

## ***Implementation of Rahn Contract Principles in Sharia Pawnshops to Enhance Public Interest in Sharia Pawn Services***

### **Implementasi Prinsip Akad Rahn di Pegadaian Syariah untuk Meningkatkan Minat Masyarakat Terhadap Layanan Pegadaian Syariah**

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#### **ABSTRACT**

*An Islamic financial institution is a business entity whose activities are in the field of Islamic finance and its assets are in the form of financial and non-financial based on Islamic sharia principles, one of which is a sharia pawnshop (rahn). A rahn contract is a contract for the delivery of goods as collateral for a debt transaction that is agreed upon within a certain period of time. The lack of public knowledge of the principles of sharia pawnshops has led to the need for efforts to increase literacy to increase public interest in Islamic financial institutions. The purpose of this research is to provide information and understanding about the principles of the Rahn contract for Sharia pawnshops.*

**Keywords:** Rahn, Sharia Pawnshop

#### **ABSTRAK**

Lembaga keuangan syariah adalah badan usaha yang kegiatannya di bidang keuangan syariah dan asetnya berupa keuangan dan non-keuangan yang berdasarkan prinsip-prinsip syariah Islam, salah satunya adalah pegadaian syariah (rahn). Akad rahn adalah akad penyerahan barang sebagai jaminan atas transaksi utang yang disepakati dalam jangka waktu tertentu. Minimnya pengetahuan masyarakat terhadap prinsip-prinsip pegadaian syariah menyebabkan perlunya upaya peningkatan literasi untuk meningkatkan minat masyarakat terhadap lembaga keuangan syariah. Tujuan dari penelitian ini adalah untuk memberikan informasi dan pemahaman mengenai prinsip-prinsip akad Rahn pada pegadaian syariah.

**Kata Kunci :** Rahn, Pegadaian Syariah

## **1. Introduction**

The growth of Islamic financial institutions, along with the increasing availability of financial instruments based on Islamic law, has significantly contributed to the development of the Islamic financial system. These institutions are distinct from conventional financial entities, primarily due to their goals, mechanisms, responsibilities, and the scope of their operations. Within the context of Islamic financial institutions, pawnshops have emerged as a crucial service provider, especially for those facing immediate financial needs (Siregar, Anwar, & Kania, 2024). Many individuals, struggling with the complex procedures in conventional banking, turn to pawnshops as a more accessible alternative, even if it entails higher interest rates (Muhammad Wifqi Hidayatullah et al., 2024).

The concept of pawn, or *rahn*, involves the provision of collateral in exchange for a loan within a stipulated time. However, concerns have arisen in Indonesia regarding the practice of pawnshops, particularly due to their potential association with *riba* (usury). This is particularly relevant when pawnshops demand additional fees or percentages of the principal upon loan

repayment (Ria & Abadi, 2023). The growing apprehension around *riba* in pawnshop practices has sparked interest in sharia-compliant alternatives. Since Indonesia's majority population is Muslim, there has been a rising demand for sharia pawnshops. Despite this, limited public understanding of the principles that underpin sharia pawnshops poses a significant barrier to their broader acceptance (Lamtana & Mayditri, 2022).

Research on sharia pawnshops, particularly focusing on the application of *rahn*, has often overlooked the educational aspect regarding the principles of Islamic pawnbroking (Farida & Rohman, 2024). This research gap highlights the necessity for a deeper understanding of how the *rahn* system can be implemented effectively in sharia pawnshops. Furthermore, understanding the ethical and moral aspects of the *rahn* system is essential to ensure that sharia pawnshops not only serve as financial institutions but also reflect the social responsibility and fairness inherent in Islamic teachings (Azman & Noor, 2023). The need for such an investigation is underscored by the limited academic exploration of the impact of sharia pawnshops on the wider sharia economy in Indonesia (Siregar et al., 2024).

