

SHOPEE PAY LATER APPLICATION AND BAY' MUAJJAL: A SYARIAH APPROACH

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Abstract

The evolution of the modern-day world had also given a significant impact on commerce society. People nowadays tend to buy or purchase new things with an easier payment method that can let them have their desired one easily. One of the most famous e-commerce companies at the moment is Shopee. Shopee gave a variety of payment methods towards their customers such as online banking, cash on delivery, Shopeepay, credit or debit card and the newest one is Shopee PayLater. The Shopee PayLater is a payment method service that allows you to consolidate your purchases on Shopee on a monthly basis. It gives an option for you to spread out repayment to 2 months, 3 months, or 6 months with a small processing fee of 1.25% of the total order amount. The main point for this research is to know whether the method of payment using Shopee PayLater is aligned with the perspective of Syariah which is the deferred payment otherwise called Bai Mu'ajal. This research will focus on qualitative method in order to get the correct information and later analyze the ideas and methodological framework of Syariah perspective to draw a general conclusion about the issue as the payment method using Shopee PayLater had some concerns regarding the processing fee and also late payment fee that can lead to Riba al-Qard.

Keywords: *e-commerce, payment, Shopee Paylater, deferred, Bai Mu'ajal, Riba al-Qard.*

INTRODUCTION

Day by day, we often see that the rapid development of technology is mostly influenced by the internet. The use of the internet by society nowadays increasing drastically as everything that is related to human life such as work, study and even buying something had connected with the use of the internet as it is much faster and easier when using this method. This development had emerged a new way of selling or acquiring something that is called e-commerce. (Chai, 2020) stated that E-commerce can be described as the purchasing and selling of something either things or services, as well as the transmission of funds or data, over an electronic network, most notably the internet.

There are a variety of e-commerce companies that gain lots of benefits by selling goods to the customer and one of the most famous in Malaysia nowadays is

Shopee. Shopee is Southeast Asia's and Taiwan's leading e-commerce platform. It is a platform designed specifically for the region, offering customers an effortless, trusted, and quick online shopping experience through strong payment and logistical support. Shopee is an establishment that was based on a Sea company, debuted in Singapore in 2015, and has since expanded to Malaysia, Thailand, Taiwan, Indonesia, Vietnam, and the Philippines. Sea is a regional leader in digital entertainment, e-commerce, and digital financial services. Shopee had introduced lots of payment methods to their customers for example online banking, debit card, cash on delivery, and one of the well-known and newest one is called Shopee PayLater. Shopee PayLater is a feature that allows qualified buyers to buy now and pay later or apply for a 3-month installment loan for their Shopee purchases.

In Islam finance, there was also a method that was similar to Shopee PayLater and that was called Bai Mu'ajal. Bai Mu'ajal is known as deferred price sales which functions similarly to a murabahah contract but with payment generally made on a deferred basis. The contract's stated sale price for the asset includes the profit. Land, buildings, machinery, and equipment are common assets for such contracts. Bai Mu'ajal is one of the most common Islamic financing methods in Malaysia, and it can be considered as a substitute for the finance lease. Customers use it to purchase assets of significant value in installments, from which they can generate future cash flows. In this agreement, the customer receives the asset and is required to make payments in installments over the agreed-upon term. The customer who purchases the asset must pay the profit to the financial institution that arranges the asset.

Razali (2008) tells that scholars have stated that too much ambiguity (gharar) must be avoided in the contract's formulation. As a result of an asset having physical existence and being identified by the customer, the risks of gharar are reduced. Nevertheless, if the sale or purchase agreement is for a house that is yet to be built, it may raise questions about the legality of Bai Mu'ajal because the outcome of such an agreement is uncertain.

In Islam, the law of indebtedness is very flexible depending on one's situation. There is evidence from the Quran that mentions the law of indebtedness and as long as it aims to help people and reduce someone's hardship then it is allowed. It had been stated in the Al-Quran:

{مَنْ ذَا الَّذِي يُقْرِضُ اللَّهَ قَرْضًا حَسَنًا فَيُضِعَّهُ لَهُ أَضْعَافًا كَثِيرَةً وَاللَّهُ يَقْبِضُ وَيَبْصِطُ وَإِلَيْهِ تُرْجَعُونَ}

Meaning: Who will give God a good loan, which He will increase for him many times over? It is God who withholds and God who gives abundantly, and it is to Him that you will return.

