

MAQASHID SYARIAH ANALYSIS OF MUSIC ROYALTY MANAGEMENT POLICY IN BUSINESS ESTABLISHMENTS

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ABSTRACT

The phenomenon of music royalty management in business establishments has generated complex controversies requiring in-depth analysis from a Maqashid Syariah perspective. The year 2025 has been marked by various viral phenomena that expose significant legal gaps, particularly when the National Collective Management Institution (LMKN) became the center of public attention in implementing royalty collection across various business sectors. The implementation of music royalty policy in Indonesia demonstrates significant legal gaps and challenges, especially in enforcement mechanisms and the scope of works subject to royalty payment obligations. This research aims to analyze the legal framework governing the management and payment of song and/or music royalties in business establishments based on prevailing legislation in Indonesia, specifically Law Number 28 of 2014 on Copyright and Government Regulation Number 56 of 2021 on Management of Song and/or Music Copyright Royalties, through the Maqashid Syariah perspective with classification of dharuriyyat (primary), hajiyyat (secondary), and tahsiniyyat (tertiary) needs. Research findings indicate that music royalty policy, from a dharuriyyat perspective, aims to protect hifdz al-mal (property protection) of creators as a primary need; however, this policy also potentially creates mafsadat (harm) to micro, small, and medium enterprises. From the hajiyyat aspect, this policy requires procedural simplification and clearer guidance to eliminate difficulty (raf' al-haraj) in its implementation. Meanwhile, from the tahsiniyyat perspective, harmonization is needed to beautify legal implementation without imposing excessive burdens on stakeholders.

Keywords: Maqashid Syariah, Copyright, Royalty, Business Establishments.

BACKGROUND

Copyright over songs and music represents an intellectual asset with significant economic value for creators. (Subekti & Niswah, 2024) In a global context, the music industry has evolved into a creative economic sector that provides substantial contribution to a nation's economy. (Syafitri & Nisa, 2024) In Indonesia, music royalty management in business establishments has become a complex and multidimensional issue, involving legal, economic, and social aspects that interact with each other.

The advancement of information technology and digitalization has fundamentally changed the music industry landscape. Easy access to musical works through various digital platforms such as Spotify, Joox, and YouTube creates new challenges in copyright protection. This phenomenon creates a paradox: on one side facilitating music distribution, but on the other hand opening opportunities for copyright infringement that harm creators. Technological advances including the internet and the emergence of various music player applications increasingly facilitate the public in enjoying songs or music. (Afrillia Rizky Utami, 2024)

The music royalty management policy in business establishments based on Government Regulation No. 56 of 2021 has created controversy among business operators, particularly in the Micro, Small, and Medium Enterprises (MSMEs) sector. Until mid-2025, 2,222 live events have not completed their royalty payment obligations, indicating resistance and non-compliance with applicable regulations..(Syaharani dkk., 2023) This reflects the complexity of policy implementation that requires in-depth analysis from various perspectives.

In the context of Indonesian positive law, Law No. 28 of 2014 on Copyright is a regulation that governs copyright protection in Indonesia, replacing Law No. 19 of 2002 on Copyright which was considered no longer suitable for contemporary creative industry developments.(Nasution dkk., 2025) This regulation is strengthened by Government Regulation No. 56 of 2021 which aims to provide protection and certainty for Related Rights holders regarding economic rights over songs and/or music as well as every Person who performs Commercial Use of songs and/or music.(Muthmainnah dkk., 2022)

However, the implementation of this policy faces serious challenges in terms of law enforcement and compliance. The royalty payment mechanism itself has been clearly regulated through Law No. 28 of 2014 on Copyright and Government Regulation No. 56 of 2021 on Management of Song and/or Music Royalties.(Hafiz dkk., 2021) Payments are made through the National Collective Management Institution (LMKN), but in practice there are still many business operators who have not fulfilled their obligations.

