

RETAIL GREEN SUKUK: DSN MUI FATWA AND MAQASHID SHARIA REVIEW

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Abstract-- Indonesia has significant potential to develop Retail Green Sukuk, especially in addressing climate change issues towards a green and sustainable economy. This research aims to analyze the practice, sharia compliance based on DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 on Sukuk, and *maqāṣid asy-Syari'ah* review of the issuance, use of proceeds, and payment of yields (coupons) for Retail Green Sukuk, with a case study on Sukuk Tabungan Series. The research method used is field research with a qualitative case study approach, utilizing an empirical normative and *maqāṣid asy-Syari'ah* (*kulliyat as-Sitt*) perspective. Qualitative data sources include in-depth interviews with DSN-MUI, document studies on the issuance of Sukuk Tabungan Series, and other supporting data such as regulations, fatwas, literature, and other sources related to green sukuk and *maqāṣid asy-Shari'ah* issues, which are then analyzed using inductive analysis techniques. This study finds that the practice of Retail Green Sukuk Sukuk Tabungan Series complies with the DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 concerning Sukuk. However, sharia compliance in its operations needs to be enhanced and explored further so that the practice of Retail Green Sukuk in Indonesia, particularly Sukuk Tabungan Series, can be carried out completely in accordance with sharia principles. The idea of '*umum al-balwa*' can be used in conjunction with the *fiqh* principle *لَا يَزْكُ كُفْلُهُ لَا يَزْكُ كُفْلُهُ*. The process of issuance, use of proceeds, and payment of yields (coupons) for Retail Green Sukuk Sukuk Tabungan Series not only fulfills the objectives of *maqāṣid asy-Syari'ah* (*hiḍḍ ad-Din*, *hiḍḍ an-Nafs*, *hiḍḍ al-'Aql*, *hiḍḍ an-Nasl*, *hiḍḍ al-Māl*, and *hiḍḍ al-Biāh*), but also contributes to the sustainable economy and the welfare of society.

Keywords: Retail Green Sukuk; DSN-MUI Fatwa; Maqashid Sharia; SDGs.

Abstrak-- Indonesia memiliki potensi besar untuk mengembangkan Green Sukuk Ritel utamanya dalam menjawab permasalahan perubahan iklim menuju ekonomi hijau dan berkelanjutan. Penelitian ini bertujuan untuk menganalisis kesesuaian Fatwa DSN-MUI No: 137/DSN-MUI/IX/2020 tentang Sukuk dan tinjauan *maqāṣid asy-Syari'ah* pada penerbitan, penggunaan dana, dan pembayaran imbalan (kupon) Green Sukuk Ritel studi kasus pada Sukuk Tabungan Series. Metode penelitian yang digunakan adalah penelitian lapangan (field research) dengan jenis penelitian kualitatif berupa studi kasus dengan pendekatan normatif empiris dan *maqāṣid asy-Syari'ah kulliyat as-Sitt*. Sumber data kualitatif didapatkan dari wawancara mendalam dengan DSN-MUI, studi dokumen penerbitan Green Sukuk Ritel Sukuk Tabungan Series, dan data pendukung lainnya berupa peraturan perundang-undangan, fatwa, dan literatur serta sumber lainnya terkait sukuk hijau dan *maqāṣid asy-Syariah* yang kemudian dianalisis dengan teknik analisis induktif. Hasil penelitian menunjukkan bahwa: Pertama, Praktik Green Sukuk Ritel Sukuk Tabungan Series sudah sesuai dengan Fatwa DSN-MUI No: 137/DSN-MUI/IX/2020 tentang Sukuk. Namun, aspek kepatuhan syariah dalam operasionalnya masih perlu ditingkatkan dan dikaji agar praktik Green Sukuk Ritel Sukuk di Indonesia khususnya Sukuk Tabungan dapat dijalankan sepenuhnya sesuai syariah. Dalam hal ini berlaku konsep '*umum al-balwa*' dan dapat diaplikasikan dengan kaidah fikih *لَا يَزْكُ كُفْلُهُ لَا يَزْكُ كُفْلُهُ*. Kedua,, Praktik penerbitan, penggunaan dana, dan pembayaran imbalan (kupon) Green Sukuk Ritel Sukuk Tabungan tidak hanya memenuhi tujuan *maqāṣid asy-Syari'ah* (*hiḍḍ ad-Din*, *hiḍḍ an-Nafs*, *hiḍḍ al-'Aql*, *hiḍḍ an-Nasl*, *hiḍḍ al-Māl*, dan *hiḍḍ al-Biāh*), tetapi juga berkontribusi pada ekonomi berkelanjutan dan kesejahteraan sosial masyarakat secara keseluruhan.

Kata Kunci: Green Sukuk Ritel; DSN-MUI; *Maqāṣid asy-Syari'ah*; SDGs.

INTRODUCTION

The Retail Green Sukuk is a sharia-compliant financial instrument designed to facilitate financing of Indonesia's green and sustainable economy. According to data from Central Bureau of Statistics (Bappenas), Indonesia will require IDR 67,803 trillion in investment in the green and sustainable sector until 2030 (OJK, 2021). This financing gap enables the financial industry to engage in sustainable investment particularly through instruments that comply with Islamic finance principles. Moreover, global investment trends signal growing demand for environmentally conscious (green) and ESG-oriented products (World Bank, 2023). Many institutional investors now factor environmental, social and governance (ESG) considerations into their strategies, leading to increased demand for ESG-friendly offerings; yet the number of sharia-compliant ESG instruments remains limited (Refinitiv, 2022). In this context, green sukuk can fill a niche, especially for investors who prioritise sharia compliance and to achieve the Sustainable Development Goals (SDGs) (Riana et al., 2020). At the same time, sharia principles grounded in the Qur'an and Sunnah govern business, individual and institutional activity (Hidayat, 2023). Although green sukuk as a variant of sukuk has been regulated under DSN-MUI fatwas and by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), debate on sharia conformity persists. Prior research shows that in some sukuk issuance the ijarah contract mechanism mimics conventional bonds, thus deviating from strict sharia conduct (Fitri, 2022). Given this background, this study investigates the applicability of DSN-MUI Fatwa No 137/DSN-MUI/IX/2020 on Sukuk in the context of green sukuk in Indonesia, focusing specifically on the retail segment (Sukuk Tabungan Series). Furthermore, the approach applies the maqāṣid as-Sharī'ah framework, as retail green sukuk is positioned at the intersection of Islamic finance, sustainable development and real-sector impact (Taringan, 2024; Muhamad, 2019). The case study of the retail green sukuk instrument aims to contribute to academic knowledge of Islamic finance practice and to inform stakeholders in regulation, practice and academia.

