

Implementation of Agreements in Multi Level Marketing (MLM) Business Schemes Based on Sharia Principles

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Abstrak

Para ulama berbeda pendapat terkait skema bisnis MLM, ada yang mengharamkan dan membolehkan bersyarat. Juhur ulama kontemporer banyak yang mengharamkannya. Namun DSN-MUI melalui Fatwa Nomor 75 Tahun 2009 membolehkan skema bisnis MLM dengan syarat melalui penerapan akad yang sesuai dengan prinsip syariah. Oleh karena itu, penelitian ini menganalisis penerapan akad pada skema bisnis MLM tersebut. Adapun penelitian ini termasuk penelitian hukum ekonomi syariah yang menggunakan metode deskriptif kepustakaan dengan pendekatan yuridis normatif yang melalui data sekunder berupa Fatwa DSN-MUI. Jenis penelitian ini adalah penelitian kualitatif dengan teknik analisis data yaitu reduksi data, sajian data dan kesimpulan. Hasil penelitian ini mengungkapkan bahwa berdasarkan substansi Fatwa DSN-MUI Nomor 75 Tahun 2009, skema bisnis MLM dapat menggunakan beberapa akad yaitu *murabahah*, *wakalah bi al-ujrah*, *ju'alah*, *ijarah* dan akad lain yang ditetapkan DSN-MUI sesuai prinsip syariah, salah satunya akad *samsarah*. Namun akad yang banyak digunakan dalam skema bisnis MLM adalah akad *ju'alah*. Adapun pada skema bisnis MLM yang didalamnya mengandung unsur jasa keperantaraan, jasa menjualkan produk dan merekrut member baru yang merupakan bagian dari prestasi yang harus diselesaikan. Maka akad yang sesuai adalah akad *hybrid contracts* antara akad *samsarah* dengan akad *ju'alah*.

Kata Kunci: Akad, Skema Bisnis MLM, Ju'alah, Samsarah dan Fatwa DSN-MUI

Abstract

Scholars have different opinions regarding MLM business schemes, some forbid and some for conditional permissibility. The majority of contemporary scholars forbid it. However, the DSN-MUI through Fatwa Number 75 of 2009 allows MLM business schemes on condition that the implementation of a contract is in accordance with sharia principles. Therefore, this study will analyze the implementation of the contract in the MLM business scheme. This research includes sharia economic law research using a descriptive method of literature with a normative juridical approach using secondary data in the form of DSN-MUI Fatwas. This type of research is qualitative research with data analysis techniques, namely data reduction, data presentation and conclusions. The results of this study reveal that based on the substance of the DSN-MUI Fatwa Number 75 of 2009, MLM business schemes can use several contracts, namely *murabaha*, *wakalah bi al-ujrah*, *ju'alah*, *ijarah* and other contracts determined by DSN-MUI according to sharia principles, one of them is the *Samsara* contract. However, the contract that is widely used in MLM business schemes is the *ju'alah* contract. Meanwhile, if you look at the MLM business scheme, which contains elements of intermediary services, services for selling products and recruiting new members which are part of the achievements that must be completed, then the appropriated contract is a hybrid contract between a *samsara* contract and a *ju'alah* contract.

Keywords: Contracts, MLM Business Scheme, Ju'alah, Samsara and DSN-MUI Fatwa

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1. INTRODUCTION

Economic development is a determinant of people's welfare, various kinds of businesses are a way to improve the economic conditions of people in Indonesia. People are more likely to do business to support economic conditions. Apart from the fact that society is currently in a condition that can be said to be in decline, the existence of businesses that make promises is a determining factor in public interest (Maharani, 2020).

One of the business schemes in the development of technology, information and communication is the concept of direct selling. Direct selling or direct selling is a sales concept by marketing products or services directly to consumers. One of the basic types of direct selling is the Multi Level Marketing (MLM) business scheme (Safwan, 2019). One of the business schemes in the development of technology, information and communication is the concept of direct selling. Direct selling or direct selling is a sales concept by marketing products or services directly to consumers. One of the basic types of direct selling is the Multi-Level Marketing (MLM) business scheme (Kuswara, 2005).