This study aims to explore the implementation of the *rahn* system in sharia pawnshops and its role in enhancing public awareness of sharia finance principles. The research also seeks to examine how the *rahn* system can foster ethical financial transactions while promoting inclusivity within the Indonesian financial system (Muhammad Wifqi Hidayatullah et al., 2024). By investigating the implementation of *rahn* in sharia pawnshops, this study aims to contribute to the literature on the ethical and operational aspects of Islamic pawnbroking, thereby highlighting its potential to advance the broader goals of Islamic finance (Aziz & Hashim, 2022).

Additionally, this research will explore how public education on sharia pawnshops can bridge the gap between ethical financial practices and the practical financial needs of society (Abdullah & Ismail, 2020). It is hoped that this study will provide a clearer understanding of how the *rahn* system can play a role in promoting fairness, transparency, and social justice, thus supporting the growth of a more inclusive Islamic financial system (Suyanto & Lestari, 2022). By examining these issues, this study will contribute to the ongoing discourse on ethical finance within the context of Islamic economics, particularly in Indonesia (Wahid & Mardani, 2021).

## 2. Theoretical Background

### Theoretical Foundation of Rahn in Islamic Finance

In Islamic finance, the *rahn* contract is a tool used to secure loans, where an asset is pledged as collateral but remains in the ownership of the borrower. The primary function of the *rahn* contract is to ensure that the loan is paid back without the risk of exploitation or injustice, in line with Islamic principles of fairness (Suleiman & Alfi, 2020). According to Islamic law, charging *riba* or interest on loans is prohibited, making traditional pawnshops, which often charge interest or fees, incompatible with sharia law. However, the *rahn* contract is permitted as it does not involve interest but rather relies on the safekeeping of collateral for a specific duration (Kurniawan & Wulandari, 2023).

The essential feature of the *rahn* contract in sharia pawnshops is its emphasis on transparency and the avoidance of exploitative practices. Scholars have emphasized that *rahn* agreements in sharia pawnshops should avoid *gharar* (excessive uncertainty) and *maysir* (gambling), which are also prohibited under Islamic law (Alam & Rahman, 2021). The collateralized item should be clearly defined, and the terms of repayment should be agreed upon by both parties, ensuring that neither party suffers financial harm.

### Implementation of Rahn in Sharia Pawnshops

The practical implementation of *rahn* in sharia pawnshops involves aligning business practices with Islamic principles. Studies have explored how sharia pawnshops operate by following these principles, including ensuring the legitimacy of collateral, the prohibition of usurious practices, and the provision of fair services (Farida & Rohman, 2024; Lamtana & Mayditri, 2022). Sharia pawnshops are expected to operate as ethical financial institutions that provide liquidity to the public without resorting to exploitative interest rates or hidden fees. One example of this is the provision of safekeeping services for the collateral, ensuring that the pledged goods are handled with care and returned in the same condition upon repayment of the loan (Wahid & Mardani, 2021).

Furthermore, it is crucial for sharia pawnshops to engage in consumer education to ensure that the public understands the principles underlying sharia pawn services. Research by Siregar, Anwar, and Kania (2024) highlights the lack of public awareness about how sharia pawnshops differ from conventional pawnshops, which can deter potential customers from seeking these services. Educating the public about the ethical standards and benefits of *rahn*-based services could significantly enhance public interest and trust in sharia pawnshops.

### Enhancing Public Interest in Sharia Pawnshops

The success of sharia pawnshops in attracting the public depends on their ability to offer a service that is both financially and ethically appealing. Farida and Rohman (2024) note that the lack of knowledge regarding *rahn* principles among the public often leads to skepticism about the legitimacy and fairness of sharia pawn services. Therefore, increasing awareness about the Islamic basis of *rahn*—particularly how it is different from conventional pawn services that charge interest—is essential to fostering greater public interest.

Research by Muhammad Wifqi Hidayatullah et al. (2024) emphasizes that the application of *rahn* in sharia pawnshops can increase public awareness of Islamic financial principles and improve financial inclusion. By adhering to Islamic ethics, such as promoting justice, equity, and transparency, sharia pawnshops can attract a larger customer base, particularly among Muslims who are concerned about ethical finance. Studies have shown that when sharia pawnshops are effectively marketed and explain their operations clearly, they gain more trust from the community, resulting in higher demand for their services (Aziz & Hashim, 2022).

