

A COMPARATIVE ANALYSIS OF SHARIA-BASED DIRECT SELLING PRACTICES IN MULTI-LEVEL MARKETING: EVIDENCE FROM K-LINK AND HNI BRANCHES IN MATARAM

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Abstract

This study analyzes the implementation and comparative practices of Sharia-Based Direct Selling (PLBS) at PT K-Link and PT HNI Mataram Branch, in response to public concerns regarding the compliance of multi-level marketing (MLM) practices with sharia principles, particularly regarding clarity of contracts, bonus mechanisms, transparency, and the avoidance of gharar, maysir, and riba elements. This study uses a qualitative approach with a comparative case study design. Data collection was conducted through in-depth interviews, participant observation, and documentation studies involving branch managers and business partners. Data analysis was carried out through stages of reduction, presentation, and verification with reference to the dimensions of sharia compliance, contract mechanisms, and sharia business ethics. The results show that both companies have formally adopted the main principles of PLBS, including the use of wakālah bil ujah contracts, a real sales-based bonus system, halal-certified products, and supervision by the Sharia Supervisory Board. However, there are differences in the depth of implementation, with PT HNI emphasizing sharia guidance and education, while PT K-Link prioritizes system standardization and compensation control. This study confirms that PLBS implementation remains procedural and heavily dependent on internal company interpretations, necessitating clearer theoretical benchmarks and ongoing external evaluation. This research contributes to the development of Sharia-based MLM studies through a more critical, comparative perspective.

Keywords: *Multi Level Marketing, Sharia-Based Direct Selling, Sharia Compliance, PT K-Link, PT HNI.*

Abstrak

Penelitian ini menganalisis implementasi dan praktik komparatif Penjualan Langsung Berbasis Syariah (PLBS) pada PT K-Link dan PT HNI Cabang Mataram, sebagai respons atas kekhawatiran publik terhadap kesesuaian praktik multi level marketing (MLM) dengan prinsip syariah, khususnya terkait kejelasan akad, mekanisme bonus, transparansi, serta penghindaran unsur gharar, maysir, dan riba. Penelitian ini menggunakan pendekatan kualitatif dengan desain studi kasus komparatif. Pengumpulan data dilakukan melalui wawancara mendalam, observasi partisipatif, dan studi dokumentasi yang melibatkan manajer cabang dan mitra usaha. Analisis data dilakukan melalui tahapan reduksi, penyajian, dan verifikasi dengan mengacu pada dimensi kepatuhan syariah, mekanisme akad, dan etika bisnis syariah. Hasil penelitian menunjukkan bahwa kedua perusahaan secara formal telah mengadopsi prinsip-prinsip utama PLBS, antara lain penggunaan akad wakālah bil ujrah, sistem bonus berbasis penjualan riil, produk bersertifikat halal, serta pengawasan oleh Dewan Pengawas Syariah. Namun demikian, terdapat perbedaan dalam kedalaman implementasi, di mana PT HNI lebih menekankan aspek pembinaan dan edukasi syariah, sedangkan PT K-Link lebih memprioritaskan standarisasi sistem dan pengendalian kompensasi. Penelitian ini menegaskan bahwa implementasi PLBS masih bersifat prosedural dan sangat bergantung pada interpretasi internal perusahaan, sehingga diperlukan tolok ukur teoretis yang lebih jelas serta evaluasi eksternal yang berkelanjutan. Penelitian ini berkontribusi pada pengembangan kajian MLM berbasis syariah melalui perspektif komparatif yang lebih kritis.

Kata Kunci: *Multi Level Marketing, Penjualan Langsung Berbasis Syariah, Sharia Compliance, PT K-Link, PT HNI.*

INTRODUCTION

The development of globalization and the digital technology revolution have driven significant transformations in modern business models. Geographic boundaries are increasingly blurred as the digital economy evolves, enabling real-time cross-regional transactions and collaboration (Oktaviani et al., 2023). This change has also shifted business patterns from conventional centralized and hierarchical models to more flexible, decentralized, and network-based ones (Hamdan et al., 2022). In this context, various new economic forms such as the gig economy, the sharing economy, and the creative economy are growing rapidly, opening up business opportunities that adapt to the dynamics of the times (Kamarudin & Arif, 2024). One business model experiencing revitalization is direct selling, which now utilizes social media and digital platforms as its primary marketing and distribution tool (Pu et al., 2020).

