



Palm Oil Leasing Practice Toward The Western-Southern Community of Aceh, Indonesia (An Islamic Economic Perspective)

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Abstract

The article overviewed the practice of leasing palm oil tree transactions which is popular in the western-southern of Aceh community. The practice of the transaction involved the beneficiaries, the owner, and the lessee, for the commodities as the commercial object. The study investigated the mechanism of leasing practice with an Ijarah of economic sharia. The study employed a qualitative method to deliver primary data which was acquired through informants' interviews, and secondary supporting data from a literature review of books, journals, and research reports. The study result provided the lease transactions which were formerly expected to be worth economically. However, the transactions were considerably opposed to the practice of Ijarah, where there is the existence of the Gharar (Speculative) factor and violated the pillars of goods beneficial for mutual profit in the concept of its Sharia regulation. The violations were acclimatized for the unfulfillment of pillars and legal conditions for aqad for its lease practices.

Keywords: *Leasing, Ijarah, Palm Oil, and Islamic Economi*

Abstrak

Sewa menyewa pohon kelapa sawit merupakan salah satu bentuk transaksi yang populer dikalangan masyarakat di wilayah Barat Selatan Aceh. Transaksi ini melibatkan pemilik lahan pohon kelapa sawit dengan pihak penyewa yang berharap memperoleh manfaat dalam bentuk buah segar yang dihasilkan dari pohon kelapa sawit yang menjadi objek sewa. Penelitian ini bertujuan untuk mengetahui mekanisme sewa menyewa pohon kelapa sawit yang di praktikan dalam masyarakat dan kemudian mengkaji praktik tersebut dengan konsep *ijarah* yang ada dalam ekonomi syariah. Penelitian ini menggunakan metodologi kualitatif. Jenis data yang digunakan adalah data primer dan data sekunder. Data primer diperoleh melalui wawancara narasumber yang melakukan transaksi dan data sekunder diperoleh dari telah dokumentasi baik buku, jurnal dan karya ilmiah lainnya. Hasil dari penelitian ini menunjukkan bahwa praktik transaksi sewa menyewa menjadikan pohon kelapa sawit sebagai objek sewa namun manfaat yang diharapkan adalah dalam bentuk buah segara kelapa sawit yang bernilai ekonomis. Jika ditinjau dengan konsep *ijarah*, praktek sewa menyewa pohon kelapa sawit ini tidak sesuai dan bertentangan dengan konsep ekonomi syariah. Ketidak sesuaiannya disebabkan oleh faktor ketidak terpenuhinya salah satu rukun dan syarat sah aqad *ijarah* dalam hal manfaat dan objek aqad sewa-menyewa.

Keywords: sewa menyewa, *ijarah*, kelapa sawit, ekonomi syariah

Introduction

Palm Oil is one of the potential plantation commodities which is considerably important to the local government of Aceh province (Ahmad, 2019; Antara, 2022; Rosiadi, 2020). It is estimated there are 535.000 hectares of productive plantation, which is proportioned 44% or 235.400 for private owners or common local people (BPS Aceh, 2021; Dinas Pertanian dan Perkebunan Aceh, 2020; Rosadi, 2022). The estimation of the plantation coverage encourages the society to earn their beneficial share as the main income of the commodities' economical value.

Table 1. The Demography of Palm Oil Plantation (BPS Prov. Aceh)