The MLM system is to build an independent distribution and marketing network organization, by cutting marketing channels for consumer goods and production goods (Rahmawaty, 2014). A product or service in MLM will be offered one-on-one and sold directly (direct selling) by salespeople to consumers who also act as sellers (distributors). When an MLM consumer chooses to be a consumer and seller, then as an up line he must recruit new consumers to become online (Gustiono, 2019). The Dwonline then registers first with the MLM company and becomes a member of that company. Marketing with this unique communication system is able to form a solid network (network marketing). Therefore, sometimes MLM business is usually called network marketing (Norman A. Hart et al., 2007).

Along with the development of conventional businesses, sharia-based MLM businesses also develop. The issue of MLM business cannot be determined as halal by whether or not the company is included in APLI membership or unilateral recognition as a sharia MLM. The sharia marketing concept is a business process where the entire process applies values that glorify justice and honesty (Wuryando, 2010). A business that develops with various innovations and various systems, if it contains

elements of gharar or unclearness in sales transactions for goods or services that require members to make payments without a clear product, the same is true for money games (multiplying money) and in marketing. If the plan contains a pyramid scheme, it is haram (Mardani, 2013).

MLM business in Islam often experiences controversy and there is no law that definitely explains MLM business, whether it is permitted or not. Responding to problems in the MLM business, the MUI through the National Fatwa Council issued fatwa No. 75/DSN MUI/VII/2009 concerning Sharia Tiered Direct Sales (PLBS) providing guidance on the capabilities of the MLM business (DSN-MUI, 2009). However, regarding the MLM business scheme, the majority of contemporary scholars prohibit this business scheme, on the grounds that business with an MLM scheme contains elements of ambiguity and leads to the concept of usury. This is like the *Fatwa Lajnah Al-Da'imah Saudi Arabia*, *Markaz Al-fatwa Qatar* and *Darul Ifta Egypt* which were quoted Tuasikal, (2012) and Tarmidzi, (2014) as well as *Bahtsul Masail Nahdlatul Ulama* results (NU) (Khairon, 2019) states that MLM business schemes are haram to practice, because they contain business schemes that lead to prohibited elements such as elements of usury and gharar.

Departing from that, this research will examine the implementation of contracts in MLM business schemes based on sharia principles which refer to the DSN-MUI Fatwa concerning PLBS along with fatwas that discuss the same matter. The aim of this research is to provide clarity regarding MLM business schemes that are in accordance with sharia principles, thereby providing enlightenment to the public, especially financial economic and sharia business actors, to implement this business scheme in accordance with sharia principles.

2. METHOD

This research is included in sharia economic law research. The method used is the descriptive literature method, namely the researcher will explain or provide a description of the research object based on the library data he obtained. The data source is a secondary legal source, namely the DSN-MUI Fatwa. Apart from that, the use of various literature such as books, scientific articles, and sources that are related to the research object as supporting sources. This research uses a normative juridical approach which

uses legal sources as a reference or basis for solving research problems, namely those related to the application of contracts in MLM business schemes based on sharia principles.

This type of research is included in the type of qualitative research, namely research in the form of an explanation of the facts found without any description of the data in the form of numbers. Data collection was carried out through literature study and used the DSN-MUI Fatwa, especially Fatwa Number 75 of 2009 concerning Guidelines for Sharia Tiered Direct Sales (PLBS) as the main data source. The data analysis technique is carried out through three mechanisms, namely First (Suryana, 2010), a data reduction mechanism by filtering the data and focusing the data obtained on the research object, which is related to the implementation of contracts in MLM business schemes based on sharia principles. Second, the data presentation mechanism is by presenting data that has been focused in narrative form as a depiction of data that makes it easy to understand and even interpret. Third, the mechanism for taking the essence of the data as a conclusion in the form of facts that have a basis and whose validity can be justified.

3. RESULTS AND DISCUSSION

3.1. The Concept of Multi-Level Marketing (MLM) from an Islamic View

Etymologically, Multi-Level Marketing (MLM) comes from English, Multi means many, while level means level or level (Nurjannah et.al. 2022). Marketing means marketing. So from these words it can be understood that MLM is multi-level marketing. It is called Multi Level because it is an organization or distributor that carries out multi-level or multi-level sales (Armstrong, 2007).