From an Islamic perspective, copyright protection aligns with the principle of *hifdz al-mal* (property protection) which is one of the five main objectives of *syariah* (*maqashid syariah*). Asy-Syatibi is one of the Muslim scholars who had deep thoughts on *Maqashid Syariah* and was the first person to systematically formulate *Maqashid Syariah* in his book *Al-Muwafaqat*.(Kurniawan & Hudafi, 2021) The concept of *Maqashid Syariah* developed by al-Syatibi provides a comprehensive analytical framework for evaluating public policy from an Islamic perspective.

The urgency of this research lies in the need for harmonization between intellectual property rights protection and the economic interests of the broader community, particularly MSME operators who are the backbone of the national economy. *Maqashid syariah* analysis is expected to provide a more comprehensive alternative perspective in evaluating music royalty policy, not only from legal-formal aspects but also from dimensions of justice and social welfare.

This research aims to analyze music royalty management policy in business establishments through a *maqashid syariah* perspective with classification of *dharuriyyat* (primary), *hajiyyat* (secondary), and *tahsiniyyat* (tertiary) needs to provide holistic understanding regarding the harmony between positive regulations and *syariah* principles in creating balance between creator rights protection and people's economic business sustainability.

RESEARCH METHOD

This research uses a normative juridical method(M. Marzuki, 2017) with a qualitative approach to analyze the phenomenon of music royalty management in business establishments that has become a complex controversy throughout 2025. The normative juridical method was chosen because this research analyzes the legal framework governing the management and payment of song and/or music royalties in business establishments based on applicable laws and regulations in Indonesia, specifically Law No. 28 of 2014 on Copyright and Government Regulation No. 56 of 2021 on Management of Copyright Royalties for Songs and/or Music, through a *Maqashid Syariah* perspective.

Normative legal research is research that examines internal aspects of positive law with focus on analysis of legislation and legal doctrine. This approach allows researchers to conduct in-depth analysis of legal norm substance and its implementation in social context. As stated by Peter Mahmud Marzuki, normative legal research aims to provide strong legal arguments based on comprehensive legal material analysis.(P. M. Marzuki & Sh, 2021)

Legal materials in this research are classified into three categories according to normative juridical research standards.(Ali, 2021) rimary legal materials consist of legislation that has binding legal force,

including Law No. 28 of 2014 on Copyright as the main legal foundation governing music copyright protection in Indonesia, Government Regulation No. 56 of 2021 on Management of Copyright Royalties for Songs and/or Music as implementing regulation governing royalty management mechanisms, and Decree of the Minister of Law and Human Rights No. HKI.2.OT.03.01-02 of 2016 on Validation of Royalty Tariffs as reference for music royalty tariff determination.

Secondary legal materials in this research include previous research results, reference books, and scientific journals discussing music royalty policy implementation and maqashid syariah. These secondary sources provide theoretical foundation and comparative analysis that strengthens research arguments. Specifically, this research refers to academic works on intellectual property rights, music royalties, and maqashid syariah theory from classical and contemporary scholar perspectives..

Tertiary legal materials are data materials that provide information about primary and secondary law, including legal dictionaries and Islamic law encyclopedias, mass media reporting on music royalty issues, official websites of relevant government agencies, and online databases of journals and scientific publications. Tertiary materials provide context and additional information supporting comprehensive analysis of research problems..

Data analysis uses descriptive-analytical method with Maqashid Syariah framework developed by Abu Ishaq al-Syatibi in his monumental book *Al-Muwafaqat fi Ushul al-Syariah*.(Nurwahidah dkk., 2024) Asy-Syatibi expanded the maqashid concept by categorizing human needs into dharuriyyat, hajiyyat, and tahsiniyyat, providing flexibility in law application according to prevailing circumstances.

The classification of maqashid syariah according to al-Syatibi consists of three hierarchical levels. First, dharuriyyat (primary needs) are needs that are fundamental and must be fulfilled to maintain human survival.(Nurwahidah dkk., 2024) In the context of this research, dharuriyyat relates to protection of creators' economic rights (hifdz al-mal) and potential madharat to MSME operators. Second, hajiyyat (secondary needs) are needs aimed at eliminating difficulties and providing convenience in life without reaching the dharuriyyat level. The hajiyyat aspect in this research includes procedural simplification and transparency of royalty mechanisms. Third, tahsiniyyat (tertiary needs) are needs aimed at beautifying and perfecting life by creating system harmonization without excessive burden.