In line with this transformation, the Islamic economy and business have also shown significant growth over the past two decades. This development is evident not

only in the Islamic financial sector but also in the real sector, encompassing various business sectors, including Sharia-based multi-level marketing (MLM) (Hakim & Nisa, 2024). The existence of Islamic businesses offers an alternative economic system based on the values of justice, transparency, and ethics, while also becoming a real competitor to conventional business systems (SUADI, 2018; Abdul Majid Toyyibi, 2021).

Multi-level marketing (MLM) is part of the direct selling system that is growing rapidly in Indonesia. Data from the Indonesian Direct Selling Association (APLI) shows that the direct selling industry, including MLM, recorded transaction values reaching IDR 20 trillion in 2019, with an average annual growth rate of 10–15 percent before the COVID-19 pandemic (Wicaksono et al., 2025). However, MLM practices still frequently generate controversy, particularly regarding their compliance with Sharia principles. Frequently raised issues include system transparency, fair profit distribution, and the potential for elements of *gharar*, *maysir*, and *riba* (*riba*) in its operational practices (Arum, 2012).

In response to these various issues, the National Sharia Council–Indonesian Ulema Council (DSN-MUI) issued Fatwa No. 75/DSN-MUI/VI/2009 concerning Sharia Multi-Level Direct Selling (PLBS) as a guideline for MLM companies to carry out their business activities in accordance with sharia economic principles (Yasyfa Nadhirah, 2024). Although this fatwa has become a normative reference, its implementation in the MLM industry remains relatively limited. APLI data shows that of the more than 80 MLM companies operating in Indonesia, only six have obtained sharia certification from the DSN-MUI (Sundari, 2017). This situation reflects the need to strengthen understanding, supervision, and evaluation of the implementation of sharia principles in MLM practices (Al-Amin & Muthoifin, 2024).

PT K-Link Indonesia and PT Halal Network Internasional (HNI) are two major multi-level marketing (MLM) companies that claim to implement a sharia-based business system. PT K-Link implements the *wakālah bil ujah* contract in its agency system and markets halal-certified products (Masrahati et al., 2023). Meanwhile, PT HNI is known as a sharia-compliant MLM company that develops a community-based marketing network and Islamic values, with halal products as its core business (Buana & ZA, 2019). However, claims of sharia compliance in both companies require a more

in-depth empirical study, particularly at the branch operational level, to assess the consistency of sharia principles implementation, system transparency, and compliance with the provisions of DSN-MUI Fatwa No. 75/2009.

A review of previous research shows that studies on Islamic MLM are still dominated by normative approaches or single case studies, so they have not yet provided a complete comparative picture of the implementation of PLBS in two large companies in the same regional context. Therefore, this research has a novelty by conducting a comparative analysis of the implementation of PLBS in PT K-Link and PT HNI Mataram Branch. The research focus is directed at the aspects of the wakālah bil ujah contract, bonus and network mechanisms, system transparency, and the application of Islamic business ethics in marketing practices.

The novelty of this research lies in its empirical comparative approach to the implementation of Sharia-compliant Direct Multilevel Selling (PLBS) in two Sharia-compliant MLM companies, namely PT K-Link and PT HNI Mataram Branch, within the same regional context. Unlike previous studies, which are generally normative or examine one entity in isolation, this study examines variations in the implementation of PLBS in terms of the wakālah bil ujah contract, bonus and network mechanisms, system transparency, and Sharia business ethics in operational practice. Furthermore, this study integrates the perspectives of management and business partners to identify gaps between Sharia system design and implementation in the field. Theoretically, this research enriches the study of Sharia economics through an empirical understanding of PLBS compliance dynamics, while practically providing an evaluative basis for business actors and regulators.

Thus, this study aims to objectively evaluate the level of conformity of MLM practices at PT K-Link and PT HNI Mataram Branch with DSN-MUI Fatwa No. 75/DSN-MUI/VI/2009, while identifying challenges and room for improvement in the implementation of PLBS. The results of this study are expected to provide empirical contributions to the development of a more credible sharia MLM model and serve as a reference for business actors and regulators in strengthening the governance and supervision of sharia-based MLM businesses in Indonesia.

RESEARCH METHODS

This study uses a descriptive qualitative approach with a comparative method to analyze and compare the implementation of sharia economic principles in the Multi-Level Marketing (MLM) system run by PT K-Link Mataram Branch and PT HNI Mataram Branch, with reference to the DSN-MUI Fatwa No. 75/DSN-MUI/IX/2009 concerning Guidelines for Sharia Multi-Level Direct Selling (Basuki, 2019). The qualitative approach was chosen because it allows researchers to deeply understand operational practices, contract mechanisms, and bonus systems based on empirical realities in the field through narrative data from interviews, observations, and documentation. The comparative method is used to identify similarities and differences in the level of application of sharia principles in both companies to assess compliance patterns and implementation consistency (Waruwu, 2024).