Kabupaten/Kota dgn total	Luas Tanam dan Produksi Kelapa Sawit					
	Luas (Ha)			Produksi (Ton)		
	2014	2015	2016	2014	2015	2016
Simeulue	3 813,00	3 813,00	3 813,00	1 741,00	1 741,00	1 750,00
Aceh Singkil	30 710,00	30 710,00	31 351,00	74 503,00	74 503,00	74 885,00
Aceh Selatan	7 975,00	7 975,00	9 270,00	12 801,00	12 801,00	15 325,00
Aceh Tenggara	6 739,00	6 739,00	2 406,00	17 186,00	17 186,00	4 490,00
Aceh Timur	25 298,00	25 298,00	25 842,00	28 344,00	28 344,00	28 909,00
Aceh Tengah	-	-	-	-	-	-
Aceh Barat	7 492,00	7 492,00	9 008,00	15 570,00	15 570,00	16 420,00
Aceh Besar	1 607,00	1 607,00	1 664,00	690,00	690,00	680,00
Pidie	84,00	84,00	99,00	31,00	31,00	31,00
Bireuen	3 224,00	3 224,00	3 751,00	1 799,00	1 799,00	2 249,00
Aceh Utara	17 251,00	17 251,00	17 911,00	39 348,00	39 348,00	39 643,00
Aceh Barat Daya	17 100,00	17 100,00	17 314,00	14 203,00	14 203,00	14 260,00
Gayo Lues	-	-	-	-	-	-
Aceh Tamiang	20 347,00	20 347,00	20 902,00	44 380,00	44 380,00	39 573,00
Nagan Raya	40 216,00	40 216,00	49 399,00	74 905,00	74 905,00	108 929,00
Aceh Jaya	13 544,00	13 544,00	14 458,00	16 548,00	16 548,00	17 188,00
Bener Meriah	1 300,00	1 300,00	1 300,00	100,00	100,00	100,00
Pidie Jaya	736,00	736,00	746,00	719,00	719,00	763,00
Banda Aceh	-	-	-	-	-	-
Sabang	-	-	-	-	-	-
Langsa	410,00	410,00	409,00	865,00	865,00	865,00
Lhokseumawe	208,00	208,00	210,00	243,00	243,00	244,00
Subulussalam	16 796,00	16 796,00	18 377,00	31 850,00	31 850,00	33 314,00
Jumlah	214 850,00	214 850,00	228 230,00	375 826,00	375 826,00	399 618,00

The above table projected the following years of certain regions of Aceh province for western-southern, i.e., *Aceh Jaya, Nagan Raya, Singkil, Subulussalam, Aceh Barat, Aceh Barat Daya, and Aceh Selatan* developed the extent of plantations to 149.169 hectares, with the total production 263.073 ton of commodities in 2016. Furthermore, plantation ownership, which has been mentioned before, either private owner or commoner, happened not only by buying and selling but also through leasing for temporary benefit.

The lease practice has later on befallen to be a common economical transaction for its elevated beneficial interest in palm oil kernels, particularly among the community of western-southern regions. The interest influences the local community, who is not an owner, to conduct the leasing practice as one of the ways to possess the plantation. Furthermore, the practice involves joint shares between the land rights owner and funders, who also have an interest to make earnings in the palm oil commodities business (Interview result, the eighth respondent, 9 August 2022). Additionally, the procedures are fallen on joint shares contract to lease the plantation, which involves directly two beneficiaries, the land rights-owner and funders, which commit to having a mutual agreement on the amount of palm oil trees and effective contract duration. The lease transaction is prescribed on a valid contract, however, there are some contracts which is not prescribed (Interview result, the first respondent, 18 August 2022).

The leasing practices in Islamic Sharia regulation are termed *Ijarah*. It is a legal transaction to facilitate the benefit of goods and services between two beneficiaries without ownership transferring one to another between these beneficiaries (Busni et al., 2022; Iil waludi et al., 2022; Kurlillah et al., 2013). Accordingly, the legal practice of *Ijarah* highlights there is no transfer of ownership of the leased object to the lease. However, when there is an owning transferring rights by buying the object within the legalized practice, which requested pre-agreement terms before mutual *aqad* is initiated, the transaction is classified as *Ijarah Mutahiyah bit Tamlik*, which is a synthesis from the *Ijarah* practice (Bustami, 2017; Dzubyan, 2019; Et.al, 2021; Iskandar et al., 2012; Sakti & Adityarani, 2020; Saleem & Mansor, 2020a). However, the practice for these transactions did not mention comprehensively the practice within the community, particularly for the financial benefit of palm oil kernels, and the contract agreement. Furthermore, the study overviewed the practice within the community, and the western-southern regions, and projected the economic conformity of *Ijarah* transactions which should be in the legal practice of Islamic sharia.

