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Sharia Construction of Multi-Level Marketing Systems Based on Halal Products

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Abstract

This study aims to formulate a comprehensive Sharia-based construction of multi-level marketing (MLM) systems grounded in halal products within the framework of Islamic economic law. Triggered by the rapid growth of the global halal economy and the massive expansion of MLM in Indonesia, the research responds to the tension between strong normative guidelines especially DSN-MUI Fatwa No. 75/DSN-MUI/VII/2009 on Sharia tiered direct selling and the frequent emergence of money game–like practices under Sharia labels. Using a qualitative normative-juridical approach and library research, this study analyzes primary sources (Qur'an, hadith, fiqh muamalah, DSN-MUI fatwa, and Indonesian MLM regulations) and secondary empirical studies on Sharia MLM cases such as PayTren, K-LINK Syariah, and Tiens Syariah. The analysis proceeds through normative-descriptive mapping of Sharia principles, structural comparison between the PLBS framework and actual MLM designs, critical assessment using usul al-fiqh and maqasid al-shariah, and constructive model building. The findings show, first, that DSN-MUI Fatwa No. 75/2009 already provides a robust normative framework that centers on real halal products, sales-based commissions, prohibition of pyramid schemes, price fairness, and ethical marketing. Second, there is a consistent gap between this framework and field practice: compensation systems still allow significant passive income for uplines without proportional sales effort, recruitment narratives overshadow genuine product distribution, and pricing and promotion patterns often verge on gharar, maysir, riba, and zulm. Third, empirical evidence indicates that substantive implementation of Sharia principles positively affects MLM performance, suggesting that rigorous compliance is commercially viable. The study concludes by proposing that a Sharia-compliant MLM system based on halal products must integrate three inseparable dimensions: a clear fiqh- and fatwa-based normative foundation, detailed operational design of network and compensation structures that structurally minimize exploitation, and effective governance and supervision to ensure ethical consistency at distributor level. This integrated construction is expected to serve as a normative and practical reference for regulators, Sharia boards, and halal-based MLM entrepreneurs.

INTRODUCTION

The rapid expansion of the global Islamic economy has transformed halal products from a niche religious requirement into a mainstream economic driver. Muslim consumer spending across key halal economy sectors ranging from food and pharmaceuticals to cosmetics and modest fashion reached approximately 2.43 trillion US dollars in 2023 and is projected to grow to 3.36 trillion US dollars by 2028. Within this landscape, halal food alone accounted for around 1.43 trillion US dollars in 2023, while Islamic finance assets reached 4.93 trillion US dollars, underscoring the scale and institutionalization of Sharia-compliant economic activity. This structural growth generates a strong demand not only for halal products but also for distribution and marketing systems that are substantively aligned with Islamic legal and ethical principles, including the prohibition of gharar (excessive uncertainty), maysir (speculation/gambling), riba (usury), and unjust exploitation (DinarStandard, 2025).

Indonesia, as the world's largest Muslim-majority country and a rising player in the Global Islamic Economy Indicators, occupies a strategic position in this development (Surur et al., 2024). On the one hand, it is a major consumer and producer in various halal sectors; on the other, it has seen direct selling and multi-level marketing (MLM) evolve into a significant channel for distributing health supplements, cosmetics, household products, and other halal-labeled goods. According to data reflecting the World Federation of Direct Selling Associations (WFDSA), Indonesia's direct selling industry generated around 1.281 billion US dollars in retail sales in 2023, supported by a salesforce exceeding 8 million distributors. Earlier national figures even estimated that the domestic turnover of MLM and direct selling activities had reached about 14 trillion rupiah per month, with more than 400 companies local and foreign operating in the market, and 70–75 percent of participants being women, particularly housewives. These numbers indicate that MLM is not a marginal phenomenon but a mass-market structure that directly touches household-level economic behavior (Dwijayanto, 2020).

However, the impressive growth of MLM in Indonesia has been accompanied by intense controversy and recurring public scandals. The line separating legitimate product-based MLM from illicit money game, Ponzi, or pyramid schemes is frequently blurred both in public perception and in practice. Law enforcement agencies and the national investment task force have repeatedly shut down entities that used the MLM label to mask speculative schemes centered on recruitment fees and unrealistic reward promises rather than genuine product sales. The fact that a substantial portion of MLM participants are economically vulnerable groups such as housewives seeking supplemental income amplifies the ethical urgency of ensuring that such business models are truly compliant with the protective spirit of Islamic law, not merely its formalistic wording (Taylor, 2000).