The selection of informants was carried out using purposive sampling with the following criteria: (1) having a direct role in the management or implementation of the MLM system, (2) understanding the contract and bonus mechanisms, and (3) being active in the company's operational activities. The research informants consisted of branch managers, related managerial staff, and active distributors at each company, with the number of informants adjusted to achieve data saturation. The research was conducted in Mataram City, West Nusa Tenggara Province, with the focus of the study on the operational system, contract mechanisms, and bonus system at PT K-Link and PT HNI Mataram Branch.

Data collection techniques included in-depth semi-structured interviews, participant observation of marketing activities, recruitment, and development of business partners, and documentation studies of membership contracts, bonus schemes, training materials, and internal company regulations. Data analysis was conducted descriptively.

Comparative analysis is carried out through the stages of data reduction, data presentation, and conclusion drawing. To minimize subjectivity, the sharia compliance analysis is conducted using an operational framework derived from the main indicators in DSN-MUI Fatwa No. 75/2009, including: the type of contract used, sales and bonus mechanisms, system transparency, and avoidance of *gharar*, *maysir*, and *riba* elements.

Data validity was ensured through triangulation of sources and methods, comparing interview results, observations, and official company documents. Furthermore, cross-checking was conducted between informants to ensure consistency of information. With this approach, the research results are expected to have adequate scientific validity and provide an objective picture of PLBS implementation in both companies.

DISCUSSION

1. Comparison of Multi-Level Marketing Business from the perspective of Sharia-Based Direct Selling (PLBS) in Sharia Compliance at PT. K-LINK and PT. HNI Mataram Branch

Sharia compliance is a fundamental element in assessing the suitability of the Multi-Level Marketing (MLM) business model with the principles of Sharia-Based Direct Selling (PLBS). DSN-MUI Fatwa No. 75/DSN-MUI/VI/2009 serves as the primary guideline for Sharia-based direct selling business operators, emphasizing the prohibition of usury, gharar, maysir, and tadbis, clarity of contracts and transaction objects, fairness in bonus systems, and transparency of product information and business opportunities (Rosmini et al., 2021). These values align with the principles of muamalah in Islam, which require transactions to be conducted legally, honestly, and free from falsehood, as stated by Allah in Surah An-Nisa verse 29: "O you who believe, do not consume one another's wealth unjustly..." In this context, the existence of the Sharia Supervisory Board (DPS) and the sharia audit process are crucial instruments to ensure the implementation of these regulations. PT K-Link and PT HNI Mataram Branch as two MLM companies that claim to operate based on sharia principles need to have their level of compliance comprehensively assessed through the main aspects, namely compliance with DSN-MUI Fatwa No. 75, implementation of the prohibition of usury, gharar, and maysir, implementation of the values of justice and transparency, and the effectiveness of the sharia supervision system through the DPS (Safwan, 2019).

Table 1
Comparison of Sharia Compliance Dimensions (*Sharia Compliance*)
PT K-LINK and PT HNI Mataram Branch

Sharia Compliance Aspects	PT K-LINK	PT HNI	Perspective Analysis PLBS
Compliance to Fatwa DSN MUI No. 75/2009	Adopting some of the principles in the fatwa, but implementation is not always consistent at all levels distributor.	Adopt full of everything fatwa provisions and make it the basis of SOP company.	HNI is more suitable with PLBS provisions because the adoption of the fatwa is carried out in a structured manner.
Prohibition <i>Riba</i>	Does not use interest schemes, but there is the potential for usury in the reward program that triggers overbuying.	Not available usury element; all transactions are based on cash prices and are clear.	HNI is freer from the potential for usury.
Prohibition <i>Gharar</i> (unclearness)	Potential arises from overstocking practices and explanations non-uniform product benefits.	Minimal gharar; purchase according to needs and product claims closely monitored.	HNI control is more in accordance with sharia standards.
Prohibition <i>Maysir</i> (speculation/ judi)	The network bonus system can trigger speculation on recruitment.	No recruitment bonus; all bonuses based real sales.	HNI is the most suitable because it is free of elements maysir.

