

# Application of *Wakālah bi al-Ujrah* Contract in Letter of Credit (L/C) Services in Islamic Banking

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## Abstract

The rapid expansion of Islamic banking has led to the development of various financial instruments that extend beyond traditional fund mobilization. Among these is *wakālah bi al-ujrah*, a fee-based agency contract whereby a bank is appointed to perform specific services on behalf of a client for a predetermined fee. A prominent application is in the issuance and administration of Letters of Credit (L/C), which enable sharia-compliant international trade. This study investigates the theoretical underpinnings, legal foundation, and practical application of *wakālah bi al-ujrah* within L/C services in Islamic banking. Utilizing a qualitative-descriptive method, the research draws on classical Islamic legal texts, national fatwas, and actual banking practices to evaluate the legitimacy and operational framework of the contract. The findings indicate that *wakālah bi al-ujrah* is consistent with classical jurisprudence and fulfills the regulatory and ethical standards necessary for modern Islamic financial services.

## Keywords

*wakālah*; *wakālah bi al-ujrah*; Islamic banking; letter of credit; sharia compliance

## INTRODUCTION

Islamic banking operations require the application of various contractual frameworks designed to facilitate financial transactions in accordance with sharia principles. These contracts function not only to mobilize and allocate funds but also to offer value-added services that comply with Islamic ethical and legal standards. In Indonesia, Law No. 21 of 2008 on Sharia Banking provides the legal foundation for Islamic financial institutions to operate as intermediaries in both fund collection and distribution, while also serving as providers of services rooted in religious and moral values. These services are expected to embody core Islamic principles such as mutual assistance (*ta'āwun*), trustworthiness (*amānah*), and the pursuit of divine approval (*ridā Allāh*).

One of the fundamental contracts used in Islamic financial services is *wakālah*, an agency agreement in which a principal (*muwakkil*) delegates authority to an agent (*wakil*) to perform tasks on their behalf. Traditionally, this contract was voluntary and non-remunerative. However, in contemporary practice, compensation is permitted through the *wakālah bi al-ujrah* contract—an evolution that incorporates elements of the *ijārah* (leasing) contract, enabling the agent to receive a fixed service fee (Antonio, 1999).

The integration of *wakālah bi al-ujrah* has significantly expanded the operational capacity of Islamic banks. These institutions can now act as professional agents in a variety of services, including trade facilitation, fund transfers, investment management, and document

processing. This is particularly relevant in international trade transactions, where clients depend on Islamic banks to execute complex cross-border dealings with legal, financial, and religious compliance.

A key instrument in such transactions is the Letter of Credit (L/C), a trade finance mechanism that ensures payment from the importer's bank to the exporter upon the fulfillment of stipulated conditions. In Islamic finance, L/C operations must be structured to avoid *riba* (interest), *gharar* (uncertainty), and *maysir* (speculation). To ensure sharia compliance, Islamic banks often employ the *wakālah bi al-ujrah* contract in handling L/C transactions, applying a predetermined service fee as compensation (Nurhayati & Wasilah, 1994; DSN-MUI, 2002a).

Fatwas issued by the National Sharia Council–Indonesian Ulema Council (DSN-MUI) provide the ethical and regulatory guidance for using *wakālah bi al-ujrah* in trade financing. This study seeks to examine the theoretical foundations, legal basis, and practical implementation of the contract within the context of Islamic Letters of Credit.

## LITERATURE REVIEW

The concept of *wakālah* is linguistically rooted in the idea of entrusting or assigning a responsibility to another individual. Sayyid Sabiq (2008) defines *wakālah* as the delegation of authority over matters that are legally permissible, while Ayub (2009) characterizes it as the appointment of a qualified agent to act on behalf of a principal in designated affairs. This fundamental definition provides the conceptual foundation for the widespread adoption of *wakālah* in various Islamic financial operations.

Antonio (1999) asserts that *wakālah bi al-ujrah*, or compensated agency, holds a critical position within the operational framework of Islamic banking. He explains that this contract enables professional delegation for tasks that require formal representation, including but not limited to documentation processes, international trade transactions, and payment of services. The provision for remuneration differentiates it from the traditional form of *wakālah* and makes it a practical tool for financial institutions.

Wirdiyansih (2005) reinforces this perspective, arguing that *wakālah bi al-ujrah* aligns effectively with sharia principles by emphasizing contractual clarity, mutual consent, and the elimination of *gharar* (excessive uncertainty). She notes that Islamic banks are better positioned to meet client needs through this contract, as it allows for the professional execution of services while maintaining religious compliance.

