

Shari'ah Compliance Rights in Implementation of Legal Principles on Shari'ah Banking

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Abstract

This study aims to find out, analyze and discover the nature of sharia compliance in Sharia banking business activities. This type of research is empirical normative with non-doctrinal or sociological approaches. Researchers used qualitative analysis of the results of the questionnaire and interviews as well as primary, secondary and tertiary legal materials. The results showed that; The essence of Shariah Compliance in Sharia Banking is for the purpose of benefit, prosperity and happiness, blessing, and worship to reach falah (glory). Research suggestions are the need for more intensive socialization, education and awareness process to the public / customers in order to understand the existence and function of sharia banking, 2) The need for aspects of sharia compliance for sharia banking to be a basic value, principles and guidelines, both stakeholders, officials, employees / employee, Sharia Supervisory Board.

Keywords

compliance; shari'ah; banking



I. Introduction

Indonesia is a predominantly Muslim country, including a country whose Islamic financial institutions have grown rapidly and have great potential for global Islamic finance. Islamic Finance Development Report 2017, reports that Indonesia is ranked 7th in the Top Countries in Islamic Finance Assets (2016) with total assets of 81.839 trillion rupiah, where the first rank is occupied by Iran with total assets of 545.377 trillion rupiah.

Indonesia has also gained international recognition along with the UAE, Saudi Arabia, Malaysia and Bahrain. Indonesia is currently considered to be in a position to offer lessons by other countries in the world for the development of Islamic finance. In addition, together with Qatar, Saudi Arabia, Malaysia UAE, Turkey who are members of the QISMUT, Indonesia is considered a driving force for future Islamic finance.

Islamic banking is a bank institution that is managed with Islamic principles. The presence or establishment of Islamic banking, should depart from objective conditions with the existence of the people's decision or economic demands. Then, for an Islamic bank to survive and develop, its institutional management must be credible and the implementation of its business activities must be professional. The development of Islamic banks in Indonesia, of course, there must be support from quality human resource management. Because, it is not possible for a sharia bank to achieve success without qualified HR management. (Tarigan, 2020)

On a national scale, Islamic banking also continues to experience growth. According to the latest data in May 2018, the number of Sharia Commercial Banks (BUS) is 13 banks, Sharia Business Units (UUS) are 21 banks, the number of BUS and UUS office networks is 34 banks, the number of Sharia Service Offices from UUS is 23 banks. This data has not been added to the growth of non-bank Islamic financial institutions such as sharia insurance, Baitul Mal wat Tamwil (BMT) and sharia pawnshops.

On a regional scale, it has also shown a significant development with the opening of BUS and UUS branch offices, sharia service (office channeling) and Sharia Rural Banks (BPRS) in several districts / cities to provide banking services with the sharia system.

The increase in the growth of Islamic banks in Indonesia today, of course, must be balanced and accompanied by strengthening the principles of sharia, both in terms of products, operations, behavior and sharia culture, so that the journey of Islamic banking can be ascertained according to the values, rules and norms of sharia applicable to Islamic banking, as well as being able to show the difference between the Islamic banking system and conventional banking.

To achieve this, all elements in Islamic banking need to safeguard Islamic banking products and sterilize them from things that are prohibited and are not in accordance with sharia provisions, which of course requires strengthening the principles of sharia which are extracted, extracted and formulated from sources. the glory of Islamic teachings, namely the Al-Quran, Al-Hadith, Ijma, and Ijtihad of the jurists / scholars, which are codified in various literatures reviewed by scholars or ulama associations in the Sharia Council, both on an international and national scale. Thus, the development and growth of Islamic Financial Institutions (LKS), especially Islamic banking, is in line with Islamic principles, as a characteristic and differentiator between Islamic banking and conventional banking.

In the midst of the growth of Islamic banking today, the main problem faced by Islamic banking today is the development of public opinion that doubts whether the products, operations, behavior and culture of Islamic banking have actually followed the values, rules and norms of sharia and regulations. applicable laws and regulations for Islamic banking. Many people still perceive and consider that Islamic banking is the same as conventional banking, because in business practice it is not much different from conventional banking, both in terms of product types, operations and business systems, which differ only in the type of contract. For example, the determination of interest rates imposed by conventional banking also applies to Islamic banking, even though it is packaged as profit and loss sharing, by setting a profit sharing ratio that is as competitive as possible with the rate (interest) offered by banks conventional to its customers.