The analysis process is conducted through several systematic stages. The first stage is identification and description of Indonesian positive law provisions regarding music royalty management in business establishments, including legal complexities faced by business operators. The second stage is classification of findings based on Maqashid Syariah levels by identifying potential mafsadat (harm) and maslahat (benefits). The third stage is evaluation of implementation compatibility with syariah principles in the context of creator rights protection and legitimate business operational continuity.dalam konteks perlindungan hak pencipta dan kelangsungan operasional bisnis yang legitimate.

This research integrates positive law theory with Maqashid Syariah principles, particularly in aspects of hifdz al-mal (property protection) and distributive justice in Islam. The book *Al-Muwafaqat*, a masterpiece by Imam Abu Ishaq Asy-Syatibi, is used as primary reference by scholars of Maqashid Syari'ah discipline (Islamic law objectives), especially Volume I Part II of *Al-Maqashid Book* which discusses Maqashid Syari'ah in depth.(Sumarta dkk., 2024)

RESEARCH FINDINGS

Music Royalty Management in Business Establishments Based on Applicable Laws and Regulations in Indonesia

Juridically, music royalty management is inseparable from copyright regulations. According to Article 1 paragraph (1) of Law No. 28 of 2014 on Copyright, copyright is an exclusive right of creators that arises automatically based on declarative principles after a creation is manifested in tangible form without reducing limitations in accordance with statutory provisions. (*Undang Undang Nomor 28 Tahun 2014 tentang Hak Cipta*, t.t.) . Copyright is an exclusive right of creators consisting of moral rights and economic rights. Through these economic rights, creators can obtain economic benefits or profits from their creations.

A creator is a person or several people who individually or together produce a creation that is distinctive and personal. A musician and songwriter is someone who uses ideas and imagination to create sounds manifested through musical melodies, verses and song lyrics. Musicians and songwriters certainly make various efforts so that their creative works have high value and can be enjoyed by many people. From there, these works can generate economic profits for musicians and songwriters. (Daffa Okta Permana dkk., 2021) Songs or music can basically be easily accessed today. Technological advances including the internet and the emergence of various music player applications such as Joox, Spotify, and Youtube increasingly facilitate the public in enjoying songs or music. The existence of the internet now makes it easier for people to enjoy songs or music wherever they are. This becomes a double-edged sword, when such convenience is actually exploited by other parties for personal interests so as to injure the economic rights of musicians or songwriters over their creations. (Syahputra dkk., 2022). For example, the use of songs in business places such as restaurants, cafes, malls or others to fill the emptiness of the atmosphere in those places. This certainly raises questions regarding the legal consequences of such actions. Therefore, copyright is held to protect creators' rights, especially their economic rights in distributing or making derivatives of such creative works, including songs or music.

Songs and/or music consisting of notation, melody, and arrangements along with lyrics or verses created by a person or group of people called songwriters also need to be appreciated and protected (Widyaningtyas & Zahra, 2021). Songs or music are among the Creations protected by copyright as stated in Article 58 paragraph (1) of Law No. 28 of 2014 on Copyright. Through copyright, musicians and songwriters will receive economic benefits or payments for the utilization of their songs or musical creations (Muthmainnah dkk., 2022). In this case, music or song economic rights can be developed into various forms, such as publication of creations, reproduction of creations in all forms, translation of creations, arrangement of creations, distribution of creations, and performances with such works. (Syahputra dkk., 2022). Economic benefits from the utilization of songs or music can be received by musicians or songwriters through royalties.

Royalty is compensation for the utilization of economic rights of a creation or related rights product received by creators or related rights owners, as referred to in Article 1 paragraph (21) of Law No. 28 of 2014 on Copyright. Royalty is a form of financial appreciation for creators and copyright holders. Royalty is the main source of income for songwriters and musicians. Until the end of December 2024, royalties totaling Rp77 billion have been collected by LMKKN, this figure is the highest achievement since this institution was established. The existence of this royalty becomes a prerequisite for parties who want to use creative works by requiring prior approval from copyright holders.

