

ABSTRACT

Abidy, Qisthi. 2013. THE REVIEW OF NATIONAL SHARIA BOARD-INDONESIAN COUNCIL OF ULAMA (DSN-MUI) FATWA AND GOVERNMENT REGULATION No. 42 YEAR 2007 ON FRANCHISE BUSINESS. State Islamic University Maulana Malik Ibrahim, Malang. Supervisor Dr. Sudirman, M.A.

Keywords: *Fatwa, Syirkah, Ijarah, Franchise*

Nowadays there are numerous businesses run in easy, fast, and multiple benefit oriented way. The globalization era provides many business products and recently the term franchise becomes more common. This business transaction rapidly increases due to its low cost and provided materials. The definition of franchise is a contractual warranty by one person (the franchisor) which permit another party (the franchisee) to use franchisor's brand in a certain period. The passion of sharia-based business also grows, even though many franchise businesses still employ conventional concept. Even though has been applied by moslem for a long time, Sharia *akad* (agreement) still has great potential for the economical development.

From the explanation, the researcher examines some issues which become main discussion of the research. First, how is franchise business according to the fatwa of DSN-MUI? Second, how is franchise business according to Government Regulation No. 42 Year 2007? Third, how is the comparison between Government Regulation No. 42 Year 2007 and fatwa of DSN-MUI?

The research employs scientific paradigm derived from regulation using qualitative and statute approach. The research uses primary and secondary data collected by documentation. The data result then undergoes the process of editing, checking, and compiling and arranging before analyzed using descriptive qualitative analysis.

The result concludes that franchise business is allowed and it has no conflict with Islamic law.

Government Regulation No. 42 Year 2007 on franchise serves as legal basis for running franchise business. Franchise business using *syirkah* and *ijarah akad* have a common feature that is a contractual freedom for both franchisor and franchisee. On the other hand, these two *akads* have different legal basis for franchise business.