Within the framework of Islamic economic law, MLM has therefore become a contested field. Some scholars regard MLM as a neutral marketing mechanism whose permissibility depends entirely on how contracts, products, and compensation plans are structured. Others highlight systemic risks of injustice, deception, and exploitation inherent in multi-tiered commission systems that heavily prioritize downline recruitment over real value creation. To address these tensions, the Dewan Syariah Nasional–Majelis Ulama Indonesia (DSN-MUI) issued Fatwa No. 75/DSN-MUI/VII/2009 on Guidelines for Sharia Tiered Direct Selling (Penjualan Langsung Berjenjang Syariah/PLBS). The fatwa explicitly permits MLM on the condition, among others, that there be real, useful products; that the products themselves are halal; that transactions are free from gharar, maysir, riba, dharar (harm), and zulm (injustice); that price mark-ups are not excessive; and that commissions and bonuses are strictly based on the volume and value of product sales, not simply on recruitment (Akbar et al., 2023; Rahman et al., 2024; Zahra, 2023).

This normative framework has inspired the emergence of companies branding themselves as Sharia-based MLM or PLBS, some of which have obtained DSN-MUI certification. Examples include firms such as K-Link, PayTren, and other halal-focused MLM operators that claim to center their business on halal products and Sharia-compliant contracts. Nonetheless, empirical studies reveal that the existence of a fatwa and certification does not automatically ensure full Sharia compliance at the level of operational practice. A case study on the 4Jovem MLM in Situbondo, for instance, found that although many provisions of Fatwa No. 75/2009 were formally adopted, certain reward mechanisms such as the requirement to recruit hundreds of members (e.g., 700 points on one side and 800 on the other) to obtain a car reward introduced elements of gharar and psychological manipulation (ighra') that may contravene the ethical spirit of Islamic law. Other research similarly emphasizes that MLM often struggles to meet standards of transparency, justice, and prudence emphasized in Sharia transaction ethics, even when the baseline legal criteria appear satisfied (Nasution, 2022; Shaleh, 2017).

These findings point to a deeper structural problem: the current discourse on Sharia-compliant MLM tends to focus on assessing permissibility (halal–haram) of existing schemes ex post, rather than on constructing, ex ante, a comprehensive Sharia-based design of MLM systems anchored in real product value and robust ethical safeguards. Fatwa No. 75/2009 provides crucial principles and a list of conditions, but it does not, by itself, translate into a detailed operational blueprint that integrates product strategy, pricing, compensation plans, contract structures, corporate governance, and consumer protection into a coherent Sharia architecture. In practice, many so-called Sharia MLMs risk reducing "Sharia compliance" to a compliance checklist or certification status, while maintaining business logics that still privilege aggressive recruitment, inflated prices, and emotionally charged promises of financial freedom over genuine halal value creation (Rifai & Thahir, 2025).

Consequently, there is a clear conceptual and practical gap in the literature. Existing studies on MLM in Islamic economics largely fall into two categories: descriptive-normative analyses examining MLM vis-à-vis fiqh muamalah and DSN-MUI fatwa, and case studies that evaluate the compliance or non-compliance of specific companies. Much less attention has been paid to the constructive task of designing a Sharia-informed MLM model from the ground up one that starts from the ontology of halal products as the primary locus of value, and then derives the permissible structure of networks, incentive systems, and contractual relations in a way that prevents the re-emergence of exploitative patterns. Without such a construction, regulators, Sharia boards, and entrepreneurs continue to operate reactively, "correcting" problematic schemes post hoc rather than proactively embedding Sharia principles into the architecture of the business model.

Against this backdrop, the present study proposes the "Sharia construction of multi-level marketing systems based on halal products" as its central theme. The core problem it addresses can be formulated as follows: how can an MLM system be systematically designed so that halal products function as the genuine nucleus of economic value, while every structural element ranging from recruitment rules and commission formulas to pricing policies and marketing narratives remains firmly within the boundaries of Islamic law and ethics? More specifically, the research seeks to (1) critically analyze the key components of conventional and Sharia-labeled MLM models in light of DSN-MUI Fatwa No. 75/2009 and broader fiqh muamalah principles; (2) identify structural points at which deviations toward gharar, maysir, riba, or zulm typically occur, even in ostensibly halal settings; and (3) formulate a conceptual blueprint for a Sharia-based MLM system that can serve as a normative reference for regulators, Sharia supervisory boards, and halal-product enterprises.