Several Islamic banking researchers and scholars are still at odds with each other regarding the syariah of Islamic banks. Sheikh Muhammad Taqi Usmani (member of AAOIFI) stated that 85% of all sukuk (Islamic debt securities) traded around the world do not comply with Islamic principles. The conditions in Indonesia, according to Muhammad Arifin Baderi (an article written and published on the www.pengusahamuslim.com site) said that many Islamic banks have violated the fatwas of the National Sharia Council of the Indonesian Ulama Council (DSN-MUI) related to Islamic finance. For example, in the murabahah transaction, in which the DSN-MUI fatwa number 04 / DSN-MUI / IV / 2000 states that the bank must buy goods needed by the customer on behalf of the bank itself, and this purchase must be valid and free of usury. However, in practice, the bank only acts as an intermediary between the customer and the seller of the goods the customer wants (usually in the form of property), where the Islamic bank only distributes financing to help the customer buy the goods he wants, without buying the goods on behalf of the bank itself. Thus, it is suspected that Islamic banking still follows the pattern and behavior of conventional banking, both in terms of products, human resources and operations.

In addition, innovation and application of sharia banking products are required to continue to refer to the compliance aspect (obedience) as signs in developing sharia banking in Indonesia, where product innovation in sharia banking business activities must refer to sharia standards (shari'ah standards). And shari'ah governance, which is guided by

international standards, fulfilling the integrity and quality of Islamic banking human resources, conformity to the contract, and does not abuse the public as consumers.

These perceptions and assumptions constitute a challenge for sharia banking to continue to be able to create banking product innovations while maintaining and maintaining consistency in sharia principles as well as adjustments between benefits, dynamics of community needs for banking products and global economic conditions in its business practices, so that value can be proven. -The value of Islam is capable of and still exists amidst business and trade competition in the era of modern globalization to maintain business sustainability in accordance with the sharia system in Indonesia.

These problems are only a small part of the problems faced by Islamic banking in the practice of their business activities, which recently led to signals that some sharia banking business activities are against and violate sharia principles. This violation of sharia principles then raises the issue of non-compliance with sharia (Shari'ah Non Compliance) in the sharia banking business, whereas on the other hand, Islamic banking activities must be bound by what is known as Sharia Compliance, as a characteristic, characteristic and the difference between Islamic banking and conventional banking.

Normatively, according to Act Number 7 of 1992 concerning Banking, as amended by Act Number 10 of 1998 concerning amendments to Act Number 7 of 1992 concerning Banking, it defines Islamic banks as financial institutions which operate with a profit sharing system. Likewise, Law Number 21 of 2008 concerning Sharia Banking states the meaning of Islamic banking and the meaning of Islamic banking. Islamic banking, namely everything related to sharia banks and sharia business units, including institutions, business activities, and procedures and processes in carrying out their business activities. Sharia Bank is a bank that carries out its business activities based on sharia principles and according to its type, Islamic banks consist of Sharia Commercial Banks (BUS), Sharia Business Units UUS) and Sharia Rural Banks (BPRS). From this definition, it can be concluded that what is meant by a sharia bank is a financial institution which all rules and transactions follow sharia principles. So, in the operation of a sharia bank it is very much determined by sharia principles, there should not be any products that conflict with sharia principles.

The normativeization of sharia principles into the national banking legal system is a response to the growth and development of various sharia banking business activities as well as efforts to prepare legal instruments in maintaining sharia compliance which are based on legal principles and norms. Islamic economics / financial institutions and the provisions stipulated in the Islamic Financial Services Board (IFSB), Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and the Sharia Supervisory Board (SSB), as the international Shari'ah Standard.

In relation to the principles of sharia, fundamentally, Allah SWT through His revelations in the Al-Quran and Al-Hadith has explained the principles of sharia in every transaction carried out by His servants, which function as human signposts in every transaction. so that you can avoid practices that are forbidden and forbidden by Allah SWT. As Allah SWT says in Q.S. An-Nisaa (4): 29:

تَكُونُ أَنْ إِلَّا بِالْبَاطِلِ بَيْنَكُمْ أَمْوَالِكُمْ تَأْكُلُوا لَا آمَنُوا الَّذِينَ أَيُّهَا يَا
رَحِيمًا بِكُمْ كَانَ اللَّهُ إِنَّ أَنْفُسَكُمْ أَنْتَقُلْ وَلَا مِنْكُمْ تَرَاضٍ عَنْ تِجَارَةٍ

Meaning:

"O you who believe, do not eat each other's wealth in an evil way, except by way of commerce which is mutually exclusive between you. And don't kill yourselves; verily Allah is Most Merciful to you ".