LITERATURE REVIEW

A. Retail Green Sukuk

According to the Indonesian Ministry of Finance (MoF), state revenue in 2025 is projected to reach IDR 3,005.1 trillion, while total state expenditure is estimated at IDR 3,621.3 trillion, resulting in a budget deficit of IDR 616.2 trillion (MoF, 2025). To address this fiscal gap, the Government of Indonesia continues to develop investment and financing instruments, including sovereign sukuk, as part of its sharia-based financial strategy (Taringan, 2024). Since its first issuance in 2008, Indonesia's sovereign sukuk has evolved into one of the main financing tools for national development, reflecting continuous innovation and strong adherence to Islamic financial principles amid global financial volatility (Hadiningdyah, 2023).

Retail Green Sukuk represents a new milestone in this development. It is a sharia-compliant investment instrument specifically designed to finance and support environmentally sustainable projects. According to the Fatwa of the National Sharia Board of the Indonesian Ulema Council (DSN-MUI, 2020), sukuk are Islamic securities in the form of certificates representing undivided ownership of underlying assets (*uṣūl aṣ-ṣukūk*). The proceeds from sukuk issuance must be utilized strictly in accordance with the intended sharia-compliant purposes. The Financial Services Authority (OJK) defines Green Sukuk or Efek Bersifat Utang dan/atau Sukuk (EBUS) Lingkungan as sharia-based securities whose proceeds are used to finance or refinance environmentally sustainable activities (OJK, 2023).

The Retail Green Sukuk is a form of Retail Sovereign Sukuk (SBSN) offered exclusively to domestic individual investors and denominated in Indonesian rupiah (Riana et al., 2020). Its issuance aims not only to mobilize public participation in sustainable financing but also to promote inclusiveness in Islamic financial investment. Several scholars have analyzed Green Sukuk from various perspectives, including sharia compliance, environmental impact, and financial performance (Mauliya et al., 2023; Fitri, 2022; Yaniza

et al., 2022; Rohman et al., 2020; Abdullah & Keshminder, 2022). However, further research is required to assess how far the Retail Green Sukuk practice aligns with DSN-MUI Fatwa No. 137/DSN-MUI/IX/2020, particularly regarding the contract mechanism, use of proceeds, and distribution of returns.

B. *Maqāṣid asy-Sharī'ah* and Sustainable Development

Maqāṣid asy-Sharī'ah refers to the higher objectives and purposes of Islamic law that aim to achieve human welfare (*maṣlaḥah*) through the establishment of legal rulings (Helim, 2019). The concept is often used interchangeably with *maṣāliḥ al-'ibād* (Ismail, 2021) and serves as the ethical foundation of Islamic economic activities. In contemporary discourse, scholars have drawn strong parallels between *maqāṣid asy-Sharī'ah* and the Sustainable Development Goals (SDGs), as both frameworks emphasize justice, welfare, and sustainability (Bappenas, 2020). The SDGs can therefore be viewed as a global manifestation of the *maqāṣid asy-Sharī'ah* paradigm, which aims to bring universal benefit (*raḥmatan lil-'ālamīn*) (Firdaus, 2018; Qolbi, 2021).

Al-Ghazālī (1904) positioned *maqāṣid asy-Sharī'ah* as the convergence point of divine laws, encompassing universal goodness, ultimate truth, and moral necessity. From this perspective, ESG-based investment instruments such as Retail Green Sukuk align closely with *maqāṣid asy-Sharī'ah* values, particularly in promoting environmental stewardship, social equity, and transparent governance. The interdependence between *maqāṣid asy-Sharī'ah*, the SDGs, and the green economy demonstrates that Islamic finance can serve as a transformative tool for achieving global sustainability objectives.

Hence, integrating the *maqāṣid asy-Sharī'ah* framework into the analysis of Retail Green Sukuk provides a holistic understanding of how this instrument contributes not only to fiscal stability and environmental goals but also to the realization of Islamic ethical and social justice values.

METHODOLOGY

This study employs a field research design using a qualitative case study approach combined with an empirical-normative framework and analyzed through the perspective of *maqāṣid asy-Syarī'ah (kullīyyāt as-sitt)*.

The qualitative research method focuses on exploring social realities and understanding meanings from participants' perspectives through observation, interviews, and document review. Qualitative research typically relies on existing theories to guide data interpretation and thematic construction (Kusumastuti & Khoiron, 2019).

The empirical-normative approach integrates empirical findings with normative (Sharia-based) principles to evaluate the conformity between theoretical values of Islamic law and their practical implementation. In this study, empirical data are collected from interviews and document analysis, while the normative dimension is grounded in the principles of *maqāṣid asy-Syarī'ah*.

Maqāṣid asy-Syarī'ah refers to Sharia objectives aimed to ensure the welfare (*maṣāliḥ al-'ibād*) of humankind (Habib, 2006). The analytical framework applies the six universal objectives (*kullīyyāt as-sitt*), comprising:

1. *Hifẓ ad-Dīn* (protection of religion),
2. *Hifẓ an-Nafs* (protection of life),
3. *Hifẓ al-'Aql* (protection of intellect),
4. *Hifẓ an-Nasl* (protection of lineage),
5. *Hifẓ al-Māl* (protection of property) (az-Zuhailī, 1986), and

6. *Hijz al-Bi'ah* (protection of the environment) (Yafie, 2006).

The data analysis process uses inductive reasoning, in which conclusions are derived from patterns emerging from field data. Empirical data were collected through interviews with DSN-MUI, and document studies involving the Retail Green Sukuk Sukuk Tabungan Series as well as other relevant sources, including laws, regulations, fatwas, and academic literature related to green sukuk and *maqāṣid asy-Syari'ah*.

RESULTS AND ANALYSIS

A. The Practice of Retail Green Sukuk Sukuk Tabungan Series

The author will assess the issue from a practical implementation viewpoint before focusing on shariah compliance based on DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 concerning Sukuk and its alignment with *maqāṣid asy-syari'ah* perspective.

1. The process of Issuance of Retail Green Sukuk Sukuk Tabungan Series

The Retail Green Sukuk Sukuk Tabungan Series is issued under a *wakalah* contract (*wakalah bi al-istithmar*) (MoF, 2025). In this contract, the investors who subsequently become sukuk holders act as the *mumakkil* (principal), whereas the Indonesian SBSN Issuing Company operates as the *wakil* (investment agent).

During the offering period, investors (Indonesian citizens/public) submit a certain amount of funds to the Indonesian SBSN Issuing Company through the Distribution Partners (*Mitra Distribusi* or *MiDis*). On the settlement day, the Indonesian SBSN Issuing Company issues the Retail Green Sukuk Sukuk Tabungan Series for a certain sum. The investors, represented by a trustee (SPV/Indonesian SBSN Issuing Company), then provide authority (*wakalah* contract) to the Indonesian SBSN Issuing Company. The Indonesian SBSN Issuing Company acts as the investors' agent, managing the use of proceeds of Retail Green Sukuk Sukuk Tabungan Series for return-generating investment activities.