Justice deep distribution bonus	More profitable bonus distribution large network.	More bonuses proportional turnover based sale.	The HNI system is more meet the values justice according to PLBS.
Information transparency	Information available but not evenly understood by distributors.	Information delivered through mandatory training with official module.	HNI transparency is stronger.
Honesty deep marketing	Still found product claims	Product claims limited to	HNI is more consistent in maintaining honesty.
	excessive by distributors.	valid certification.	
Sharia Supervision (DPS)	Doesn't have active DPS at level branch.	Have DPS national active and audit Periodic sharia.	HNI is superior in aspect Sharia supervision.

Source: Processed data

Based on the analysis results in Table 1, the level of Sharia compliance between PT K Link and PT HNI Mataram Branch shows quite significant differences in aspects of governance, supervision, and implementation of Sharia-compliant Direct Multilevel Selling (PLBS) principles. Although both companies refer to the DSN-MUI Fatwa No. 75/DSN-MUI/VI/2009, the findings of this study indicate that PT HNI applies the fatwa more systematically and integrates it into the company's operational policies. The fatwa is not only used as a normative basis but is also translated into standard operating procedures (SOPs) and distributor development materials. This finding aligns with (Ana Siti Parida Dwi Yuliantika et al., 2024), who asserted that Sharia compliance in MLM requires institutionalization within the organizational system and culture, as mere declaration is insufficient. This ensures compliance with Sharia principles,

promotes fairness, honesty, and equitable profit distribution, which are essential for legitimate business practices in MLM.

In contrast, at PT K-Link, the implementation of fatwa provisions tends to be partial and not yet fully uniform at the distributor and leader levels. This situation reinforces the findings (Nur Athiyah Rizqi et al., 2025) which state that one of the main challenges of sharia-compliant MLM is the gap between company system design and field practice, particularly when sharia oversight and education mechanisms are not consistently implemented. This unequal understanding among actors has the potential to open up room for operational deviations, which can indirectly impact perceptions of sharia compliance.

In terms of avoiding *riba*, *gharar*, and *maysir*, PT HNI is considered more consistent because its bonus system is entirely based on real sales and does not provide incentives for recruiting networks without transactions. This pattern aligns with sharia principles as affirmed in QS. Al-Baqarah: 275 and is supported by Zahra's research, which emphasizes that the real sales base is the main indicator differentiating between sharia MLM and money games (Zahra, 2023). In contrast, at PT K-Links still found bonus mechanisms influenced by network structure and the requirement to purchase certain products to achieve bonus targets. While not explicitly violating the fatwa, this pattern has the potential to create speculative elements (*maysir*) and uncertainty of outcome (*gharar*) for distributors, especially new members.

Aspects of fairness, honesty, and transparency also demonstrate differences in approach. PT HNI's more proportional, turnover-based bonus distribution system provides relatively fair opportunities for each distributor without excessive recruitment pressure. Transparency is reinforced through mandatory training and official company modules, ensuring that distributors receive relatively uniform information. This finding supports the argument (Rizka Nur Aulia et al., 2024) that information transparency and ongoing development are key elements in maintaining Sharia business ethics. Conversely, at PT K-Link, there is a discrepancy between formal company information and the practices conveyed by some leaders, indicating gaps in communication and internal control.

In terms of sharia supervision, PT HNI has an active national Sharia Supervisory Board (SSB) structure that conducts regular evaluations of products, bonus systems, and marketing activities. The existence of an effectively functioning SSB reflects the principle of justice as affirmed in QS. Al-Maidah: 8. This aligns with findings (Alfian Widiyanto & Dini Selasi, 2024) that state that strong sharia supervision is a determining factor in the sustainability of sharia businesses. Conversely, PT K-Link has not demonstrated an optimally distributed sharia supervision mechanism at the branch level, so compliance relies more on internal policies and individual distributor awareness.

Overall, the results of this study indicate that PT HNI has a relatively higher level of sharia compliance than PT K-Link in the context of PLBS implementation. However, this finding is not intended to negate PT K-Link's efforts to implement sharia principles. Rather, these results confirm that sharia compliance in MLM is gradual and dynamic, and requires strengthening aspects of supervision, transparency, and refinement of the bonus system to be more aligned with DSN-MUI Fatwa No. 75/2009. Thus, this study adds to the literature on sharia MLM by demonstrating that differences in managerial implementation have direct implications for the quality of sharia compliance, not merely technical differences.

2. Comparison of Multi Level Marketing Business from a direct sales perspective Sharia (PLBS) in Sharia Contracts and Operational Mechanisms at PT. K-LINK and PT.HNI Mataram Branch.