In general, Multi-Level Marketing is an alternative business method related to marketing and distribution which is carried out through many levels, usually known as up line (upper level) and downline (lower level), people will be called up line if they have downlines. The essence of the MLM business is driven by networks, both vertical, top and bottom, horizontal, left and right, or a combination of the two (Yusuf, 2007).

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downlines. The essence of the MLM business is driven by networks, both vertical, top and bottom, horizontal, left and right, or a combination of the two (Wulandari, 2020). MLM is also called network marketing, the essence of which is forming a business or marketing network and sharing the profits together (Valentine, 2003).

The main task of MLM company distributors is relatively simple, namely selling products directly to consumers and looking for friends or new members to join and be willing to market the company's products (Hutagalung et al., 2022). To achieve success in this system, each distributor must work hard to sell the company's products to consumers and look for as many partners as possible to do the same, so that they have a wide network.

Their income is derived from wholesale profits, retail profits, and a percentage of the total sales volume of the group or network that has been successfully formed. The advantage of this method is that when they become passive members it is still possible to earn passive income or bonuses as long as they can sponsor as many members as possible (Herwati, 2015). Those who have high achievements will also get high income. In conventional distribution, an agent invites several people to join their group to become sellers or salespeople who are also called salespeople (Nurhasanah & Taufik, 2020). In the single-level system, even though the salespeople invite their friends, they are just reference providers who are not under their organizational coordination but are detached. They are on equal footing as distributors (Hidayat, 2022).

In MLM, each distributor has their own dreams and they can work independently. They already have the awareness that this is a business, so even though it no longer helps their business it will still grow. Then as their business grows, they will always get royalties as long as their business runs. Of course, the amount of royalties depends on the type of marketing plan of the company itself. If you build enough leaders in the group, you will automatically get a lot of passive income without having to spend capital (Yanti, 2016).

3.2. Scholars' Opinions About Multi-Level Marketing (MLM) Business Schemes

Basically, MLM law is determined by the form of the muamalah. If the muamalah contained in it is a muamalah that does not conflict with Islamic law, then the muamalah may be carried out. However, if the

muamalah is contrary to Islamic law, then the MLM is haram. Scholars have different opinions regarding business using the MLM scheme, so there are scholars who prohibit it and there are also those who allow it. For scholars who prohibit it and scholars who allow it, include:

First, in the Al Lajnah Ad Daimah fatwa no. 22935 dated 14/3/1425 H and also *Markaz al-Fatwa Qatar* explains that MLM is prohibited, including the following problems (Tarmidzi, 2014; Tuasikal, 2012):

- a. In it there are forms of usury fadhl and usury nasi-ah. Members are ordered to pay a small amount of money and then expect greater reciprocity, this means exchanging a certain amount of money for excess money. This is clearly a form of usury which is prohibited based on the text and ijma'. Because what actually happens is an exchange of money. And the real intention is not to become a member (as in a company) so that it has no influence in law.
- b. It contains a form of ghoror (high speculation or chance) which is prohibited by the Sharia. Because members don't know whether they can attract other members or not. If multi-level marketing or a pyramid system continues, one day it will reach its end point. New members don't know whether when they become part of the system, they are at the highest level so they can make big profits or they are at the lowest level so they can make big losses. The reality is, most members of the MLM system lose money except for a few at the top level so they make big fortunes. So generally, this system brings losses and this is the essence of horror. Horror is the possibility of big losses or big profits. Even though the Prophet *sallallaahu 'alaihi wa sallam* has prohibited the buying and selling of ghoror as mentioned by Muslims in his authentic book.
- c. In MLM there is a form of consuming other people's property in a false way. Because the real profit is the company (company) and its members have been determined to deceive others. This is clearly forbidden because Allah Ta'ala says,

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا

أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ

“O you who believe, do not devour each other's wealth in a false way, except by means of

commerce in which there is mutual consent between you” (QS. An Nisa': 29).