Based on Government Regulation No. 56 of 2021, royalties can be imposed on business operators for commercial use of songs or music services in the form of commercial public services. The use of commercial public services in this case includes :

- a. Commercial seminars and conferences
- b. Restaurants, cafes, pubs, bars, bistros, nightclubs, and discotheques;
- c. Music concerts
- d. Aircraft, buses, trains, and ships
- e. Exhibitions and bazaars
- f. Cinemas;
- g. Phone ringtones;
- h. Banks and offices;
- i. Retail stores;
- j. Recreation centers;
- k. Television broadcasting institutions;

- l. Radio broadcasting institutions;
- m. Hotels, hotel rooms, and hotel facilities;
- n. Karaoke businesses.

The royalty payment mechanism is based on licensing agreements. Licensing is done when someone wants to perform acts of reproducing and announcing creations as well as reproducing broadcasts and sound or image recordings or performances by obtaining licensing permission from creators or related rights holders. License recipients are obligated to provide royalties as economic rights to creators or related rights holders. (Syahputra dkk., 2022). The existence of licenses will protect users from all legal claims or lawsuits from copyright holders regarding their works. (Miladiyanto, 2015).

A license is written permission given by Copyright Holders or Related Rights owners to other parties to exercise economic rights over their creations or certain related rights products. This license application is submitted to Copyright Holders or Related Rights Owners through LMKN. (Government Regulation of the Republic of Indonesia No. 56 of 2021 on Management of Copyright Royalties for Songs and/or Music, n.d.) LMKN or National Collective Management Institution is a non-APBN government auxiliary institution established by the Minister based on the Copyright Law that has authority to collect, accumulate, and distribute Royalties as well as manage the economic rights interests of Creators and Related Rights owners in the field of songs and/or music.

In this case, LMKN has authority to collect royalties from people who perform commercial use of songs or music in the form of commercial public services mentioned above. LMKN then accumulates these royalties. Accumulation is done by coordinating and determining the amount of these royalties. Royalty amount determination is guided by the Decree of the Ministry of Law and Human Rights. The accumulated royalties are then distributed to Creators, Copyright Holders and Related Rights Owners who have become LMK members. LMK or Collective Management Institution is an institution in the form of a non-profit legal entity authorized by Creators, Copyright Holders, and/or Related Rights owners to manage their economic rights in the form of accumulating and distributing Royalties. This is stated in Articles 9 to 14 of Government Regulation No. 56 of 2021.

In carrying out its duties, LMKN manages royalties using data that has been integrated in the song and/or music data center managed by the Directorate General of Intellectual Property of the Ministry of Law and Human Rights which contains all songs and/or music that have been recorded in the general creation register. Copyright owners need to register their works so that they become a guarantee of permanent legal strength and cannot be used arbitrarily without permission from the relevant parties. This registration also becomes legitimacy for royalty payments by other parties who use songs or music for commercial purposes (Widyaningtyas & Zahra, 2021). Songs contained in the general creation register will be updated every three months regularly.

However, in its implementation there are problems regarding this royalty management, namely the less than optimal implementation of royalty collection by LMKN. Often found are rejections from song/music users to pay royalties as well as royalty payments that do not match the tariff offered by users to LMKN. (Pramanto, S.H., M.H., 2022). LMKN Chairman, Dharma Oratmangun stated that until mid-June 2025, at least 2,222 live events, whether music concerts, exhibitions, bazaars have not completed their royalty payment obligations for using Copyright of songs or music.

The rejection of music royalty payments by users mostly comes from business operators. They reject the policy regarding royalty charges on commercial public services including cafes, restaurants, or eateries. These places are dominated by Micro, Small and Medium Enterprise (MSME) operators who usually have income that tends to be smaller compared to other private sectors. This policy certainly affects finances and potentially reduces the business profits. (Widyaningtyas & Zahra, 2021). In this case, Government Regulation No. 56 of 2021 has explained about relief from song/music royalty collection for MSMEs, where the royalty amount will be determined by the Minister of Law and Human Rights.

