) is understood as a legal bond that reflects the intentions of the parties, the objectives of the transaction, and the distribution of rights and obligations, all of which must operate in harmony with Sharia principles such as clarity (taʻyīn), mutual consent (tarāḍī), and justice (al-ʻadl) (Saputra, B. S. P., Nasrullah, M. H., Muslim, N. A., & Hakim, M. H. A. 2025).

Consignment constitutes the simplest form of contemporary sale and purchase in terms of contractual structure. Consignment practices fundamentally rely on a single principal contract, namely wakālah bi al-ujrah or samsarah. Under this contract, the owner of goods authorizes another party to sell the goods in exchange for an agreed commission. Ownership of the goods does not transfer to the intermediary; therefore, from a legal perspective, the intermediary does not bear ownership risk. This simplicity creates a high degree of contractual clarity with respect to the contracting parties, the object of the contract, and the profit-sharing mechanism (Muhayati, I. 2021).

In classical fiqh muʿāmalah, wakālah and samsarah contracts are well recognized and have long been practiced legitimately. Scholars emphasize that as long as the price, commission, and scope of the agent's authority are clearly defined, such contracts are valid and free from gharar. Consequently, consignment is relatively stable in terms of contractual structure, as it does not require the combination of multiple contracts within a single transaction. This clarity renders consignment the form of contemporary sale and purchase that is most easily aligned with the principles of Sharia economic law.

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In contrast to consignment, leasing has a more complex contractual structure because it involves two contracts operating sequentially, namely a lease (ijārah) contract and a sale or gift contract at the end of the lease period. In Sharia practice, this model is known as ijārah muntahiyah bi al-tamlīk (IMBT). The complexity of leasing arises from the presence of two distinct transactional objectives: the utilization of an asset for a specific period and the potential transfer of ownership in the future. If not carefully designed, the combination of these two contracts may violate the prohibition against combining two contracts in a single transaction (bay'atayn fī bay'ah).

Under Sharia economic law, the combination of contracts is permissible provided that each contract stands independently, does not impose invalid conditions upon the other, and does not contain elements of riba or gharar. Accordingly, Sharia-compliant leasing requires a clear separation between the lease contract and the ownership transfer contract. Ambiguity in this separation, as commonly found in conventional leasing, may obscure the legal status of the asset and create injustice for one of the parties (Jubaedah, D., & Setiawan, I. 2025).

Meanwhile, franchising represents the most complex form of contemporary sale and purchase in terms of contractual structure. Franchising cannot be reduced to one or two contracts; rather, it constitutes a multi-contract arrangement involving ijārah (use of trademarks and business systems), sale (al-baiʿ) (equipment and materials), and elements of shirkah or business cooperation. This complexity reflects the dynamics of modern business, but simultaneously increases the potential for gharar if the contractual structure is not formulated in a transparent and equitable manner.

From the perspective of Sharia economic law, contractual complexity demands heightened caution. The greater the number of contracts combined within a single transaction scheme, the higher the risk of ambiguity in rights and obligations. Therefore, franchising requires systematic contractual reconstruction so that each transactional element is grounded in a clear and distinct contract without negating the others. In terms of contractual structure, the research findings affirm that consignment is the most stable, leasing occupies an intermediate position, and franchising requires the most stringent contractual regulation.

2) Comparison from the Perspective of Risk and Justice

In addition to contractual structure, significant differences among leasing, consignment, and franchising also lie in risk distribution and the implementation of the

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principle of justice. In Sharia economic law, risk is a logical consequence of ownership (al-kharāj bi al-ḍamān). This principle affirms that the party entitled to profit must also bear the associated risk. Therefore, risk distribution serves as an important indicator in assessing the fairness of a transaction.

The research findings show that consignment allocates risk in a proportional and fair manner. Since ownership of the goods remains with the owner until the sale occurs, the risk of damage or unsold goods also remains the owner's responsibility. The intermediary bears only limited risk corresponding to their authority as an agent, such as negligence in safeguarding the goods. This model reflects distributive justice because it does not unilaterally shift risk to a party lacking full control over the goods (Putera, A. P., & SH, M. 2020).

