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The Legality of Motorcycle Pawnbroking Practices in Tarum Village: A Perspective Based on the Rahn Contract and Indonesian Positive Law

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Abstract

This study examines the validity of motorcycle pawnbroking practices in Tarum Village from the perspectives of the rahn contract and Indonesian positive law. Using a qualitative case study and empirical-judicial approach, data were collected through interviews, observations, and document analysis involving rahn, murtahin, and community and religious leaders. The findings show that motorcycles are voluntarily transferred as collateral for debt and may be sold or auctioned upon default after prior notification and in accordance with the agreement and applicable legal requirements. From the perspective of rahn, the practice contains the essential elements of rahn, murtahin, marhun, marhun bih, and sighat, while ownership of the motorcycle does not automatically transfer to the murtahin. Under Indonesian positive law, the transfer of possession is consistent with the basic construction of a pledge over movable property. However, validity requires clarity regarding ownership, debt amount and term, rights and obligations, collateral maintenance, default procedures, and the sale or auction mechanism, while avoiding riba, gharar, and zulm. The practice may therefore be considered valid when implemented transparently, fairly, and with adequate legal protection for both parties.

Kata kunci:

Gadai sepeda Motor,
rahn, hukum positif,
hukum ekonomi syariah,
desa tarum.

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Abstrak

Studi ini meneliti keabsahan praktik gadai sepeda motor di Desa Tarum dari perspektif kontrak rahn dan hukum positif Indonesia. Dengan menggunakan studi kasus kualitatif dan pendekatan empiris-yurid, data dikumpulkan melalui wawancara, pengamatan, dan analisis dokumen yang melibatkan rahn, murtahin, serta pemimpin komunitas dan agama. Temuan menunjukkan bahwa sepeda motor secara sukarela dialihkan sebagai jaminan utang dan dapat dijual atau dilelang setelah gagal bayar setelah pemberitahuan sebelumnya dan sesuai dengan perjanjian serta persyaratan hukum yang berlaku. Dari sudut pandang rahn, praktik ini memuat elemen penting rahn, murtahin, marhun, marhun bih, dan sighat, sementara kepemilikan sepeda motor tidak otomatis beralih ke murtahin. Menurut hukum positif Indonesia, pengalihan kepemilikan sesuai dengan konstruksi dasar gadai atas properti bergerak. Namun, keabsahan memerlukan kejelasan mengenai kepemilikan, jumlah dan jangka waktu utang, hak dan kewajiban, pemeliharaan jaminan, prosedur gagal bayar, serta mekanisme penjualan atau lelang, sambil menghindari riba, gharar, dan zulm. Oleh karena itu, praktik ini dapat dianggap sah jika diterapkan secara transparan, adil, dan dengan perlindungan hukum yang memadai bagi kedua belah pihak.

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INTRODUCTION

In people's economic lives, the need for cash often arises urgently to meet both consumption and production needs. Limited access to formal financial institutions leads some people to choose financing mechanisms that are simple, fast, and based on interpersonal trust (Maulana & Yudhistira, 2026). One form of transaction that is still widely practiced is the pawn of movable property, including motorcycles. In practice, the motorcycle owner hands over the vehicle or its ownership documents to the lender as collateral for a certain amount of debt received. Pawnbroking is essentially a collateral instrument designed to provide the creditor with assurance that the debt will be repaid; from an Islamic legal perspective, this concept is known as *rahn*. DSN-MUI Fatwa No. 25/DSN-MUI/III/2002 specifically regulates *rahn* as a form of transaction permitted under Sharia principles (Annas & Inayah, 2026).

Normatively, the *rahn* contract is based on the principle of mutual aid (*ta'āwun*) and is not intended as a means to profit from the debtor's economic hardship. The item pledged as collateral serves to secure the debt and remains the property of the pledgor (Davina, Febriadi, & Permana, 2026). Therefore, the existence of the pledged item does not in and of itself grant the pledgee the right to freely use the item. The issue becomes more complex when the pledged item is a motorcycle, as the vehicle has a utility value and economic value that can be utilized during the pledge period. In informal community practices, the possibility of the pledgee using the motorcycle, the determination of additional payments, the transfer of the item, and the lack of clarity regarding the resolution mechanism in the event of default can raise questions regarding the validity of the transaction under Islamic law (Zyahro, 2026).

