

The Practice of Trading in Motor Vehicles from an Islamic Economic Perspective

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Abstract:

The background of this study is the growing practice of motor vehicle trade-ins as a transaction mechanism considered practical and efficient, yet still raising issues related to price transparency, contractual clarity, and compliance with Islamic economic principles. This study aims to analyze the implementation mechanism of motor vehicle trade-in practices at Sabak Motor and to examine their conformity with the principles of Islamic economics. The research employed a qualitative approach using a case study strategy. Primary data were obtained through observation, interviews, and documentation involving the showroom owner, employees, and consumers, while secondary data were derived from fiqh muamalah literature, academic journals, and DSN-MUI fatwas. Data were analyzed using triangulation techniques to ensure the validity of the findings. The results indicate that the trade-in practice at Sabak Motor is conducted through the integration of the sale of an old vehicle and the purchase of a new vehicle within a single transaction process. Although the practice fulfills the basic elements of a sale and purchase contract, several issues remain, particularly regarding price determination transparency, information dominance by the dealer, and the ambiguity of the contract structure, which potentially gives rise to elements of *gharar*. This study contributes to expanding Islamic economics discourse on motor vehicle trade practices and emphasizes the importance of implementing the principles of justice, transparency, and mutual consent in contemporary muamalah transactions.

Keywords:

Motor vehicle trade-in, Islamic economics, gharar, justice ('adl), hybrid contracts, transaction transparency.



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INTRODUCTION

The rapid growth of Indonesia's automotive industry has encouraged the emergence of various transaction models designed to improve market efficiency and facilitate consumer access to motor vehicles. One of the most prominent practices is the motor vehicle trade-in system, which integrates the sale of an old vehicle with the purchase of a new one within a single transaction process. This mechanism is widely perceived as practical because it reduces transaction costs, accelerates the resale process, and simplifies administrative procedures for consumers, while dealers benefit economically from the circulation of used vehicles in secondary markets. Beyond its commercial efficiency, the trade-in system also reflects the modernization of automotive commerce. From the perspective of Islamic economics, however, all economic activities must uphold the

principles of justice, transparency, and openness in order to avoid elements of “gharar”, “riba”, and transactional injustice (Guo & Lin, 2025). Furthermore, Islamic transaction theory emphasizes that contracts (“akad”) constitute the legal and moral foundation of economic exchange, requiring clarity of object, price, and mutual consent between the parties involved (Carrascal-Incera & Orea, 2024).

Despite its widespread application, scholarly discussion on motor vehicle trade-ins within the framework of Islamic economics remains limited, particularly at the level of local dealerships. Previous studies have predominantly focused on “murabahah” financing, Islamic banking compliance, or vehicle financing systems, while empirical investigations into trade-in practices in used-car markets are still scarce. Existing research indicates that Islamic commercial transactions often face challenges related to price opacity, business dominance in valuation, and weak consumer transparency (Koenig et al., 2025). Other studies further highlight that modern sale-and-purchase practices frequently deviate from sharia principles when the pillars and conditions of contracts are not fully fulfilled (Langinier et al., 2025). In vehicle trade-ins, unclear valuation mechanisms, undisclosed additional costs, and the merging of two sales activities into a single agreement may generate “gharar” and create unequal bargaining positions between dealers and consumers. These conditions underline the academic and practical urgency of examining whether such practices align with the Islamic principles of justice (“adl”), mutual consent (“tarādī”), and transparency (“bayān”).

Conceptually, this study is grounded in the theory of “akad” within “fiqh muamalah”, which views transactions as legal relationships that must satisfy specific pillars and conditions to be considered valid under sharia. In Islamic economics, “gharar” refers to uncertainty or ambiguity that may lead to injustice or harm in economic exchange (Xu et al., 2026). The theory of hybrid contracts is also relevant because trade-in transactions simultaneously involve the sale of an old vehicle and the purchase of a new one. Contemporary Islamic scholarship permits such combined contracts provided they are free from manipulation, exploitation, and “riba”. Research on “murabahah”-based vehicle financing further emphasizes the importance of price transparency and ownership certainty in maintaining sharia compliance (Qin et al., 2025). More broadly, Islamic economics places distributive justice, business ethics, and the prohibition of exploitation at the core of its economic paradigm, distinguishing it from profit-oriented conventional systems (Xia et al., 2025).