(Al-Quran. Al-Baqarah 2:245)

The two methods that were mentioned earlier which are Shopee Paylater and Bai Mu'ajal had a few similarities but there is a slide difference between them according to the Syariah perspective which the Shopee Paylater did not fulfill them

that is the existence of *Riba al-Qard*. This led to doubts among the Muslims in using the method that had been introduced by Shopee as Muslims are prohibited from engaging in any usury-related matter. Therefore, the objective of this study is to break down the status of using the Shopee PayLater as the method of purchasing something from the Shopee apps.

FINDINGS AND DISCUSSION

The Concept of Shopee PayLater

Shopee had introduced a new payment method in their list in line with other payment methods such as debit card, cash on delivery, and online banking during 2021 which is called Shopee PayLater. This feature lets its customer purchase their items which only can be bought through Shopee apps and pay for them later based on a few conditions (Yin, 2021). Based on this method, the customers get to postpone their payment based on their choices of purchase which is to pay for the item fully in one month or convert the payment into monthly installments which up to six months.

The Shopee PayLater payment method works with the appointing of SeaMoney Capital Malaysia Sdn Bhd (SeaMoney) to manage Shopee's installment payment operations. The buyer buys the things that were offered by the seller as usual in Shopee and chose for installment payment. SeaMoney will buy those things and the seller will sell and hand over all amounts outstanding under the purchase agreement to SeaMoney, and the seller will receive the amount outstanding under the purchase agreement. Finally, the buyers will pay in installments to SeaMoney with some charge fee that will be stated after this.

The condition for the Shopee PayLater to be activated by the customers is that it is only valid to Malaysians who are 18 years old of age and above which had a legal MyKad. This mechanism had four options for the customers which are BuyNowPayLater (BNPL), monthly installments that start with two months, three months, and also six months. Here are some of the examples in the table figure that show how Shopee Paylater works towards their customers:

Shopee Paylater Payment Options	Processing Fee	Late Payment Fee
Buy Now Pay Later (BNPL)	0%	1.5% monthly on the overdue amount
2-month installments	1.25% per month on order amount	
3-month installments		
6-month installments		

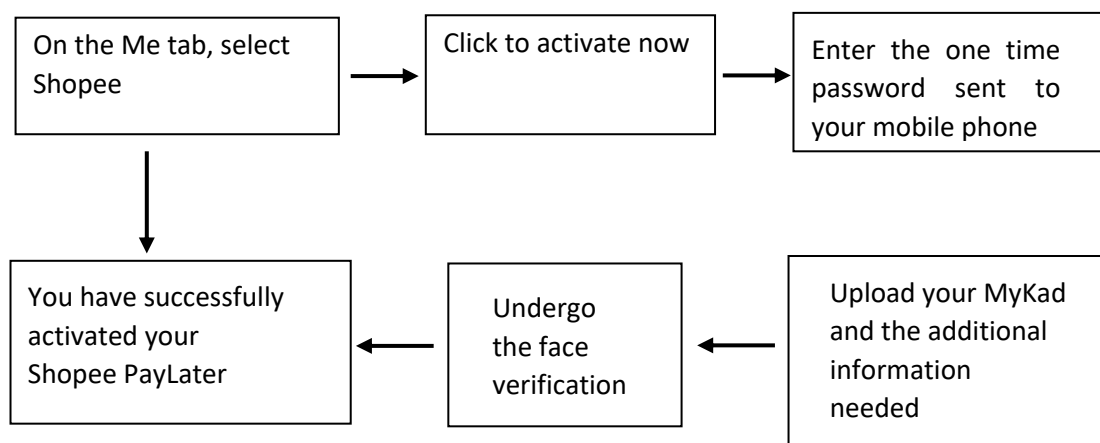
Table 1: Shopee that Shows Paylater Payment Options (Yin, 2021)

Based on Table 1 above we can see that customers who take the Buy Now Pay Later alternatives should pay the exact amount of their purchases in the next month means in the period of one month if they did not want to be charged for their late payment fee. Whilst the customers who chose the option for monthly installments need to pay 1.25% for the processing fee on the behalf of their purchases for each month until they fulfill the exact price of that thing.