Then in Surah Al-Baqarah (2): 188, Allah SWT said:

ا وَتُذَلُّوا بِالْبَاطِلِ بَيْنَكُمْ أَمْوَالِكُمْ تَأْكُلُوا وَلَا فَرِيقًا لِتَأْكُلُوا الْحُكَّامَ إِلَىٰ بِهِ

النَّاسِ أَمْوَالٍ مِنْ تَعْلَمُونَ وَأَنْتُمْ بِالْإِثْمِ

Meaning:

"And do not eat part of the wealth among you in an immoral way, and (do not) bring (the affairs) of that property to the judge, so that you can eat a portion of the other person's property by (sinning), whereas you know ".

Furthermore, in Q.S. Al-Maidah (4): 2, Allah SWT says:

ي وَتَعَاوَنُوا لِلَّهِ وَأَتَّقُوا وَالْعُدْوَانَ الْإِثْمَ عَلَىٰ تَعَاوَنُوا وَلَا تَتَّقُوا نَالِيًّا عَآ

الْعِقَابِ شَدِيدُ اللَّهِ إِنَّ

Meaning:

"And help you in (doing) goodness and piety, and don't help in committing sins and transgressions. And fear Allah, indeed Allah is very heavy in punishment ".

In addition, the Prophet Muhammad SAW's warning in his hadith narrated by Abu Hurairah Radiyallahu Anhu, said: "There will come a time in humans, they no longer care in what way and how to get the property they get, whether through lawful means or by means of which is haram "(Narrated by Bukhari).

The aforementioned provisions constitute a normative and philosophical basis that must be implemented in developing a kaffah sharia economic system in various fields and sharia business activities, including Islamic banking. These legal provisions serve as guidelines and should be able to be followed and obeyed in developing the sharia business without abandoning the values and principles of sharia, starting from the process of production, distribution, sales, consumption and service, so that the entire series of economic activities is Islamic, useful, provide welfare and happiness, blessings and have the value of worship.

II. Reseach Method

This research was conducted in South Sulawesi Province in 6 (six) Regencies / Cities, namely Makassar City, Parepare City, Gowa Regency, Maros Regency, Sidenreng Rappang Regency and Pinrang Regency, in 6 (six) Sharia Commercial Banks and Sharia Business Units, namely: Bank Muamalat Indonesia (BMI), Sharia State Savings Bank (BTN Syariah),

Bank Syariah Mandiri (BSM Syariah), Bank Negara Indonesia Syariah (BNI) Syariah), Sharia Regional Development Bank (BPD Syariah), and Bank Rakyat Indonesia Syariah (BRI Sharia), on the grounds that the 6 (six) banks are in the 6 (six) regencies / cities where the research is located.

The distribution of research locations in several cities in South Sulawesi is intended to capture and seek information and data on violations of sharia principles (non-compliance with sharia) in the practice of sharia banking business activities in South Sulawesi, so that data and information can be obtained significantly and widely, so that The purpose of this research is to find out violations of sharia compliance in banking business activities that can be achieved and well represented. To enrich this research repertoire, research will also be carried out at the Financial Services Authority (OJK), the Sharia Banking Committee (KPS) at Bank Indonesia Makassar, the Sharia Supervisory Board (DPS) South Sulawesi, and the National Sharia Council Institution of the Indonesian Ulema Council (DSN- MUI) in Jakarta

The research sample was 44 samples with non-random sampling technique, which consisted of 16 respondents in Makassar City, 12 respondents in Parepare City, 4 respondents in Gowa Regency, 4 respondents in Maros Regency, 4 respondents in Pinrang Regency, and 4 respondents in the Regency. Sidenreng Rappang, with data collection techniques using interview techniques, interviews, question and answer, distribution of questionnaires and observations. Qualitative data analysis after being quantified into tables and charts.