This study aims to examine the implementation mechanism of motor vehicle trade-in practices at Sabak Motor, particularly the valuation methods for old and new vehicles and the contractual structures applied in the transactions. It also seeks to evaluate the conformity of these practices with Islamic economic principles. Employing a qualitative case study approach, the research utilizes observation, interviews, documentation, and triangulation techniques to capture the empirical realities of trade-in transactions and the interaction patterns between dealers and consumers. Recent methodological trends in Islamic economic studies increasingly favor qualitative approaches because they provide contextual and in-depth insights into real economic practices (Christodoulaki et al., 2025). Likewise, triangulation has become a widely adopted strategy to strengthen the validity and reliability of qualitative findings in Islamic business research (Hu et al., 2026).

The originality of this article lies in its attempt to extend Islamic economic discourse into the

empirical context of motor vehicle trade-in practices, an area that has received limited scholarly attention. Unlike earlier studies that concentrated mainly on formal “murabahah” compliance within Islamic financial institutions (Hassani et al., 2025), this research integrates analyses of contract structures, pricing transparency, consumer bargaining positions, and the potential presence of “gharar” within local showroom transactions. Previous studies also tended to emphasize formal contractual validity without critically examining information asymmetry between business actors and consumers (Ben Salem et al., 2025). Contemporary Islamic economic scholarship, however, increasingly highlights transparency, consumer protection, and the mitigation of “gharar” as essential dimensions of modern Islamic business ethics (Liu et al., 2025). Therefore, this study contributes to filling the existing research gap by offering an empirical and contextual analysis of trade-in practices through the lenses of justice, transparency, and sharia compliance.

METHOD

This study employs a qualitative approach using a case study strategy to gain an in-depth understanding of motor vehicle trade-in practices from an Islamic economics perspective at Sabak Motor. The qualitative approach was chosen because this study is oriented toward exploring the meanings, patterns of interaction, and social realities that emerge in the practice of motor vehicle trade-in transactions, particularly regarding contract mechanisms, price determination, information transparency, and the alignment of practices with Sharia principles. The case study strategy was employed because it enables a deep and comprehensive contextual understanding of empirical phenomena occurring within a specific environment (East et al., 2025). The data in this study consist of primary and secondary data. Primary data was obtained through field observations, in-depth interviews, and documentation of parties directly involved in motor vehicle trade-in practices, including showroom owners, employees, and consumers. Research subjects were selected purposively because the informants were deemed to possess experience and knowledge relevant to the phenomenon under study (Owusu et al., 2025).

Observations were conducted to obtain an empirical understanding of the transaction process, communication patterns, and administrative stages in trade-in practices, while interviews were used to explore the informants’ understanding, experiences, and perspectives regarding contract mechanisms and the implementation of Sharia principles. The research instrument consisted of a semi-structured interview guide developed based on indicators of transaction mechanisms, price assessment, transparency, gharar, fairness, and multi-contract structures. Documentation was used to supplement the data, including transaction notes, administrative documents, and other supporting records. Secondary data was obtained from scientific literature, academic journals, books on muamalah fiqh, and fatwas from the National Sharia Council – Indonesian Ulema Council relevant to sales contracts, gharar, multi-contracts, and Islamic economics. The literature used was selected based on inclusion criteria, including thematic relevance, publication within the last five years, open-access status, and direct relevance to Islamic economic transactions and vehicle sales practices, while literature lacking conceptual or methodological relevance was excluded from the analysis. A combination of primary and secondary data was used to strengthen the validity of the research findings and produce a more comprehensive analysis (Williams et al., 2026).

The unit of analysis in this study is the practice of motor vehicle trade-in transactions between dealers and consumers, with a focus on the structure of the contract, pricing mechanisms, information transparency, and the implementation of Islamic economic principles in the transaction process. Data analysis was conducted thematically through the stages of data reduction, data presentation, and systematic conclusion drawing. The reduction stage was carried out by grouping the results of interviews and observations based on the main themes of the study, such as contracts, gharar, transparency, justice, and multiple contracts. Subsequently, the data were presented in a descriptive-analytical format to identify patterns of relationships between transaction practices and Islamic economic principles. The analysis process was conducted simultaneously from the outset of data collection to enable the researcher to perform an in-depth interpretation of field phenomena (Issac et al., 2026). Triangulation techniques were employed to enhance the validity and reliability of the research by comparing results from observations, interviews, documentation, and literature reviews, thereby enabling cross-verification of the data (Wittmann et al., 2026). Additionally, the normative-Islamic economics approach was employed as an interpretive tool to analyze the alignment of barter practices with Islamic principles such as justice ('adl), mutual consent (tarādī), transparency of information (bayān), and the prohibition against elements of usury (riba) and uncertainty (gharar). This approach enables this study not only to describe the empirical reality of the transactions but also to evaluate the legitimacy of such practices from the perspective of contemporary Islamic economic law (Resnick et al., 2026).