In the specific context of trade finance, the work of Nurhayati and Wasilah (1994) underscores the relevance of *wakālah bi al-ujrah* in facilitating Islamic banks' involvement in global commerce. Their analysis shows that the contract allows Islamic banks to engage in cross-border trade activities without violating prohibitions on *riba* (interest), *gharar*, and *maysir* (speculation).

This position is further supported by regulatory endorsements. The National Sharia Council–Indonesian Ulema Council (DSN-MUI) issued Fatwas No. 34 and No. 35 in 2002, which formally sanction the use of *wakālah bi al-ujrah* for administering Letters of Credit. These fatwas stipulate that banks may charge a predetermined and transparent service fee, provided

that the terms are clearly communicated to all parties at the outset of the transaction. This regulatory framework has played a pivotal role in institutionalizing the use of *wakālah bi al-ujrah* in Islamic trade finance.

## THEORETICAL FRAMEWORK

The theoretical underpinnings of *wakālah bi al-ujrah* are firmly rooted in Islamic contract law (*‘uqūd*), which permits the delegation of lawful responsibilities to a third party under specific conditions. As noted by Helmi (2002), a valid *wakālah* arrangement requires that the delegated task must be permissible under Islamic law, executable by the principal (*muwakkil*), and carried out while the principal is still alive. This basic legal structure ensures that the agency relationship adheres to the ethical norms and procedural standards of Islamic jurisprudence.

*Wakālah bi al-ujrah* is a further development of this foundational contract, characterized by the inclusion of remuneration for services rendered by the agent (*wakil*). It represents a hybrid contractual model that integrates the core principles of *wakālah* (agency) with those of *ijārah* (a leasing or service contract). Antonio (1999) emphasizes that this synthesis maintains full compliance with sharia while offering practical utility for Islamic financial institutions. Through this model, banks can perform specialized functions and offer professional services, such as handling trade transactions, while charging fees that reflect the added value of those services.

The legitimacy of this contractual form is reinforced by the legal and regulatory framework established by the National Sharia Council–Indonesian Ulema Council (DSN-MUI). Fatwa No. 10/DSN-MUI/IV/2000 affirms the validity of *wakālah* contracts, provided they meet essential legal criteria. These include mutual consent between the contracting parties, the legal competence of both the principal and the agent, and the permissibility and clarity of the activity being delegated.

Within this framework, Islamic banks are legally and ethically empowered to act on behalf of clients in a range of financial operations. A notable application is in the administration of Letters of Credit (L/C), where banks serve as authorized agents to manage complex documentation and ensure compliance with trade terms. By applying *wakālah bi al-ujrah*, Islamic banks are able to fulfill their intermediary function while adhering to the principles of *fiqh muamalah*—the Islamic jurisprudence governing commercial and financial transactions.

## PREVIOUS RESEARCH

A number of scholarly works have explored the conceptual development and practical implementation of *wakālah bi al-ujrah* in Islamic financial services, particularly within the banking and insurance industries. These studies provide insights into the operational relevance, legal framework, and sharia compliance aspects of the contract.

Wirdiyaningsih (2005) offers a detailed analysis highlighting the critical role of contractual transparency and the specification of service fees in *wakālah bi al-ujrah* agreements. She emphasizes that clearly defined terms are essential not only for ensuring sharia compliance but also for minimizing the potential for legal disputes between contracting parties. Her study

underscores the importance of aligning operational practices with Islamic legal principles to maintain trust and accountability in financial transactions.

Focusing on trade finance, Nurhayati and Wasilah (1994) investigate how Islamic banks utilize *wakālah bi al-ujrah* to manage key client services, such as the processing of documentation and the execution of payment instructions. Their work points to the significant role played by fatwas issued by the National Sharia Council–Indonesian Ulema Council (DSN-MUI) in providing the necessary regulatory support. These fatwas offer clear guidelines on fee structures and contractual obligations, ensuring consistency and legality in financial practices.

Setyanto (2013), in his undergraduate thesis from Universitas Islam Negeri Maulana Malik Ibrahim, presents a comparative analysis of customer justice in *wakālah bi al-ujrah* and *murābahah bi al-wakālah* contracts within Islamic banking. His research concentrates specifically on the use of *wakālah bi al-ujrah* in Letters of Credit. The study demonstrates how banks, acting as agents, assume responsibility for managing trade documentation and facilitating payment transactions on behalf of their clients. Additionally, it explores various hybrid contract models that combine *wakālah* with other sharia-based contracts such as *qardh* (loan), *mudharabah* (profit-sharing), and *hawālah* (debt transfer), tailored to client needs and agreements.