These types of customers need to make sure that they must accomplish the payment option that they have chosen based on their own timeframe otherwise they will be charged with a late payment fee which is 1.5% each month after their overdue date and based on the Shopee PayLater condition all payment must be submitted before or on the tenth day for each month.

For example, if you use the (BNPL) option and make purchases between November 1 and 30, you must pay your bill between 1 to 10 December, or otherwise, you will be charged with the late payment fee as stated before. If you chose the 2-month installment plan, you must pay the installments between the 1st and 10th of December and the 1st and 10th of January. SPayLater bills can be paid with the ShopeePay e-wallet, online banking, or cash at 7-Eleven.

It had been stated that Shopee PayLater users will be granted with the amount of spending cap and the maximum limit is RM3000. This maximum amount will be different for each user based on various factors such as repayment history, spending and purchasing pattern on the shopee application. To activate the shopee paylater these are some of the method as shown below



Syariah Issue Regarding Shopee PayLater

The payment using Shopee PayLater might be very easy and useful to the consumer but there are various issues involving Syariah law in an e-commerce business that requires detailed research and study. One of the issues regarding this method is the processing fee. As it had been stated before, a processing fee is an additional charge placed on customers who chose the installment plan offered by Shopee which is up to sixth month. Customers who choose to pay using an installment plan will be charged a processing fee of 1.25% per month of the purchase amount. Meanwhile, there is no additional fee that will apply if the customer pays one-off within a month and there is no issue regarding syariah when using this plan.

Rashid (2021) commented that according to the processing fee that had been stated, we can clearly say that there is an element of usury when using the installment plans as it takes advantage of the profits from the loans granted in spite of that contemporary scholars have discussed the charge of service and these charges are allowed by adhering to the following strict conditions such as the cost is real, and the cost is commensurate with the work that has been submitted also it is not permissible to charge a cost. Next, the cost is direct, and it is paid by the lender for the benefit of the loan, so the borrower should not be charged indirect costs, made by the lender to carry on the amount of his business. Later, the borrowing costs are not related to the amount or term of the loan (in percentage form), but more to the actual cost, without any increase. After that, costs cannot be taken repeatedly unless the service is provided repeatedly. Banks cannot charge periodic fees on the grounds that it is a borrowing cost unless it is a recurring expense or recurring service. Lastly, if it is difficult to place an actual amount of the money that needs to be paid, an estimate may be charged unless the account closes at the end of the year. As a result, if the actual amount is already known, any surplus must be returned to the debtor using the mutually agreed-upon medium (n.a, 2015 تحميل المقرض المصارف الإدارية للقرض جائز 2015، بشروط)

The next syariah issue that arises within the Shopee PayLater is the late payment fee. Late payment fee will be charged to the customers that failed to fulfill the exact amount that they need to pay either using the monthly installments or the (BNPL) buy now pay later options. A shopper will be levied with late payment fee of 1.5% of the amount outstanding on a monthly basis. The late payment fee is understandable seen to have a clear element of usury. This is because any debt that is accompanied by additional payments due to delays in payment is included in the category of *Riba-al Qard*.

Riba-al Qard is one of the *riba* that falls under *riba Ad-Duyun*. It is a type of *riba* that consists of an excess amount, either monetary or non-monetary, over and above the principal (*asl al-qard*) in a loan (*qard*) that a borrower pays to the lender in addition to the principal based on a contractual precondition (*aqad*) or customary practices (*urf*) (n.a, *Riba al-Qard*, 2020). *Riba Al-Qard* also means that money that was paid additionally to lengthen the maturity date of a loan. It is understandable that this type of *riba* is an arrangement of a person making a loan in the form of money to another party with the provision that the party return the loan money with a certain amount or as usual, or obliged a monthly or annual addition on money borrowed.