Additionally, increasing public interest requires continuous innovation and adaptation to meet the needs of a diverse customer base. Research by Yusuf and Azhar (2022) indicates that the development of customer-friendly services, such as simplified processes for pawning assets and clearer terms of agreement, could help improve the attractiveness of sharia pawnshops. Providing competitive pricing and transparency in all transactions will further enhance public confidence and interest in these services.

## 3. Methods

The approach used in this study is **normative juridical** with a **descriptive research analysis** nature. In this context, the **normative juridical approach** refers to a research method that focuses on analyzing the laws, regulations, and legal norms that apply to the topic under investigation. Specifically, this study focuses on examining the legal provisions and Islamic principles that regulate the implementation of the *rahn* contract in sharia pawnshops. The study will analyze how both positive law and Islamic law principles are applied in practice, particularly concerning the *rahn* contract and its implementation in sharia-compliant financial institutions.

The **descriptive nature** of this research means the study aims to provide a detailed explanation or description of the existing phenomena. In this case, the research intends to describe how the *rahn* contract is implemented in sharia pawnshops and how sharia principles are integrated into the business practices of these institutions. The descriptive approach does not focus on testing hypotheses or examining cause-and-effect relationships, but rather aims to paint a comprehensive picture of the real-world application of *rahn* in sharia pawnshops, including how these practices are perceived by the public.

This study utilizes **primary and secondary data types**. **Primary data** refers to data collected directly from original sources, such as interviews with sharia pawnshop managers, customers, or Islamic law experts involved in the implementation of the *rahn* contract. This primary data offers direct insights into the practice of *rahn* in the field. On the other hand, **secondary data** refers to existing literature, including books, journal articles, regulations, Islamic fatwas, and other relevant documents that help contextualize the study and provide a theoretical framework for analyzing the data. Secondary data complements primary data by offering background information and supporting the analysis of the research.

This research is categorized as **qualitative research**, which emphasizes a deep understanding of the phenomenon being studied without relying on numerical data or statistical methods. The qualitative approach focuses on gathering narrative or descriptive data, such as interviews, observations, and literature studies, to understand the meaning and application of the *rahn* contract in sharia pawnshops. The data collected will be analyzed by identifying patterns and themes to provide a clear and detailed explanation of how the principles of Islamic law are implemented in practice.

#### 4. Results and Discussion

The definition of sharia pawn (*ar-Rahn*) the term *ar-Rahn* etymologically means fixed, eternal, and guaranteed or holding an item as a debt bond. On a positive note, the *ar-Rahn* contract is also known as guarantee, suspension, and collateral. In Islamic terms, *ar-Rahn* is a free way for Muslims to help each other (*ta'awun*). However, in technical terms, *ar-rah*n means holding a valuable item belonging to the borrower as collateral for the loan he obtains. As a result, the withholding person receives the assurance that he can recover all or part of his obligations. In shariah terms, *rahn* is holding hostage of an amount of property that is given as collateral by right, but can be taken back as a ransom. Pawn is one of the categories of debt and receivables agreements, where for a trust from the person who owes the debt, the person who owes the debt mortgages his goods as collateral for the debt.

The definition of *al-rah*n according to several scholars is explained as follows:

- a. In terms of terms, *al-rah*n according to Al-Qurthubi is as follows:  
"Goods that are withheld by the party who gives the debt as a form of security from the debtor, until the debtor pays off the debt".
- b. According to the scholars of Shafi'iyah *rahn* is as follows:  
"Making an item that can be sold as a form of collateral for debts is fulfilled from its price, if the debtor is unable to pay the debt".
- c. According to Wahbah al-Zuhaili, the Sharia *rahn* contract is:  
"Withholding something that comes with the right to use it".

Based on the definition presented by the scholars above, it can be concluded that what is meant by *rahn* is an agreement to deliver goods as a form of collateral for debts, so that the person

concerned can take out a debt loan. Thus, the function of the collateral is to provide confidence, calm, and security over the debt it lends.