As part of its investing activities, the Indonesian SBSN Issuing Company collaborates into a *bai'* (sale) contract with the Government, in which the subject matter is SBSN assets in the form of usufruct rights to state-owned assets (BMN) and projects (qualified green projects). The Indonesian SBSN Issuing Company agrees with the Government to procure these projects, assigning the Government as its agent. In exchange, the Government receives a charge, the value of which is factored into the leasing price for a portion of the *ijarah* assets. The Indonesian SBSN Issuing Company manages these SBSN assets through a variety of profit-generating operations, including *ijarah* (lease) transactions with the Government under an *ijarah* agreement (MoF, 2025).

Subsequently, the Indonesian SBSN Issuing Company deals with the Government as its agent to maintain SBSN assets under a *wakalah* contract. Eventually, the Indonesian SBSN Issuing Company, working on behalf of the investors, sell-back the SBSN assets to the Government, either through early redemption or at the maturity of the Sukuk Tabungan. The sukuk proceeds will subsequently be dispersed to the investors (holders).

The Retail Green Sukuk Sukuk Tabungan Series requires underlying assets, which in this case are SBSN assets. The SBSN assets used to issue the Sukuk Tabungan include initiatives in the current fiscal year's State Budget (APBN) as well as state-owned assets (BMN) such as land and/or buildings (MoF, 2025). The asset transaction agreements signed by the Government and the Indonesian SBSN Issuing Company specify the types, values, and specifications of the SBSN assets.

2. The Use of Proceeds of Retail Green Sukuk: Sukuk Tabungan Series

As mentioned above, the Indonesian SBSN Issuing Company, act on behalf of the Retail Green Sukuk Sukuk Tabungan Series holders, appoints the Government as its agent for the procurement of projects (eligible green projects) and the maintenance of SBSN assets under a *wakalah* contract. According to this, the Government, as the representative of the Indonesian SBSN Issuing Company, is responsible for both carrying out SBSN projects and managing SBSN assets. As a result, the proceeds from Sukuk Tabungan issuance is administered by the Government, specifically by working units within the Ministry of Finance of the Republic of Indonesia, under a *wakalah* agreement.

The proceeds from Sukuk Tabungan issuance will be used solely to finance or refinance expenditures directly related to eligible green projects as specified in The Republic of Indonesia's SDGs Government Securities Framework (MoF, 2025). Figure 1 shows information about the use of proceeds plan used to issue the Retail Green Sukuk Sukuk Tabungan Series. Table 1. shows information about The Republic of Indonesia's SDGs Government Securities Framework.



Figure 1.
The Use of Proceeds Scheme of Retail Green Sukuk

The following are the eligible green projects included in the Framework, referred to as Eligible SDGs Expenditures with Green and Blue focus (MoF, 2021).

Table 1. The Republic of Indonesia's SDGs Government Securities Framework

Eligible Expenditures with Green and Blue focus	SDGs	Eligible Criteria	Sample Projects	Alignment with the RoI's 2030 SDGs Target
Renewable Energy   		- Development and transmission of energy from renewable sources (wind, solar, tidal, hydro, biomass, geothermal). - Research and development of renewable energy technologies.	- Providing Bioenergy services and monitoring. - Development of geothermal areas and new energy infrastructure. - Construction of wind, hydro, and steam power plants in coastal areas. - Provision of solar-powered lights in coastal areas.	- 26.1% renewable energy mix. - Development of infrastructure and technologies for modern and sustainable energy services.

<u>Energy Efficiency</u> 	- Improving energy efficiency of infrastructure that reduces energy consumption by at least 10% below the national average. - Research and development of energy-saving technologies.	- Implementation of minimum energy performance standards. - Investment in energy conservation. - Improvement of land, river, and lake traffic management.	- Resource efficiency enhancement and adoption of green technologies. - Support for the development of domestic technology and innovation in developing countries.
<u>Climate Resilience and Disaster Risk Reduction</u> 	- Research towards technology innovation with sustainability benefits. - Flood mitigation and drought management. - Public health	- Construction of flood control facilities and irrigation systems. - Revitalization of lakes and groundwater infrastructure. - Enhancement of geospatial information and dynamic atmospheric decision support.	- Strengthening resilience to climate-related hazards and natural disasters. - Development of quality, sustainable, and resilient infrastructure.
<u>Sustainable Transportation</u> 	- Development of clean transportation systems. - Upgrade of transport networks with more climate-resilient design standards. - Procurement of electric and hybrid vehicles for public transport.	- Development of Jakarta Urban Rail. - Construction and management of railway infrastructure in Sumatra and Java.	- Providing access to safe, affordable, and sustainable transport systems.
<u>Waste-to-Energy and Waste Management</u> 	- Prevention, processing, management, and recycling of waste. - Transformation of waste into renewable energy sources.	- Improvement of urban waste management systems. - Rehabilitation of landfill areas and air pollution control. - Marine waste management.	- Reducing waste through prevention, reduction, recycling, and reuse. - Environmentally sound management of chemicals and waste.

			
<u>Sustainable Terrestrial Natural Resource Management</u> 	- Management of natural resources to avoid or reduce carbon loss. - Conservation of habitats and biodiversity.	- Forest protection and biodiversity conservation. - Improvement of spatial planning in watershed areas.	- Conservatio, restoration, and sustainable use of terrestrial ecosystems.
<u>Sustainable Marine Natural Resource Management</u> 	- Management of natural resources to avoid or reduce carbon loss. - Conservation of marine habitats and biodiversity.	- Rehabilitation and replanting of mangroves and seagrass. - Protection of the marine environment. - Research and development for marine environmental improvement.	- Conservatio, restoration, and sustainable use of marine ecosystems
<u>Green Tourism</u> 	- Development of tourism resilient to climate change risks. - Ecotourism in coastal/marine areas. - Implementation of sustainable practices in tourism	- Ecosystem restoration and ecotourism infrastructure development. - Development of areas with meaning and function as natural heritage.	- Integration of climate change measures into national policies. - Promoting sustainable tourism that creates jobs and promotes local culture
<u>Green Buildings</u> 	- Development of green buildings according to Greenship by the Green Building Council Indonesia.	- Construction and rehabilitation of green buildings. - Development of environmental management standards.	Enhancing inclusive and sustainable urbanization.

<u>Management Sustainable Water and Wastewater</u> 	- Research and implementation of water-saving and treatment technologies. - Development of agricultural infrastructure for efficient water management	- Improvement of water quality data services. - Construction of irrigation systems and green water storage facilities.	- Improving water quality by reducing pollution. - Achieving universal and equitable access to safe and affordable drinking water.
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In applying the framework, the Directorate General of Budget Financing and Risk Management (DJPPR) of the Ministry of Finance formulated several pillars. First, the use of proceeds from sukuk issuance; second, the selection and evaluation of projects used as underlying assets (*uṣul aṣ-ṣukūk*); third, the management of the proceeds from sukuk issuance; and fourth, the preparation of related reports (Yasni, 2024).