By shifting the discussion from mere permissibility assessment to constructive system design, this study aims to contribute both theoretically and practically. Theoretically, it enriches Islamic economic law discourse with a model of how complex contemporary business formats such as MLM can be re-engineered in line with maqasid al-shariah (the higher objectives of Sharia) in the fields of wealth circulation, protection from exploitation, and fair exchange. Practically, it aspires to provide concrete guidance for companies seeking to build or reform MLM structures around halal products, and for policymakers that must distinguish between models that are only formally Sharia-compliant and those that are substantively just, transparent, and welfare-enhancing for Muslim consumers and distributors alike.

METHODS

This study adopts a qualitative, normative-juridical approach rooted in Islamic economic law, treating MLM as a contemporary muamalah issue requiring doctrinal reconstruction through Sharia sources and fiqh principles. It uses library-based research with a constructive-analytical design integrating descriptive, comparative, and prescriptive methods to develop a Sharia-compliant MLM model centered on halal products, rather than merely assessing existing schemes (Akbar, 2024).

Data are qualitative and textual, drawn from primary sources (Qur'an, hadiths on trade/riba/gharar/maysir, fiqh muamalah texts on bay', wakalah, ju'alah/syirkah, DSN-MUI Fatwa No. 75/2009 on PLBS, Indonesian MLM regulations, and Sharia-claimed company contracts/marketing plans); secondary sources (journal articles, theses on Islamic MLM/Sharia business, halal economy reports); and tertiary sources (Islamic law dictionaries, DSN-MUI databases).

Data collection involves documentary study: thematic keyword searches (e.g., "Sharia MLM," "Fatwa 75/2009") in academic portals; cataloging texts by MLM components (product, recruitment, commissions); and gathering public company documents from halal-focused PLBS operators for structural analysis.

Analysis proceeds in stages: (1) normative-descriptive extraction of Sharia baselines from texts/fatwas; (2) structural comparison of MLM elements (products, networks, incentives) against prohibitions like gharar/zulm; (3) critical usul al-fiqh/maqasid evaluation using qiyas/maslahah; (4) prescriptive blueprint construction specifying halal-centric criteria, permissible networks/commissions, and ethical safeguards.

Validity is ensured via source triangulation, Sharia consistency, and peer scholarship grounding, yielding a rigorous, practical Sharia MLM framework.

RESULTS AND DISCUSSION

4.1 Empirical Context: The Development of MLM and Sharia MLM Based on Halal Products

The findings of this study indicate that the construction of a multi-level marketing (MLM) system based on halal products cannot be separated from the broader dynamics of the global and national Islamic economy. The State of the Global Islamic Economy reports show that Muslim consumer spending across halal-related sectors (food, pharmaceuticals, cosmetics, modest fashion, etc.) exceeds 2 trillion US dollars and is projected to continue growing, creating strong pressure for not only halal products but also for marketing and distribution systems that are substantively Sharia-compliant. In Indonesia, direct selling and MLM have developed rapidly as major channels for distributing health supplements, cosmetics, and household products that are frequently branded as halal (DinarStandard, 2025).

National data indicate that Indonesia's MLM and direct selling industry has recorded a turnover of around 14 trillion rupiah per month, with more than 400 companies both local and foreign operating in the market, and approximately 70–75 percent of participants being women, especially housewives. Other reports show that Indonesia contributed about 1.28 billion US dollars in direct selling retail sales, supported by more than 8 million individual salespeople, placing Indonesia among the world's largest MLM markets. These figures confirm that MLM is not a marginal or elite phenomenon, but rather a mass-market structure that deeply penetrates household-level economic life (Dwijayanto, 2020).

This expansion coincides with the rise of products that are explicitly positioned as halal and Sharia-compliant. A number of companies such as K-LINK, PayTren, Tiens Syariah, and others brand themselves as Sharia MLM or Sharia Tiered Direct Selling (Penjualan Langsung Berjenjang Syariah/PLBS), and several have obtained Sharia certification from the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). However, recent research shows that Sharia claims do not always align with actual field practices; in many cases, compensation patterns, recruitment schemes, and marketing practices still contain serious potential for gharar (excessive uncertainty), maysir (speculation), riba (usury), and zulm (injustice). These empirical findings form the basis for the constructive analysis developed in this study (Satria, 2023).