These studies collectively contribute to a broader understanding of *wakālah bi al-ujrah* as a versatile and sharia-compliant contract, widely applied in both domestic and international Islamic financial operations.

## RESEARCH METHODS

This study employs a qualitative-descriptive methodology to examine the implementation of *wakālah bi al-ujrah* in Islamic Letters of Credit (L/C) transactions. The research integrates normative legal analysis, based on foundational Islamic legal sources—including the Qur’an, Hadith, and authoritative fatwas—with empirical observations of current practices within Islamic banking institutions.

Primary data sources include regulatory instruments such as fatwas issued by the National Sharia Council–Indonesian Ulema Council (DSN-MUI), Indonesia’s Law No. 21 of 2008 on Sharia Banking, and procedural manuals used by Islamic financial institutions. These sources provide the legal and operational foundation necessary for analyzing the legitimacy and structure of *wakālah bi al-ujrah* contracts.

Secondary data is derived from a wide range of academic materials, including peer-reviewed journal articles, scholarly books, institutional reports, and other literature relevant to Islamic finance and trade mechanisms. These sources support the contextual understanding of the contract’s theoretical and applied dimensions.

The data collection process was conducted through document analysis, which involved a systematic review and interpretation of texts to identify relevant legal themes and operational patterns. Content analysis was then applied to evaluate how *wakālah bi al-ujrah* functions in practice and how well it conforms to Islamic legal principles. This methodological approach enables a thorough exploration of the contract’s legal validity, operational efficiency, and applicability in trade financing within the Islamic banking framework.

## RESULTS AND DISCUSSION

### a. Definition of *Wakālah*

The term *wakālah* is derived from the Arabic trilateral root *wakala – yakilu – waklan*, which conveys the meaning of entrusting, authorizing, or delegating a task to another person. In the context of Islamic jurisprudence, *wakālah* denotes a contract in which a principal (*muwakkil*) grants authority to an agent (*wakil*) to carry out a specific lawful activity on their behalf. According to Helmi Karim (2002), such a delegation is permissible only if the act itself is legally allowed under Islamic law and could be executed personally by the principal, assuming the principal remains alive at the time of execution.

Sayyid Sabiq (2008) characterizes *wakālah* as a lawful form of delegation, affirming its legitimacy within the broader spectrum of Islamic contract law. Muhammad Ayub (2009) adds a professional dimension to the definition by underscoring the agent's role in executing duties on behalf of the principal with competence and accountability. Hashbi Ash-Shiddieqy further describes *wakālah* as the assignment of legal authority, emphasizing its procedural and contractual dimensions.

From the perspective of classical Islamic legal schools, there are nuanced interpretations. The Malikiyyah school confines *wakālah* to actions that exclude intentions or legal implications after death, thereby delineating the scope of its validity. The Shafi'i school defines it as the legitimate transfer of authority to another individual to act within lawful parameters. Despite these slight variances, there is a consensus among Islamic scholars regarding the permissibility of *wakālah*, primarily as a tool for promoting *ta'āwun* (mutual cooperation) within society and economic systems.

In contemporary Islamic finance, where institutions operate as intermediaries between fund providers and users, *wakālah* plays a central role in facilitating transactions in a manner consistent with sharia principles. When compensation is explicitly involved, the contract transitions into *wakālah bi al-ujrah*. This compensated form alters the legal status of the contract by making it binding (*lazim*), similar in effect to an *ijārah* contract. Wirdiyaningsih (2005) notes that once remuneration is agreed upon, the contract cannot be unilaterally terminated by the principal, as doing so would contravene the principle of legal certainty and mutual consent foundational to Islamic contractual ethics.

### b. Types of *Wakālah*

In Islamic jurisprudence, *wakālah* contracts are classified based on the scope and nature of the authority granted to the agent. Recognizing the types of *wakālah* is essential in designing and implementing Islamic financial products that are both legally valid and sharia-compliant. These classifications ensure that the boundaries of responsibility and authority are clearly defined, thereby reducing ambiguity and upholding the principle of contractual transparency.