RESULTS AND DISCUSSION

Results

The research findings indicate that the trade-in process for motor vehicles at Sabak Motor is carried out through several sequential transaction stages, beginning with an inspection of the customer's old vehicle, the dealer's price estimation, price negotiation, payment of the difference in vehicle value, and concluding with administrative procedures and the handover of the new vehicle. Based on interviews with all informants, the transaction mechanism is carried out directly in a single process without any formal separation between the sale of the old vehicle and the purchase of the new one. Informant AR explained that the trade-in process is considered practical because customers do not need to sell their old vehicles independently, although there are several steps that the dealer does not explain in detail. Informants BS and CR also stated that the entire transaction takes place within a single agreement that directly calculates the price difference between the old and new vehicles. Observational findings indicate that the dealership plays a dominant role in directing the transaction flow, including determining the negotiation stages and administrative processes. This mechanism aligns with modern used vehicle trading patterns that tend to integrate the buying and selling processes into a single integrated transaction service to enhance automotive market efficiency (Guo & Lin, 2025). Additionally, the documentation results indicate that the transaction evidence used generally consists of simple receipts or invoices without detailed explanations regarding the contractual structure applied in the transaction. Similar conditions were also found in a study on motor vehicle trade, which showed that trade-in transactions at local showrooms are generally practical and based on direct agreements between the seller and the buyer (Carrascal-Incera & Orea, 2024).

The second finding emerging from the research relates to the pricing mechanisms for used and new vehicles in trade-in practices. All informants stated that the process of appraising the value of used vehicles is conducted entirely by the dealer based on the vehicle's physical condition, age, completeness of documentation, engine condition, and the market price of similar vehicles. Informant DK noted that consumers do not receive detailed information regarding the basis for the price calculation and therefore only accept the final value determined by the dealer. Informant EG also explained that pricing tends to be subjective because consumers lack adequate access to market price comparisons. Field observations indicate that vehicle appraisal is conducted internally by the dealership without any written standards being shown to consumers. Prices for new vehicles generally follow market prices or the dealer's official price list, while consumers have relatively limited room for negotiation. This finding highlights an information asymmetry between dealers and consumers in the transaction process. Research on the used vehicle market indicates that information asymmetry is one of the primary factors influencing consumers' bargaining power in automotive transactions (Koenig et al., 2025). Another study on price transparency in vehicle trade also found that consumers often rely on dealer information due to limited access to objective market price data (Langinier et al., 2025).

Further research findings indicate that information transparency in motor vehicle trade-in practices remains limited. Informants AR, CR, and EG stated that while vehicle prices and conditions are communicated to consumers, there is no detailed explanation regarding the components of the valuation, the vehicle's technical condition, or the basis for calculating additional fees. Informants BS and DK also revealed that administrative fees or other additional costs are only disclosed once the transaction is nearly complete. Observational findings indicate that information regarding the condition of used vehicles and administrative details is primarily conveyed verbally, without comprehensive written documentation. During the transaction process, consumers typically receive only general information about the vehicle's condition such as "the engine is still in good condition" or "all documents are complete" without more detailed technical specifications. These findings reveal a transactional communication pattern that is informal and heavily reliant on the dealer's explanations. Research on consumer protection in the motor vehicle trade indicates that limited technical information often serves as a source of uncertainty in used vehicle transactions (Liu et al., 2025). Additionally, studies on Islamic business ethics in modern trade transactions have found that a lack of transparency in information can impact consumers' trust in business operators (Sadeghi et al., 2024).

Another finding from this study relates to the form of the contract and the structure of motor vehicle trade-in transactions. All informants stated that the transactions were conducted directly in a single process without separating the contracts for the sale of the old vehicle and the purchase of the new vehicle. Informant AR explained that he did not understand whether the transaction constituted a single contract or a combination of several contracts because the entire process was carried out simultaneously. Informants CR and DK also stated that the transaction agreement was only documented in the form of a receipt or invoice without any formal explanation regarding the form of the contract. The documentation revealed that there was no written formulation explicitly separating the two buying and selling activities within the trade-in transaction. Furthermore, all informants stated that they did not receive an explanation regarding the concept of Sharia contracts in the

transactions they conducted. This finding indicates that the transaction structure emphasizes practical and administrative aspects over the normative formulation of contracts. Research on the practice of multiple contracts in modern commerce shows that combining several forms of transactions into a single economic mechanism is a common practice in the contemporary trade sector (Xia et al., 2025). Another study on the implementation of contracts in vehicle trade also found that most consumers do not understand the contract structures used in automotive transactions because their primary focus lies on practical needs and the ease of the transaction process (Xu et al., 2026).