Decree of the Minister of Law and Human Rights No. HKI.2.OT.03.01-02 of 2016 on Validation of Royalty Tariffs for Users Who Perform Commercial Utilization of Creations and/or Related Rights Products of Music and Songs has provided details regarding royalty tariffs that must be paid by business operators to musicians or songwriters. Cafes and restaurants dominated by MSME operators with income that tends to be lower than other commercial industries receive the lowest tariff compared to tariffs at other business places. In this Decree, royalty tariffs for culinary services with music business in the form of restaurants and cafes are determined per seat per year, with provisions that creator royalties amount to Rp.60,000,- per year. This tariff is much lower compared to other business places such as Pubs, Bars, and Bistros which are determined per square meter with creator royalties of Rp.180,000. Even for Discotheque and Nightclub businesses can reach Rp.250,000,- per square meter. This royalty payment is also made at least once a year. However, it should be remembered that in practice MSME operators in this case restaurants and cafes must pay royalties not just for one seat, but accumulation of all seats according to the capacity of the place. So there are still many business operators who do not agree and reject the music royalty management policy for business places.

This then becomes a dilemma, on one side the purpose of implementing the royalty management policy in business places is to protect the legal certainty of musicians and songwriters as creators of works. Creators or copyright holders are entitled to appreciation in the form of obtaining compensation for the utilization of their works in public spaces. But on the other side, this policy is felt to burden business operators because they have to set aside part of their income to pay royalties. Some business operators argue that playing songs in business places is only additional entertainment, not a main commodity or selling value that brings profit so it should not be subject to royalties. This dilemma shows disharmony between the purpose of royalty as an instrument of creator protection with the socio-economic interests of MSME operators. Yet, MSMEs themselves play a major role in supporting Indonesia's economy. More than 60% of Indonesia's GDP comes from MSME contributions. They also absorb 97% of the workforce.

This business operator rejection is not only related to business financial burden, but also the lack of LMKN transparency in distributing royalties to creators. So without clear distribution reports, MSME operators tend not to trust the royalty management mechanism carried out by LMKN. They tend to consider royalty payments do not provide direct benefits for work owners. This disharmony of interests requires that there be a balancing of transparent, accountable and proportional royalty tariff schemes so as not to weaken legal compliance in the field.

The existence of this interest dilemma can become legitimacy for business operators to continue utilizing songs/music in their business places unlawfully and not paying royalties. In this case musicians or songwriters as Creators are given space to take legal action to fight for their rights. Such legal action can be taken when disputes occur. This dispute resolution can be resolved through arbitration or courts. If through courts, then the Commercial Court has authority to resolve disputes related to copyright and royalties. However, before proceeding to legal processes in court, mediation processes are first conducted (Daffa Okta Permana dkk., 2021). Article 99 paragraph 3 of the Copyright Law states that parties who feel harmed by copyright infringement can request provisional injunction decisions from the Commercial Court. Such provisional decisions can be in the form of seizure of creations that are announced or reproduced and/or tools used to produce creations from copyright infringement results and related products, or stopping activities of announcement, distribution, communication, and/or reproduction of creations that are results of copyright infringement. Another legal action that can be taken is by reporting such copyright infringement to the police. Considering that criminal provisions in the Copyright Law are complaint offenses. If creators do not file complaints, then such cases cannot be processed under criminal law. This is as explained in Article 120 of the Copyright Law.

Various problems faced in copyright legal protection efforts occur due to factors of inadequate law enforcement, improvements are needed in the law enforcement sector that supervises copyright, both in terms of facilities, operations and also apparatus resources. In addition, lack of understanding and deep knowledge about copyright both among artist creators of songs or music and the public itself becomes the cause of various such problems.

According to Anang Hermansyah as a musician and former member of the DPR RI Commission X in a study, the implementation of royalty management must be maximized further and needs more attention from the government so that musicians or songwriters get the rights they should receive. According to him, the government needs to make Regional Regulations that are more specific to accommodate royalty management in commercial places. The government also needs to conduct socialization regarding this royalty management both to musicians or songwriters and to business operators in the regions. This is the government's effort to support LKMN in managing royalties in those regions. (Daffa Okta Permana dkk., 2021).