#### 1. Al-Wakālah al-Mutlaqah (Absolute Agency)

This type of *wakālah* grants the agent broad and unrestricted authority to act on behalf of the principal. It is comparable to a general power of attorney in conventional legal systems. Under this arrangement, the agent is authorized to manage any lawful matters without specific limitations, provided such actions are within the general interests of the principal. However, to avoid misuse of power and ensure legal protection, this form of *wakālah* is rarely used in modern financial transactions without additional documentation or oversight.

## 2. Al-Wakālah al-Muqayyadah (Restricted Agency)

In contrast, *al-wakālah al-muqayyadah* refers to a contract in which the agent's authority is limited to specific activities, transactions, or timeframes. This form is widely employed in Islamic banking and finance, where precision and compliance with sharia are critical. Examples include appointing a bank to act as an agent for processing trade documentation, transferring funds, or managing specific investment accounts. This restriction helps ensure that the agent operates strictly within the agreed parameters, minimizing the risks of unauthorized action or contractual disputes.

## 3. Al-Wakālah al-‘Ammah (General Agency)

This category falls between the previous two types. *Al-wakālah al-‘ammah* provides the agent with broader authority than a restricted agency but does not reach the unlimited scope of an absolute agency. It is typically used for routine or administrative tasks, such as handling daily operational responsibilities or acting as a representative in regular banking transactions. While offering flexibility, this type still requires clear documentation to prevent overextension of the agent's authority.

Understanding the distinctions among these types of *wakālah* is particularly important in Islamic finance, where contractual integrity and clarity are mandated by sharia. Each type dictates the extent of the agent's powers, the nature of their duties, and the legal consequences of their actions. Proper classification helps financial institutions structure products that meet both operational needs and religious obligations, ensuring that all activities fall within the framework of lawful delegation and accountability.

### c. Pillars and Conditions of *Wakālah*

The validity of a *wakālah* contract in Islamic law is contingent upon the fulfillment of specific foundational elements, commonly referred to as the *arkan* (pillars) and *shurut* (conditions). These ensure that the contract is legally enforceable and compliant with sharia principles. Fatwa No. 10/DSN-MUI/IV/2000 explicitly outlines the necessary components required for the proper establishment and execution of *wakālah* contracts. Each pillar and condition plays a critical role in preserving the ethical and legal soundness of the contractual relationship.

#### 1. Muwakkil (Principal)

The principal, or party delegating authority, must possess full legal competence (*ahliyyah*) and the legitimate right to authorize another party to act on their behalf. This includes mental soundness, legal majority (puberty), and the absence of any legal prohibitions restricting contractual engagement. The legitimacy of the principal is

essential, as an invalid or incompetent principal renders the contract void or defective under Islamic law.

## 2. Wakil (Agent)

The agent must be capable of performing the delegated tasks with a high degree of trustworthiness and competence. In practice, this includes having the technical ability, legal capacity, and ethical integrity necessary to fulfill the assigned duties. The agent is expected to act in the best interest of the principal and within the boundaries of the agreed mandate. Any breach of trust (*khiyanah*) could invalidate the contract or result in legal liability.

## 3. Subject Matter (Mahall al-‘Aqd)

The subject of the *wakālah* contract must meet three primary conditions: it must be lawful according to sharia, clearly defined and understood by both parties, and inherently delegable. This excludes activities that are haram (prohibited), ambiguous in nature, or require the personal involvement of the principal. In the context of Islamic banking, examples of acceptable subject matter include the execution of financial transactions, processing trade documents, or handling investment decisions.

## 4. Expression (Sighah)

The formation of the *wakālah* contract must be completed through a valid offer and acceptance (*ijab* and *qabul*), either verbally, in writing, or through any mutually recognized form of communication. The clarity of expression ensures mutual consent and understanding, which are core principles in Islamic contract law. In formal financial institutions, this is typically documented in service agreements or contractual forms that clearly outline the scope of delegation and any associated remuneration.

These pillars and conditions form the legal and ethical backbone of *wakālah* contracts. Their strict observance not only ensures the enforceability of the agreement but also upholds the integrity of Islamic financial practices. Adherence to these principles allows Islamic banks to engage in agency-based transactions—such as managing Letters of Credit—while maintaining transparency, accountability, and compliance with sharia.

### d. Legal Basis of *Wakālah*

The legitimacy of *wakālah* in Islamic law is derived from a combination of scriptural, prophetic, and juristic sources. These sources collectively affirm the permissibility of delegation and establish a comprehensive legal foundation for its application across various sectors, including finance, trade, and insurance.