III. Discussion

Sharia compliance is compliance with sharia principles that have been formulated in the fatwa of the sharia board and have been outlined and standardized in a Bank Indonesia Regulation, which is implemented by the Sharia Banking Committee. Sharia compliance is the fulfillment of all sharia principles in all activities carried out as a manifestation of the characteristics of Islamic financial institutions, including Islamic banking institutions.

Sharia principles in Article 12 paragraph (3) of Decree of the Director of Bank Indonesia No.32 / 148 / KEP / DIR dated November 12, 1998, it is explained that banks based on sharia principles are: Agreement rules based on Islamic law. Banks with other parties to deposit funds / finance business activities or other activities declared in accordance with sharia, including financing based on the profit sharing principle (mudharabah), financing based on capital participation (musyarakah), the principle of buying and selling goods for a profit (murabahah), or financing of capital goods based on the principle of pure lease without choice (ijarah) or with the option of transfer of ownership of the goods leased from the bank by another party (ijarah waiqtina).

The position of sharia principles in the sharia banking legal system is the basis for the operation of sharia banking activities, particularly in carrying out the intermediation function. This intermediation function is a function inherent in banking institutions because it carries out activities in the form of receiving investor money, pooling it, and investing the pooled funds in other institutions. The bank as a financial intermediary institution becomes a facilitator for the mobilization of capital entrusted to it in various forms, so that from the results of this movement, each party, namely the owner of capital or those who use it, benefits from the existence of a bank compared to if they have to invest their capital directly without a facilitator.

This intermediation function is also owned by Islamic banking with certain characteristics, namely that the intermediation function inherent in Islamic banking is an intermediation function that is bound to sharia principles. The characteristics possessed by sharia banking give the institution an obligation to comply with 2 (two) legal rules, namely

national positive law rules, especially in the banking sector (laws and ulama's fatwas) as well as sharia principles adhered to in Islamic teachings.

The issue of Shari'ah Compliance is an important element in the management and operation of Islamic banking. Sharia compliance is an aspect that distinguishes Islamic economics from conventional economies or between Islamic banking and conventional banking.

In the context of sharia banking, sharia compliance is a crucial issue, because until now, it is suspected that sharia banking is still following the pattern of conventional banking in terms of products, human resources and operations. The public still perceives that Islamic banking is the same as conventional banking. One of the contributing factors is the recognition of the dual banking system, in which conventional banking and Islamic banking are equally recognized and valid. However, this was not confirmed by Endang Kurnia Saputra, who argued that the current public did not understand the existence of Islamic banking both in terms of products and contracts.

Sharia compliance is at the core of the integrity and credibility of Islamic banking. The existence of Islamic banks is aimed at meeting the needs of the Islamic community for the implementation of Islamic teachings as a whole (kaffah), including the activities of channeling funds through Islamic banks. Public trust and confidence in Islamic banks are based and maintained through the implementation of Islamic legal principles. Without compliance with sharia principles, people will lose the features they are looking for so that it will affect their decision to choose or continue to use the services provided by sharia banking, so that non-compliance with sharia principles will have a negative impact on the image of sharia banking and has the potential to be abandoned by potential customers or customers who have used Islamic banking services.

Sharia compliance is an absolute requirement that financial institutions conducting business activities based on sharia principles must fulfill. It is firmly stated that sharia compliance is the *raison d'être* of Islamic banking institutions. Sharia compliance is an important aspect that distinguishes Islamic economics from conventional economies. Or between Islamic banking and conventional banking.

The importance of sharia compliance is because sharia compliance is an instrument to maintain and maintain so that all activities and business fields of sharia can be carried out in accordance with the instructions and rules of the Koran and Sunnah so that all sharia economic activities can provide and maintain the values of worship to Allah SWT

The real meaning of sharia compliance in Islamic banking is the application of Islamic principles, sharia and traditions to financial transactions and banking and other related businesses. Consistently, and make sharia a framework for the syariah banking system and finance in resource allocation, management, production, capital market activities and wealth distribution. Sharia compliance in bank operations should include products, systems, techniques, and corporate identity, not just products. Because sharia provides direction for the system and finance of Islamic banks in resource allocation, management, production, capital market activities, and distribution of wealth. Therefore, corporate culture, which includes clothing, decorations, and corporate images, is also an aspect of sharia compliance in Islamic banking which aims to create a collective morality and spirituality which, when combined with the production of goods and services, will support the progress and growth of the way of life. the Islamic one.