### Legal Basis of Pawn (*Rahn*)

The legal basis of *rahn* as a muamalah activity can refer to the postulates based on the Quran, hadith, ijmak, and DSN-MUI fatwa. In the book *al-Mu'jam al-Mufahras li al-Fâdz al-Qurân al-Karîm*, there are at least 3 (three) words that are the same root as the word *rahn* in the Quran, namely: (1) *rahin* in Q.S al-Thur (52): 21 (2) *rahina* in Q.S al-Mudatsir (74): 38 and (3) *farihan* in Q.S al-Baqarah (2): 283. Thus, the three *rahn* are used to affirm that the *rahn* is the consequence of something that has been promised or done.

In applying the precautionary principle to debt transactions, Q.S. al-Baqarah (2): 283 uses the word *farihan* as an example. Providing guarantees to debtors shows wisdom. Both parties must travel during the transaction, which needs to be documented in front of witnesses. According to him, *rahin* has gone beyond the notion of prudence from debt which is only documented and verified with guarantees. However, the word "*farihan*", which is found in Q.S al-Baqarah (2): 283, literally indicates that *rahn* is performed when a person is a traveler. This does not mean that people who settle should not do it. Therefore, the state of traveler or residence is not a condition for the validity of *rahn* transactions, it is just an example of extreme transactions in transactions (Farida & Rohman, 2024).

The majority of scholars agree on the permissibility of *rahn* law. This is based on the story of the Prophet Saw who pawned his armor to get food from the Jews. The scholars also take an indication from this example, when he switched from the usual dealings with wealthy companions to a Jew, that it was nothing more than the Prophet's attitude of not wanting to burden the companions. They are usually reluctant to take the replacement or price given by the Prophet. The majority of scholars are of the opinion that *rahn* is not only sharia when not traveling.

The scholars have studied what are the contents of the legal rules that can be done for *rahn* transaction activities. According to al-Suyuthi as quoted by Ade Sofyan Mulazid, the ability to practice *rahn* is based on the rule of law which reads "*al-Ashlu fi al-Asyâ al-Ibâhah*". In contrast to al-Suyuthi, Ibn Nujaim said "that basically in muamalah it is haram until there is a firm postulate that commands it". Furthermore, Ibn Nujaim detailed that some of the followers of Hanafi agree with Shafi'iyah such as Imam al-Kurkhi. In other words, stating that the original *tawaqquf* is *tawaqquf* must have a legal determination or clarity. According to ibn Qudamah, the reason for allowing *rahn* is the existence of benefits that are released (*mashlahah al-mursalah*). The benefits contained in the womb are helping each other.

The fatwas that are used as references in sharia pawns, namely (1) Fatwa of the National Sharia Council No. 25/DSN-MUI/III/2002 concerning *Rahn*, (2) Fatwa of the National Sharia Council No. 26 DSN-MUI/III 2002 concerning *Rahn Emas*, and (3) Fatwa of the National Sharia Council No. 68/DSN-MUI/III/2008 concerning *Rahn Tayili* Fatwa issued by DSN uni is a generally accepted and binding reference for Islamic financial institutions in Indonesia. Similarly, it is binding for people who transact with Sharia Pawnshops

From the description above, it can be concluded that the legality of pawn has a strong footing because it is supported by postulates based on the Quran, sunnah, and fatwa of DSN MUI Therefore, pawnshops today must go beyond the pawn tradition built during the time of the Prophet Saw The development of pawnshops into a profit-oriented financial institution is one of the answers in addition to its social mission.

## Principles and Conditions of Pawn

### The Pillars of pawn

There are four pillars of rahn, namely the pawnbroker (*raahin*), the pawnbroker (*murtahin*), the collateral (*marhuun*), and the debt (*marhuun bihi*). According to Hanafiyah the pillars of *rahn* are divided into 2 namely: *ijab* and *Kabul* from *raahin* and *murtahin*.