As stated by the DJPPR of the Ministry of Finance of the Republic of Indonesia, since 2013, Sovereign Sukuk has been issued to finance infrastructure projects, known as Project-Based Sukuk. As of April 25, 2024, the accumulated issuance of Sovereign Sukuk has reached IDR 2,636.38 trillion, with an outstanding amount of IDR 1,539.45 trillion, financing a total of 6,104 projects (MoF, 2024).

Furthermore, the allocation of proceeds from the Green Sukuk issuance can be found in the Green Sukuk Allocation and Impact Report 2025, where it can be seen that the use of proceeds from Green Sukuk issued by the Government during the 2018–2024 period was globally allocated to several sectors, including: 43.25% for Sustainable Water and Wastewater Management projects, 25.96% for Resilience to Climate Change for Highly Vulnerable Areas and Sectors/Disaster Risk Reduction projects, 21.61% for Sustainable Transport projects, 3.59% for Renewable Energy projects, 2.75% for Energy Efficiency projects, 2.58% for Waste to Energy and Waste Management projects, 0.16% for Green Building projects, and 0.10% for Sustainable Management of Natural Resources on Land projects (MoF, 2025).

Based on the cumulative data on the allocation of proceeds from Green Sukuk issuance above, it can be concluded that the government's allocation of Green Sukuk proceeds is in line with the eligible Green Projects outlined in the SDGs Government Securities Framework.

The environmental and social impacts of projects funded by Green Sukuk issued by the Government can also be accessed in the Green Sukuk Allocation and Impact Report 2025. The report concludes that the projects funded through Green Sukuk had significant environmental and social impacts, as reflected in the projected allocation of proceeds across key sectors. The largest share, amounting to 43.25%, was directed toward Sustainable Water and Wastewater Management projects, highlighting a strong emphasis on improving water access, sanitation, and public health outcomes. This is followed by 25.96% allocated to Resilience to Climate Change for Highly Vulnerable Areas and Sectors/Disaster Risk Reduction projects, indicating a substantial commitment to enhancing community resilience and reducing climate-related risks.

In addition, 21.61% of the proceeds were invested in Sustainable Transport projects, supporting the development of low-emission transportation systems and improved urban mobility. Smaller yet meaningful portions were allocated to Renewable Energy (3.59%) and Energy Efficiency (2.75%), contributing to reduced greenhouse gas emissions and a transition toward cleaner energy systems. Meanwhile, 2.58% was directed to Waste to Energy and Waste Management projects, promoting better waste handling and resource recovery.

Finally, modest allocations were made to Green Building (0.16%) and Sustainable Management of Natural Resources on Land (0.10%), which support environmentally responsible construction practices and sustainable land use. Overall, the distribution of funds demonstrates a balanced approach to addressing both environmental sustainability and social well-being, with a strong focus on essential services, climate resilience, and sustainable infrastructure development. (MoF, 2025).

3. The Payment of Yields (Coupons) for Retail Green Sukuk: Sukuk Tabungan Series

Under the *wakalah* contract within the sukuk structure, investors act as *muwakkil* (principals) and the Indonesian SBSN Issuing Company acts as the agent to manage the funds from the sukuk issuance for investment activities that generate profits. In this case, the Indonesian SBSN Issuing Company engages in *ijarah* (leasing) transactions with the Government on the previously purchased SBSN assets (DSN-MUI, 2025). This *ijarah* contract serves as an investment (*istithmar*) of the *muwakkil*'s funds (the owners of the Sukuk Tabungan Series). The profits derived from the leasing of the state-owned assets (*BMN*) are then fully distributed to the Sukuk Tabungan Series owners as returns/coupons (MoF, 2025).

Further details regarding the payment scheme of returns (coupons) for the Retail Green Sukuk Sukuk Tabungan Series can be seen in Figure 2.



Figure 2.
Payment Scheme of Returns (Coupons) Retail Green Sukuk

The amount of the *ijarah* return (coupon) for the Retail Green Sukuk Sukuk Tabungan Series is floating (floating with floor) with a minimum return rate of 6.60% per annum. It is adjusted every three (3) months based on the reference rate, which is the BI-Rate—the policy interest rate of Bank Indonesia (MoF, 2025).

The Government pays returns/coupons through Bank Indonesia, which serves as the SBSN payment agent. Bank Indonesia pay the Sukuk Tabungan coupons on the 10th (tenth) of each month. The Distribution Partners will send investors (sukuk holders) an email confirming the coupon payment.

Furthermore, on the maturity date, each Sukuk Tabungan Series holder receives 100% (one hundred percent) of the total nominal value of the Sukuk Tabungan (MoF, 2025).

The above explanation outlines the process of issuance, use of proceeds, and payment of yields (coupons) for the Retail Green Sukuk Sukuk Tabungan Series, based on the information provided in the Sukuk Tabungan Series ST014T4 Information Memorandum issued by the Ministry of Finance of the Republic of Indonesia (MoF), materials presented by the Directorate General of Financing and Risk Management (DJPPR) of MoF Taringan (2024).

In conclusion, the data shows that the process of issuance, use of proceeds, and payment of yields (coupons) for the Retail Green Sukuk Sukuk Tabungan Series were carried out in accordance with the provisions stipulated in the SBSN Law and other Retail Green Sukuk regulations (MoF, 2025).

B. Compliance Analysis of DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 on Sukuk in the Practice of Retail Green Sukuk Sukuk Tabungan Series

In this section, the author will review the DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 on Sukuk concerning the process of issuance, use of proceeds, and payment of yields (coupons) for the Retail Green Sukuk Sukuk Tabungan Series. The DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 on Sukuk contains

several provisions regarding sukuk, including the characteristics of sukuk and regulations related to sukuk issuance.

Furthermore, since the Retail Green Sukuk Sukuk Tabungan Series is issued using the *wakalah bi al-istithmar* contract structure (Maulana & Alidar, 2020), as mentioned in DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 on Sukuk, the Retail Green Sukuk Sukuk Tabungan Series follows, complies with, and adheres to the substance of the provisions and limitations outlined in DSN-MUI Fatwa No: 127/DSN-MUI/VII/2019 concerning Sukuk *Wakalah bi al-Istithmar*, DSN-MUI Fatwa No: 10/DSN-MUI/IV/2000 concerning *Wakalah*, and DSN-MUI Fatwa No: 113/DSN-MUI/IX/2017 concerning *Wakalah bi al-Ujrah* contract (DSN-MUI, 2020).