As we know muslim had been prohibited to be involved in any contract that there is an element of usury in it as it had been stated in the Al-Quran:

{ وَمَا آتَيْتُمْ مِنْ رَبًّا لِيَرْبُوًّا فِي أَمْوَالِ النَّاسِ فَلَا يَرْبُوًّا عِنْدَ اللَّهِ ۖ وَمَا آتَيْتُمْ مِنْ زَكَاةٍ تُرِيدُونَ وَجْهَ اللَّهِ فَأُولَٰئِكَ هُمُ الْمُضْعِفُونَ }

Meaning: Whatever you lend out in usury to gain value through other people's wealth will not increase in God's eyes, but whatever you give in charity, in your desire for God's approval, will earn multiple rewards. (Al-Quran. Ar-Rum 30:39)

The Relationship Between Shopee PayLater and Bai Mu'ajal

The Concept of Bai Mu'ajal

Before knowing the relationship between our main component which is Shopee PayLater and *bai mu'ajal*, first and foremost we must know the concept of *bai mu'ajal*. *Al-bai mu'ajal* is also known as delayed selling price. *Al-bai mu'ajal* transaction involves a process of selling something with immediate delivery of goods and deferring payment until a specific time or period has been set. *Al-bai mu'ajal* is a contract in which the financier agrees to purchase the property desired by the customer. The financier will resell the property he purchased to the customer for the original purchase price plus a profit. However, the customer will pay it in installments over a set period of time and will be paid a certain amount in installments- tolerant, and the financier is usually the bank (Shazali, n.d). Customers can pay in installments, and the amount owed is determined by the total cost of the purchase, as well as the risk of payment.

After that, *Al-bai mu'ajal* is very similar to *murabahah* trading in many ways. However, in today's Islamic banking practice, *murabahah* is more commonly used for short-term (less than a year) or working capital financing, whereas *bai mu'ajal* is frequently used for long-term and medium-term financing, such as housing financing (Yasin, 2003). Profit margin and purchase cost should be detailed and

communicated to the customer for financing *murabahah*, however profit margin and purchase cost do not need to be detailed or disclosed to the customer for bai mua'jal.

Validity of Bai Mu'ajal as a Financing Method

Although Bai Bithaman Ajil (BBA) or also known as Bai Mu'ajal is one of the principles of muamalat allowed in Islam but there is a difference of opinion among Islamic scholars whether it is valid to use as a method of Islamic banking financing or not. Here are some of the legality of Bai Mu'ajal as the basis of conventional financing. First of all, the first view espoused by Muhammad Nejatullah Siddiqi described BBA as a riba transaction (Wahab, 2005). Although BBA is permitted under Islamic law, Siddiqi does not recommend that Islamic banks use it in their financing products. He mentions the following:

“I would prefer that Bai' al-Muajal be removed from the list of permissible methods altogether. Even if we concede to its permissibility in legal form, we have the overriding legal maxim that ‘anything leading to something prohibited stands prohibited’ (*ma adda ila al-haram fahuwa haram*) ...” (Siddiqi, 1983)

Besides that, In Pakistan, Maulana Muhammad Taqi Usmani, one of the judges in the case of *M. Aslam Khaki v. Syed Muhammad Hashim*, ruled that financing based on additional profits, such as bai al-mu'ajal (BBA) and bai' al-murabahah, was not legitimate to be used as the basis of banking products because it was suspected of containing elements of usury (The text of of the Historic Judgment on Riba, 2001). In his judgment that known as ‘Historic Judgment on Riba’, he mentions:

“Mark-Up and Interest”

191. Unfortunately, while implementing this technique by the banks and the financial institutions, all the above points were totally ignored. What was done was to change the name of interest and replace it by the name of mark-up. The mark-up system as in vogue today has no concern with any real commodity whatsoever. In most cases there is no commodity at all in real sense; if there is any, it is never purchased by the banks nor sold to the customers after acquiring it.