### Term of pawn

The foundation and legal criteria of Sharia Pawn state that the contract must be completed before the *Grahn* can be implemented. Mustafa az-Zarqa defines a contract as a legal pact formed by two or more parties who want to bind themselves. Hidden in the heart is the will of the parties who bind themselves. As a result, the contract reveals what each party wants. The jurists have different views on the pillars of *Rahn*. Most academics agree that *Rahn* consists of the following four pillars:

- *Shigat* (*Ijab* and *Qabul*).
- The person who performs the contract (*rahin* and *murtahin*).
- Treasure that is used as *marhun*.
- Debt (*marhun bih*).

The conditions related to the goods traded are the same as those related to the goods that are pledged or mortgaged as collateral for debts. According to the agreement of the ulama. This is because, if the pawnbroker is unable to repay the loan, the pawnbroker, or *murtahin*, must be able to sell the collateral. The following is one of the conditions for buying and selling goods (Lamtana & Mayditri, 2022)

1. The pawned goods must be original and real goods, they must not be non-existent, such as animals that are still in the womb of their mothers, or the pawned goods must be real goods.
2. The pawned goods must be legal goods and can be legally owned, stored, and used.
3. The goods are wholly owned and in legal possession at the time of the transaction. Because it is not fully owned, it is not valid to pawn sand in the middle of the field, the rest of the seawater, or the heat of the sun.
4. At the time of the transaction, the pawned goods must be able to be handed over. Therefore, since it cannot be handed over to the buyer, it is unacceptable to pawn wild animals, fish in the sea, or birds in awing.
5. In addition to the conditions mentioned above, the pawned object must also be strong and resistant to damage. Because of its rapidly depreciating nature, goods such as gold, silver, precious metals, cars, and the like cannot be used as collateral for debt.

According to Hanafiyah scholars, the condition for pawned goods must be valuable, clear, and handed over, can be stored for a long time, separate from other goods, whether movable or not. In more detail. These conditions can be explained as follows (Imam Mustofa, 2016)

1. The object to be mortgaged must be tradable at the time of the agreement and transferable;
2. The pawned goods must be assets that produce property:
3. The pawned goods must be legally utilized, if they can be used to pay off debts:
4. The pawned goods must meet all requirements in terms of size, type, quantity, quality, and other details:
5. The party who fully mortgages must have the pawned goods;
6. Pawned goods must be combined, must not be separated;
7. Must not be tied to something that is not part of the pawn:
8. The pawned goods must be intact, must not be partially or wholly pawned.

Sharia Pawnshops has three principles that are derived from the study of Islamic economics, the principle of economic development does not only refer to the process by which the people of a country utilize available resources to produce a continuous increase in the production of goods and services. However, Islam has development principles that are framed by the framework of a relationship with Allah and balance between life in this world and in the hereafter. Among these principles are the following:

### **Sharia Principles in the Rhan Contract at Sharia Pawnshop Institutions**

Basically, Islamic economic research is the source of three (3) guiding concepts for Sharia Pawnshops. The process by which the people of a country use their resources to produce an increase in the production of goods and services is one aspect of the concept of economic development (Lamtana & Mayditri, 2022).

#### **1. The Principle of Tawhid (Faith)**

The foundation of Islamic doctrine is monotheism. This main lesson affirms that God is the owner of the universe and all its contents, including all living beings and humans, apart from being its creator. Therefore, God is the true owner, and man is only required to "have" for a limited period of time to be tested.

#### **2. The Principle of Ta'âwun (Help-Help)**

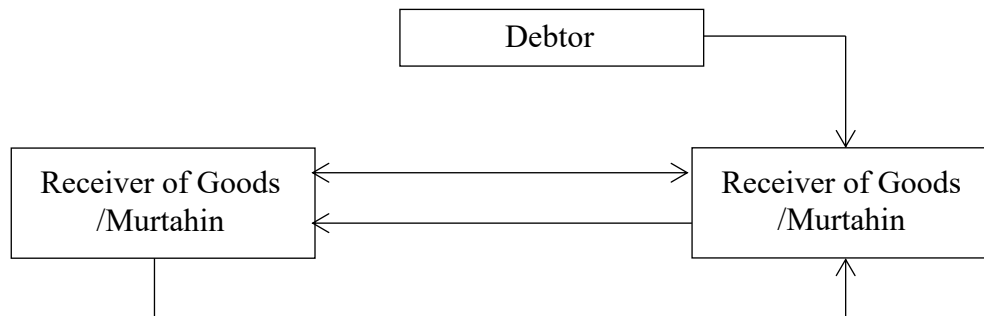
Pawn transactions should take into account the idea of ta'awun (mutual assistance), i.e. the idea of helping each other in improving living standards through a system of commercial and economic cooperation, according to Abu Yusuf (d. 182 AH) in al-Kharaj. According to the Qur'an, "And help you in virtue and piety, and do not help in committing sin and enmity". This is in line with what is conveyed by the Quran. Al-Maaidah (QS (4): 2). The existence of the principle of ta'awun in pawn transactions shows the inevitable close relationship between human tradition and religion as a result of the rapid progress of human activities.