4.2 Normative Findings: The Construction in DSN-MUI Fatwa No. 75/DSN-MUI/VII/2009

Normatively, the main foundation for Sharia MLM (PLBS) is DSN-MUI Fatwa No. 75/DSN-MUI/VII/2009 on Guidelines for Sharia Direct Selling with Tiered System. A number of normative legal studies emphasize that this fatwa does not merely issue a halal/haram verdict, but provides practical guidance consisting of roughly 12–13 general provisions that must be fulfilled for an MLM to be categorized as Sharia-compliant PLBS. The core normative construction can be summarized into several key clusters (Arnes & Sultan, 2023):

1. Product Clause

   The products marketed must be real (tangible or clearly definable services), useful, halal, and free from dominating haram or highly doubtful elements. Products must not serve merely as a pretext for collecting membership fees or network bonuses. The product must be the true center of value, rather than an accessory to a recruitment-driven scheme (Jauhari et al., 2023a).
2. Contract and Transaction Structure Clause

   Contracts used whether sale (bay‘), agency (wakalah), reward-based contracts (ju‘alah), partnership (syirkah), or others must fulfill the pillars and conditions of validity according to fiqh muamalah, and must be free from excessive gharar, maysir, and riba. The relational structure among company, distributor, and consumer must be clear and transparent, and must not conceal risk or hidden costs (Arnes & Sultan, 2023).
3. Compensation and Bonus Clause

   Commissions, bonuses, and incentives must be strictly based on the volume and value of real product sales, not primarily on the recruitment of new members or on bulk initial package purchases. The fatwa explicitly prohibits pyramid schemes and money games in which the bulk of bonuses flow to uplines without correlation to actual sales performance (Arnes & Sultan, 2023).
4. Price and Economic Fairness Clause

   Product prices must be rational and proportionate to the benefits received by consumers. Excessive mark-up justified solely by network bonus distribution is regarded as a form of zulm and is inconsistent with the Sharia requirement of fairness (Jauhari et al., 2023b).
5. Ethical and Member Protection Clause

   Marketing practices must be honest, non-deceptive, and may not “sell dreams” through promises of fantastic income without clear explanation of conditions and risks. The system may not exploit economically vulnerable groups, particularly housewives, and must ensure transparency regarding members' rights and obligations (Nasution, 2022).

In sum, the PLBS framework normatively requires a construction in which all elements of the system products, contracts, network structure, compensation, and marketing ethics are integrated within a maqasid al-shariah–oriented framework, particularly the protection of wealth (hifz al-mal), justice, and public welfare.

4.3 Empirical Findings: Practices of Sharia MLM Based on Halal Products

The present research then compares this normative PLBS construction with empirical findings from several case studies of MLM companies that claim to be Sharia-compliant and to market halal products. Three relatively representative examples are PayTren, K-LINK Syariah, and Tiens Syariah.

1. PayTren

   Several studies conclude that PayTren, as an MLM based on licensed payment applications, obtained Sharia certification from MUI in 2017 and is formally considered to meet the requirements of DSN-MUI Fatwa No. 75/2009, under the supervision of DSN-MUI's Sharia Supervisory Board. In its official construction, commissions are paid based on license sales and usage of services, and the business scheme is claimed to be free of riba, gharar, and maysir (Amin, 2019).

   However, a 2024 normative-comparative study reveals that the implementation in practice deviates significantly from the theoretical design. The study finds that PayTren's Sharia-certified business "contains many deviations both by consumers and by the system itself"; bonuses are given to uplines when downlines transact without a proportional contribution of real work; and there are indications of riba, gharar, and zulm in the actual compensation flow. This suggests that Sharia certification does not automatically guarantee that everyday practices conform to the PLBS normative construction (Midisen, 2024).

2. K-LINK Syariah

   A case study of PT K-Link Indonesia as a Sharia MLM concludes that, in general, K-LINK fulfills PLBS criteria: it does not implement a pure pyramid system, emphasizes the sale of real goods and services, and treats bonuses as compensation for tiered marketing services tied to product sales volume. At the design level, the business structure is considered aligned with DSN-MUI Fatwa No. 75/2009, especially regarding the presence of tangible products and the prohibition of money game schemes. Nevertheless, the same study indicates that implementation at distributor level is critically decisive: deviations at the practitioner level (such as overstating product benefits, applying excessive recruitment pressure, or exaggerating income promises) can easily shift practice away from the underlying objectives of the fatwa (Zaenudin, 2013).