The dimensions of sharia contracts and operational mechanisms are central to assessing the suitability of the Multi-Level Marketing (MLM) business model with the Sharia-Based Direct Selling (PLBS) framework. From a muamalah perspective, all forms of business transactions must be based on valid contracts and free from prohibited elements such as usury, gharar, maysir, and tadbis, and must uphold the principles of justice and transparency. This basic principle aligns with the principles of Islamic jurisprudence: *The original law of something is that it is permissible until there is evidence that shows it is forbidden.*, which means that the basic law of everything is permissible until there is evidence to prohibit it (Hamdi & Ade Junaedi, 2022).

Therefore, all business practices, including MLM, are essentially permissible as long as they do not conflict with established sharia principles.

DSN-MUI Fatwa No. 75/2009 strengthens this foundation by providing technical guidelines that sharia MLM operations must be built on clear contracts, proportional fulfillment of rights and obligations, clarity of bonus mechanisms based on real sales, and marketing patterns that are in line with Islamic values. To assess the implementation of the two companies, PT K-Link and PT HNI Mataram Branch, this study focuses on four main sub-dimensions, namely: (1) Sharia Contracts such as *Wakalah bil Ujrah*, *Ju'alah*, and *Bai'*; (2) Rights and obligations of the parties in business relationships; (3) Bonus system mechanisms and product distribution that reflect the principle of justice; and (4) Implementation of the Islamic Marketing Mix or 4P Sharia (Product, Price, Place, Promotion) as a halal, honest, and non-manipulative marketing instrument. These four dimensions form a comprehensive evaluation framework to describe the legitimacy of the contract, the strength of operational relationships, and how the company communicates product value and business opportunities to consumers and distributors. To clarify the comparison between PT K-Link and PT HNI, a systematic analysis is then presented in the form of a comparative table.

Table 2
Comparison of the Dimensions of the Sharia Contract and
Operational Mechanisms of PT K-LINK and PT HNI Mataram
Branch

Contract & Operational Aspects Sharia	PT K-LINK	PT HNI	Perspective Analysis PLBS
The Sharia contract Used	Using a contract <i>Wakalah bill ujarah</i> for assignment distribution and <i>murabaha</i> for product transactions.	Use <i>Wakalah bill ujarah, ju'alah</i> , And <i>yes'</i> account.	HNI contract structure more complete and explicit defines bonus as <i>ju'alah</i> .

Clarity Contract	Contract documents available but not always understood all distributors.	The contract is explained through mandatory training; it is guaranteed to be understood.	HNI better meets the requirements for contract clarity according to PLBS.
Right & Obligation: Company	Provides limited products, commissions and training.	Prepare halal products, sharia module, mandatory training, and support DPS.	HNI gives protection and sharia education better.
Right & Obligation: Distributor	Must market the product; there is no Sharia education obligations.	It is mandatory to understand the contract and maintain sharia ethics. in marketing.	HNI is more in line with PLBS.
Bonus System	Combination bonus sales and network. There is tendency to focus on recruitment.	Pure bonuses from personal and group sales. No bonuses recruitment.	HNI Bonus System more in line with the fatwa DSN-MUI No. 75.
Distribution Product	Distributors can do <i>stocking</i> ; some cases of over-stock occur.	There isn't any stock obligations; products are distributed according to market needs.	The HNI system is freer from gharar and potential losses.
4Ps of Sharia – Product	Some products halal; some are still waiting extension certificate.	All products BPJPH/MUI certified halal.	HNI excels in consistency of halalness.

4Ps of Sharia – Price	Competitive prices, but incentives network influences the perception of the final price.	Prices are stable and according to value benefit.	PLBS demands price clarity; HNI is more consistent.
4Ps of Sharia – Place (<i>Distribution</i>)	Distribution through distributors' personal stock and centers.	Distribution straight from official center or agent without mandatory stock.	HNI System reduce risk distributor operations.
4Ps of Sharia – Promotion	Promotions are not always controlled; there are individuals who go beyond overstate claims.	Education-based promotion; claims mandatory products according to certification.	More HNI promotions comply with ethics sharia.

Source: Processed data

Based on the analysis of Table 2, sharia contracts occupy the most fundamental position in determining the validity of muamalah transactions because they form the basis of the legal relationship between the company and the distributor. The principle of halal transactions, as affirmed in QS. Al-Baqarah verse 275, requires that every business practice be free from usury, gharar, and elements of vanity. In practice, PT K-Link applies the wakālah bil ujah contract in agency relationships and the murābahah contract in product transactions. Normatively, the structure of these contracts is in accordance with sharia principles. However, field findings indicate that distributors' understanding of the substance of the contract is not yet widespread, potentially leading to inconsistencies in operational practices, particularly in the delivery of business information and commission mechanisms. This condition supports the findings of (Fatah et al., 2025) which state that weak contract literacy among network business actors is often a major source of muamalah deviations even though the contract framework has been prepared in accordance with sharia.