- d. In this muamalah there is deception and deception of people. Because people think that by becoming a member they will get big profits. In fact, this was not achieved. This is a form of fraud that is prohibited in the Shari'ah. And the Prophet *sallallaahu 'alaihi wa sallam* said,

مَنْ غَشَّ فَلَيْسَ مِنِّي

“Whoever cheats is not from my group.” (HR. Muslim in his sahih).

Likewise, the Prophet *sallallaahu 'alaihi wa sallam* said,

الْبَيْعَانِ بِالْخِيَارِ مَا لَمْ يَتَفَرَّقَا فَإِنْ صَدَقَا وَبَيَّنَّا بُرُوكَ

لَهُمَا فِي بَيْعِهِمَا وَإِنْ كَذَبَا وَكَتَمَا مُحِثَّتْ بَرَكَةُ بَيْنَهُمَا

“People who make buying and selling transactions each have the right to khiyar (cancel or continue the transaction) as long as the two of them have not separated. If both are honest and open, then both will get blessings in buying and selling, but if both lie and are not open, then the blessing of buying and selling between the two will be lost” (Muttafaqun 'alaihi).

Second, Shaykh 'Abdullah As Sulmi gave three conditions for MLM to be considered halal (Tarmidzi, 2014; Tuasikal, 2012):

- a. People who want to market a product are not required to buy the product.
- b. The price of products marketed using the MLM system must not be more expensive than the reasonable price for similar products. There are only two price options, such as the price of a similar product or even cheaper.
- c. People who want to market the product are not required to pay a certain amount of money to become members.

If these three conditions can be met then the MLM system implemented is a system that does not violate the Sharia. However, it is certain that these three conditions cannot possibly be realized by companies that use MLM as their marketing system. If so, then this marketing system is prohibited because it is an attempt to consume other people's property in a way that cannot be justified.

Third, Shaykh Sholih Al Munajjid once explained a multi-level marketing system with free

membership and no requirement to buy the product. He explained that this kind of system is a *samsara* (broker: marketing other people's products) which is permissible because it is different from MLM in the form of a pyramid or tiers for several reasons (Tuasikal, 2012):

- a. People who want to market products are not required to buy the goods or hand over a certain amount of money to become members.
- b. The goods being sold are really being sold because the person buying them is interested, not because they want to become an MLM member.
- c. People who offer products receive wages or bonuses without being given conditions that prevent them from getting them.
- d. People who market products receive wages or bonuses at a predetermined level. For example, if someone succeeds in selling a product, then he will get 40,000. This is if one person is marketing the product. If more than one person is marketing, for example Zaid shows Muhammad, then Muhammad shows Sa'ad, then Sa'ad finally buys; then each of them gets the same or different bonuses according to the agreement.

Fourth, *Dar Al-Ifta* Egypt allows it because it is considered the same as *samsarah* (intermediary between sellers and buyers/brokers) (Tarmidzi, 2014). The Egyptian Ulama's fatwa on MLM is unique, the conclusion of the Egyptian *Dar Al-Ifta*'s opinion regarding MLM is that it is haram, but according to other sources, Al-Azhar clerics are said to have issued a fatwa on MLM stating that MLM is a halal business because it does not conflict with the principles sharia. This is reinforced by the findings in the fatwa published in the editorial section which has been edited.

Dar al-Ifta explained that changes in legal opinions regarding MLM occurred because of different *tasawwur* (understandings) of the problem from one time to another. This could be caused by the real conditions of the business, or the condition of the company which is experiencing system evolution, or perhaps it could also be due to the mufti's knowledge changing due to information that has entered and developed. This can be analogous to when Imam Syafi'i had *Qaul Qadim* (old opinion) when he was still living in Iraq, and *Qaul Jadid* (new opinion) when he lived in Egypt.

The following is a question and answer text about the company "BIZNAS", a computer program company in the Middle East which was founded in 2001, based in the Sultanate of Oman, which uses the MLM system to market its products. In 2008, the company had 110,000 members spread across 50 countries.

Question: A company based in Oman has just opened a branch in Egypt, called "BIZNAS". This company sells computer study guide programs, including computer study guide programs, the internet, computer service guides, and other learning programs, always updated. via the company's official website, it sells for \$90.