#### **3. Business Principles (Tijarah)**

Afzalur Rahman emphasized that Islam supports trade as a practice. The Prophet often emphasized the importance of trade for human survival. Nevertheless, the search for profit must be carried out in a manner that is in accordance with Islamic law. Prosperity is the desired outcome here. Umar Chapra referred to it as al-Falah. Muhammad Syafi'i Antonio argued that from the perspective of Islam, there is no dichotomy between efforts for economic development and other sectors and preparations for life in the hereafter. Therefore, sharia pawn business activities, without following sharia rules, will bring destruction

Thus, the three principles above are the basic reference in the development of Sharia Pawnshops, as well as their application in socio-economic life. The lack of a strong one of these foundations will cause a slow development of the business institution itself, and will not be able to achieve prosperity. Therefore, it is necessary to explain the difference between Sharia Pawnshops and conventional pawnshops.

### Scheme Rahn Contract



**Figure 1. Scheme Rahn Contra**

1. The lender agrees on Rahn/rahn tajlisi with the loan
2. The lender receives goods or securities on the goods (if fiduciary).
3. The giver of the goods will return the loaned goods when they are about to be completed.

### Implementation of Rahn Contract in Sharia Pawnshops in Islamic Economic Perspective

The implementation of the rahn contract in general, the flow of rahn practice in Islamic financial institutions generally is:

1. The customer submits a guarantee to an Islamic bank, this guarantee is in the form of movable goods
2. Financing will be carried out between the customer and the Islamic bank
3. After the financing contract is signed and the collateral is received by the Islamic bank, the Islamic bank disburses the financing
4. Rahin makes a repayment plus the agreed fee. Fees come from renting premises and fees for maintenance of collateral.

Pegadaian is a financing or credit institution with a pawn system, PT Pegadaian is one of the companies under the auspices of the Ministry of SOEs. The main task of PT Pegadaian is to bridge the needs of public funds by providing loans based on pawn law. The concept of sharia pawnshop operations refers to a modern administrative system with the principles of rationality, efficiency, and effectiveness with Islamic values. The operation function of sharia pawnshops is carried out in sharia pawnshop branch offices. The Tukmudal Sumber Sharia Service Business Unit is a sharia pawnshop, established in 2012.

The advantages of sharia pawnshops, include: rahn services are available at sharia pawnshop outlets throughout Indonesia, the application procedure is very easy, the borrowing process is very fast only 15 minutes, loans (marhun bih) start from 50 thousand rupiah to 200 million rupiah or more, the maximum loan period is 4 months or 120 days and can be extended many times by paying ijarah only or in installments of part of the loan money, Repayment can be made at any time with the calculation of yarah during the loan period, the loan process without the need to open an account, the customer receives a loan in cash or transferred to the account, collateral is stored safely at the pawnshop.

The easy and fast sharia pawn business model at sharia pawnshops is as follows: the customer comes with (marhun) collateral, the marhun is estimated by the assessor from the sharia



pawnshop, the marhun bih is received by the customer in cash or transferred. The benefits of pawnshops include:

1. For Customers The availability of funds with relatively simpler procedures and in a faster time compared to financing or bank credit. In addition, customers also benefit from a professional assessment of the value of a movable item Get a safe and reliable mobile goods storage facility.
2. For pawnshop companies: Income sourced from capital rent paid by borrowers. Income sourced from fees paid by customers obtaining certain services. And the implementation of PT Pegadaian's mission as a state-owned enterprise engaged in financing is in the form of providing assistance to people who need funds with relatively simple procedures.