In contrast, PT HNI shows a more comprehensive and operational contract structure by combining contracts. *representatives of Bill Ujrah, Ju'alah, And yes'*. Implementation of the contract *ju'alah* The use of a bonus system based entirely on real performance makes company practices more aligned with the principles of Sharia-Based Direct Selling (PLBS) and the DSN-MUI Fatwa No. 75/2009. This model effectively limits the opportunities for network speculation and gambling practices, as confirmed by (Putri & Purwanto, 2025) that the use of *ju'alah* in sharia MLM is more capable of maintaining justice and certainty of rights than network-based incentive schemes. In addition, the use of a simple and easy-to-understand *bai'* contract minimizes the potential for information asymmetry between the company and distributors.

The rights and obligations of the parties also show significant differences. The principle of willingness and fairness in transactions, as affirmed in Surah An-Nisa', verse 29, demands a balance of rights and responsibilities between the company, leaders, and distributors. PT K-Link has essentially provided distributors with basic rights in the form of product access, commissions, and training, but sharia education has not been a top priority. As a result, some distributors do not understand the ethical responsibilities and sharia law in the marketing process, potentially leading to promotional practices that are not in line with *muamalah* principles. This finding aligns with research (Rahman et al., 2024) which confirms that the imbalance in understanding rights and obligations in sharia-compliant MLM often triggers deviations in business ethics at the field level.

In contrast, PT HNI places sharia education as a key foundation in the membership process. Material on contracts, Islamic business ethics, and PLBS principles is delivered through mandatory training and official modules under the supervision of the Sharia Supervisory Board (DPS). This approach not only strengthens distributors' understanding of contracts and sharia responsibilities but also minimizes the potential for conflict and deviations in practice, as recommended by Jundana & Hermawan (2024) in their study of Sharia-based direct selling business governance.

The most crucial difference is seen in the bonus system and product distribution mechanisms, which are the most sensitive points in determining MLM sharia

compliance because they are directly related to the potential for *gharar* and *maysir* (unlawful activity), as warned in Surah Al-Mā'idah, verse 90. PT K-Link still implements a bonus scheme influenced by the network structure, even though it is formally linked to sales. This pattern has the potential to encourage recruitment and speculation orientation towards network growth, thus approaching the characteristics of conventional MLM. This finding supports criticism (Antler, 2023) which states that the hybrid bonus system in MLM risks blurring the line between real sales and network games. In contrast, PT HNI implements a bonus system based entirely on real sales without recruitment incentives and does not require distributors to stockpile. This structure is more consistent with the DSN-MUI guidelines and strengthens protection for distributors, as also emphasized by (Moradi et al., 2015) that bonuses based on real turnover are a key indicator of compliance with PLBS.

In the context of implementing the Islamic Marketing Mix (4P Syariah), PT K-Link has provided products that are largely halal and relatively competitively priced. However, the consistency of halal certification, particularly for imported products, and distribution mechanisms that allow for stockpiling remain important concerns. This situation has the potential to undermine the principles of fairness and price transparency at the distributor level. These findings align with research by Ana Siti Parida Dwi Yuliantika et al., (2024). which highlights weak distribution control as one of the main challenges in implementing Sharia marketing in MLM. In contrast, PT HNI demonstrates a more consistent implementation of the 4Ps of Sharia, characterized by comprehensive halal certification, benefit-based pricing, a distribution system without stock obligations, and promotions limited to official company materials under DPS supervision. Limiting promotional claims and imposing sanctions for violations reinforces the values of honesty, fairness, and accountability in business practices, thus aligning more closely with Islamic *muamalah* principles and previous research recommendations (Ulwan, 2022).

3. Comparison of Multi Level Marketing Business in the perspective of Sharia-based direct sales (PLBS) in Sharia Operational Contracts and Mechanisms at PT. K-LINK and PT. HNI Mataram Branch.

Sharia supervision and business ethics are two key pillars in ensuring the sustainability and purity of Sharia-compliant Multi-Level Marketing (MLM) practices. DSN-MUI Fatwa No. 75/DSN-MUI/VI/2009 emphasizes that an MLM business is not only required to provide halal products but also to maintain moral, fair, and ethical aspects throughout the marketing process. This principle aligns with Allah's word in Surah At-Taubah, verse 105:

“Work! Then Allah, His Messenger, and the believers will see your work...”