The study recommended overviewing the leasing practice within the western-southern regions of Aceh province, which consider the widespread practice that should resemble the sharia regulation, the communal daily earning, and the local wisdom of Aceh province for the comprehensive practice of Islamic sharia. Therefore, the study explored to outline the communal practices for *Ijarah*, which project the implementation of leasing the palm oil kernel commodity within the local agriculture of Aceh province.

The study employed a qualitative method that investigated the leasing practice for the palm oil kernel commodity within the local agriculture of Aceh province. The primary data of the study conformed to the result of respondents' interviews to address the issues. The respondents were the practitioners of the lease, and the beneficiaries of agreement contracts, which were selected through the purposive sampling technique. The study committed a semi-structured interview to cover the gap of study as problematic exposure to Islamic law in economic practices as the primary data. Accordingly, the process of data collection emerges to record the data events with video-audio devices.

The study employed the Islamic sharia perspective for economic practice in terms of the *Ijarah* (legalized leasing) concepts for secondary data. Accordingly, the study employed the model of Miles and Huberman analysis, which encodes the data interactively and continuously until it becomes saturated. The process excluded the analysis, reduction, display, and conclusion (Sugiyono, 2022). Therefore, the validity of the reliability test employed an extended overview, triangulation, and member check.

The Concept of *Ijarah* in Islamic Law

The word *Ijarah* comes from Arabic from the word "*al-Ajru*" which means "*al-Iwadhu* or "*exchange*." As mentioned earlier, the concept of *Ijarah* provides the exchange of the rights for beneficial goods or services with a compensational fee, and, yet, without transferring the ownership (Devianita, 2021; Faruq Ahmad et al., 2020; Sakti & Adityarani, 2020; Santoso & Anik, 2017). In addition, the *Ijarah* practice stands on the Qur'anic legal reference in the *al-Qashash* (QS. 28:27), and it is recited as follows:

قَالَ إِنِّي أُرِيدُ أَنْ أَتَّخِذَكَ إِحْدَى ابْنَتَيَّ هَاتَيْنِ عَلَى أَنْ تَأْجُرَنِي ثَمَانِي حَجَّجٍ ۖ فَإِنْ أَتَمَمْتَ عَشْرًا فَمِنْ عِنْدِكَ ۚ وَمَا أُرِيدُ أَنْ أَشُقَّ عَلَيْكَ ۚ سَتَجِدُنِي إِنْ شَاءَ اللَّهُ مِنَ الصَّالِحِينَ

"The old man proposed, "I wish to marry one of these two daughters of mine to you, provided that you stay in my service for eight years. If you complete ten, it will be 'a favour' from you, but I do not wish to make it difficult for you. Allah willing, you will find me an agreeable man". (QS. al-Qashash: 27).

The next reference to *Ijarah* is retrieved from the verse of *al-Baqarah* (QS. 2:233), and it is recited as follows:

وَالْوَالِدَاتُ يُرْضِعْنَ أَوْلَادَهُنَّ حَوْلَيْنِ كَامِلَيْنِ ۚ لِمَنْ أَرَادَ أَنْ يُنَمِّمَ الرِّضَاعَةَ ۚ وَعَلَى الْمَوْلُودِ لَهُ رِزْقُهُنَّ وَكِسْوَتُهُنَّ بِالْمَعْرُوفِ ۚ لَا تُكَلَّفُ نَفْسٌ إِلَّا وُسْعَهَا ۚ لَا تُضَارُّ وَالِدَةُ بَوْلِهَا وَلَا مَوْلُودٌ لَهُ بِوَلَدِهِ ۚ وَعَلَى الْوَارِثِ مِثْلُ ذَلِكَ ۚ فَإِنْ أَرَادَا فِصَالًا عَنْ تَرَاضٍ مِنْهُمَا وَتَشَاوُرٍ فَلَا جُنَاحَ عَلَيْهِمَا ۚ وَإِنْ أَرَدْتُمْ أَنْ تَسْتَرْضِعُوا أَوْلَادَكُمْ فَلَا جُنَاحَ عَلَيْكُمْ إِذَا سَلَّمْتُمْ مَا آتَيْتُم بِالْمَعْرُوفِ ۚ وَاتَّقُوا اللَّهَ وَاعْلَمُوا أَنَّ اللَّهَ بِمَا تَعْمَلُونَ بَصِيرٌ