In some case this technique is applied on the basis of buy-back arrangement which means that the commodity already owned by the customer is sold by him to the bank and is simultaneously purchased by him from the bank at a higher price which is nothing but to make fun of the original concept. In many cases it is done merely on papers without a genuine commodity to be sold and purchased. Moreover, this technique is applied indiscriminately to all the banking transactions having no regard whether or not they involve a commodity. The procedure is being applied to

all types of finances including financing overhead expenses, payment of bills, etc. The net result is that no meaningful change has ever been brought about to the system of interest on the assets side of the banks. Therefore, all the objections against interest are very much applicable to the mark-up system as in vogue in Pakistan and this system cannot be held as immune from being declared as repugnant to the Holy Qur'an and Sunnah. We hold accordingly.

According to Siddiqi and Maulana Muhammad Taqi Usmani, the concept of BBA used in Islamic banking financing products is a path that leads to usury transactions. As a result, Islamic banks are not permitted to use the BBA principle as one of their financing methods. But, in Malaysia, the majority of members of the local Syariah Advisory Council agree with the Shafie school that BBA is a valid method of Islamic banking financing. Although this fatwa was decided by those knowledgeable in Islamic law, it appears to be increasingly being challenged by a small group of civil lawyers. Apparently, there is a group of civil lawyers who attempt to question and challenge the BBA's validity on the grounds that it involves usury transactions. They argue that the BBA's financing is invalid because it contains elements that are contrary to Islam and the Islamic Banking Act of 1983.

In order to develop and mature Islamic banking law in the country, the author argues that it is not wrong for civil lawyers to raise sharia law issues in civil courts. However, in-depth knowledge of Islamic law is required. Because Islamic banking is subject to civil court jurisdiction, Islamic banking litigation cases will be more complicated if the issue of Syariah compliance is argued by someone who is less knowledgeable about Islamic law (Hasshan, 2008). Elements of deep knowledge of Islamic finance may be considered a burden because, as we all know, not all civil court judges and lawyers have a Syariah education background, particularly in the field of muamalat.

However, an in-depth understanding of the principles of Islamic banking that underpin Syariah principles is critical to deepening because Syariah principles are very broad, necessitating a more precise understanding of its implementation and application. In the absence of even a basic understanding, there will be confusion, and the distinction between Islamic banking financing facilities and conventional loan facilities will be obscured.

Shopee PayLater and Bai Mu'ajal

To understand the distinction between a BBA transaction and a Shopee PayLater transaction, we must analyse the relationship between these two. But first let us look at the similarity between Shopee PayLater and bai mu'ajal. These two transactions give the customer the choice to postpone payment until a specific time or period has

been established but gain the item that was purchased immediately. Next, the financier will resell the purchased property to the customer for the original purchase price plus a profit and in the case of Shopee PayLater it is the SeaMoney Capital Malaysia Sdn Bhd (SeaMoney) will purchase those items, and the seller will sell and hand over to SeaMoney all amounts owed under the purchase agreement, and the seller will receive the amount owed under the purchase agreement. Same with the concept of bai mu'ajal the customer, on the other hand, will pay it in installments over a set period of time and will be paid a certain amount in installments-tolerant and the same thing occur with the transaction using Shopee PayLater which the buyers will pay in installments to SeaMoney for the bank is in charge of Shopee's installment payment processes.

Next, the difference that happens between the contract of using Shopee Paylater and bai mu'ajal is that the customers that use the Shopee PayLater payment method will pay in installments to SeaMoney with some charge fee which is 1.25 percent for the processing fee on their behalf for each month's purchases until they meet the exact price of that thing. Besides that, these customers must ensure that they complete the payment option that they selected based on their own timeframe, or they will be charged with another fee that is a late payment fee of 1.5 percent per month after their overdue date, and the customer needs to make sure that all payments must be submitted before or on the tenth day of each month, according to the Shopee PayLater condition. We can clearly say that there is an element of usury when using the installment plans and also when the customers fail to pay according to the time period they have chosen because it takes advantage of the profits from the loans granted based on the processing fee that was stated. The late payment fee is evident that it contains a clear element of usury. This is because any budget deficit that is accompanied by extra payments as a result of payment delays falls under the category of Riba. We can see that, in exchange for the loan, the customer, as the debtor, must repay the principal amount borrowed plus interest. The bank views this interest as a source of profit and income. However, according to Islamic law, the interest charged by this bank is a form of usury rather than profit (Hasshan, 2008). The interest earned by the bank on this loan transaction is known as *riba qardh*, and its law is haram in Islam. In a hadith it had been stated:

From Ali r.a., he said: Rasulullah s.a.w said: *“Every debt which is deliberately to seek benefits, then it is usury”*.

(Reported by Al-Haris Bin Abi Usamah)

Meanwhile, in a BBA transaction, the contractual relationship established between the bank and the customer is seller-buyer. Buying and selling (al-bai) are one of the permitted transactions in the Islamic muamalat system. In Islam, a loan

contract is only valid under the concept of *al-qardh al-hasan* (benevolent loan). The creditor (*muqridh*) cannot demand payment in excess of the amount lent under this concept. The debtor (*muqtaridh*) is only required to pay back the amount borrowed. Debt is permitted in Islam as a means of assisting human beings in distress. As a result, creditors are prohibited from profiting from the plight of others. Giving a debt is a circumcision practice that is rewarded with a large reward, whereas accepting a debt should be legally permissible (Thalib, 1997).

Since the concept of *al-qardh al-hasan* is based on the value of human kindness, it is less suitable to be used as the basis of banking products. Banks will be unable to generate profits if Islamic banks use the concept of benevolent loans for deposit and financing facilities. As a result, the majority of Islamic banking products are introduced via contractual relationships such as vendor-purchaser, entrepreneur-investor, lessor-lessee, and so on.

Nowadays with business as well as buying and selling are halal transactions in Islam, the majority of Islamic banking activities today are business-oriented and buying and selling. Among the purchasing and selling concepts used in modern Islamic banking products are *bai 'bithaman ajil (BBA)*, *bai 'murabahah*, *bai 'salam*, *bai 'istisna*, and *bai 'al-inah*. In consumer financing facilities, Islamic banks typically use the BBA concept, in which these banks buy the property desired by their customers and then resell the property to their customers at a profit.

Here the author would like to emphasize that the profit earned by the bank in BBA financing is halal because it is based on an asset sale and purchase contract. The profit cannot be compared to the interest charged when using Shopee PayLater. Interest on a Shopee PayLater transaction is illegal because it is a financial remuneration received without the sale of any assets.

Implication of Using Shopee PayLater

The emergence of Shopee PayLater may provide comfort and convenience to the buyer however it also had numerous implications to the buyer when using this kind of method. First and foremost, there are additional fees and interest. Shopee PayLater does not help you to buy your desire things easily however, it asks you to purchase items and charge interest as well as additional costs. Even if we actually have enough money, because there is a lure, we end up choosing to buy first and paylater. If this habit continues the buyers will frequently purchase unnecessary items. Business owners will come up with a strategy for spending on non- marketable products. As a result, this payment method or service will be vigorously and frequently promoted. The only advantage of paylater is that it has a long repayment duration.

Second, this payment method will make your consumption soar increasingly. When customers successfully use the paylater feature, their demand to buy things rises. Furthermore, the customers did not need to make a bank transfer because the amount is automatically deducted from the given limit. If they use the paylater feature frequently, the maximum spending limit will most likely increase. With each increase in the limit, the consumer soon finds it more difficult to restrain itself. Finally, the habit of purchasing a large number of items is unavoidable.