When purchasing a product, the buyer gets the program or can resell it. Apart from that, he had the opportunity to join a network to gain profits by marketing goods to people closest to him. Because he has tried to convince other parties to buy the product and has also bought the product and also he trains people who buy the product through him to use the product and market it to other parties. When he gets 9 people who buy the product, either directly or indirectly, with the condition that 2 people buy the product directly through him, the company will give a bonus as motivation to continue marketing the product and he will continue to receive bonuses as long as people buy the product through his network.

My question is, is it permissible to receive a bonus as a reward for efforts to market goods and train new buyers?

Answer: After reviewing the questions submitted, the council decided, "The business carried out is: as an intermediary between producers and consumers to market goods. This effort includes *samsara*. And *samsarah* as explained by fiqh experts: that if there is no fraud, injustice, or explaining the goods are not in accordance with their essence when marketing the goods/services then the money from business as an intermediary is halal and there is absolutely no doubt."

This fatwa was responded to by many Islamic economic researchers. One of them according to Dr. Husain Syahrani in his dissertation submitted to the Sharia Faculty, al-Imam Saud Islamic University, Riyadh, Saudi Arabia entitled "*al-Taswīq al-Tijārī wa Ahkamuhu fī al-Fiqh al-Islāmī*" that this fatwa does not mean that it absolutely allows the MLM system, due to several things (Syahrani, n.d.):

- a. The fatwa is based on the description submitted by the questioner without directly reviewing the system used by the company concerned, as explained in the opening of the fatwa. In fact, if the questioner explains things that can influence MLM law, it is likely that the fatwa will sound something different, such as that purchasing a product is a requirement to be able to market goods and get bonuses, then the main goal of people buying products to join MLM is to get the promised bonus, comparison of bonuses. promised is very far compared to the price of the product and the effort to market the goods.
- b. For example, BIZNAS promises a bonus of fifty thousand US Dollars at the end of the year, even though the product price is no more than \$99, - with a ratio of 0.3% of the product price and a bonus of 99.7%, this will definitely make everyone who buys the product participate. The aim of the network is to get bonuses and not want products, because it turns out that the programs sold by BIZNAS can be obtained from several sites on the internet for free, and the effort to get bonuses is just enough to market the product to two people below the level, then the two people below look for two another person and so on. It is also not explained in the question that to get a bonus it is required that 9 sales must come from balanced left-right downlines, 5 sales from the right downline and 4 from the left or 6-3, if all sales are from only one channel then the bonus cannot be obtained even though thousands of sales.
- c. This fatwa does not allow it absolutely, but it is related, namely that there is no fraud, cheating and injustice in marketing products.
- d. This requirement is not met in MLM practice. Because, in reality, when marketing products and at the same time recruiting downlines, it is always full of cheating, deception and injustice, where up lines promise huge bonuses to potential buyers, even though only 6% of all members get the bonuses. This is called high level speculation (gambling), with the promise that buyers are willing to buy products that are much more expensive than the actual price, BIZNAS products can even be obtained for free, this is injustice and fraud in product sales.
- e. The fatwa which considers MLM to be the same as *samsara* (brokers) is not correct, because there

are fundamental differences between MLM and *samsara*.

The differences of opinion of these ulama are normal because they are based on their educational background and their point of view in determining an issue. However, in MLM there is a service element, meaning that a distributor sells goods that are not his own and he gets paid a percentage of the price of the goods and if he can sell according to the target he gets a bonus set by the company. There are many types of MLM and each company has its own specifications. Until now there are around 200 companies operating in the name of MLM. Things you need to know when assessing a business or buying and selling in accordance with Sharia provisions. Indeed, basically all forms of muamalah or legal transactions are permissible (*mubah*) so there are arguments that forbid it. Islam has principles regarding the development of business systems, namely that they must be free from elements of *dharar* (danger), *jahalah* (obscurity) and *zhulm* (harmful or unfair to one party). (Yusuf, 2022).

The bonus system must be fair, not unfair and not only benefit those at the top. Business must also be free from five elements: gambling, violence, fraud, haram, usury (interest), falsehood and so on. If we want to develop an MLM business, then it must be free from the elements above. Therefore, the goods or services being sold and the procedures for selling them must be halal, not haram and not skeptic and do not conflict with sharia principles (Marimin et al., 2016).