On the other hand, pawnbroking is also a form of security recognized under Indonesia's positive law system (Anisa, 2026). Conceptually, pawnbroking involving movable property places the collateral under the control of the pawnbroker as security for debt repayment. In the context of the pawnbroking industry, current national regulations are set forth, among other things, in Financial Services Authority Regulation No. 39 of 2024 on Pawnbroking, which was subsequently amended by POJK No. 29 of 2025 (Safitri & Iqbal, 2026). These regulations indicate that pawnbroking activities carry legal consequences and require proper governance, transaction certainty, consumer protection, and oversight (Fauziyyah, 2026). Thus, pawnbroking practices cannot be evaluated solely based on the agreement between the parties but must also be analyzed in terms of the validity of the agreement, the status of the collateral, the rights and obligations of the parties, and legal protection in the event that one party fails to fulfill its obligations (Salju, Lutfi, & Bulutoding, 2026).

This issue becomes significant when motorcycle pawn transactions are conducted directly between members of the community without going through a formal pawnshop. In such transactions, legal relationships are often based on trust, social ties, and urgent needs, without being formalized in an adequate written agreement. Agreements regarding the loan amount, term, use of the vehicle, additional payments, risk of damage, and even the mechanism for returning the

item may be made only verbally (Nengsih, 2026). While this approach offers convenience and speed to the public, it simultaneously has the potential to create legal uncertainty (Fauzi & Ali, 2025). When disputes arise, the parties may face difficulties in determining the scope of their rights and obligations due to the absence of evidence or a clear contractual agreement.

This phenomenon is worth examining in the context of motorcycle pawnbroking practices in Tarum Village. Pawnbroking that takes place at the community level does not always share the same characteristics as pawnbroking services offered by official pawnshops (Sudarwanto, 2026). At formal institutions, the mechanisms for appraising items, administration, terms, fees, and the settlement of collateral are generally determined through institutional procedures. In fact, official pawnshop services now also include motor vehicles as collateral (Hidayatullah & Mahmudi, 2026). Meanwhile, transactions between individuals are largely based on personal agreements. These differing patterns raise legal questions regarding the extent to which the practice of motorcycle pawnbroking that has developed within the community fulfills the elements and requirements of a rahn contract, while also complying with the principles of contractual validity under Indonesian positive law (Abrori, 2026).

A number of previous studies have discussed the implementation of the rahn contract at Islamic pawnshops. Muhammad (2026), for example, examined ARRUM BPKB financing at Pegadaian Syariah and found that the rahn contract is used as the basis for providing secured financing. Other studies on the application of the rahn contract at Sharia pawnshops also indicate that motor vehicles can serve as collateral in Sharia financing products. These studies demonstrate that rahn has become widely adopted in the practices of Sharia financial institutions. However, most research still focuses on formal pawnshops that have relatively clear contractual structures, administrative processes, and oversight mechanisms.

These limitations highlight the need for further research into informal pawnbroking practices within society. Peer-to-peer motorcycle pawnbroking has distinct characteristics, as agreements are often simple and do not always employ the same terminology or contractual documentation as those used by Islamic financial institutions (Ridho, 2026). Additionally, the potential use of pledged items by the pawnbroker raises issues that require separate analysis. Studies on the use of pledged items indicate that the use of the item by the pledgor without proper authorization and a balance of rights and obligations can raise issues of fairness and may potentially conflict with the fundamental principles of rahn (Ratnasari, Kadir, Rutmiati, & Hikmah, 2026). Therefore, an analysis of the validity of a motorcycle pawn agreement must focus not only on the existence of the debt and the collateral but also on how the item is controlled, utilized, maintained, and returned.

From the perspective of Islamic economic law, the validity of pawnbroking must be analyzed based on the fulfillment of the following elements: the parties involved (rahin and murtahin), the pledged item (marhun), the debt (marhun bih), and the agreement or sighat. In addition to the formal aspects of the contract, the substance of the transaction must also be free from elements that could lead to

injustice, such as *riba*, *gharar*, and the disproportionate extraction of benefits. Meanwhile, the positive law perspective views pawnbroking as a legal relationship involving security over movable property that gives rise to rights and obligations for both the pledgee and the pledgor (R. Siregar, Sasnifa, & Prawira, 2026). The intersection of these two legal frameworks is crucial because a practice that is common in society may be considered socially acceptable but may not necessarily fully comply with the principles of *rahn* or meet the requirements for legal validity and protection under the national legal system.