After that, (Iin Emy Prastiwi, 2021) stated another bad consequence when using Shopee PayLater is burden the monthly finance and financial management. Shopee PayLater might become a good choice when you have a lot of money and did not use credit card however if our income remains constant while our monthly expenses increase due to installments, we will face financial difficulties. If we continue to spend, these costs will rise and eventually put a strain on the budget. One of the causes of cluttered financial records is frequent shopping, which includes a list of financial statements that have been planned in advance. Later, when customers made a late payment fee they will be charged by the Shopee with additional interest. The fines that must be paid differ considerably and are determined by the option that had been chosen by the buyer itself. Ideally, we should first read and comprehend this paylater feature before deciding to use it. Particularly concerning the interest charged on each of your monthly bills, as well as the fines imposed for each of your late payments. Not to mention any additional costs or administration that may be incurred.

Furthermore, the use of paylater repeatedly for the purpose of paying can cause unforeseen costs. People, particularly millennials, are very fond of speed and practicality. When they use the paylater feature, they were often unaware of the various costs that are immediately active. For example, subscription fees, installment fees, and other fees that vary in amount depending on the option that they have chosen. When the bills start to arrive, this cost is sometimes regretted. These additional fees will burden other important payments such as property and vehicles which are at risk of being fined.

Besides that, the obsessive use of Shopee PayLater for some customers might eventually lead to the use of more than one Shopee PayLater account. Once the desire had been fulfilled, the likelihood of satisfying another desire will increase. Although this is not the case for everyone, some people are tempted to use another paylater to buy their desired things, especially if one platform's limit has been reached. When there are a lot of paylater accounts that are used to purchase something, the bill will be large and increase each month.

Most importantly, Identity Hacking Transacting via digital does not escape the potential dangers of hacking. Despite the fact that each application provides a high level of security for its users, the risk of cybercriminals finding a way to hack

the database in the account and use it for irresponsible purposes remains there. Although with today's sophisticated digital technology, the security of users' personal data across multiple registered sites or applications could be compromised by cybercriminals. Such private documents will be used for irresponsible and extremely harmful purposes, such as burglary and fraud. In recent years, there have been countless deceitful criminal acts, such as the activation of a paylater account by an unknown person.

Finally, it is understandable that paylater sometimes can be useful in an emergency situation. However, there are times when this even plunges. Especially if you use multiple platforms and find it difficult to pay for them all. Little by little, the financial burden grows larger and larger over time. It is preferable to save rather than use this feature and end up ruining your finances. By saving, a variety of necessities can be purchased in cash, free of interest and other costs.

Islamic Legal Views on the Use of the Shopee PayLater Application

Before the author decided to discuss about the views of Islamic law on the issue of Shopee PayLater, first we should know in advance about the conditions and pillars that occur when using the Shopee PayLater application.

- 1) The presence of sellers and buyers or contract holders (*al-muta 'aqidain*)
 - a) Although there are clearly sellers and buyers in the Shopee application, the two do not interact directly. By visiting the seller's page, buyers can only see the goods or products sold.
 - b) Not by coercion, buyers are free to choose goods or products to be purchased.
- 2) There is an agreement (Ijab and Kabul)

When purchasing an item, the confirmation page is included in the agreement because both the seller and the buyer agree after they have made discussion between them.

- 3) Ma'qud 'alaih (Goods for sale)

Shopee offers a wide range of items with pictures or photos already attached by the seller indicating that the item is genuine, however, if the item is empty or has run out, there is a menu that indicates that the item is empty and thus cannot be selected. Delivery of purchased goods takes time to reach the recipient or buyers, and encouraging the buyer to comment on the goods has been accepted as proof that the goods have arrived at their purpose.

Nothing in the pillars and legal conditions of sale and purchase that have been described above in relation to the Shopee PayLater feature contradicts or violates the legal conditions of sale and purchase. Besides that, Shopee PayLater is included in the Qardh contract, according to Islamic law. *Qardh* contract is a loan agreement between the person who made the loan and the borrower that requires the borrower to return the money he received to the lender at any time within the agreed-upon time frame (n.a, DEWAN SYARIAH NASIONAL – MAJELIS ULAMA INDONESIA, 2020). If the user agrees to the conditions, then both the user and the Shopee agree, indicating that the pillars and conditions of the *qard* contract have been met. The pillars of *qard* are that there are two parties who make an agreement (lender and receiver loan), as well as the existence of a property on loan and *sighah* (Ijab Kabul)