“Divorced’ mothers will breastfeed their offspring for two whole years, for those who wish to complete the nursing ‘of their child’. The child’s father will provide reasonable maintenance and clothing for the mother ‘during that period’. No one will be charged with more than they can bear. No mother or father should be made to suffer for their child. The ‘father’s’ heirs are under the same obligation. But if both sides decide—after mutual consultation and consent—to wean a child, then there is no blame on them. If you decide to have your children nursed by a wet nurse, it is permissible as long as you pay fairly. Be mindful of Allah and know that Allah is All-Seeing of what you do.” (QS. al-Baqarah: 233).

The next reference is taken from the hadith which is derived from *Shahih Bukhari* and *Ibn Majja*. Consequently, the majority of Islamic scholars legalize the practice of *Ijarah* as a means of communal economic transaction to provide for daily needs (Budiman et al., 2020; Saleem & Mansor, 2020b; Siti et al., 2020). The *Ijarah* transaction is considered legal for practice under Islamic Sharia Law with the fulfillment of its pillars and conditions, which are secreted by the majority of scholars (Amir Syarifuddin, 2009; Sayyid Sabiq, 2013). The pillars of *Ijarah* are as follows, i.e., 1). The first beneficiaries of *aqad*. The *aqad* of *Ijarah* stands for two parties, i.e., *Mu’jir* and *Musta’jir*.

Both beneficiaries should conduct consensually the transaction and recognize the beneficial factors of the object from the *Ijarah* practice, which will both parties out of conflict and disagreement. 2). The *Sighat Aqad* is the contract agreement contents for the *Ijab* and *Qabul* to represent transactions, which mentions contract durations and common agreement deals. 3). *Ujrah* is transaction compensation, which has an exact amount of common mutual agreement, yet, if it is unclear, it falsifies the contract. 4). The beneficial. The object of *Ijarah* should recognize the beneficial value, and flaws, and violate the sharia-law, of the goods. Furthermore, the goods should have direct profit, not a subsidiary, such as a tenant house, or renting-bike (Syafe’i, 2001). The practice of *Ijarah* should fail to fulfill if the goods are subsidiary characteristics, i.e., leasing the cow for milk, sheep for furs, mangoes for fruit, and so forth (Ahji, 1999; al Aziz, 2005; Hamzah Yaquub, 1984; Syafe’i, 2001).

Sheik Muhammad Nawawi, the *Shafi’i* site Scholar, in his book, the *Nihayatuzzain*, explained clearly the straight beneficial condition as the legalized transaction of *Ijarah* practice. The obvious benefit is the main condition, however, the subsidiary, i.e., leasing plantation for fruit commodities, pool for fishpond, and goat for milk are not endorsed within the practice, and not encouraged for *Ijarah* (bin Umar al Jawi Al Bantani, 2002). Furthermore, its transcript:

المنفعة فلا يصح عقد اجارة الا (في) محص (منفعة) حالة, فلا يصح استئجار البستان للثمار والشاة للبنها أو لصوفها أو وندها والبركة لسمكها, ولا يصح استئجار جحش صغير لأن وضع الاجارة على تعجيل المنافع.

“The leasing agreement is legal and allowed for having a direct profit (it requires exact benefit, not future). It goes the equivalent way for the

subsidiary in leasing for plantation to fruit commodities, the goat for its milk, the pond for fish, and the donkey for the foal. Consequently, the practice goes for its beneficial factors in transaction.” (bin Umar al Jawi Al Bantani, 2002).

Muhammad Syata ad-Dimyati stated the leasing practice for a plantation is not legalized by Islamic Sharia Law because no owner is transferred by the *Aqad* as the mutual agreement for the trees to grow fruit (Ad Dimyati, n.d.). In addition, the next *Ijarah* reference, come:

فلا يصح اكتراء بستان لثمره, لأن الأعيان لا تملك بعقد الاجارة قصدا

“Leasing a plantation for its fruit commodities which is growing within the ecosystem is not legal and not possible to have ownership transfer by the mutual agreement.” (Ad Dimyati, n.d.).