The novelty of this study lies in its analysis of the validity of the practice of directly pawning motorcycles from two complementary perspectives—namely, the *rahn* contract and Indonesian positive law—using the practices of the community in Tarum Village as the empirical subject. The study is not only directed at the question of whether pawnbroking is permissible, but also at the structure of the contract used, the status of the motorcycle as collateral, the use of the item during the pawn period, the rights and obligations of the parties, and the resolution mechanism when the debt cannot be repaid. This approach is essential for identifying points of alignment as well as potential conflicts between local practices and the legal norms of Islamic economic law and national law.

Based on this background, this study focuses on two main issues, namely: (1) how the practice of motorbike pawnbroking is carried out by the community in Tarum Village; and (2) the validity of this practice from the perspective of the *rahn* contract and Indonesian positive law. Academically, this study is expected to enrich the field of Islamic Economic Law regarding *rahn* transactions that have developed informally within the community. In practical terms, the research findings are expected to provide the community with a clearer understanding of how pawn transactions are conducted in a fair manner that offers legal certainty, while also serving as a basis for the parties involved to structure transactions in accordance with Sharia principles and the provisions of Indonesian positive law.

RESEARCH METHOD

This study employs a qualitative approach using a case study design and an empirical-juridical approach, aiming to gain an in-depth understanding of the practice of motorcycle pawnbroking in Tarum Village and to analyze its validity based on the *rahn* contract and Indonesian positive law. This approach was chosen because pawnbroking practices in the community are not only related to normative legal provisions but are also influenced by customs, economic needs, relationships of trust, forms of agreement, and the parties' understanding of their rights and obligations. Thus, the empirical-juridical approach allows the study to connect the reality of pawnbroking practices in the field with the provisions of Islamic law and positive law that govern them (Acevedo, Gelves, & Vega, 2026).

The study was conducted in Tarum Village from June 25 to July 25, 2026. The research location was chosen because it was found that motorcycle pawnbroking was practiced directly among community members outside of formal pawnbroking institutions. This practice is worth studying because the mechanisms governing the agreement, the transfer of collateral, the use of the

motorcycle during the pawn period, the repayment term, and the return of the item are generally based on mutual agreement between the parties. These conditions allow for an analysis of the alignment of community pawn practices with the provisions of the rahn contract and Indonesian positive law.

Research Subject and Object

The object of this study is the validity of motorcycle pawnbroking practices in Tarum Village as viewed from the perspective of the rahn contract and Indonesian positive law. The study focuses on the transaction process, the form of the agreement between the parties, the status of the motorcycle as collateral (*marhun*), the amount of debt (*marhun bih*), the pawn period, the control and use of the pawned item, the repayment mechanism, and the resolution if the pawner is unable to repay the debt as agreed.

The research subjects were selected through purposive sampling, taking into account the informants' direct involvement in and level of knowledge regarding the motorcycle pawn practices under study. The research informants consisted of: (1) members of the community acting as pledgers (*rahin*); (2) members of the community acting as pledgee (*murtahin*); and (3) community leaders, religious figures, or other parties with knowledge of the pawnbroking practices prevalent in Tarum Village. When necessary to strengthen the normative analysis, the study also involved academics or practitioners of Islamic Economic Law who understand the rahn contract and security law. The number of informants was adjusted based on data sufficiency and data saturation; thus, data collection was halted when the information obtained showed relatively consistent patterns and no new substantive information was found.

Data Collection Methods

Data collection was conducted using three main methods. First, semi-structured interviews were conducted with pawnbrokers, borrowers, and supporting informants to obtain information regarding the background of the pawn transaction, the terms of the agreement, the loan amount, the term, the method of handing over the motorcycle or vehicle documents, the use of the pledged item, any additional payments, the repayment process, and the resolution mechanisms in the event of late or failed payments. The interviews were also designed to assess the parties' understanding of their rights and obligations in pawn transactions.