MLM that uses a multilevel marketing strategy (levelization) contains positive elements, as long as it is filled with Islamic values and the system is adjusted to Islamic sharia. If so, MLM is seen as having elements of friendship, *da'wah* and *tarbiyah*. This was once exemplified by the Prophet SAW. When preaching among his people through word of mouth. Businesses run using the MLM system not only sell goods, but also services, namely multi-level marketing services with rewards in the form of bonuses, prizes and so on, depending on the achievements and level of a member. Marketing services that act as intermediaries between producers and consumers.

MUI DSN (National Sharia Council) Fatwa No. 75 of 2009, states that an MLM company will be considered in accordance with sharia, if it meets the 12 requirements determined by the MUI DSN, which are as follows (DSN-MUI, 2009):

- a. There is a real transaction object that is traded in the form of goods or service products.
- b. The goods or service products being traded are not something that is haram and/or used for anything that is haram.
- c. Transactions in trade do not contain elements of *gharar*, *maysir*, *riba'*, *dharar*, *dzulm*, immorality.
- d. There are no price increases or excessive costs (excessive mark-up), which is detrimental to consumers because it is not commensurate with quality.
- e. The commission given by the company to members, the amount and form must be based on work performance which is directly related to the volume or value of product sales, and must be the main income of the business partner in PLBS.
- f. The amount of the bonus given by the company to members must be clear, when the transaction (contract) is in accordance with the sales target of goods and/or service products set by the company.
- g. There may be no passive commissions or bonuses that can be obtained on a regular basis without coaching and/or selling goods and/or services.
- h. Giving commissions or bonuses by the company to members (business partners) does not give rise to *ighra'*.
- i. There is no exploitation and injustice in the distribution of bonuses between the first member and the next member;
- j. The membership recruitment system, forms of awards and ceremonial events carried out do not contain elements that are contrary to *aqidah*, *sharia* and noble morals, such as *shirk*, *cultism*, *immorality* and so on;
- k. Every business partner who recruits members is obliged to provide guidance and supervision to the members they recruit;
- l. Don't play money games.

Based on this, there are two categories of MLM, namely permitted MLM and prohibited MLM. All contemporary ulama as well as the DSN-MUI prohibit MLM business schemes that contain elements of *gharar*, *usury*, *ighra'* and contain money game schemes and other elements that are prohibited by *sharia* provisions. Meanwhile, permitted MLM business schemes are MLM business schemes that do not contain these prohibited elements. More specifically, MLM is permitted in accordance with DSN-MUI's opinion, namely MLM business activities that meet

the criteria and conditions as explained above, namely in accordance with DSN-MUI fatwa Number 75 of 2009 concerning PLBS (DSN-MUI, 2009).

3.3. Implementation of Contracts in Multi-Level Marketing (MLM) Schemes Based on Sharia Principles

Based on the previous description, the permitted MLM business scheme is an MLM business scheme that meets the criteria and provisions in the DSN-MUI fatwa Number 75 of 2009 concerning PLBS. The MLM business scheme consists of: First, the company attracts consumers to become members by requiring consumers to buy the company's products at a certain price. Second, when the registered member (the first member) searches for new members in the same way, that is, new members are required to buy the same product at the price determined by the company. Third, if members are able to attract as many new members as possible in the same way, namely requiring members to buy company products at a predetermined price. Then members will get the bonus promised by the company. Therefore, the more members recruit new members, the more bonuses they will get because the company feels it benefits from the large number of members who are also consumers of the company's products. As for the PLBS Fatwa, there are contract provisions that can be used, namely (DSN-MUI, 2009):

First, *Murabaha agreement*. If the contract is *murabahah*, it must be clear what goods are being traded and what the agreed profit margin is. *Murabahah* is selling an item by confirming the purchase price to the buyer and the buyer pays the excess price as a profit (Latifah, 2015). For example, A buys a product from PT MLM. Then A sells to B by saying, "I sell this product to you for IDR 110,000. The basic price is IDR 100,000,- and I take a profit of IDR 10,000,-. Furthermore, B cannot directly transact with PT MLM. If B wants to sell to C, then the process is the same as A (the profit to be taken is up to B).