By contrast, leasing tends to transfer a portion of the risk to the lessee. In conventional leasing practices, lessees are often burdened with maintenance costs, insurance, and even the risk of asset damage, despite legal ownership remaining with the lessor. From the perspective of Sharia economic law, this condition is problematic because it contradicts the principle of al-kharāj bi al-ḍamān. Sharia-compliant leasing seeks to address this issue by affirming that ownership risk remains with the asset owner throughout the lease period, while the lessee is responsible only for reasonable use.

Franchising, on the other hand, exhibits the most complex risk characteristics. Franchising often creates an imbalanced power relationship between the franchisor and the franchisee. The franchisor exercises substantial control over the brand, system, and operational standards, while the franchisee bears significant operational and financial risks. Such imbalance may give rise to structural injustice if not counterbalanced by proportional profit-sharing and responsibility allocation.

Within the framework of Sharia economic law, the principle of justice (al-'adl) and the prohibition of exploitation (ẓulm) serve as primary benchmarks. Business practices that unilaterally transfer risk or create structural dependency are considered inconsistent with the objectives of maqāṣid al-sharī'ah. Accordingly, the research emphasizes the necessity of reconstructing leasing and franchising models so that risk and profit distribution operate in a fair and balanced manner.

3) Comparison Based on the Principles of Maqāṣid al-Sharī'ah

Comparative analysis based on the principles of maqāṣid al-sharī'ah provides a more substantive perspective in assessing the validity of contemporary sale and purchase

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practices. Maqāṣid al-sharīʻah does not merely evaluate the formal conformity of transactions with classical contracts, but also considers the objectives of Sharia in realizing public welfare and preventing harm (Sardari, A. A., & Rinaldy, A. 2025).

From the perspective of wealth protection (ḥifẓ al-māl), consignment demonstrates very strong conformity. Consignment safeguards the rights of goods owners while simultaneously providing profit opportunities for intermediaries without disadvantaging any party. This model supports healthy circulation of goods and capital and minimizes conflicts of interest. Accordingly, consignment is considered the most supportive of economic welfare within the framework of maqāṣid al-sharīʻah (Sardari, A. A., & Rinaldy, A. 2025).

Leasing enhances economic efficiency by enabling access to capital goods without requiring direct purchase. However, from the perspective of maqāṣid al-sharīʻah, leasing contains the potential for Sharia violations if its contractual structure and risk distribution are not properly designed. Elements such as riba, penalties, and contractual ambiguity may undermine the objectives of wealth protection and economic justice.

Franchising contributes to business expansion, job creation, and economic growth. Nevertheless, maqāṣid al-sharīʻah requires that such expansion not be built upon structural inequality or exploitation. Excessive royalties, disproportionate operational control, and restrictions on the entrepreneurial autonomy of franchisees may conflict with the principles of justice and public welfare.

In conclusion, the research affirms that maqāṣid al-sharīʻah serves as a crucial analytical instrument in assessing the validity of contemporary sale and purchase practices. Sharia assessment should not stop at formal compliance with classical contracts, but must also evaluate the economic, social, and justice-related impacts generated by these practices.

CONCLUSION

This study concludes that the concept of sale and purchase (al-baiʿ) in Sharia economic law provides a comprehensive and flexible analytical foundation for assessing contemporary transaction models such as leasing, consignment, and franchising. Sharia economic law does not confine sale and purchase to a narrow exchange of goods and money, but understands it as a system of transactions grounded in mutual consent, contractual clarity, justice, and the realization of public welfare (maṣlaḥah). Based on the fiqh maxim al-aṣl fī al-muʿāmalāt al-ibāḥah,

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contemporary transactions are fundamentally permissible, provided that their contractual structures are free from riba, gharar, and injustice. Consequently, modern business practices can be accommodated within Sharia economic law through proper contractual reconstruction that aligns with classical principles and contemporary economic realities.