Second, observations were made regarding the conditions and practices of motorcycle pawn transactions – the subject of this study – particularly concerning control over the pledged item, vehicle usage during the pawn period, and the nature of the relationship between the pawnbroker and the borrower. These observations were used to obtain an empirical picture that could supplement and confirm the interview findings. Third, a documentary study was conducted on transaction records, receipts, agreements, vehicle documents, and other available documents related to pawnbroking practices. In addition to empirical documents, the study also utilized legal materials, including the Civil Code, DSN-MUI Fatwa

No. 25/DSN-MUI/III/2002 on Rahn, the Compilation of Sharia Economic Law, and other relevant legal provisions as the basis for normative analysis.

Data Analysis Techniques

Data analysis was conducted qualitatively using an interactive analysis model that includes data condensation, data presentation, and ongoing conclusion-drawing and verification (Miles, Huberman, & Saldaña, 2019). Data from interviews, observations, and documentation were first grouped based on main themes, such as the contract mechanism, the status of the pledged item, the rights and obligations of the parties, the use of the item, debt repayment, additional payments, and the resolution of default. Next, the data were presented descriptively to illustrate the patterns of motorcycle pawn practices taking place in Tarum Village.

The analysis was conducted from two complementary perspectives. First, the rahn analysis examined whether the practice fulfilled the essential elements and conditions of the contract, including the roles of the rahin (pledgor/debtor) and murtahin (pledgee/creditor), the status of the motorcycle as marhun (pledged collateral), the debt as marhun bih, and the existence of sighat (contractual expression). The analysis also considered control and use of the collateral, the parties' rights and obligations, voluntary consent, justice, and the absence of riba, gharar, and zulm. Second, the Indonesian positive-law analysis examined the validity of the agreement, the legal status of the motorcycle as movable collateral, possession and protection of the pledged object, the rights and obligations of the parties, and legal certainty in the event of default. The two analyses were then compared to identify areas of conformity, differences, and potential legal issues in the motorcycle pawnbroking practice in Tarum Village.

To enhance the validity of the data, this study employed source triangulation and methodological triangulation. Source triangulation was conducted by comparing information from pawnbrokers, borrowers, and supporting informants. Meanwhile, methodological triangulation was conducted by comparing the results of interviews, observations, and documentation. This process was carried out to ensure that the study's conclusions were not based solely on the perspective of a single party but were supported by various relevant data sources.

Research Ethics

This study was conducted in accordance with the principles of research ethics. Prior to data collection, the researcher sought permission from the relevant authorities and explained the purpose and significance of the study to the informants. Each informant was asked to provide informed consent before the interview process began. The identities of the pawnbrokers and borrowers were kept confidential because the data collected pertained to creditor-debtor relationships and personal financial circumstances. All information obtained was used strictly for academic purposes and presented in a manner that upheld the principles of confidentiality, objectivity, and fairness toward all parties involved

in the motorcycle pawnbroking practice in Tarum Village.

RESULTS AND DISCUSSION

Result

The research findings indicate that the practice of motorbike pawnbroking in Tarum Village is a form of secured debt transaction conducted directly between community members. This practice generally occurs when an individual needs funds and uses their motorbike as collateral for a loan. The transaction takes place based on an agreement between the pledgor (rahin) and the pledgee (murtahin), with the motorcycle serving as collateral (marhun) for a specific amount of debt (marhun bih). These findings indicate that motorcycle pawnbroking in Tarum Village substantively resembles the rahn contract in Islamic Economic Law, even though it is carried out informally within the community.

The research informants consisted of three groups: members of the community acting as pledgors (rahin), members of the community acting as pledgees (murtahin), and community and religious leaders. Selecting these three groups of informants allowed the study to gather information not only from those directly involved in the transactions but also from those familiar with the customs and practices of pawnbroking prevalent in Tarum Village. Accounts from the rahin and murtahin were used to describe the transaction mechanisms, while information from community and religious leaders was used to deepen the understanding of pawnbroking practices from social and religious perspectives.