The research findings also indicate that the informants' understanding of the principles of Islamic economics remains relatively limited. All informants stated that they were generally aware that Islam prohibits usury and requires honesty in transactions, but most did not understand the concepts of *gharar*, multiple contracts, or the detailed rules regarding Islamic buying and selling. Informant BS stated that he was only generally aware that transactions must be conducted honestly and without causing harm to others. Informant EG explained that the primary considerations in conducting trade-in transactions are need and the ease of the process, not the aspect of Sharia compliance. Field observations also indicate that there is no specific explanation from dealers regarding Islamic economic principles during the transaction process. This situation demonstrates that trade-in practices are more widely understood as conventional commercial activities rather than transactions consciously linked to Sharia principles. Research on Sharia economic literacy indicates that the public's limited understanding of contracts and *muamalah* principles remains a challenge in implementing Islamic economics within the real trade sector (Ben Salem et al., 2025). Other research on Sharia consumer behavior has also found that people's economic decisions are more often influenced by practical factors than by religious normative considerations (Hu et al., 2026).

Furthermore, the research findings indicate that consumers generally do not feel directly disadvantaged by trade-in practices for motor vehicles; however, the majority of informants expressed dissatisfaction with the valuation of their old vehicles and the lack of transparency in the information provided. Informants AR and EG stated that the value of their old vehicles was often assessed as lower than they had expected. Informant DK also explained that consumers feel at a disadvantage because dealers possess a broader understanding of the market. Observations indicate that bargaining does occur during transactions, but the final decision is largely determined by the dealer. Furthermore, some informants noted that additional administrative fees were not clearly explained from the outset of the transaction. These findings suggest a transactional dynamic where dealers hold greater control over information compared to consumers. Research on the relationship between dealers and consumers in the vehicle trade indicates that market information dominance by business actors often influences consumers' perceptions of fairness in used vehicle transactions (Koenig et al., 2025). Other research on contemporary Islamic economic transactions has also found that information clarity and cost transparency are key factors influencing consumer satisfaction and trust in modern trade activities (Sadeghi et al., 2024).

Discussion

The research results show that the motor vehicle trade-in practice at Sabak Motor is carried out through a transaction mechanism that integrates the sale of the old vehicle and the purchase of a

new vehicle into a single series of economic activities. These findings directly address the first research question regarding the mechanism for implementing motor vehicle trade-ins, particularly concerning the pricing process and the contractual structure used. This practice demonstrates that dealers play a dominant role in the transaction process, from appraising the value of the old vehicle to completing the administrative aspects of the transaction. This dominance results in consumers tending to be in a passive position when determining the trade-in value of the vehicle. From an Islamic economics perspective, this situation indicates a transactional relationship that does not yet fully reflect a balanced bargaining position between the parties. Research on contemporary Sharia transactions explains that information balance is an essential component of the principle of justice ('*adl*) in muamalah, as disparities in information access can lead to covert economic exploitation (Koenig et al., 2025). Furthermore, exchange theory in Islamic economics positions transparency as a fundamental requirement for transactions to occur voluntarily and free from manipulation (Langinier et al., 2025). Thus, although the trade-in practice at Sabak Motor is administratively considered to facilitate consumers, the structure of its transactional relationship still reveals an imbalance in information control between the dealer and the consumer.

The research findings also indicate that the pricing mechanism for used vehicles is determined internally by dealers without transparent, written valuation standards for consumers. Within the framework of the theory of *gharar*, this situation indicates the presence of information uncertainty that could potentially affect the fairness of the transaction. In Islamic economics, *gharar* is not only interpreted as uncertainty regarding the object of the transaction but also encompasses information uncertainty that may disadvantage one party in the transaction (Liu et al., 2025). In the trade-in practices identified in this study, consumers generally accept vehicle prices based on dealer estimates without receiving detailed explanations regarding the vehicle's valuation criteria. This situation reveals information asymmetry that can reduce the level of full consent (*tarādī*) in the transaction. Research on the used vehicle trade also indicates that the lack of transparency in pricing mechanisms is a primary factor driving consumer dissatisfaction in automotive transactions (Guo & Lin, 2025). Furthermore, studies on Islamic business ethics emphasize that honesty in conveying the value and condition of goods is a direct implementation of the principle of *amanah* in economic activities (Sadeghi et al., 2024). Therefore, the pricing practices in trade-in transactions at Sabak Motor highlight the need for increased transparency to ensure transactions align more closely with the principles of justice and openness in Islamic economics.