From a comparative perspective, the study finds that consignment exhibits the highest level of compatibility with Sharia economic law due to its simple contractual structure, clear ownership status, minimal exposure to riba, and balanced distribution of risk and benefit. Leasing occupies an intermediate position and may be deemed Sharia-compliant only when structured as ijārah muntahiyah bi al-tamlīk with strict separation of contracts and fair risk allocation. Franchising represents the most complex and challenging model, as its multi-contract nature increases the risk of gharar and structural injustice if not carefully regulated. Therefore, leasing and franchising require continuous Sharia supervision and contractual refinement to ensure alignment with the principles of justice (al-ʿadl), risk proportionality (al-kharāj bi al-ḍamān), and the objectives of maqāṣid al-sharīʿah, particularly wealth protection (ḥifẓ al-māl) and the realization of equitable economic welfare.

FUTURE DIRECTIONS

Future research concerning contemporary sale and purchase law within the framework of Sharia Economic Law should move beyond normative and doctrinal analysis toward a more comprehensive examination of the practical transformation of modern commercial transactions in increasingly complex economic environments. Subsequent studies are encouraged to investigate the implementation of leasing, consignment, and franchising arrangements across diverse business sectors and jurisdictions, particularly regarding how Sharia principles are interpreted, adapted, and enforced within contemporary contractual practices. Such investigations would provide a deeper understanding of the dynamic relationship between classical Islamic legal doctrines and modern commercial realities, thereby contributing to the development of more contextually relevant and operationally effective Sharia-based business models. Furthermore, future scholars may develop more systematic analytical frameworks capable of assessing the compatibility between emerging commercial innovations and the fundamental principles of justice (al-'adl), transparency (al-shafafiyyah), mutual consent (taradhi), and the prohibition of riba, gharar, and maysir, which constitute the core foundations of Islamic commercial law.

Moreover, future studies should explore various mediating and moderating factors that

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potentially influence the Sharia compliance and legal effectiveness of leasing, consignment, and franchising transactions. Variables such as regulatory frameworks, contractual governance mechanisms, business ethics, legal literacy among entrepreneurs, institutional oversight, technological integration, and consumer protection practices deserve greater scholarly attention. The present study indicates that the legality and effectiveness of contemporary commercial contracts cannot be explained solely through formal contractual structures or textual legal interpretation. Rather, they emerge from complex interactions among legal institutions, market dynamics, ethical considerations, cultural practices, and economic objectives. Therefore, future research employing interdisciplinary approaches, including Islamic jurisprudence, commercial law, economics, business management, and legal sociology, would significantly enrich the academic discourse surrounding contemporary Islamic economic transactions. The use of comparative legal analysis, case studies, empirical investigations, and mixed-methods approaches would further enable researchers to capture the evolving nature of modern commercial practices and their implications for Sharia economic governance.

Another important direction for future inquiry lies in examining the legal and ethical implications of digitalization and technological innovation within leasing, consignment, and franchising systems. The rapid expansion of e-commerce platforms, digital marketplaces, financial technology applications, smart contracts, and artificial intelligence has fundamentally transformed the structure and execution of commercial transactions. Consequently, future research should critically investigate how these technological developments affect contractual validity, ownership transfer, risk allocation, agency relationships, and dispute resolution from the perspective of Sharia Economic Law. Comparative studies between conventional and Sharia-based business models may also reveal distinctive approaches to balancing commercial efficiency with ethical accountability. In addition, future scholars should explore the development of regulatory frameworks capable of addressing emerging legal challenges while maintaining fidelity to Islamic legal principles. Such scholarly efforts would contribute not only to the advancement of contemporary Islamic commercial law theory but also to the formulation of evidence-based policies and practical guidelines for fostering sustainable, ethical, and Sharia-compliant business practices in the modern global economy.

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