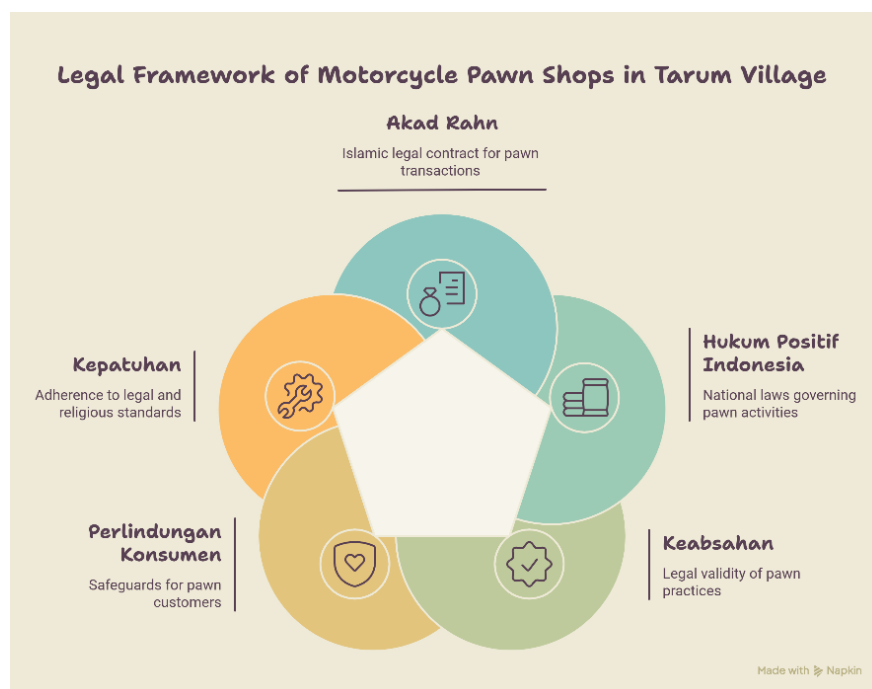


Figure 1 : Concept Map of the Validity of Motorcycle Pawning Practices in Tarum Village: Perspective of Akad Rahn and Indonesian Positive Law

Based on the research findings, the transaction begins when a party in need of funds contacts another party willing to provide a loan. Once an agreement is reached on the amount of money to be provided, the lender hands over the motorcycle to the borrower as collateral for the debt. The transfer of the vehicle plays a crucial role because the motorcycle is not merely designated as collateral

in the agreement but is actually in the possession of the pawnbroker until the debt obligation is settled.

The transfer of the motorcycle demonstrates that the parties understand the function of pawnbroking as a means of securing repayment of a debt. The murtahin obtains possession of the motorcycle as collateral and may retain it until the debt is settled, but such possession does not by itself change ownership. As long as the debt remains outstanding, the rahin remains the owner of the motorcycle, subject to the security interest created by the rahn arrangement. Accordingly, the murtahin's authority is limited to holding and safeguarding the collateral in accordance with the agreement and applicable law.

The research findings also indicate the existence of a resolution mechanism in the event that the pledgor fails to fulfill their agreed-upon payment obligations. In such cases, the motorcycle serving as collateral may be auctioned off. However, the auction is not conducted immediately or unilaterally. Before the auction process begins, the pawnbroker must first notify the borrower of the outstanding obligations and the plan to auction the vehicle serving as collateral.

This pre-auction notification is a crucial aspect of pawnbroking practices in Tarum Village. This notice gives the borrower the opportunity to understand the status of their debt and take steps to resolve it before the collateral is auctioned. This practice demonstrates an effort not to immediately seize the collateral in the event of a payment default. The motorcycle remains a means of debt repayment and does not automatically become the property of the pawnbroker.

From a social perspective, the practice of motorbike pawnbroking in Tarum Village also demonstrates the strong element of trust in the relationship between the pledgee and the pledgor. Transactions take place based on mutual agreement and are supported by the social relationships that have developed within the community. However, the existence of these relationships of trust does not eliminate the possibility of legal issues arising, particularly when there is ambiguity regarding the repayment period, the rights and obligations while the vehicle is in the pawnbroker's possession, or the mechanism for calculating auction proceeds.

Testimonies from community and religious leaders are crucial in understanding this practice, as pawnbroking is widely understood by the public as a means of obtaining funds by providing valuable items as collateral. From the community's perspective, handing over a motorcycle provides certainty to the pawnbroker, while for the person pawning the item, this mechanism provides access to funds without having to sell the vehicle directly. However, this practice must still adhere to the principle of fairness so that one party's economic needs do not become the basis for the other party to gain disproportionate profit.