Nevertheless, the practice should fulfill the practice with *Gharar* or speculations. *Gharar* in *Ijarah* practice should precede within *Sighat Aqad* which coalesces two transactions for a single *Aqad*, i.e., selling goods for IDR. 1.000,00 in cash payment or not, without having a right to own (Karim & Sahroni, 2015; Nordin et al., 2014; Rudiansyah, 2020; Suzuki, 2013). Additionally, *Gharar* enlightens the obscurity of the quantity and quality of the goods. It also goes on the compensation, the *Ujrah*, to leasing practice. For instance, leasing goods without declaring the complementary compensation which should compensate and in clarity of contract duration (Asni, 2022; Kanwal, 2022; Karim & Sahroni, 2015).

The Practices for Palm Oil Leasing in The Western-Southern Regions of Aceh Province

Leasing is one of the common transactions for daily commercial activity without transferring the right of ownership, privatizing the benefits of goods, being effective by a certain period, and delivering income for both parties. Hitherto, by considering the owner's objection in transferring the right of ownership, holding not managed palm oil plantation, and urging for income, then, the communal deliberates to lease their assets to those who can fund the expense of palm oil plantation, or propose to secure third party support, such as funding from a bank or other financial institution, however, the monthly payment comes in beyond their coverage (Interview result, the 1st respondent, 20 August 2022).

The procedure excludes encouraging the owner to inform the object of the transaction for the lease. The information includes the number of trees, epochs, production cycles, and monthly commodity ratios (Interview result, the fifth respondent, 17 August 2022). Moreover, for the next step, the owner and lease observe the tree at the plantation to clarify the given information and to settle the geographical growth area, whether it is located on mountains, hills, and plain areas, which consequently determines the tree productivity and its charges as well. Thus far, the lease should check the owner's right status through the legal credential issued by the local government (Interview result, the eighth respondent, 9 August 2022).

Accordingly, the agreement should be committed by these beneficiaries when the following information has been considered sufficient, which perceived

the compensation and duration. Overall, the condition, ages, productivities, cycles, locations (whether it is located in an accessible or remote area), and market value are the factors to determine the financial compensation for the leasing practice to be committed. These items consider regulating the mutual compensation fee between the beneficiaries. In addition, according to the fifth respondent, he agreed to lease the object for IDR. 8.000.000,00 per hectare annually, were composed of 120 trees of productive palm oils. The committed transaction of the fifth respondent excluded productively for six hectares with 720 trees, which is estimated for IDR. 66.000 of leasing compensation per tree annually (Interview result, the fifth respondent, 17 August 2022).

The next procedure is having the mutual agreement to be validated for a transcribed contract that attached both beneficiaries' responsibility and obligation. However, some agreements are considered on mutual trust, for their based on a close relationship, which is encouraged to minimize unprecedented conflicts in the future (Interview result, the first respondent, 18 August 2022). Correspondingly, when the transaction is active, the lease should provide the correspondent funds. The practice of compensation goes in "*Peng meu-Cak*" (hard-cash) payment, and not in an installment, indeed, the whole respondents of the study confirmed it. It is suggested the payment should compensate the expenditures of the owners (Interview result, the first respondent, 18 August 2022). Henceforward, after the lease commits his obligation, the right to acquire the commodities is enclosure actively for the agreement duration. In addition, the lease also is obligated to consider the plantation upkeep for delivering the maximal products and the unforeseen ample of palm oil kernels which failed to provide commodity (Interview result, the fourth respondent, 18 August 2022).