The compliance analysis with DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 on Sukuk concerning the process of issuance, use of proceeds, and payment of yields (coupons) for the Retail Green Sukuk Sukuk Tabungan Series can be described as follows:

1. Compliance Analysis of Retail Green Sukuk Sukuk Tabungan Series with the Provisions on Sukuk Characteristics Based on DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 on Sukuk

The DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 on Sukuk mentions several provisions concerning the characteristics of sukuk, among which are:

- a. The sukuk asset (*uṣūl aṣ-ṣukūk*) used as the basis for sukuk issuance must comply with sharia principles;

As stated in the Information Memorandum for the Retail Green Sukuk Sukuk Tabungan Series, the Retail Green Sukuk is issued based on SBSN assets (underlying asset/*uṣūl aṣ-ṣukūk*). The SBSN assets for the issuance of this Sukuk Tabungan consist of projects included in the current fiscal year's State Budget (APBN) and state-owned assets (*BMN*) such as land and/or buildings (MoF, 2025).

The SBSN assets serving as the basis for the Retail Green Sukuk Sukuk Tabungan Series transaction form an indivisible unit. These SBSN assets do not serve as collateral and cannot be claimed individually or collectively by the owners of the Retail Green Sukuk Sukuk Tabungan Series. The SBSN assets cannot be transferred by the Sukuk Tabungan holders to other parties. For transaction purposes, SBSN assets are represented in participation/ownership units, each with a nominal value of IDR 1,000,000 (one million Rupiah), equivalent to the nominal value for each SBSN unit (MoF, 2025).

Details regarding the types, values, and specifications of SBSN assets are included in the asset transaction documents signed by the Government and the Indonesian SBSN Issuing Company. However, information about the underlying assets/*uṣūl aṣ-ṣukūk* related to the issuance of the Retail Green Sukuk Sukuk Tabungan Series should be accessible to investors. This is because investors (sukuk holders) act as *muwakkil* (principals) and have the right to know what they have delegated.

During the investment tenor, if investors feel the need for information about ongoing project-based activities, such information should be obtainable from the Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance of the Republic of Indonesia. Such access must be available, as the absence of it would render the contract *fāṣid* (invalid). This is due to the fact that investors, as *muwakkil*, must be aware of what they have entrusted (Yasni, 2024).

- b. Sukuk assets are owned by the sukuk holders (sukuk holders)

This aligns with the definition of sukuk as evidence of joint ownership over an asset/project (underlying asset/*uṣūl aṣ-ṣukūk*) (Muhamad, 2019). DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 on Sukuk also states that sukuk are Sharia securities (Sharia-compliant financial instruments) in the form of certificates or proof of ownership with equal value that represent an undivided ownership share (*musya'*) of the underlying asset (sukuk asset/*uṣūl aṣ-ṣukūk*) (DSN-MUI, 2020).

- c. Each sukuk unit must have the equal value (*mutasāwīyah al-qimāl*);

The Information Memorandum states that SBSN assets used for issuing the Retail Green Sukuk Sukuk Tabungan Series are expressed in ownership/participation units with a nominal value of IDR 1,000,000 (one million Rupiah) each, equivalent to the nominal value for each SBSN unit (MoF, 2025).

- d. Sukuk should not represent a debt of the issuer to the sukuk holders but rather reflect the ownership of the sukuk holders over the sukuk assets (*uṣūl aṣ-ṣukūk*);

The Retail Green Sukuk Sukuk Tabungan Series upon issuance reflects the ownership of sukuk holders over the sukuk assets (*uṣūl aṣ-ṣukūk*) and does not represent a debt owed by the issuer to the sukuk holders. Since sukuk itself is a Sharia security (Sharia-compliant financial instrument) in the form of a certificate or proof of ownership of the underlying asset (sukuk asset/*uṣūl aṣ-ṣukūk*) (DSN-MUI, 2020).

- e. In principle, sukuk issuance must have a certain tenure unless otherwise agreed upon in the contract or regulated by applicable laws and regulations; The Retail Green Sukuk Sukuk Tabungan Series, as one of the SBSN products, has a fixed tenure. Typically, the Retail Green Sukuk Sukuk Tabungan Series has a tenure of four (4) years (MoF, 2025).

- f. The issuer is obliged to pay coupons to the sukuk holders in the form of profit-sharing/margin/fee and repay the sukuk principal upon maturity according to the contract scheme (DSN-MUI, 2020);

As previously mentioned, the Retail Green Sukuk Sukuk Tabungan Series uses the *wakalah* contract structure (*wakalah bi al-istithmār*) (MoF, 2025). In this *wakalah* contract, investors (*mumakkeil*) appoint the Indonesian SBSN Issuer Company as their agent (*wakil*) to manage the funds from the sukuk issuance for investment activities that generate profit. In this case, the Indonesian SBSN Issuer Company conducts *ijarah* (leasing) (DSN-MUI, 2025) activities with the Government over the SBSN assets previously purchased. Therefore, the return given to holders of the Retail Green Sukuk Sukuk Tabungan Series is in the form of *ijarah* rental fees (*ujrah*) (DSN-MUI, 2025).

So, it can be concluded the returns provided by the Retail Green Sukuk Sukuk Tabungan Series comply with the term of contract used in its issuance.

2. The Compliance Analysis of Retail Green Sukuk Sukuk Tabungan Series with the Provisions Related to Sukuk Issuance Based on DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 on Sukuk

The DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 concerning Sukuk stipulates several provisions pertaining to sukuk issuance, including:

- a. The issuance of sukuk must employ contracts that conform to Sharia principles, namely: *muḍārabah*, *ijarah*, *wakalah*, *musyarakah*, *murabahah*, *salam*, *istiṣnā'*, or other contracts that are consistent with Sharia principles.

The Retail Green Sukuk Sukuk Tabungan Series is issued utilizing a Sharia-compliant contract, specifically the *wakalah* contract (*wakalah bi al-istithmār*) (MoF, 2025). Within this *wakalah* contract, the investor, who subsequently becomes the sukuk holder, acts as the *mumakkeil* (principal), while the Indonesian SBSN Issuer Company serves as the *wakil* (agent). In practice, investors (Indonesian citizens/public) transfer funds to the Indonesian SBSN Issuer Company via Distribution Partners (*MiDis*) during the offering period. Subsequently, the Indonesian SBSN Issuer Company issues the Retail Green Sukuk Sukuk Tabungan with a designated nominal value concurrently on the settlement date (MoF, 2025).

- b. The issuance of sukuk must be free from elements that contravene Sharia principles, including but not limited to *riba* (usury), *gharar* (excessive uncertainty), *maysir* (gambling), *tadlis* (deception), *ḍarar* (harm), *riṣyah* (bribery), *haram* (prohibited acts), *ẓulm* (oppression/injustice), and immorality.

