

Islamic Law Of Business Contract: Implementation Of Al-Wakalah (Agency) Contract In Contemporary Gold Trading

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Abstract

Contemporary gold trading is like other retails and online trading. However, according to Islamic business contract, gold is categorized under a ribawi items and it must follows a specific law of Islamic business transaction. This article focuses on how wakalah concepts can be applied in the contemporary gold trading. The legality of the wakalah concepts is utmost important to be verified before its implementation. The aims of this article is to substantiate the concepts of wakalah in contemporary gold trading based on the main sources of Islamic law transactions. Content analysis was used to analyzed the data. The finding shows that the wakalah concept is permissible in Islam. Furthermore, the wakalah also allowed in gold trading. Hence, wakalah contract can helps to resolve the gold trading issues where the physical assets of gold are distance from the buyer.

Keywords: Wakalah Contract, Gold Transaction, Islamic Law of Contract

1. INTRODUCTION

Wakalah literally means agency, representations, proxy, mandate, authorization and delegation (Hafas Furqani, 2013). Wakalah refer to a contract which a party (as principal) authorize another party as his agent (wakil) to perform a particular task in matters that may be delegated, with or without impose a fee (BNM Concept Paper, 2015). Wakalah normally used in Islamic structured product (ibid, 2013) and Takaful (Islamic Insurance) product (Sheila & Syed, 2013).

Legality in Islamic law of contract is very important. Sources of legality normally will refer to main sources of Islam law and second sources of Islamic law. Main sources of Islamic law is Quran and Sunnah,