Maqashid Syariah Analysis of Music Royalty Management Policy

According to G.R. Terry, management as a process is an activity or framework that involves guidance or direction of a group of people toward organizational goals or real purposes. Management is a container of knowledge so it can be proven generally true. Management has several functions that we must know, among several management functions are planning, organizing, actuating and controlling. (Jeka & Indriyani, 2024)

Dharuriyyat (Primary Needs) Perspectiv

From a dharuriyyat perspective, music royalty policy aims to protect creators' fundamental rights included in the principle of hifdz al-mal (property protection). Al-Syatibi explains that the welfare to be realized by law is divided into three categories or levels: dharuriyyat needs, hajiyyat needs and tahsiniyyat needs. (Kurniawan & Hudafi, 2021) Al-Dharuriyyat welfare is protection and needs that are most important compared to other categories, if this level of need is not fulfilled it will result in damage in human life.

Islam recognizes intellectual property rights as part of property that must be protected. The Quran emphasizes in QS. Al-Baqarah verse 188: "And do not consume one another's wealth unjustly." This verse provides a strong theological foundation for intellectual property rights protection, including music copyright. (Algan Nashirul Haq, 2025) Music copyright protection through the royalty system is an implementation of distributive justice in Islam, where everyone has the right to get results from their efforts and creativity.

Mansur (2024) emphasizes that "the presence of financial aspects (maintaining property (hifz al-mal)) in maqashid syariah and economic activities brings benefits as noble syariah objectives. These objectives give value to finance, banking, trade, and all business transactions." In the context of the music industry, protection of creators' intellectual property through the royalty system is a concrete manifestation of the hifdz al-mal principle that must be maintained and protected.

However, the implementation of this policy also potentially creates madharat (harm) for MSME operators who are the backbone of the national economy. (Hidayat, 2023) From the dharuriyyat aspect, there is a conflict between creator property protection (hifdz al-mal li al-munti) and business operator livelihood protection (hifdz al-mal li al-mustakhdim). MSMEs that contribute more than 60% to Indonesia's GDP and absorb 97% of the workforce face additional burdens that can threaten their business continuity.

This condition requires application of the fiqh principle "la dharara wa la dhirara" (there should be no harm and no mutual harm). This principle demands balance in policy implementation so that creator rights protection does not create greater damage for the broader community. In this context, mechanisms are needed that can accommodate both interests without sacrificing one party. (Prihartono, 2022)

Dharuriyyat analysis must also consider the principle of welfare priority. Al-Syatibi emphasizes that when conflicts occur between several dharuriyyat welfares, the welfare that is greater and more

universally beneficial must be chosen.(Harahap & ARISMAN, 2024) In the context of music royalty policy, comprehensive analysis is needed to determine whether creator rights protection or MSME business sustainability provides greater welfare for society as a whole.

Hajiyyat (Secondary Needs) Perspective

At the hajiyyat level, music royalty policy requires mechanisms that eliminate difficulties (raf al-haraj) for all parties involved. Al-Syatibi in al-Muwafaqat explains that hajiyyat are needs aimed at eliminating difficulties and providing convenience in human life without reaching the dharuriyyat level.(Kurniawan & Hudafi, 2021) If hajiyyat needs are not fulfilled, it will not cause total damage in life, but will cause difficulties and constraints.

The principle "la haraj fi al-din" (there is no constraint in religion) demands flexibility in policy implementation. Allah SWT says in QS. Al-Baqarah verse 185: "Allah intends for you ease and does not intend for you hardship." This verse emphasizes that every syariah provision must consider ease of implementation for the ummah, not providing excessive burden or unnecessary difficulties.(Wahyuddin dkk., 2023)

In the context of music royalty policy, procedural complexity in licensing through LMKN creates excessive difficulties for small business operators. Complicated administrative processes and lack of adequate socialization become main obstacles for MSME operators in fulfilling royalty payment obligations.(Pratiwi dkk., 2024) This contradicts Islamic principles that prioritize ease in muamalah.