Based on the foregoing description of The process of issuance, use of proceeds, and payment of yields (coupons) for the Retail Green Sukuk Sukuk Tabungan Series, it is evident that these practices are devoid

of any elements of *gharar* (Aksamawanti, 2019), *maysir* (Ledista, 2022), *tadlis*, *qarar*, *risywah*, *haram*, *zulm*, and immorality.

Regarding the element of *riba* (usury), debates over the Sharia compliance of sukuk practices continue to surface despite the issuance of several fatwas on sukuk compliance by both DSN-MUI and AAOIFI, which serve as key references for sukuk issuance (Fauzi, 2021). Previous research has indicated that the *ijarah* contracts employed in sukuk issuance are not purely structured and tend to resemble mechanisms commonly used in conventional bonds, thereby raising concerns that they do not fully adhere to Sharia principles (Fitri, 2022). Furthermore, some critics argue that the contracts within sukuk schemes are merely fictitious and serve as instruments to circumvent the prohibition of *riba* through *hilah ribawiyyah* (legal stratagems to disguise usury) (Tarmizi, 2018).

Nevertheless, DSN-MUI, as the authoritative board for Sharia economic fatwas in Indonesia, has clarified that the contracts used in sukuk schemes do not constitute *hilah ribawiyyah*. Sukuk in Indonesia, including the Retail Green Sukuk Sukuk Tabungan Series, are declared Sharia-compliant based on the scheme of *al-Ba'i wa al-Isti'jar* — a combination of sale and lease contracts grounded in the concepts of *bai' al-Wafā'* and *bai' al-Istiglāl*, which are recognized and permitted by Hanafi scholars. This position is supported not only by DSN-MUI but also by AAOIFI (Fauzi, 2021).

Moreover, the Retail Green Sukuk Sukuk Tabungan Series has obtained a Sharia Compliance Statement issued by DSN-MUI. Therefore, based on the foregoing, it can be concluded that the Retail Green Sukuk Sukuk Tabungan Series is free from the element of *riba*.

However, in practice, several concerns have been identified that may potentially associate the Retail Green Sukuk Sukuk Tabungan Series with elements of *riba* (usury), among which are:

- a. In the issuance process, investors (sukuk holders) receive a confirmation sheet of ownership for the Sukuk Tabungan Series. On this sheet, the term '*Surat Utang Negara* (sovereign bond)' is still mentioned, even though it is clear that the investors are holders of the Retail Green Sukuk Sukuk Tabungan Series. An example can be seen in Appendix 1, the ownership confirmation sheet of Sukuk Tabungan Series. The term '*Surat Utang Negara* (sovereign bond)' on the ownership confirmation sheet may raise concerns among sukuk holders regarding the sharia compliance of the Retail Green Sukuk Sukuk Tabungan Series instrument, as the term 'SUN' is commonly associated with conventional interest-based practices (*riba*).
- b. The banks receiving the funds from the issuance of the Retail Green Sukuk Sukuk Tabungan Series are conventional Himbara banks, with no involvement of Islamic banks. This condition naturally raises concerns because sukuk are essentially investment instruments based on sharia principles.
- c. The *ijarah* (lease) return (coupon) of the Retail Green Sukuk Sukuk Tabungan Series is floating with a floor, with a minimum return rate of 6.60% per annum, adjusted every three (3) months, where the benchmark return rate refers to the BI Rate, the policy interest rate set by Bank Indonesia (MoF, 2025).

According to the author, since the return of the Retail Green Sukuk Sukuk Tabungan Series is an *ijarah* return, the floating with floor return mechanism, with adjustments every three months based on the BI Rate (Irfani, 2021), may raise concerns that the sukuk contains elements of *riba* and is not fully sharia compliant.

A floating rate return means that the yield is not fixed and can vary according to a certain index or parameter. Meanwhile, the floor in sukuk means there is a minimum threshold for the return. Thus, a floating with floor return means the yield increase if the benchmark rises but cannot decrease below the predetermined minimum floor, and it will be reviewed every three months in accordance to the benchmark interest rate. This situation could become problematic if the minimum floor is directly linked to conventional interest rates or if there is no clear sharia justification for this arrangement.

Furthermore, since the return is adjusted based on the BI Rate — which is the interest rate set by Bank Indonesia and commonly used as a benchmark for conventional bank interest — there is concern from a sharia perspective that the sukuk's return could be considered linked to the conventional interest-based system, which is prohibited under sharia principles.

Subsequently, to address these concerns, the author conducted an interview with DSN-MUI, the Sharia Economic Fatwa Authority in Indonesia. The interviewee was Yasni (2024) who serves as the Treasurer of the DSN-MUI Central Executive Board (BPH DSN-MUI).

Regarding the concerns mentioned above, DSN-MUI provided the following explanations:

a. Concerning the use of conventional terminology in sukuk practice

Conventional terminology in sukuk practice occurs because Government accounting classifies sukuk as state debt, which is admittedly a deficiency that needs to be addressed. No Government accounting system worldwide, even those in countries with Islamic constitutions, categorizes sukuk as a state liability. Therefore, when the confirmation document is generated from the system, the sukuk is labeled as sovereign bond (*Surat Utang Negara*). This may also originate from the distribution agent (*MiDis*), which is a securities company under one of the conventional Himbara banks, thus employing conventional accounting (Yasni, 2024).

b. Regarding conventional banks as the depository banks for Retail Green Sukuk Sukuk Tabungan Series funds

Regarding this issue, the Government prioritizes organizers capable of fulfilling various requirements as depository banks for the Retail Green Sukuk funds. Hence, the institutions selected for conventional instruments (bonds) are likely also chosen for sharia instruments (sukuk). Although Bank Syariah Indonesia (BSI) is the largest Islamic bank, it has yet to match the scale of Himbara banks. Consequently, BSI is not designated as the depository bank for these sukuk funds. DSN-MUI has been encouraging this for years. The Government has its own selection criteria for banks qualified to serve as depositories for these sukuk funds, and it is possible that BSI does not yet meet all these criteria (Yasni, 2024).

c. Regarding the floating with floor return adjusted to the BI Rate benchmark

In *Ijarah* contract, if the first year's rent is agreed upon as a fixed amount, this is permissible. AAOIFI even allows *ijarah* to be structured as a percentage. Meanwhile, DSN-MUI recommends using a fixed value, for example, one hundred rupiahs per thousand, although this may ultimately be expressed as a percentage. The important point is that "floating" implies negotiation, meaning that the rent in the first year can differ from subsequent years depending on mutual agreement.

From the outset, it is communicated that the return will be adjusted every three months but has a minimum limit (floor). If issued at 6.60%, and if the benchmark increases above this floor, the return will be adjusted accordingly; however, if the benchmark decreases, the return cannot fall below this minimum floor.