#### 1. Qur’anic Foundation

The concept of delegation is illustrated in Surah Al-Kahf [18:19], where a group of young men in hiding instructed one among them: "*Send one of you with this silver coin to the city, and let him find which food is purest and bring back some of it.*"

This verse confirms the permissibility of appointing a representative to carry out a lawful task on behalf of others. It reflects the fundamental principle of *wakālah*—trust-based authorization for a specific purpose.

## 2. Prophetic Practice (Sunnah)

Numerous Hadiths reinforce the legitimacy of *wakālah*. According to Malik's *al-Muwatta'*, the Prophet Muhammad ﷺ delegated companions to act as his representatives in a range of legal matters, including the solemnization of marriage contracts. This establishes a precedent for appointing trustworthy agents to execute transactions and decisions, thereby affirming the sharia validity of agency relationships in both personal and commercial matters.

## 3. Contemporary Legal Framework

In the context of Islamic finance, the regulatory foundation for *wakālah* is provided through a series of fatwas issued by the National Sharia Council—Indonesian Ulema Council (DSN-MUI). These fatwas not only confirm the permissibility of *wakālah* but also offer detailed operational guidance, particularly in specialized financial applications:

- a. **Fatwa No. 10/DSN-MUI/IV/2000** – Establishes the general permissibility and conditions of *wakālah* contracts, setting out the necessary pillars (principal, agent, subject matter, expression) and the requirements for sharia compliance.
- b. **Fatwa No. 34/DSN-MUI/IX/2002** – Regulates the application of *wakālah bi al-ujrah* in Islamic import Letters of Credit (L/C). It authorizes banks to act as agents on behalf of importers and allows for a fixed fee, provided it is transparent and agreed upon in advance.
- c. **Fatwa No. 35/DSN-MUI/IX/2002** – Complements the previous fatwa by addressing Islamic export L/Cs. It sets out the roles and obligations of banks when representing exporters in international trade transactions.
- d. **Fatwa No. 52/DSN-MUI/III/2006** – Extends the scope of *wakālah bi al-ujrah* to the takaful (Islamic insurance) sector, permitting operators to charge service fees for managing risk and claims on behalf of participants.

These fatwas collectively strengthen the legal and operational validity of *wakālah* and its compensated form (*wakālah bi al-ujrah*) in the modern Islamic financial system. They provide clear procedural standards, reinforce contractual integrity, and ensure alignment with both national regulations and classical Islamic jurisprudence. This legal grounding enables financial institutions to perform delegated tasks—such as trade documentation, payment facilitation, and insurance administration—within a well-defined and sharia-compliant framework.

## e. Application in Islamic Banking

In modern Islamic banking, *wakālah bi al-ujrah* plays a pivotal role in structuring service-based transactions where the bank acts as an agent on behalf of clients in exchange for a predetermined fee. This contract model integrates elements from three distinct legal concepts: *wakālah* (agency), *ijārah* (leasing/service provision), and *ujrah* (compensation). The legal basis

for its application is supported by Indonesia's Law No. 21 of 2008 on Sharia Banking and a series of DSN-MUI fatwas, including Fatwa No. 10/DSN-MUI/IV/2000, which provides the foundational framework for agency-based transactions.

In practice, Islamic banks are often requested by clients to perform specific tasks—such as procurement, documentation handling, or investment administration—on their behalf. Once the agreed task is completed, the bank receives a fixed service fee, the amount of which is specified and agreed upon at the beginning of the contract. This arrangement supports key sharia principles, including transparency (*bayan*), legal certainty (*qabd*), and avoidance of *gharar* (excessive uncertainty).

Furthermore, the *wakālah bi al-ujrah* framework is adaptable and often used in combination with other Islamic contracts to meet varying client needs and financial capabilities. In cases where clients cannot immediately fund a transaction, the bank may employ a hybrid structure that incorporates *mudharabah* (profit-sharing) or *qardh* (loan), thereby expanding the functionality of the contract while maintaining sharia compliance. This flexible use demonstrates the contract's versatility and its importance in facilitating Islamic banking operations across multiple service domains.