Nevertheless, based on the following interviewing result, three respondents stated they never have experienced a flop production, which signified the profitable practice of the leasing transaction. Eventually, the transaction should end through the expected duration. The practice mostly takes 3 years to complete in the western-southern of Aceh community, which is considered an ideal transaction to compensate the lease expenditure with the profitable income. It pretexts the first year of the plantation, which is regarded as subdue commodities required for extra treatment to achieve the proper production (Interview result, the fifth respondent, 18 August 2022). Therefore, when the duration of the contract has reached the end, the lease should transfer its right to the owner, however, if the beneficiaries are willing to continue the transaction, it is encouraged to develop a new contract with a new duration and compensation.

The Overview of Palm Oil Leasing Practice under the Concept of Economic Islamic Sharia

The article overviewed the deliberated practice of palm oil leasing within the Western-Southern regions of Aceh province which has been elaborated on earlier under the concept of economic Islamic sharia. The article pointed out three concepts, i.e., 1). The beneficiaries, 2). The Benefit, 3). The *Sighat* statement (*Ijab-Qabul*).

1. The Beneficiaries

The practice of leasing transactions within the community encompasses two beneficiaries, the owner and lease, which is called *Mu'jir* and *Musta'jir* in sharia terminology. The study projected these parties should be older than 25 years old to conduct the transaction, who is healthy and consenting, when committing the *muamalah* action, and be aware of the good and bad of legalized action. Therefore, the transaction meets the condition of the involved beneficiaries.

2. The Benefit

The regulation encourages the object should be in a productive cycle. Correspondently, the lease expects the profitable commodities to the object. the study projected the practice violated the concept of leasing an unproductive object or subsidiary impact to the lease. For that reason, the practice violated the pillars concepts of *Ijarah*, which should be disallowed by the Islamic economic sharia. Moreover, the invalid practice is issued for its unclear and subsidiary characteristics, on the other hand, the lease committed transaction for harvesting palm oil fruit commodities and for acquiring the right to ownership of the objects (ownership transfer to the lease, even it formulated the fruit of the object).

According to *Sheikh Muhammad Nawawi*, the transaction considerably violated the sharia regulation as leasing a palm oil plantation for its kernels, a pond for its fish, and a goat for its milk (bin Umar al Jawi Al Bantani, 2002). Correspondingly, Hanafiah scholars also prohibit the practice, which it is exposed within *Syamsuddin al Sarkhasi's* book. It is transcript as follow:

ولا يجوز إجارة الشجر والكرم بأجرة معلومة على أن تكون الثمرة للمستأجر لأن الثمرة عين لا يجوز استحقاقها بعقد الإجارة فإنه يجوز بيعه بعد الوجود وإنما يستحق بقدر الإجارة مما لا يجوز بيعه بعد الوجود ولأن محل الإجارة المنفعة

"It is prohibited to lease a grape tree, which is the fruit commodities for Musta'jir (the lease). The fruit is a commodity that cannot be transferred by leasing transactions. It is suggested selling the fruit is a better transaction for goods. The core of leasing is acquiring the benefits of the good as a service instead of a commercial sell commodity." (al Sharkhasi, 1989)

Supporting the above regulation, the scholar of Maliki also strengthened the prohibition of leasing a tree for its commodity. It is a transcript of the book of *Mawahibu al-Jalil li Sharh Mukhtar Khalil*. It is mentioned as follows:

لا يصح إيجار الأشجار لثمارها، وشاة لتناجها ولبنها وصوفها، لأنه بيع عين قبل وجودها

"It is not legally right to lease a tree for its fruit, goat for its milk, sheep for furs, yet, it is a trading transaction for non-existence of goods". (Abi 'Abdullah Muhammad bin Muhammad bin 'Abdur Rahman, 1995)

Furthermore, the Hanbali scholars emphasized the prohibition for its *Gharar* factors, they mentioned their statement as narrated below:

لا يجوز إجارة أرض وشجر لحملها على الصحيح من المذهب، وعليه جماهير الأصحاب، وقطع به أكثرهم وحكاه أبو عبيد إجماعاً : قال الإمام أحمد رحمه الله أخاف أن يكون استأجر شجراً لم يثمر

"It is prohibited to lease land or tree for acquiring its commodities, according to the major argument of Hanbali's scholars. It is stated indeed Abū Ubaid proclaimed as Ijma' (Consensus). Additionally, Imam Ahmad thought, I worried for the leased trees then it did not grow some fruit." (Al-Mardawi, 1955)

Considering the following highlighted factors, the community practice violated the legalized leasing transaction. It is *Gharar* that triggered the incompatibility and concern by *Imam Hanbal* for the loss of the lease. Moreover, *Gharar* inflicted the lease to acquire the direct benefit from the goods after the *aqad*, conversely, the lease should pay the expense and give extra effort to the goods, which is outside of *aqad* mutual agreement. Therefore, inflicting *Gharar* push the practice to illegal under the sharia law.