Conceptually, this is allowed in *ijarah* because rental rates are periodically evaluated. It is analogous to renting a house where the rent adjusts upward if general prices increase but has a minimum threshold to protect against falling below a certain level. The sukuk's return can rise if the country's economic conditions, such as inflation or Bank Indonesia securities yields, increase, but if the benchmark falls, the return remains at the floor level. This arrangement is permissible in *ijarah* as a form of negotiation and is transparently stipulated in the contract.

However, the weakness lies in the fact that Government accounting systems worldwide including those of Iran and Saudi Arabia — do not differentiate between Government bond issuance and sukuk issuance; the accounting treatment is the same. Even the terminology, such as "coupon" for returns, is expressed in percentages. Thus, from a Government accounting perspective, there is no distinction, even in countries with Islamic constitutions.

Regarding the use of the BI Rate as a benchmark, he noted that at the time of the sukuk *wakalah* fatwa issuance, SukBI (*Sukuk Bank Indonesia*) had not yet been introduced; now it exists. SukBI's contract uses *musyarakah muntabiyah bi at-tamlik*, which also refers to the BI Rate. Consequently, DSN-MUI stated that the

permissible benchmark should be floating and transparent. The reason BI Rate is used is because Bank Indonesia conducts monetary policy actions—contraction, expansion, liquidity absorption or injection—making BI Rate the only transparent benchmark available at the time.

Currently, there is a forthcoming development, namely the Real Sector Index initiated by Bank Indonesia in collaboration with the Department of Sharia Economic and Finance. If the Real Sector Index is adopted as the benchmark for SBSN (Sharia Sovereign Sukuk), then the reference will be based on the real sector. As long as the Real Sector Index is not yet available, SBSN follows the concept of *'umum al-balwa* (general hardship) because there is no other benchmark. The most important aspect is that the benchmark used must be transparent. Therefore, the benchmark applies universally to all cases categorized as *'umum al-balwa* (Yasni, 2024).

From the explanation above, it can be understood that the practice of Retail Green Sukuk Sukuk Tabungan Series essentially complies with the sukuk regulations requiring free from *riba* elements. However, there remain aspects of sharia compliance that need to be improved and further studied to ensure that the practice of Retail Green Sukuk Sukuk Tabungan in Indonesia can be fully conducted in accordance with sharia principles. Regarding the aforementioned issues, applicable fiqh (Islamic jurisprudence) principles can be applied.

مَا لَا يُدْرِكُ كُلُّهُ لَا يُتْرَكُ كُلُّهُ

“If something cannot be done completely, do not abandon it entirely.”

This principle means that if one cannot perform a certain deed perfectly, one should not forsake it altogether. It is permissible to carry out a part of it according to one's capacity. Indeed, performing a portion of a good deed is more virtuous than neglecting it entirely.

This maxim emphasizes the effort and process of a servant striving towards piety, as reflected in the implementation of the Quranic verse in Surah At-Taghabun [64]:16.

فَاتَّقُوا اللَّهَ مَا اسْتَطَعْتُمْ وَأَطِيعُوا وَأَنْفِقُوا خَيْرًا لِّأَنْفُسِكُمْ وَمَنْ يُوقِ شُحَّ نَفْسِهِ فَأُولَئِكَ هُمُ الْمُفْلِحُونَ

“So fear Allah as much as you are able and listen and obey, and spend [in the way of Allah] from what We have provided you. And whoever is protected from the stinginess of his soul – it is those who will be the successful.”

(QS. at-Taghabun [64]:16)

From this verse, it can be understood that the phrase *مَا اسْتَطَعْتُمْ* means *according to your ability or capacity*. It implies that Allah commands us to practice taqwa (God-consciousness) according to our ability or capacity. If one is not yet able, then efforts should be made gradually and progressively, rather than abandoning it altogether due to inability (Risqy & Zaidan, 2021).

This principle is closely related to the concepts of *'umum al-balwa* (general hardship), *ad-Darûrah al-Māssah* (necessity or urgent need) (Mahmudin, 2020), or *hajattunnās* (human needs), which arise in Islamic economic activities that cannot be entirely separated from the conventional economic system.

d. Regarding the issuance of sukuk using the *wakalah* contract, the applicable rules and limitations are stipulated in (DSN-MUI, 2020):

- 1) DSN-MUI Fatwa No. 127/DSN-MUI/VII/2019 concerning Sukuk *Wakalah* Bi al-Istiṣmār,
- 2) DSN-MUI Fatwa No. 10/DSN-MUI/IV/2000 concerning *Wakalah*,
- 3) DSN-MUI Fatwa No. 113/DSN-MUI/IX/2017 concerning the *Wakalah* bi al-Ujrah contract.

C. *Maqāṣid asy-Sharī'ah* Analysis in the Practice of Retail Green Sukuk Sukuk Tabungan Series

Maqāṣid asy-Sharī'ah refers to the objectives, goals, or ultimate outcomes that bring about genuine benefit (maṣlahah) through the establishment of legal rulings for humans (Helum, 2019). The term *maqāṣid asy-Sharī'ah*, often used interchangeably with *maṣlahah* (*maṣāliḥ al-ibād*) (Ismail, 2021), is closely related to the concept of Sustainable Development Goals (SDGs), which represent a global and national commitment toward the welfare of society (Bappenas, 2020).

SDGs can essentially be understood as *maqāṣid asy-Sharī'ah* that have become a universal consensus of the global community and whose existence is undeniable. SDGs can be conceptualized through the *maqāṣid asy-Sharī'ah* approach, which substantively aims for universal benefit (*rahmatan lil-'ālamīn*) (Firdaus, 2018).

Al-Ghazali noted that *maqāṣid asy-Sharī'ah* represents the convergence point of all religions, meaning that *maqāṣid asy-Sharī'ah* embodies universal goodness, ultimate truth, and a necessity within every religion (al-Ghazali, 1904).

From the above explanation of the concept of *maqāṣid asy-Sharī'ah*, it can be understood that ESG-based investment instruments (Environmental, Social, and Governance), such as Retail Green Sukuk, are closely linked to the *maqāṣid asy-Sharī'ah* concept. This is because there is interdependence and interconnection among *maqāṣid asy-Sharī'ah*, SDGs, and the green economy (Janah & Ghofus, 2018). This consideration motivates the author to adopt *maqāṣid asy-Sharī'ah* as the analytical framework in this research.

In this discussion, the author will analyze the *maqāṣid asy-Sharī'ah* perspective on the process of issuance, use of proceeds, and payment of yields (coupons) of the Retail Green Sukuk Sukuk Tabungan Series. The focus will be on the fundamental components of *maqāṣid asy-Sharī'ah* as introduced by Imam al-Ghazali, namely *kulliyāt al-ḥams*, which consist of (al-Ghazali, 1904):

- a. *Hifẓ ad-Dīn* (protection of religion),
- b. *Hifẓ an-Nafs* (protection of life),
- c. *Hifẓ al-'Aql* (protection of intellect),
- d. *Hifẓ an-Nasl* (protection of progeny),
- e. *Hifẓ al-Māl* (protection of wealth).