3. Tiens Syariah

   Field research on Tiens Syariah in Sukabumi (2023) presents a contrasting picture. The study finds that, at the level of formal design, the Tiens Syariah system as set by the company may be considered "permissible" under Islamic economic law because it has been textually adjusted to DSN-MUI Fatwa No. 75/2009. Yet, the practice of distributors on the ground does not align with fatwa provisions. Empirical findings include: mixing and repackaging of products by distributors, pricing that is excessively high and disproportionate to product benefits, bonuses obtained without corresponding real product sales, rewards that create excessive allure (ighra') and psychological pressure, and unfair distribution of bonuses between upline and downline. These practices place portions of the Tiens Syariah network in a category that approximates money game characteristics and violates several key PLBS clauses (Satria, 2023).

4. Impact of Sharia Concept Implementation on MLM Performance

Interestingly, other quantitative research on Sharia MLM shows that when Sharia concepts are genuinely implemented halal products, valid contracts, sales-based bonuses, and maintained marketing ethics such implementation has a positive and significant effect on Sharia MLM product sales. This strengthens the argument that substantive Sharia construction is not a commercial burden; instead, it can function as a driver of trust and competitive advantage (Oktafiani, 2022).

4.4 Comparative Table: Normative Construction vs. Sharia MLM Practice

To more clearly map the gaps between the normative PLBS construction and the practices of several Sharia MLMs based on halal products, this study compiles the following comparison.

Table 4.1. Comparison of Normative PLBS Construction and Selected Sharia MLM Practices

Key Aspect	**Normative PLBS Construction (DSN-MUI Fatwa No. 75/2009)**	**PayTren Practice**	**K-LINK Syariah Practice**	**Tiens Syariah Practice (Sukabumi)**
Product and Halal Status	Products must be real, beneficial, halal, and not merely a cover for recruitment or money game schemes.	Main product is a payment-application license; formally claimed halal and under DSN-MUI supervision.	Health and household products that are tangible and halal; positioned as the core of transactions.	Health products; field research found mixing and repackaging of products by distributors.
Basis for Commissions/Bonuses	Commissions and bonuses must be based on volume/value of product sales; recruitment may not be the primary source of income.	2024 study finds uplines receive bonuses from downline transactions without proportional contribution; indications of riba/zulm.	Bonuses and commissions are claimed to be sales-based; no pure pyramid system is implemented.	Bonuses often obtained without sufficient product sales; rewards generate ighra' and upline–downline inequity.
Network Structure and Recruitment	Pyramid systems are prohibited; recruitment is only a means to expand product distribution,	Formally designed to distribute licenses; in practice, network-building and	Tiered structure with a declared focus on product distribution; PLBS fatwa	Network structure encourages aggressive recruitment; distribution of burdens and

	not the main objective.	partner recruitment are strongly emphasized.	used as formal reference.	bonuses favors uplines.
Pricing and Economic Reasonableness	Prices must be fair and proportional to benefits; excessive mark-ups are seen as a form of zulm.	Research highlights structure of bonuses and contracts more than pricing; price not central in critique.	Prices broadly consistent with health-product positioning, though potentially influenced by network margins.	Excessive prices not aligned with product benefits, closely linked to multi-layered bonus structures.
Marketing Ethics and Protection	Must be honest, non-deceptive, not "selling dreams," and must not exploit vulnerable parties; rights and obligations must be transparent.	Indications of income and bonus promises being strongly emphasized; potential manipulation of member expectations.	Normatively grounded in Islamic business ethics; effectiveness depends on ongoing distributor training.	Field practices show exploitation of reward potential to attract members without adequate risk understanding.

4.5 Gap Analysis and Implications for Sharia Construction

Table 4.1 reveals a consistent pattern: the normative PLBS construction formulated by DSN-MUI provides a relatively comprehensive framework for preventing money games and exploitation. Provisions concerning real halal products, sales-based bonuses, prohibition of pyramid systems, fairness in pricing, and ethical marketing already reflect the maqasid al-shariah in protecting wealth and ensuring justice in transactions. Yet when this framework is tested against the real-world practices of PayTren, K-LINK, and Tiens Syariah, three major patterns emerge.

First, there is a significant gap between official design and field implementation. In the cases of PayTren and Tiens, for example, the systems are formally aligned with the fatwa and, in some cases, have obtained Sharia certification; however, field research shows that bonus flows, distributor behavior, and marketing narratives still deviate from essential PLBS principles. This gap demonstrates that Sharia construction cannot stop at the level of documents and certificates; it must extend to robust mechanisms of supervision, training, and sanction that effectively govern behavior at the distributor level.