The practice within the community excludes the *Gharar* factor. The subsidiary factor, as the lease should work to preserve the plantation to acquire intact kernels commodities right after the completed agreement of *aqad*, and to fund preservation expenses as well (Nasution et al., 2021; Paldi, 2014; Rudiansyah, 2020). Conversely, the expense was not covered within the former agreement. Thus, Islamic economic sharia defied the factor to be practiced. On the other hand, the unprecedented kernels production and market price fluctuation also influences to widen the factor gap of *Gharar* in the community practice. The risks of loss and speculation overshadowed the lease for unprecedented events which might fall over time.

Consequently, the lease mostly relies on their risky instincts or conjectures about the following production cycles of the plantation to deliver a maximal result (Interview result, the fifth respondent, 18 August 2022). Hence, on the contrary, within the period of leasing, the plantation owner did not take responsibility for the damage, exhaustion, or anything which prohibit the production of palm oil kernels, even if it is conducting on purpose or not having by purpose. Overall, the transaction maligns the lease as the second beneficiary and violates the concept of legalized *Ijarah* in Islam. It is quoted from the hadith of prophet Muhammad *PBUH* as follows:

لا تشتروا السمك في الماء فإنه غرر

"Do not buy the fish on the water, which is considered a Gharar (speculative) practice." (HR. Ahmad bin Hambal)

3. The *Sighat Statement (Ijab-Qabul)*.

The leasing statement for the transaction within the community is usually declared at the house of the plantation owner. The statement is conducted orally between two beneficiaries, the *Mu'jir* (owner), and *Musta'jir* (lease). The statement is spoken as follows, "*I am leasing the Palm Oil tree for the price of* (mentioning the price of compensation)" and the lease answer with "*I am accepting the leasing of palm oil tree with the price of* (mentioning the price of compensation)", then directly provides the *Ujah* or the compensation in hard-cash (Interview result, the 5th respondent, 2 August 2022). Accordingly, the practice fulfills the legal practice of *Ijarah Sighat*. The comparability excludes the *Sighat* statements, *Ijab* and *Qabul*, between the two beneficiaries, the owner should fulfill its condition to describe the condition of the goods, and the lease should concern the accord the statements (Ash Shiddieqy, 1999).

Conclusion

The *Ijarah* is termed as a leasing practice according to the Islamic Sharia regulation. It is a *muamalah* (trades) that is commonly practiced within the western-southern of Aceh community for leasing palm oil plantations. The practices occurred by owner urges to cover their expense needs, and conceptually derive the lease for acquiring the kernels market commodities without keeping a plantation. The communal practice violates the suggested *Ijarah* as a legal transaction. The inconsistency practice excludes not fulfillment for one obligation pillar, where the subsidiary benefit, which is considered to uncertain of kernels production, yet should be influenced by unprecedented events. The speculative factor is forbidden in the Islamic Sharia regulation.

Even though, by expecting the commodities, there is transferring of owning the plantation which is not stated in the *Aqad* of *Ijarah*. Furthermore, the majority of the scholar also disallows the practice of the transaction for having the kernel fruit as a palm oil plantation instead of having benefit. Additionally, by leasing the tree, it cannot guarantee the speculative fruit which should be influenced by unprecedented events to the extent of benefits of palm oil plantation. In conclusion, the study suggested the community discontinue the practice, with the support of academicians, and prominent figures. The following supports should cooperate to enlighten society for having a good upbringing of the Islamic Sharia regulation in palm oil plantations in Aceh province.

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