Sharia compliance operationally (practically) is compliance with the fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) because this DSN-MUI fatwa is the embodiment of sharia principles and rules that must be adhered to in Islamic banking in Indonesia. Thus, all fatwas issued by the DSN-MUI become a working

reference for the Sharia Supervisory Board (DPS) which has strong salability and binding power in the application of sharia principles and rules in Islamic banking.

Bank Indonesia as the holder of banking policy in Indonesia through the Sharia Banking Committee (KPS) has made the DSN-MUI fatwa as positive law for Islamic banking. The DSN-MUI fatwa that has been interpreted, formulated and formalized by the KPS into a Bank Indonesia Regulation (PBI) which regulates the sharia aspects of Islamic banking in Indonesia aims to create uniformity of norms in the aspect of sharia for all sharia banking products, therefore PBI becomes the standard Sharia compliance for SSB at the practical level is binding for SSB in carrying out its supervisory function in every Islamic banking and becomes the basis for legal action for the parties concerned.

Sharia compliance assurance for all Islamic banking activities is very important for customers and society. Indicators that can be used as a qualitative measure to assess sharia compliance in Islamic banking include:

1. The contract or contract used to raise and distribute funds in accordance with the principles and rules of the applicable sharia;
2. Zakat funds are calculated and paid and managed in accordance with the rules and principles of sharia;
3. All transactions and economic activities are reported fairly in accordance with applicable sharia accounting standards;
4. Work environment and corporate culture in accordance with Sharia;
5. Businesses and businesses that are financed are not in conflict with sharia;
6. There is a sharia supervisory board as a sharia supervisor for all operational activities of a sharia bank;
7. Sources of funds come from legal and halal sources of funds according to sharia. The indicators mentioned above are general principles that become general references for Islamic bank management in operating Islamic banks. Sharia compliance in Islamic bank operations is assessed based on the above indicators, namely whether bank operations have been carried out in accordance with the general indicators of sharia compliance. Prof. Rifaat Karim, Secretary General of IFSB, said that there are three models of sharia supervision by DPS which are manifested in the form of DPS organization, namely:
 - a. Advisory model, namely: making sharia experts only as advisors and their position in the organization as part time workers who come to the office if needed;
 - b. The supervision model, namely: the existence of sharia supervision carried out by several sharia experts on Islamic banks by regularly discussing sharia issues with the decision makers of the organization's operational and financial;
 - c. The sharia department model, namely: the sharia supervision model carried out by the sharia department. With this model, the sharia experts are on duty full time, supported by technical staff who assist the sharia supervision tasks outlined by the department's sharia experts.

In addition to the three models above, there is a variation model for the sharia department model, namely by expanding the duties and scope of the internal audit department by including aspects of sharia. The sharia banking internal audit department will serve as a supporting function for DPS in carrying out sharia supervisory tasks. So that the internal audit department will work based on SSB guidelines for matters related to sharia aspects and report its findings on sharia aspects to DPS.

Regarding the compliance aspect of Islamic banking in Indonesia, Endang Kurnia Saputra, argued that the solution to increase the growth of the sharia banking business while

maintaining sharia compliance, Sharia compliance for Islamic banking should aim and have implications for:

1) Sharia banking product development / innovation; 2) Sharia economic growth; 3) Profit / profit of Islamic banking in the financing sector; 4) Target achievement of asset growth, turnover and market share, margin and revenue sharing, and fee based income.

With the application of sharia principles in sharia economic activities in everyday life, it is hoped that welfare will be achieved and the economic condition of this nation will be even better towards a just, prosperous and prosperous nation.