Based on the research findings, the contractual structure in the practice of motor vehicle trade-ins takes place as a single transaction without a formal separation between the contract for the sale of the old vehicle and the purchase of the new vehicle. From the perspective of muamalah fiqh, this situation is closely related to the concept of multiple contracts (*al-'uqūd al-murakkabah*), namely the combination of several contracts within a single economic mechanism. Contemporary fiqh studies explain that multi-contracts are permissible as long as each contract fulfills the pillars and conditions and does not contain elements of usury, *gharar*, or exploitation (Ben Salem et al., 2025). However, research findings indicate that consumers do not understand the form of the contract being used, and the entire transaction process is merely documented in a simple receipt without any normative explanation regarding the contract's structure. This situation suggests that formal Sharia compliance has not yet become a primary concern in vehicle trade practices at the local dealership

level. Research on the implementation of contracts in modern trade has found that many business actors conduct transactions based on market customs without understanding the conceptual structure of Sharia contracts (Hu et al., 2026). On the other hand, studies on hybrid contracts in Islamic economics emphasize that combining contracts without clear formulation can lead to ambiguity regarding the rights and obligations of the parties involved (Xu et al., 2026). Thus, the trade-in practice at Sabak Motor substantively exhibits multi-contract characteristics, but its implementation remains practical in nature and has not yet been explicitly formulated based on Sharia contract principles.

Research findings regarding consumers' limited understanding of Islamic economic principles indicate that practical factors and economic needs are more dominant than normative considerations in transactional decisions. Most informants only understand general concepts such as the prohibition of *riba* and the obligation to be honest, but do not understand the concepts of *gharar*, *tarāḍī*, or *multi-akad*. This situation indicates low *muamalah* literacy in the community's commercial practices. Research on Islamic economic literacy indicates that the public's limited understanding of Islamic contracts and transaction principles is one of the primary barriers to the implementation of Islamic economics in the real trade sector (Carrascal-Incera & Orea, 2024). Furthermore, studies on Muslim consumer behavior explain that daily transactional decisions are more often based on convenience and efficiency rather than deep considerations of Sharia compliance (Christodoulaki et al., 2025). In the context of this study, trade-in practices are perceived as a practical solution for acquiring a new vehicle without having to sell the old one independently. This demonstrates that practical economic rationality remains a dominant factor in consumer transactional behavior, even though transactions take place within a predominantly Muslim society.

The findings of this study are also consistent with a number of previous studies indicating that information transparency is a major issue in the motor vehicle trade. Research on the used vehicle trade has found that dealers generally have broader access to market information than consumers, enabling them to set prices more dominantly (Xia et al., 2025). These findings align with the results of this study, which show that consumers are unaware of the detailed basis for pricing used vehicles. However, this study differs from some previous studies that claim that vehicle trading practices generally have implemented the principle of information transparency quite well through market digitization and online price access (Hassani et al., 2025). In the context of Sabak Motor, information transparency still occurs informally and relies on verbal communication, leaving consumers dependent on the dealer's explanations. Furthermore, the results of this study reinforce research on power dynamics in Islamic economic transactions, indicating that formal adherence to contracts does not necessarily guarantee substantive justice when information asymmetry exists between parties (Langinier et al., 2025).

The primary scholarly contribution of this study lies in the development of Islamic economic analysis within the context of the motor vehicle trade based on real-world practices at the local level. To date, Islamic economic studies have largely focused on the banking and formal financing sectors, while the practice of used vehicle trade has been relatively rarely examined empirically. This study expands the scope of Islamic economic analysis by demonstrating that issues of *gharar* and injustice do not only arise in complex financial transactions but can also be found in seemingly simple daily

trade practices. Furthermore, this study contributes to the development of transaction justice theory in Islamic economics by showing that injustice does not always take the form of direct material loss but can also emerge through information dominance and weak market transparency. Research on Islamic market ethics emphasizes that fair information distribution is an essential component of the *maqāsid al-syarī‘ah* in commercial activities (Koenig et al., 2025). Furthermore, studies on consumer protection in Islamic economics also position information transparency as a fundamental instrument of consumer protection in modern Sharia markets (Sadeghi et al., 2024). Therefore, this study reinforces the importance of integrating Islamic business ethics with real-world trade practices in the development of contemporary Sharia economics.