The Rahn contract came into effect when Marhun was handed over to Rahin, because Marhun was a guarantee based on a mandate or debt. So if Marhun is handed over to the owner, it means that there is no more collateral and Rahin has paid off all his debts, but Rahin is obliged to sell Marhun on the order of the judge or the judge is obliged to sell it if Rahin dies. In order to alleviate the debt in a certain way, for example by transferring it to another person or through hawalah, the murtahin decides the contract, even without permission from the rahin. Because the prerogative is that if Rahin dies or goes bankrupt before Marhun is controlled by Murtahin or if Rahin is sued by another party because of debt, then the loss for Marhun because Marhun is a trust fund in the hands of Murtahin, if nothing else. The reason for that is exactly that. Rahin Marhun intentionally or negligently damages, sells, gives away or disposes of Marhun with Murtahin's permission

#### **How to Increase Public Interest in Sharia Financial Institutions, Especially Sharia Pawnshops.**

The implementation of sharia financial literacy carried out by Sharia Pawnshops includes efforts to grow sharia financial literacy in the community. In addition, the sharia pawn marketing party carries out promotions in stages in various markets or other public places such as installing banners and banners, distributing brochures during promotions directly in public places so that the public better understands and knows information related to sharia pawnshops that can help finance their business, for example, sharia pawnshops must also carry out programs to increase sharia financial literacy in the community by In addition to carrying out the program to increase financial literacy in the mandiri way, the Sharia Pawnshop must also collaborate with agencies such as the religious department, insurance companies, local governments and banks to carry out various activities in an effort to improve financial literacy in the community.

The scope of society that is the target to be provided with edukasi related to financial literacy by sharia pawnshop employees is the general public, micro, small and medium enterprises, students and students, artisan groups While the material presented when implementing the program to increase financial literacy in the community includes the definition of pawn and various service products in sharia pawnshops, the benefits of each product, Tips for choosing a product, the mechanism for using the product, the risks that must be borne by customers if using the product, convenience that includes product advantages, security in the form of a guarantee to use existing products and services, and also related to the simulation of sharia pawn. In addition, ways to increase public interest in Sharia Pawnshops are:

1. The influence of location on public interest, if the location is easier to reach by the general public or the more strategic, the higher the public's interest in using a product or service
2. The influence of service on public interest, if the better the service at the sharia pawnshop, it will further increase the public's interest in using the pawn service.

3. The influence of promotion on public interest, the higher the level of promotion carried out by sharia pawnshops.
4. The influence of sharia aspects on public interest, if the higher the level of compliance of sharia pawnshops with Islamic religious sharia food, the more customer interest in transacting at pawnshops.
5. The effect of transaction costs on public interest, if the costs in the transaction process are getting smaller, it will increase customer interest because the majority of people in using a product or service certainly try to minimize all kinds of existing costs.

#### 4. Conclusions

From the explanation of the rahn contract at the sharia pawnshop, it can be concluded that the rahn contract is a pawn agreement transaction carried out based on Islamic law. Rahn in Islamic law is carried out based on the purpose of helping without seeking profit. The guarantee in the rahn contract itself aims to make the lender trust the debtor more. The maintenance and storage of pawned goods is essentially the obligation of the pawn-making party (rahn), but it can also be done by the party who receives the pawn (murtahin) and the cost must be borne by rahn. The implementation of Islamic financial literacy regarding the principle of the rahn contract carried out by sharia pawnshops includes the development of literacy which aims to increase public awareness of sharia finance so as to attract public interest in the use of these financial institutions which can later help the economy by giving rise to new businesses when the public already understands and knows about sharia pawnshops. Islamic financial literacy in the community can also be improved through promotions that are carried out gradually in various public places or conducting seminar and promotion programs through social media by collaborating with various parties. In addition to literacy in the community, services at sharia pawnshops must also be improved.

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