Lack of transparency in royalty distribution by LMKN also creates distrust that can damage the system as a whole. Islam emphasizes the principles of amanah and transparency in public property management as stated by Allah in QS. An-Nisa verse 58: "Indeed, Allah orders you to render trusts to whom they are due." In the context of LMKN, transparency in royalty distribution becomes a hajiyyat need that supports the creation of a trustworthy and acceptable system for all parties.(Jati, 2024)

Procedural simplification and more proportional tariff differentiation based on business operators' economic capacity are needed. This aligns with Islamic principles in muamalah that prioritize ease and do not provide excessive burden. The need for balancing transparent, accountable and proportional royalty tariff schemes so as not to weaken legal compliance in the field.(Hayati, 2024)

In the hajiyyat context, the need for comprehensive education and socialization also becomes an important factor. The lack of business operators' understanding about royalty obligations and payment mechanisms creates resistance that can be avoided through more effective communication approaches. Islam teaches the importance of conveying information in a clear and easily understandable manner.

Tahsiniyyat (Tertiary Needs) Perspective

From a tahsiniyyat perspective, music royalty policy should create harmony and beauty in law implementation without creating excessive burden for stakeholders.(Svinarky, 2023) Al-Syatibi explains that tahsiniyyat is the highest level of maqashid syariah that aims to beautify and perfect human life.(Kurniawan & Hudafi, 2021) Tahsiniyyat is a desired category or ornament in the maqashid syariah classification, which functions to complete and beautify syariah implementation.

The tahsiniyyat principle prioritizes noble character and balance in muamalah. Allah SWT says in QS. Ar-Rahman verses 7-9: "And the heaven He raised and imposed the balance, that you not transgress within the balance. And establish weight in justice and do not make deficient the balance." This verse emphasizes the importance of balance and justice in every aspect of life, including in public policy implementation.

Ideal policy implementation from a tahsiniyyat perspective is one that can create win-win solutions between creator rights protection and micro and small business sustainability.(Gunarta & Santoso, 2006) This aligns with the Islamic concept of balance (mizan) in all aspects of life. Harmonization of interests between creators and business operators to create a sustainable music industry ecosystem.(Siitumorang & Michael, 2025)

Lack of comprehensive education and socialization to business operators shows imperfection in the tahsiniyyat aspect. Islam teaches that every policy must be accompanied by guidance and enlightenment so it can be understood and well accepted by society.(Mukri & Mukri, 2023) This is in accordance with the principle of "al-hikmah" (wisdom) in da'wah as mentioned in QS. An-Nahl verse 125: "Invite to the way of your Lord with wisdom and good instruction."

In the tahsiniyyat context, harmonization between creator and business operator interests is not only a functional need, but also a manifestation of the beauty and perfection of Islamic legal system that considers balance of all stakeholders. Mansyur (2020) states that "implementation of maqashid syariah in contemporary muamalah must be able to create harmony between various interests in society."

The tahsiniyyat aspect also includes technology development and innovation in the royalty management system. Utilization of user-friendly and integrated digital platforms can beautify the administrative process and improve system efficiency. This aligns with Islamic principles that encourage technology use for ummah welfare, as long as it does not contradict syariah values..(Anwar & Pustaka, 2025)

DISCUSSION

Music Royalty Management Policy Recommendations Based on Maqashid Syariah

Based on maqashid syariah analysis of music royalty management policy, more comprehensive policy reformulation is needed considering the balance between the three aspects of maqashid syariah.

Dharuriyyat Aspect Reformulation

In the dharuriyyat aspect, more fair progressive tariff differentiation based on business operators' economic capacity is needed. Implementation of tiered tariff systems by providing special relief for MSMEs with turnover below certain thresholds can be a solution to reduce potential madharat for small business operators.(RAMADHAN, 2022) This aligns with distributive justice principles in Islam that consider each party's economic capability.