Overall, the research findings reveal three main characteristics of the motorcycle pawn practice in Tarum Village. First, transactions take place through a creditor-debtor relationship between the rahin and the murtahin. Second, the motorcycle is handed over and remains in the murtahin's possession as collateral until the debt is repaid. Third, if the payment obligation is not fulfilled, the collateral may be auctioned off after prior notification has been given to the rahin. These findings subsequently serve as the basis for determining the validity of the practice under the rahn contract and Indonesian positive law.

Discussion

The Construction of the Rahn Contract in the Practice of Motorcycle Pawnbroking

From the perspective of Islamic Economic Law, the practice of motorcycle pawnbroking in Tarum Village can be construed as a rahn contract. In the transactions observed, the individual who hands over the motorcycle acts as the rahin; the party providing the loan and receiving the collateral acts as the murtahin; the motorcycle is the marhun; and the borrowed money is the marhun bih. This relationship indicates that the key elements of a pawn transaction have, in fact, been established (Asari & Firdaus, 2022).

The handover of the motorcycle to the murtahin further reinforces the nature of rahn in this transaction. The item is not merely verbally designated as collateral but is physically handed over into the possession of the pawnbroker. Under the principle of rahn, the existence of the collateral serves to ensure repayment of the debt. Thus, the murtahin's possession of the marhun can be understood as part of the collateral's function and not as a transfer of ownership.

However, the validity of a rahn is not determined solely by the transfer of the goods. Clarity regarding the identities of the parties, the ownership status of the motorcycle, the amount of the debt, the repayment period, and the resolution mechanism in the event of default are also crucial to ensuring the certainty of the contract. Therefore, the clearer the agreement is, the less likely it is that gharar and disputes between the parties will arise.

Validity of the Contract Based on the Essential Elements and Conditions of Rahn

When viewed from the perspective of the essential elements and conditions of the rahn contract, the practice of motorbike pawnbroking in Tarum Village has essentially demonstrated the presence of the parties, the collateral, the debt, and the agreement. The rahin is a person in need of funds who hands over a motorbike, while the murtahin is the party who provides a sum of money and receives the motorbike as collateral (Nurlaela, Mafaza, Andhini, Jamilah, & Malik, 2026).

Motorcycles are also items of economic value and can therefore, in principle, be used as collateral. However, for the item to be valid as collateral, the vehicle must be in the possession of or under the lawful authority of the party pledging it. If the motorcycle does not belong to the pledgor and there is no consent from the actual owner, then there is an issue regarding the authority to use the vehicle as collateral (F. Y. D. Siregar, Syaputra, & Sitorus, 2026).

Similarly, regarding the marhun bih, the amount of the debt must be clearly known and agreed upon. This clarity is important because the debt forms the basis of the relationship between the rahin and the murtahin and determines the amount that must be settled before the vehicle is returned (Intansari, Diana, & Qur'an, 2026). Thus, in principle, the practice of pawnbroking can be considered valid if all these elements are fulfilled and there are no additional provisions that conflict with Sharia principles.

Status and Possession of the Motorcycle as the Pledged Item

The research findings indicate that the motorcycle is handed over to the

pledgee for the duration of the debt. From the perspective of rahn, such possession is justified because the pledged item serves as collateral for the pledgor's obligation. However, physical possession does not alter ownership of the item.

Thus, the murtahin cannot treat the motorcycle as if it were his own property. His status is that of a holder of the collateral. Consequently, the item must be safeguarded so that its value and condition are not compromised by improper actions.

This aspect is also crucial in distinguishing between the right to possess an item as collateral and the right to own the item. As long as the debt remains outstanding, ownership of the motorcycle remains with the rahin, subject to the security arrangement. Once the debt is paid off, the vehicle must be returned to the rahin in accordance with the agreement.

Auction of Pledged Goods in the Event of Default

A key finding of the study concerns the resolution mechanism when the borrower fails to fulfill their repayment obligations. In practice in Tarum Village, a motorcycle may be auctioned as collateral after prior notification has been given to the lender.