Nevertheless, the terms of the *qard* contract are not applied in the practice of Shopee Paylater because there are several things in its implementation that are not in accordance with or even contradict Islamic law which is the processing fee and also late payment fee as it had been mention above in point 2.2. If the user misses the due date on Shopee PayLater payments, there will be a penalty of 1.5% late payment fee, but if the user pays on the due date, there is no interest. Shopee created the Shopee Paylater feature on purpose in order to profit from the loans of its users. So it can be said that the loan that was given to the customers was created and provided by Shopee for Shopee, implying that it is all a marketing strategy designed to attract users and make Shopee appear better than other e-commerce sites.

According to Syeikh al-Islam Ibn Taymiyyah, Ibn al-Qayyim, Syeikh Muhammad al-Utsaimin, and Syeikh Salih al-Fauzan, it is permissible to impose the due date on the debt (*qardh*) (Abdullah, 2017). However, if the debt has a condition that requires addition or a fine after maturity, then it is an act of usury and is included in the *riba nasi ah*. Besides that, Ibn Qudamah also said, "Every loan (*qardh*) that requires an addition to it, then the addition is *riba* without distinction among the scholars" (Qudamah, 620 Hijrah). *Riba nasi ah* is a monetary addition made to compensate for the lengthening of the payment period. For example, if a debtor has reached the maturity date but has been unable to pay it. As a result, he will be subject to a fine or a nominal surcharge as compensation for the delay. Any transaction that includes usury is illegal, and anyone who commits it renders the transaction void and invalid. Transactions of a usurious nature are prohibited based on Ayat Al-Quran:

وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا

Meaning: but God has allowed trade and forbidden usury

(Al-Quran. Al-Baqarah 2:275)

Later, fatwa from the mufti of the federal territory stated that “after analyzing Shopee's installment payment system, Shopee PayLater, we discovered that there are some Shariah issues that arise. Syariah's issues concern processing fees and late payment penalties, both of which contain an element of usury. There is no shariah issue with the one-time payment method within a month because there is no element of usury and it can be used. However, *al-Qard* usury applies if the customer pays late and incurs additional charges. It is emphasized that Muslims are not permitted to engage in any transaction that contains an element of *riba* because *riba* is haram and a major sin” (Rasid, 2021).

CONCLUSION

To conclude this research, the author would like to assert that any transaction that include any element of usury is forbidden for those who practice Islamic law. Based on this research, the author can say that Shopee PayLater is an online electronic money lender that can only be used to purchase non-digital products on the Shopee app. Once approved by Shopee, users will automatically receive a loan balance limit which can only be used to shop for multiple products in the Shopee application except for any digital products in the deals, top-ups, and bills category. Paylater is a payment method feature that uses bailout funds from the company and in the case of Shopee it is the SeaMoney Capital and profits from the user through the bill that must be paid, the bill that included interest and fines specifically mentioned in the Shopee terms and conditions. Paylater is not allowed under Islamic law because it is a loan that is included in *riba nasi'ah* as it had two main syariah issue in it which is the processing fee and also late payment fee.

The author would like to make some recommendations to either the buyer or the lender, namely the Shopee company, for example, Shopee should eliminate interest in PayLater payment transactions so that Shopee PayLater users can avoid any usury that can occur during the purchasing of something in the Shopee application and this is particularly for Muslims. Besides that, The Shopee must construct terms and conditions for prospective Shopee PayLater users, such as attaching a clear salary slip, to ensure that the customer has enough income to pay the paylater bill. This is done to reduce the possibility of late payment. In addition, the author would also like to recommend that Shopee company hire Syariah advisor to advise the company, especially in this matter is the banking operations in order to ensure that they do not contain any prohibited elements under Syariah principles.

Finally, the author hopes that this research can help all Muslims out there in order to clear up consumer confusion about the use of Shopee PayLater transactions. The author also hopes that there will be more research that is far more detail and in-depth study regarding this topic which had become one of the latest and hotly debated issues especially among the Muslim community. May Allah bless us and keep us away from any that He forbid.

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