Additionally, these five components are expanded with the environmental protection component based on the study of Yusuf al-Qaraḍāwī, namely *Hifẓ al-Bī'ah* (protection of environment) (al-Qaraḍāwī, 2001). Therefore, the basic components of *maqāṣid asy-Sharī'ah* to be analyzed become six (*kulliyāt as-sitt*) (Yafie, 2006).

The study of *maqāṣid asy-Sharī'ah* in The process of issuance, use of proceeds, and payment of yields (coupons) of the Retail Green Sukuk Sukuk Tabungan Series based on these six components (*kulliyāt as-sitt*) shows that these practices fulfill *maqāṣid asy-Sharī'ah*:

- a. First, *Hifẓ ad-Dīn* (religion) by adhering to sharia principles, providing halal investment access, and offering sharia education;
- b. Second, *Hifẓ an-Nafs* (life) by improving community welfare through environmentally friendly (green) projects and providing economic stability;
- c. Third, *Hifẓ al-'Aql* (intellect) by enhancing knowledge of sustainable investment and technology;
- d. Fourth, *Hifẓ an-Nasl* (progeny) by supporting sustainable development and environmental quality for future generations;

- e. Fifth, *Hifz al-Māl* (wealth) by offering halal and transparent fund management ensuring sharia compliance;
- f. Sixth, *Hifz al-Bi'rah* (environment) by generating positive impacts on the environment and sustainability.

Thus, the process of issuance, use of proceeds, and payment of yields (coupons) of the Retail Green Sukuk Tabungan Series not only fulfill the objectives of *maqāṣid ayy-Shari'ah* but also contribute to sustainable economic development and the overall social welfare of society.

CONCLUSION AND RECOMMENDATION

A. Conclusion

1. The practice of Retail Green Sukuk Sukuk Tabungan Series complies with the DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 concerning Sukuk. However, aspects of sharia compliance in its operational implementation still need to be improved and further studied so that the practice of Retail Green Sukuk in Indonesia, especially the Sukuk Tabungan Series, can be fully conducted in accordance with sharia principles. In this regard, the concept of *'umum al-balwa* applies and can be implemented using *qaidah* مَا لَا يَنْزُكُ كُلُّهُ لَا يَنْزُكُ كُلُّهُ (What cannot be fully achieved should not be entirely abandoned).
2. Based on the previous discussion on the analysis of the components of *kulliyat as-Sitt* (the six universal objectives) of *maqāṣid ayy-Shari'ah*, it can be understood that the practice of issuance, fund utilization, and payment of returns (coupons) of the Retail Green Sukuk Tabungan Series fulfills the *maqāṣid ayy-Shari'ah*, namely: *hifz ad-Din* (protection of religion), *hifz an-Nafs* (protection of life), *hifz al-'Aql* (protection of intellect), *hifz an-Nasl* (protection of progeny), *hifz al-Māl* (protection of wealth), and *hifz al-Bi'rah* (protection of the environment).

Thus, the process of issuance, use of proceeds, and payment of yields (coupons) of the Retail Green Sukuk Tabungan Series not only fulfills the objectives of *maqāṣid ayy-Shari'ah* but also contributes to sustainable economic development and the overall social welfare of society.

B. Recommendation

Based on the practical scheme, the conformity with DSN-MUI Fatwa No: 137/DSN-MUI/IX/2020 concerning Sukuk, and the *maqāṣid ayy-Shari'ah* review on the process of issuance, use of proceeds, and payment of yields (coupons) of the Retail Green Sukuk Sukuk Tabungan Series as described above, the following recommendations are proposed for consideration in subsequent steps:

1. To the Directorate General of Debt and Risk Management (DJPPR), Ministry of Finance of the Republic of Indonesia, as the authorized Government institution for issuing Government Sukuk including the Retail Green Sukuk Sukuk Tabungan Series. It is recommended to enhance sharia compliance aspects in the practice of Retail Green Sukuk in Indonesia. Although it generally complies with sharia, continuous evaluation and improvement in sharia compliance are important. It is advisable for DJPPR to periodically conduct sharia audits to ensure that all operational aspects of Retail Green Sukuk, including fund utilization, determination, and payment of returns, strictly adhere to sharia principles. DJPPR is expected to provide investors (Sukuk holders, *muwakkil*) with detailed information regarding the *uṣūl aṣ-ṣukuk* or the underlying assets represented by the SBSN issuing company.
2. Furthermore, DJPPR is encouraged to provide guidance and capacity building to the Sukuk National Distribution Partners (*MiDis*) in collaboration with DSN-MUI concerning the fundamental sharia compliance of Sukuk instruments. Since *MiDis* are the parties directly interacting with investors, they must master the sharia aspects of Sukuk and implement them in their distribution management systems. DJPPR should also strengthen collaboration with various stakeholders, including Islamic financial

institutions, academics, and sharia practitioners, to gain comprehensive and in-depth input on the practice and management of Retail Green Sukuk and sovereign Sukuk in general.

3. To Bank Indonesia as the Central Bank: It is urged to prioritize studies related to the Real Sector Index and promptly realize its implementation. This is to enable Islamic financial and investment products to use the Real Sector Index as their benchmark and gradually eliminate reliance on conventional interest-based indices.
4. To DSN-MUI as the Fatwa Authority Institution in the field of Islamic economics in Indonesia: It is recommended to encourage DJPPR to improve sharia compliance in the practice and operation of sovereign Sukuk, including Retail Green Sukuk. DSN-MUI is also expected to propose to DJPPR that the Sukuk National Distribution Partners receive guidance, training, and supervision concerning the sharia compliance of Sukuk instruments. This effort would provide a sense of security and peace of mind for Islamic investors interested in investing in sovereign Sukuk instruments. Additionally, DSN-MUI should advocate for Bank Indonesia to expedite the study of the Real Sector Index and immediately apply it as a benchmark in Indonesian Islamic finance and investment instruments. This would help Islamic economics in Indonesia fully disengage from reliance on conventional interest-based systems.
5. To the Sukuk National Distribution Partners (*MiDi*): They should enhance sharia compliance in carrying out their roles as distribution partners for sovereign Sukuk, both in promotion and management.
6. To the public and stakeholders investing in sovereign Sukuk, especially Retail Green Sukuk: It is encouraged to continuously help disseminate information about sovereign Sukuk to the wider community so that the potential of sovereign Sukuk in Indonesia, particularly Retail Green Sukuk, can be fully realized and its benefits widely felt, especially in the sustainable environmental sector.

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