This verse reminds us that all business activities will be accounted for, so every step taken must be based on integrity, transparency, and compliance with sharia. In this context, the existence of the Sharia Supervisory Board (DPS), sharia audit mechanisms, violation handling systems, recruitment ethics, and company transparency in providing education to partners are important indicators of fulfilling the principles of Sharia-Based Direct Selling (PLBS) (Letsoin, 2023). Through these four main aspects, a comparative analysis between PT K-Link and PT HNI Mataram Branch was conducted, namely: (1) sharia supervision carried out by the DPS and internal audits; (2) mechanisms handling of sharia violations; (3) ethics in recruiting new members; and (4) transparency and ethics education for partners.

Through this framework, it is apparent that each company is judged not only by its business structure but also by its moral commitment manifested in its oversight system, decisiveness in handling violations, honesty in recruitment, and the quality of Sharia education provided to partners. Thus, an analysis of both companies can illustrate the extent to which Sharia values are truly embedded in operational practices, rather than simply being a formality.

Table 3

Comparison of Dimensions in the Aspects of Supervision and Business Ethics and Partner Transparency at PT K-LINK and PT HNI Mataram Branch

Aspect Supervision & Ethics	PT K-LINK	PT HNI	PLBS Perspective Analysis
Sharia Supervision (DPS)	There is no active DPS at the branch level. Sharia supervision is more general in nature from the central bank.	Having an active national DPS, issuing internal fatwas, checking SOPs, and supervising training.	DPS is a mandatory element of PLBS. HNI is more in line with sharia standards.
Sharia Audit	Not routinely implemented in all bonus and operational schemes.	Sharia audits are conducted periodically, especially on bonus schemes and promotional materials.	HNI's periodic audits are more in line with the MUI DSN.
Handling of Violations	Unstructured mechanism; depends on the leader's decision.	There is mechanism formal reporting, investigation, and tiered sanctions.	The HNI handling system is stronger and in accordance with the principles of justice.
Ethics Recruitment	Recruitment is sometimes accompanied by network target pressure.	Recruitment must be voluntary; there is an anti-coercion form.	PLBS demands pressure-free recruitment. HNI is more suitable.
Information Transparency	Information is available, but is often passed on incorrectly.	Transparency guaranteed through official modules,	HNI is more consistent in implementing transparency.

Aspect Supervision & Ethics	PT K-LINK	PT HNI	PLBS Perspective Analysis
	completed by some leaders.	mandatory training, and digital materials.	
Partner Ethics Education	Ethics material is not required; focus on sales and networking.	Sharia ethics education is mandatory in onboarding; violation noted.	HNI is stronger in education and ethical discipline.

Source: Processed data

Based on the analysis in Table 3, sharia supervision has proven to be a key instrument in maintaining the integrity and sustainability of sharia-compliant companies. In the context of sharia-compliant Multi-Level Marketing (MLM), the role of the Sharia Supervisory Board (SSB) is not merely administrative but also encompasses moral and spiritual dimensions to ensure that all business activities from contracts, bonus systems, marketing patterns, to product halal certification are carried out in accordance with Islamic sharia principles. This is in line with the view (Nurhisam, 2016), which emphasizes that the effectiveness of sharia compliance is largely determined by the existence of an active and structured supervisory mechanism. This supervisory principle has a strong theological foundation, as affirmed in the Qur'an that all work activities are under the supervision of Allah, His Messenger, and the believers, who in the context of sharia business can be understood as parties granted supervisory authority, such as the SSB (Letsoin, 2023).

In practice, PT HNI demonstrates a more comprehensive and institutionalized sharia oversight structure. The national Sharia Supervisory Board (SPS) is directly involved in the review and evaluation of SOPs, periodic sharia audits, supervision of training modules, and the provision of recommendations on new company policies. This involvement makes supervision preventive and corrective, rather than merely symbolic. This finding aligns with research (Aini & Susilowati, 2022), which states

that ongoing sharia audits are a crucial prerequisite for maintaining consistent sharia business practices, particularly in sectors with extensive marketing networks such as MLM. In contrast, PT K-Link has not demonstrated an optimally institutionalized pattern of sharia oversight, particularly at the branch level. The absence of an active SPS and periodic sharia audits leaves supervision more reliant on internal policies and the interpretations of individual network leaders. This situation opens up room for variation in implementation in the field and has the potential to lead to non-compliance with sharia principles, as well as identified by (Samsidar et al., 2025) in a study of Islamic business governance.