This mechanism is substantively consistent with the function of rahn because the collateral may be used to satisfy the outstanding debt when the rahin fails to fulfill the agreed obligation. However, the motorcycle should not automatically become the property of the murtahin merely because of a delay or failure to pay. A sale or auction of the collateral, where legally and contractually permitted, is more consistent with the function of marhun as security for debt repayment rather than as an automatic means of transferring ownership. The process should be preceded by clear notice to the rahin and should provide an opportunity to settle the outstanding obligation before the collateral is sold.

Prior notification to the rahin is also important from the perspective of fairness and legal certainty. The notice should clearly state the outstanding debt, the proposed date or mechanism for sale or auction, and the consequences of continued default. This gives the rahin a meaningful opportunity to fulfill the obligation while reducing the risk of unilateral disposal of the collateral by the murtahin. Thus, the settlement mechanism should protect the murtahin's right to recover the debt while also preserving the rahin's ownership rights and procedural protections.

An important point concerns the distribution of the proceeds from the sale or auction. If the sale price of the motorcycle exceeds the outstanding debt and legitimate costs directly associated with the sale, the surplus should be returned to the rahin as the owner of the collateral. Conversely, if the proceeds are insufficient to cover the outstanding debt, the remaining obligation must be determined in accordance with the original debt agreement and applicable law. This approach prevents the sale of collateral from becoming a source of disproportionate benefit for the murtahin and maintains the collateral's function as security for the debt.

Pawnbroking Practices from the Perspective of Indonesian Positive Law

Under Indonesian positive law, a pawn is a form of security interest in movable property. As movable property, a motorcycle can, in principle, serve as the subject of a pawn. A key characteristic of a pawn is the transfer of possession of the

collateralized item to the creditor (Purwayanti, 2026).

In light of the research findings, the transfer of a motorcycle from the pledgor to the pledgee aligns with the concept of a pledge involving movable property. The pledgee obtains possession of the vehicle as security for the debt, while ownership remains with the pledgor as long as no valid transfer of ownership has taken place (Dasopang & Siregar, 2026).

From a contract law perspective, the agreement between both parties also serves as the basis for establishing a legal relationship. However, a relationship based on trust should be reinforced with a written record or agreement, particularly regarding the amount of debt, the vehicle's identification, the payment term, the condition of the item at the time of handover, and the auction mechanism (Baihaqi, Santoso, & Zaharah, 2025). Such documentation plays a crucial role should a dispute arise in the future.

Legal Protection for the Rahin and the Murtahin

Good pawnbroking practices must provide balanced protection to both parties. For the murtahin, the existence of the motorcycle provides certainty that there is a valuable item that can be used to settle the obligation if the rahin fails to repay the debt (Sari, 2026). Meanwhile, for the rahin, protection is realized through the recognition that ownership of the motorcycle does not automatically transfer to the pawnbroker.

The pre-auction notification mechanism identified in this study is a form of protection for pledgers. However, this protection must be complemented by transparency regarding the reasons for the auction, the amount of outstanding debt, the value of the sale proceeds, and the return of any excess auction proceeds if their value exceeds the debt obligation.

This balance aligns with the objectives of Islamic economic law, which prioritizes justice and the protection of assets as key principles in transactions (Pradana, 2026). It is unjust for the pledgor to lose an item whose value far exceeds the amount of the debt without a fair calculation mechanism. At the same time, it is also unfair for the lender not to receive repayment for the debt they have extended.

Common Ground Between the Rahn Contract and Indonesian Positive Law

Based on the analysis, there is strong common ground between the rahn contract and Indonesian positive law regarding the function of a motorcycle as collateral. Both perspectives view collateral as a means to ensure debt repayment and do not consider the transfer of the item to constitute an automatic transfer of ownership (Dasopang & Siregar, 2026).

Both also provide for resolution through the collateral if obligations are not fulfilled. However, such mechanisms must safeguard the rights of the parties and must not result in unlawful gain for either party. From a Sharia perspective, these considerations are reinforced by the prohibitions against *riba*, *gharar*, and *zulm*, while positive law emphasizes the certainty of contractual relationships and the protection of civil rights (Sapitri, 2026).