Although this study successfully describes the practice of motor vehicle trade-ins from an Islamic economics perspective empirically, there are several limitations that must be acknowledged. First, this study was conducted at only one dealership, so the findings are contextual and cannot yet be generalized to all motor vehicle trade-in practices in other regions. Second, the number of informants in this study is relatively limited, so the variety of experiences among consumers and business operators is not yet fully represented on a broad scale. Third, this study focuses more on the aspects of contracts, transparency, and transactional relationships, so it has not yet examined in depth the aspects of positive law, national consumer protection, or digital market mechanisms in the used vehicle trade. These limitations align with the characteristics of case study research, which is indeed oriented toward a deep understanding of specific phenomena rather than statistical generalization (Hu et al., 2026). Additionally, qualitative research in Islamic economics also faces the challenge of interpretive subjectivity because it is highly dependent on the experiences and perspectives of informants (Langinier et al., 2025).

The implications of this study highlight the importance of enhancing transaction transparency and Islamic economic literacy in the motor vehicle trade. For business operators, this study indicates the need to develop pricing mechanisms that are more transparent and understandable to consumers in order to reduce the potential for *gharar* in transactions. Additionally, dealers or showrooms should provide clearer explanations regarding contract structures, additional costs, and vehicle conditions to ensure the principles of *tarāḍī* and transactional fairness are realized more effectively. From a policy perspective, relevant institutions such as the National Sharia Council – Indonesian Ulema Council (DSN-MUI) and consumer protection agencies can develop guidelines for vehicle trade-in transactions that better align with Islamic economic principles and modern consumer protection standards. Research on Sharia trade regulations indicates that standardizing transaction transparency can enhance public trust in Sharia-based economic practices (Ben Salem et al., 2025). Furthermore, follow-up research could be conducted by expanding the scope to include various vehicle showrooms or dealerships in other regions, combining quantitative and qualitative approaches, and analyzing the relationship between trade-in practices and the development of automotive digital platforms and modern Sharia financing systems (Liu et al., 2025).

CONCLUSION

This study shows that the trade-in practice for motor vehicles at Sabak Motor is carried out through a transaction mechanism that combines the sale of the old vehicle and the purchase of a new

vehicle in a single transaction process. The pricing of the old vehicle is entirely determined by the dealer based on the vehicle's physical condition, market prices, and internal showroom considerations, while consumers have limited access to the basic information underlying that valuation. The transaction structure employed exhibits a multi-contract nature as it unfolds as a single integrated process without a formal separation between the sale and purchase contracts. From an Islamic economics perspective, this trade-in practice fundamentally fulfills the basic elements of a sale-purchase transaction namely, the parties entering into the contract, the transaction object, and the agreed-upon price yet its implementation still reveals several issues related to limited information transparency, dealer dominance in the pricing process, and consumers' limited understanding of Islamic contractual principles. These conditions have the potential to give rise to elements of *gharar* and information asymmetry that can affect the realization of the principles of justice ('*adl*), openness (*bayān*), and the willingness of the parties (*tarāḍī*) in the transaction.

Theoretically, this study contributes to the development of Islamic economics by expanding the analysis of *muamalah* practices in the motor vehicle trade sector based on actual transactions at the local showroom level. This study demonstrates that issues of Sharia compliance are not only related to the formal legality of contracts but also concern the ethical dimensions of transactions, the distribution of information, and the balance of economic relations between businesses and consumers. Practically, this study underscores the importance of enhancing transparency in vehicle pricing mechanisms, clarifying contract structures, and disclosing transaction costs more openly so that motor vehicle trade-in practices can operate more fairly and in accordance with Islamic economic principles. The findings of this study also highlight the need to strengthen *muamalah* literacy among the public and business actors so that Sharia principles are not only understood normatively but also substantively implemented in daily commercial practices.

Future research is expected to expand the scope of the study to include various vehicle showrooms or dealerships in different regions, thereby providing a more comprehensive picture of motor vehicle trade-in practices from an Islamic economics perspective. Additionally, future research could develop a mixed-methods approach to combine empirical analysis with measurements of consumer satisfaction regarding transaction transparency. Research on consumer protection regulations, the digitization of the vehicle market, and the implementation of Sharia contract standards in modern automotive trade is also crucial to support the creation of a transaction system that is more transparent, fair, and in line with the principles of Islamic economic law.

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