Second, the data point to structurally vulnerable points common to almost all Sharia MLMs, namely: (1) compensation models that still allow for substantial passive income to uplines without commensurate real sales contribution; (2) recruitment activities that, de facto, become the core narrative and primary driver of the business; and (3) pricing structures inflated to cover multi-layer network margins. These structural vulnerabilities are precisely where gharar, maysir, and zulm often arise, even when the underlying products are halal. In other words, a halal product base alone is insufficient; the network architecture and compensation scheme must be redesigned so that the product genuinely becomes the central source of value rather than a Sharia façade.

Third, there is empirical evidence that substantive Sharia implementation correlates positively with business performance. Research on the impact of Sharia concept application on Sharia MLM sales shows a positive and significant relationship: the stronger the implementation of Sharia principles (halal products, valid contracts, sales-based bonuses, ethical marketing), the better the sales performance. This underscores that rigorous Sharia construction is not a barrier to commercial growth; on the contrary, it can function as a powerful strategy for differentiation and trust-building in an environment saturated with MLM scandals.

Taken together, these findings imply that the “Sharia construction of multi-level marketing systems based on halal products” proposed in this study must rest on two core insights. First, while the PLBS normative framework is principled and robust, it must be translated into more detailed operational design: clear commission formulas that sharply limit or eliminate passive income without sales; objective criteria for distinguishing “true MLM” from money game schemes; rational thresholds for acceptable price mark-ups; and measurable standards for ethical communication and member protection. Second, such design must be coupled with binding monitoring mechanisms that shape distributor behavior, because it is at this level that violations of Sharia principles most frequently occur.

Accordingly, the research findings do more than reiterate the centrality of halal products as the value core in MLM. They show that without structural engineering of network design, compensation mechanisms, and governance systems, the “Sharia” label risks becoming mere cosmetic branding. A truly comprehensive Sharia construction requires the integration of fatwa-based norms, business-system design, and behavioral control in the field, so that MLM systems based on halal products can genuinely function as just, transparent, and welfare-enhancing instruments for Muslim consumers and distributors alike.

CONCLUSION

This research concludes that constructing a Sharia-compliant multi-level marketing (MLM) system based on halal products requires far more than attaching a “halal” label to goods or obtaining formal certification. Normatively, DSN-MUI Fatwa No. 75/DSN-MUI/VII/2009 already provides a strong framework that places real, halal, and beneficial products at the center of value; mandates that commissions and bonuses be tied to actual product sales; prohibits pyramid and money game schemes; demands fair pricing; and emphasizes honest, non-exploitative marketing ethics. This framework, if implemented consistently, aligns with maqasid al-shariah in protecting wealth, preventing injustice, and promoting transparent, mutually beneficial transactions.

Empirically, however, the study finds a persistent gap between this normative construction and the field practices of Sharia-labeled MLMs such as PayTren, K-LINK Syariah, and Tiens Syariah. At the design level, these companies generally claim to adopt the fatwa and, in some cases, possess Sharia certification. Yet in practice, there remain structural vulnerabilities: bonus schemes that still allow significant passive income for uplines without proportional sales effort; recruitment-centered narratives that overshadow genuine product distribution; pricing that is inflated to sustain multi-layered commissions; and marketing strategies that overpromise income or rewards and risk exploiting economically vulnerable participants. These discrepancies show that Sharia compliance confined to documents and formal structures is insufficient; the real test lies in how systems operate at distributor and consumer levels.

The findings also demonstrate that when Sharia principles are implemented substantively halal products, valid contracts, sales-based compensation, fair pricing, and ethical communication they not only reduce elements of gharar, maysir, riba, and zulm but also correlate positively with business performance. This indicates that rigorous Sharia construction is compatible with, and even supportive of, sustainable commercial success. Therefore, the study concludes that a viable "Sharia construction of multi-level marketing systems based on halal products" must integrate three dimensions simultaneously: (1) a clear normative framework grounded in fiqh muamalah and PLBS fatwa; (2) detailed operational design of network structure, compensation formulas, and pricing mechanisms that structurally minimize opportunities for exploitation; and (3) effective governance and supervision that ensures consistent ethical behavior throughout the MLM network. Only through this integrated approach can MLM based on halal products truly function as a just, transparent, and trustworthy instrument in the Islamic economic system.

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