Thus, the practice of pawnbroking in Tarum Village demonstrates that Islamic law and positive law can be applied complementarily. The rahn contract provides ethical and Sharia parameters regarding the substance of the transaction, while positive law provides parameters regarding legal relationships, collateral,

evidence, and protection in the event of a breach of contract.

The Validity of Motorcycle Pawnbroking Practices in Tarum Village

Based on the research findings, the practice of motorcycle pawnbroking in Tarum Village can, in principle, be considered consistent with the basic structure of a rahn contract because it involves a lender and a borrower, a secured debt, a motorcycle as collateral, the transfer of the vehicle to the lender, and a mechanism for resolution when obligations are not fulfilled (Mahmudi, 2026).

The auction mechanism, which takes place after notification to the rahin, also demonstrates that the item does not automatically become the property of the murtahin. This practice aligns more closely with the function of the pledged item as a means to settle obligations (Sembiring, 2025). However, overall validity still requires that the vehicle be the lawful property of the pledgor, the debt amount be clearly defined, the agreement be entered into voluntarily, there be no usurious charges, and the proceeds from the auction be accounted for transparently.

Thus, the practice of motorcycle pawnbroking in Tarum Village can be categorized as valid subject to certain legal conditions and qualifications, particularly regarding the clarity of the contract, ownership of the vehicle, the auction mechanism, and the protection of the remaining proceeds from the sale of the pledged item. If these elements are implemented transparently and fairly, the pawnbroking practice not only fulfills its social function as an alternative means of meeting the community's financial needs but can also proceed in accordance with the principles of the rahn contract and provide legal certainty from the perspective of Indonesian positive law.

CONCLUSION

This study concludes that the practice of motorcycle pawnbroking in Tarum Village essentially follows the structure of a rahn contract, namely the presence of a pledgor (rahin), a pledgee (murtahin), a motorcycle as collateral (marhun), and a debt amount as marhun bih. The transfer of the motorcycle to the pawnbroker reinforces the item's function as collateral for debt repayment and does not automatically transfer ownership of the vehicle to the murtahin. In the practices observed, if the pledgor fails to fulfill the repayment obligation, the motorcycle may be auctioned off after prior notification has been given to the pledgor. This mechanism indicates that the pledged item is positioned as a means of settling the obligation, not as an object that immediately becomes the property of the pledgee in the event of default.

Normatively, the validity of the motorcycle pawn practice in Tarum Village can be deemed valid as long as it fulfills the essential elements and conditions of the rahn contract, namely: the parties possess legal capacity; the motorcycle is owned by or under the lawful authority of the pledgor; the amount of the debt is clearly specified; and the agreement is made voluntarily by the parties. Furthermore, this practice must be free from elements of usury (riba), uncertainty (gharar), and injustice (zulm), and must not grant the pawnbroker the right to derive unjustified benefits from the collateral. The auction process must also be conducted transparently and proportionally, so that the proceeds from the sale are used to settle the debt, and any surplus from the sale, if any, remains the right of the pledgor.

From the perspective of Indonesian positive law, the practice of pawning motorcycles is also consistent with the principle of pawnbroking as a form of security interest in movable property, since the pawned item is transferred into the possession of the pawnbroker as security for the repayment of the debt. However, the legal certainty of this practice would be stronger if the agreement between the parties were set forth in writing, particularly regarding the amount of the debt, the vehicle's identification, the term, the condition of the item, the rights and obligations of the parties, and the auction procedures in the event of default. Thus, the practice of motorcycle pawnbroking in Tarum Village can be categorized as valid, provided that its implementation complies with the principles of the rahn contract, does not contain elements prohibited by Sharia, and continues to ensure legal protection and certainty for both the rahin and the murtahin.

The normative implications of this study emphasize that the practice of pawnbroking, which has developed informally in society, cannot be based solely on custom and relationships of trust, but must also be grounded in clear contractual agreements, a balance of rights and obligations, and the protection of the parties' assets. The integration of the principles of Islamic economic law and positive law is essential to ensure that pawnbroking practices do not lead to uncertainty, unilateral control of goods, or disproportionate losses. Thus, the implementation of a transparent and fair rahn contract, accompanied by clear dispute resolution mechanisms, can serve as the foundation for creating motorcycle pawnbroking practices that comply with Sharia principles while also providing legal certainty within the community.

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