Second, *Wakalah bi Al-Ujrah agreement*. If the agreement is *wakalah bi al-Ujrah*, then the member will sell the company's goods and the member will become the company's representative to sell the goods. For their services, members will receive *ujrah* from the company, the amount and conditions of *ujrah* are in accordance with what has been agreed upon by both parties (Latifah, 2015). For example, PT. MLM told A to represent him in selling his products as well as

recruiting new members. For his representing services, A was promised a salary of Rp. 300.000,-. Then A as a member and representative of PT. MLM to sell goods belonging to PT. MLM and also recruiting new members. Then A sells to B by saying, I sell this product owned by PT. MLM is priced at IDR 110,000,- and for purchases made by B, B can become a member and can do the same things as A. For his services representing PT MLM, A will receive *ujrah* in accordance with the contract agreement.

Third, *Ju'alah Agreement*. If the contract is *ju'alah*, then the member will sell products belonging to PT. MLM also recruits new members. Success in selling products and also recruiting new members includes achievements (*natijah*) that can be given by members to PT. EVENING. For successfully achieving this achievement, members will receive a commission (*Ju'l*) according to what has been agreed upon by both parties. However, if the member does not succeed in carrying out the achievements mentioned, the member will not get a commission. That is the consequence of using the *ju'alah* contract (Gojali et.al, 2022). For example, PT. MLM tells A as a new member that if A can sell his product for Rp. 1,100,000,-, then A will get a commission of Rp. 300,000,-. Then A succeeded in selling the product to B for Rp. 1,100.00,- while making B a member who can do the same thing as A, then A is entitled to a commission of Rp. 300,000,- as promised by PT. MLM and agreed by both parties.

Fourth, the *Ijarah Agreement*. If the agreement is *ijarah*, then the member will sell PT-MLM products as well as recruit new members. For their services in selling products and recruiting new members, members will receive *ujrah* in the amount and within a certain period of time that has been mutually agreed upon. Whether or not they succeed in selling the product within the agreed time period, the member will still receive the *ujrah*. That is the consequence of the *ijarah* agreement (Gojali et.al, 2022). For example, PT MLM employs A as a member to sell several of its products at a price of Rp. 1,100,000,-, as well as recruiting new members, for his services, A will receive monthly *ujrah* of Rp. 500,000,-. Then A every day is sometimes successful and unsuccessful in selling PT's products. MLM at a price of Rp. 1,100,000,- as well as recruiting new members, whether successful or not, achieving the sales target or not, every month A will still get *ujrah* of Rp. 500,000,- as promised by PT. MLM and agreed by both parties.

Fifth, other contracts that are in accordance with sharia principles after a fatwa has been issued by the DSN-MUI. Meanwhile, if the contract is another contract that is in accordance with sharia principles, after a fatwa has been issued by the DSN-MUI, you can use the *samsarah* sale and purchase contract scheme. A *samsarah* contract is an intermediary service for selling goods, where the intermediary party has the right to obtain income from the excess selling price over the previously agreed price. The reason why the use of the *samsarah* sale and purchase contract scheme can be applied to the MLM business scheme is that it is in accordance with the criteria that MLM includes intermediary services (*wasathah*), which are carried out by members for the sale of company products, so that when referring to DSN-MUI Fatwa Number 93 of 2014 concerning intermediary (*wasathah*) in the Property Business, the application of the intermediary agreement in the substance of the fatwa apart from being able to use the *wakalah bi-al-ujrah* and *ju'alah* contracts can also use the *samsarah* sale and purchase agreement (DSN-MUI, 2015). For example, PT. MLM tells A as a member to sell his product at a price of Rp. 110,000,-, while recruiting new members, ask A to sell the product for more than the set price, the excess will belong to A. Then A sells the product to B for 150,000,-, then A gets an income of Rp. 40,000 on the sale. Meanwhile, if A sells the same product as the price set by PT. MLM is Rp. 110,000,-, then A does not get income even if A sells below Rp. 110,000, for example Rp. 100,000,-, then A does not get income but must make up the shortfall at the set price, namely Rp. 10,000,-.