More flexible payment mechanisms, such as installment systems or periodic payments, can reduce financial burden on small business operators without reducing creators' economic rights..(Robby dkk., 2022) Providing diverse payment options reflects the application of the principle "la haraj fi al-din" in modern economic context.

Economic basic rights protection must also be considered, ensuring that royalty policy implementation does not hinder MSME operators' rights to seek halal livelihood.(Damanik & Lubis, 2023) This is in accordance with the hifdz al-nafs principle in economic aspect that guarantees every individual can fulfill basic life needs through legitimate business.

Hajiyat Aspect Improvement

Administrative procedure simplification through digitalization and one-stop service can reduce convoluted bureaucracy.(Afzil Ramadian dkk., 2025) Development of integrated online systems for license applications can facilitate business operators in fulfilling legal obligations without facing excessive administrative obstacles.

Royalty distribution transparency becomes key to building public trust. Implementation of periodic reporting systems accessible to the public regarding royalty distribution to creators will increase LMKAN accountability and reduce business operator resistance.(Purwadi dkk., 2025)

Massive and comprehensive education and socialization programs for business operators and creators regarding respective rights and obligations must be implemented continuously. Persuasive and educative communication approaches can reduce resistance and increase voluntary compliance with regulations.

Tahsiniyyat Aspect Optimization

Development of user-friendly integrated digital platforms can facilitate business operators in fulfilling royalty obligations and facilitate creators in monitoring their work usage. Blockchain technology can be considered to create transparent and unmanipulatable tracking systems.

Strengthening mediation mechanisms as more humane and efficient dispute resolution efforts compared to litigation channels. Establishment of specialized mediation institutions that understand music industry characteristics can provide faster and fairer solutions for all parties.(Wibowo, 2025)

Development of strategic partnerships between LMKN and business operator associations can create mutually beneficial ecosystems. This collaboration can produce innovations in royalty payment systems that are more efficient and acceptable to all stakeholders.

Challenges in Music Royalty Policy Implementation based on Maqashid Syariah

Implementation of music royalty policy aligned with maqashid syariah faces several main challenges that require strategic and comprehensive solutions.

Stakeholder resistance is the first challenge that must be addressed. Many business operators consider royalties as additional burden without direct benefits for their businesses. The solution to overcome this resistance is through persuasive approaches that emphasize long-term benefits of fair royalty systems, such as improved music quality and creative industry sustainability.(Syafaldie dkk., 2024)

LMKN's institutional capacity limitations in conducting effective monitoring and enforcement throughout Indonesia also become serious challenges. Institutional capacity strengthening through improvement of human resources, technology, and networking with regional governments can be solutions to overcome this problem.

Legal complexity involving overlapping regulations between central and regional governments requires better regulatory harmonization. Inter-agency coordination and legal interpretation standardization can reduce legal uncertainty faced by business operators.(Busroh dkk., 2024)

Industry digitalization challenges that enable music distribution through online platforms require more dynamic regulatory adaptation.(Kusnanto dkk., 2024) Development of legal concepts that can accommodate technological developments without reducing copyright protection becomes an urgent need.

CONCLUSION

Based on maqashid syariah analysis of music royalty management policy in business establishments, it is found that existing regulations have strong foundations in protecting copyright as part of property protection (hifdz al-mal), but their implementation still requires improvement to fulfill maqashid syariah principles comprehensively. The conflict between protection of creators' fundamental rights and sustainability of MSME operators' livelihoods requires solutions in the form of progressive and proportional tariff differentiation, while procedural complexity and lack of transparency in royalty distribution contradict the principle of raf' al-haraj (eliminating difficulties) which can be overcome through procedural simplification and increased transparency.

This research recommends comprehensive reformulation of music royalty policy that considers maqashid syariah principles holistically, including implementation of progressive tariff differentiation based on economic capacity, administrative procedure simplification, increased transparency and accountability, and development of more humane and efficient dispute resolution mechanisms. The ideal policy expected is one that can protect creators' copyright while still supporting people's economic growth through the MSME sector, with achievement of balance requiring strong commitment from all stakeholders to create a music industry ecosystem that is fair, sustainable, and aligned with Islamic values that prioritize justice and common welfare.

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