#### **f. Application in Letters of Credit (L/C)**

The use of *wakālah bi al-ujrah* in managing Letters of Credit (L/C) illustrates its strategic role in sharia-compliant international trade financing. Islamic banks use this contract to act as agents for clients involved in import and export transactions, ensuring that all activities adhere to Islamic legal and ethical standards. The application varies depending on the financial status of the client and the structure of the transaction. The key models are as follows:

#### **g. Import L/C Structures:**

##### **1. Pure Wakālah bi al-ujrah**

In this arrangement, the client has sufficient funds and appoints the bank solely to facilitate the L/C transaction. The bank acts as an agent to process the documentation and payment instructions, charging a fixed and transparent service fee. This model represents the most straightforward application of *wakālah bi al-ujrah*.

##### **2. Wakālah + Qardh**

If the client lacks immediate liquidity, the bank may first provide a non-interest-bearing loan (*qardh*) to cover the L/C amount. Simultaneously, the bank is appointed as an agent under a *wakālah* contract to handle the L/C process. The two contracts are legally distinct and serve separate purposes—delegation and financing.

##### **3. Wakālah + Mudharabah**

In situations where the bank finances the imported goods as a capital provider, a *mudharabah* contract is used alongside *wakālah*. The bank invests in the transaction,

and any profits earned are shared according to a pre-agreed ratio. The bank still performs agency functions but now also bears entrepreneurial risk.

#### 4. **Wakālah + Hawalah**

Here, the client delegates the bank to act as an agent and simultaneously transfers a debt obligation (*hawalah*) to the bank. The bank, acting on behalf of the client, settles payment with the exporter and manages document processing. This model is often used when third-party obligations are involved.

### h. Export L/C Structures:

#### 1. **Pure Wakālah**

The exporter appoints the bank to manage the submission of trade documents and collect payment. The bank deducts a pre-agreed *ujrah* (service fee) for handling the process. This is a standard agency-based model and does not involve financing.

#### 2. **Wakālah + Qardh**

In this case, the bank provides advance financing to the exporter before L/C maturity. This short-term loan is repaid once payment is received from the importer's bank. The bank is also the agent responsible for submitting documents and ensuring compliance with L/C terms.

#### 3. **Wakālah + Mudharabah**

When the bank agrees to finance production or shipment under a *mudharabah* contract, it becomes a partner in the transaction. Profits generated from the L/C are shared, and the bank manages operations as an agent. This model links capital provision with trade facilitation.

These various structures demonstrate the operational flexibility of *wakālah bi al-ujrah* in international trade. By integrating agency, financing, and profit-sharing mechanisms, Islamic banks can deliver professional services that are legally robust and fully aligned with sharia principles. The use of multiple contract combinations also reflects the adaptive nature of Islamic finance in accommodating diverse client needs while preserving ethical standards.

## CONCLUSION

The implementation of *wakālah bi al-ujrah* in the context of Islamic Letters of Credit (L/C) offers a robust and sharia-compliant solution for facilitating international trade transactions. By combining the principles of lawful delegation with structured remuneration, this contract supports the operational needs of Islamic financial institutions while remaining firmly anchored in Islamic legal and ethical norms.

Fundamentally, *wakālah bi al-ujrah* promotes key sharia values such as transparency (*bayan*), mutual consent (*ridha*), and the lawful execution of contractual obligations. It provides Islamic

banks with a mechanism to act as professional agents, executing client instructions and managing trade processes in return for a clearly defined service fee. This approach aligns with Islamic commercial jurisprudence, which encourages lawful earnings through legitimate services.

The legitimacy of *wakālah bi al-ujrah* is further reinforced by the authoritative fatwas issued by the National Sharia Council–Indonesian Ulema Council (DSN-MUI), particularly those regulating its application in import and export L/C operations. These fatwas not only affirm the contract's permissibility but also provide comprehensive operational guidelines, thereby fostering consistency and legal certainty in its application.

Moreover, the flexibility of *wakālah bi al-ujrah* is evident in its adaptability to hybrid financial structures. When combined with other Islamic contracts such as *qardh* (loan), *mudharabah* (profit-sharing), or *hawalah* (debt transfer), *wakālah bi al-ujrah* enables banks to tailor solutions to meet diverse client needs without compromising sharia compliance. This versatility enhances the role of Islamic banks as intermediaries, capable of facilitating complex international transactions with professionalism and integrity.

In conclusion, the application of *wakālah bi al-ujrah* significantly contributes to the ethical and legal architecture of Islamic trade finance. It ensures that financial services are delivered in a manner consistent with religious obligations, while also fostering trust, efficiency, and accountability in the Islamic banking ecosystem.

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