Table 1. Contracts in the MLM Business Scheme

No	MLM Contract Scheme	Member Income
1.	<i>Murabahah</i>	<i>Margin</i>
2.	<i>Wakalah bi Al-Ujrah</i>	<i>Ujrah</i>
3.	<i>Ju'alah</i>	<i>Ju'l</i> (Commission)
4.	<i>Ijarah</i>	<i>Ujrah</i>
5.	Other contracts that comply with sharia principles after the fatwa was issued by DSN-MUI: Samsarah Buying and Selling	<i>Margin</i>

Source: DSN-MUI Fatwa

Based on the table above, the application of contracts that can be used in MLM business schemes consists of *murabaha* buying and selling contracts, *wakalah bi al-ujrah* contracts, *ju'alah* contracts, *ijarah* contracts and *samsarah* buying and selling contracts. Members will receive income according to the contract used in the MLM business scheme. Meanwhile, if you look at the practice in the field, many MLM business schemes use the *ju'alah* contract scheme, namely that PT. MLM will give a bonus to each member, if the member is able to achieve achievements, namely selling their products and at the same time recruiting new members. If these achievements are not met, then members will not receive income. Meanwhile, contracts that are rarely used in MLM business schemes are *murabahah* contracts, *wakalah bi al-ujrah* and *ijarah* contracts. Moreover, in *wakalah bi al-ujrah* and *ijarah* contracts, whether or not a member is successful in selling products and recruiting new members within a certain time, the member will still receive *ujrah* as mutually agreed upon (Gojali et.al, 2022). So, on the one hand, this could be detrimental to PT. MLM, if within a certain period of time, members cannot sell products and recruit new members. However PT. MLM still has to pay *ujrah* to the member. Therefore, the *ju'alah* contract is widely used in MLM business schemes. Because for every achievement a member successfully completes, the member will immediately get a commission.

According to the author, if you look closely at the MLM business scheme which includes intermediary services, buying and selling products as well as recruiting new members and achieving achievements that must be carried out by members. The contracts that can be used in the MLM contract scheme are hybrid contracts between the *samsarah* buying and selling contract and the selling contract in providing bonuses. This means that members, apart from earning income from excess margin on sales of goods (from the *samsarah* contract), will also receive bonuses/commissions for their achievements in making sales and recruiting new members (from the *ju'alah* contract). So the more members achieve achievements, namely selling products and recruiting new members, the more bonuses they will get. However, what needs to be considered in implementing all contracts recommended by DSN-MUI is the achievement of the terms and conditions of the contract being implemented. This means that the

MLM business scheme in the DSN-MUI Fatwa must meet the terms and conditions that have been set and fulfill the contract scheme in accordance with sharia principles.

4. CONCLUTION

Based on the results of the discussion above, many contemporary ulama forbid MLM business schemes, because they lead to business schemes that contain elements of usury, ambiguity and so on. However, DSN-MUI through Fatwa Number 75 of 2009 (Fatwa PLBS) allows MLM business schemes that must meet the requirements and limitations recommended in the substance of the fatwa. This means that DSN-MUI allows MLM business schemes with conditions. It is permissible for the MLM business scheme in the fatwa to use several recommended contracts, namely the *murabaha* contract, *wakalah bi al-ujrah*, *ju'alah*, *ijarah* and other contracts determined by the DSN-MUI in accordance with sharia principles, one of which is the *samsara* contract. However, the contract that is widely used in MLM business schemes is the *ju'alah* contract. Meanwhile, if you look at the MLM business scheme which contains elements of intermediary services, services selling products and recruiting new members which are part of the achievements that must be completed, then the appropriate contract is a hybrid contract between the *samsara* contract and the *ju'alah* contract. So that members, apart from earning income from excess margins on product sales using the *samsara* contract scheme, also get bonuses/commissions for achievements in selling products as well as recruiting new members using the *ju'alah* contract scheme. With the existence of this contract option, it is recommended that sharia economic and financial business actors, especially businesses with MLM schemes, must determine the contract to be used and fulfill the terms and conditions set by the DSN-MUI in Fatwa Number 75 of 2009, so that the business scheme implemented is protected from elements of usury and *gharar* and in accordance with sharia principles which will bring benefits.

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