The aspect of handling violations is a further indicator of the effectiveness of sharia supervision. From an Islamic perspective, efforts to prevent and prosecute violations are part of the concept of hisbah, namely the mechanism of amar ma'ruf nahi munkar in the social and economic fields. The Prophet's hadith, which emphasizes the obligation to correct evil, shows that handling violations is not merely administrative, but also a moral responsibility (Sitompul & Muzakkir, 2024). PT HNI has a relatively systematic violation handling system, with official reporting channels, a tiered investigation process, and the application of gradual sanctions up to termination of partnerships if violations are deemed serious. This pattern demonstrates the company's real efforts to maintain the integrity of sharia business ethics. In contrast, PT K-Link still faces challenges because violation handling is largely delegated to the authority of network leaders, resulting in a relatively greater potential for subjectivity and inconsistency. This condition strengthens the findings (Ade Zuki Damanik, 2024) which state that the weakness of the sanction system in network-based businesses often makes it difficult to enforce sharia ethics evenly.

Differences in approach are also evident in recruitment ethics, which is the starting point for establishing an MLM network. The principle of honesty in communication, as affirmed in Surah Al-Ahzab, verse 70, demands that the recruitment process be transparent, voluntary, and free from manipulation. DSN-MUI Fatwa No. 75/2009 expressly prohibits promises of excessive profits and oppressive recruitment practices. In practice, PT K-Link formally prohibits coercion, but field findings indicate that some leaders still use motivational approaches that have the potential to

exert implicit pressure or create unrealistic income expectations. This pattern opens up the possibility of *tadlis* (misinformation), as also found in research (Erwan Iskandar & Eman Sulaiman, 2024) on communication ethics in sharia business. In contrast, PT HNI implements a more disciplined recruitment mechanism through the mandatory signing of an Anti-Coercion Form and strict restrictions on income claims. All recruitment information must refer to official company materials, thereby minimizing the risk of information distortion.

Transparency and sharia education are the final determining factors in maintaining consistent application of sharia principles across all levels of the network. It's not just a technical aspect, but a moral mandate with ethical and spiritual consequences (Ambarwati & Abroza, 2024). The Qur'an explicitly prohibits mixing truth with falsehood and concealing relevant information. In this context, PT HNI demonstrates a strong commitment through mandatory training programs, official digital-based modules, and the involvement of the DPS in ensuring the accuracy of the material. This standardized education pattern minimizes the potential for misinformation by leaders and strengthens distributors' uniform understanding. In contrast, PT K-Link provides ethical guidelines and SOPs, but these are not mandatory and rely heavily on information transmission by individual leaders. This variation results in inconsistencies in marketing understanding and practices in the field, as highlighted by (Ambarwati & Abroza, 2024) that uneven knowledge distribution is a major source of ethical deviations in network-based businesses.

Overall, this discussion demonstrates that the effectiveness of sharia supervision, violation handling, recruitment ethics, and transparency and education constitute a unified, interrelated system in determining the quality of MLM sharia compliance. The research findings confirm that an institutional and systematic approach, such as that implemented by PT HNI, tends to result in more consistent implementation of PLBS, while a looser, network-based approach, such as that employed by PT K-Link, carries the risk of practice variation and deviations. Thus, this study enriches the literature on sharia MLM by demonstrating that sharia compliance is not solely determined by the existence of normative rules but is highly dependent on the strength of a system of supervision, education, and ongoing correction mechanisms.

CONCLUSION

The results of the study show that PT K-Link and PT HNI Mataram Branch have fundamental similarities in the application of the principles of Sharia-based Direct Selling (PLBS), especially in the use of contracts. *Wakalah bill ujarah*, a sales-based bonus system, no obligation to purchase large quantities of stock, and the implementation of marketing ethics that adhere to Sharia principles. Both companies also have a supervisory mechanism through the Sharia Supervisory Board (DPS) and provide Sharia education for business partners, demonstrating institutional efforts to align MLM practices with DSN-MUI Fatwa No. 75/DSN MUI/VI/2009.

However, there are differences in operational approaches that have implications for the quality of PLBS implementation. PT HNI emphasizes strengthening halal identity and community-based development, while PT K-Link prioritizes standardization of procedures and app-based compensation system controls. These findings indicate that sharia compliance is determined not only by normative conformity but also by the operational mechanisms and governance implemented. Given the limitations of qualitative data and reliance on internal perspectives, the results of this study are contextual and cannot be broadly generalized. Therefore, strengthening more measurable sharia compliance indicators and increasing external oversight is needed to ensure substantive and sustainable PLBS implementation.

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