The results of research on respondents (Islamic bank employees) on the standards / norms of sharia compliance in the products and operations of Islamic banking in South Sulawesi are described in the following table:

Table 1. Respondents' Answers (Islamic bank employees)
Against the Questionnaire Questions

NO	QUESTION	ANSWER					INFORMATION
		A	B	C	D	JML	
1	Do Mr / Ms, Mr (i) know about the existence of Sharia Compliance Standards for Islamic Banking?	11	0	0		11	A. Yes, know B. Do not know C. Doubtful
	Percentage (%)	100	0	0		100	
2	According to Mr / Ms, Mr (i), Has the practice of Islamic Banking (operational, product and service) used Sharia Compliance Standards / Norms?	8	0	3		11	A. Yes B. No C. Doubtful
	Percentage (%)	72,7	0	27,3		100	
3	According to Mr / Ms, Mr (i), Is the practice of Islamic Banking so far (in terms of operations, products and services) in accordance with Sharia Compliance Standards / Norms?	7	3	1		11	A. Ye, Finish B. Not yet/unsuitable C. Do not know
	Percentage (%)	63,6	27,3	9,1		100	
4	Does the Customer understand / understand the types of Islamic Bank products?	5	3	3		11	A. Yes, Understand/understand B. Not Understand/understand C. Doubtful
	Percentage (%)	45,5	27,25	27,25		100	
5	Are Islamic Bank Employees / Employees aware of the existence of fatwas of the MUI National Sharia Board regarding Operations, Products and Services of Sharia Banks?	4	7	0		11	A. Yes, Know B. Do Not Know C. Doubtful
	Percentage (%)	36,4	63,6	0		100	

Data source: Primary data processed in 2020

Answers to the questionnaire questions by 11 respondents (employees / employees) of Islamic banks in the table above are explained as follows:

1. Understanding of respondents whether they know about the existence of Sharia Compliance Standards for Sharia Banking, 100% said that all respondents know about the existence of sharia compliance standards;
2. Respondents' understanding of whether Sharia Banking Practices during this time (in terms of operations, products and services), have used Sharia Compliance Standards / Norms, 72.7% said they had used, and 27.3 said they were doubtful;
3. Respondents' understanding of whether Sharia Banking Practices so far (in terms of operations, products and services) are in accordance with Sharia Compliance Standards / Norms, 63.6% said they were in accordance with standards / norms, 27.3% said not or not with standards / norms, and 9.1% said they did not know;
4. Respondents' understanding of whether the customer understands / understands the types of Islamic Bank products, 45.5% said they understood and understood the types of Islamic bank products, 27.5% said they did not understand or did not understand, and 27.25% say hesitantly;
5. Respondents' understanding of whether Sharia Bank employees / employees know about the existence of the MUI National Sharia Board fatwas, related to Sharia Bank Operations, Products and Services, 36.4% said they knew about the existence of these fatwas, 63.6% said not know.

Muhlis Sufri, argued that the basis for sharia compliance is the Koran and the Sunnah of the Prophet, in that process it is not only the principle of developing banking products and services that must meet the aspects of sharia compliance, but also the people, no matter how good the products are even innovated or the concept of a new business ecosystem while humans conventional way of thinking will not achieve shari'a compliance, so that it can lead to a public perception that it is only a casing.

The slow market share in Islamic banking compared to the total Muslim population / citizens (as much as $\pm 80\%$) is because we are faced with an unprepared transformation, namely human resources. Our human resources are not ready or not in accordance with the expectations targeted by the government, banks and society. So that society in general has not given their choice to sharia-based banking. So that the occurrence of stigmatization in the community requires a process of awareness that if you do not believe in the sharia system, you do not believe in the Koran and Alhadits, because the basic concept of sharia economics is a partnership. This partnership pattern is a strong difference between the Islamic economic / banking system and the conventional economic / banking system. The business concept in the sharia system is partnership, business is carried out because there is a real sector that must be moved where money is only an instrument, not a commodity.

Sharia compliance with banks in South Sulawesi (Sulsel) which is under the supervision of DPS Sulsel is carried out based on OJK regulations, PBI and DSN-MUI fatwas, which are currently considered good enough, although there is no guarantee because there are still several cases of violations of the principles sharia compliance. The essence of sharia compliance is to want yourselves to be correct, doing business is carried out in accordance with sharia principles. If it is not obeying the sharia it can damage the soul, destroy generations and destroy reason, therefore, the essence of sharia compliance is aimed at achieving falah (glory).

From the description above, according to the author, sharia compliance in Islamic banking is adherence to the sharia principles contained in the Al-Quran and Al-Hadith which have been formulated into the fatwas of the National Sharia Council-MUI and have been standardized in Bank Indonesia regulations, the implementation of which is carried out by the

Sharia Banking Committee and is implemented in the practice of sharia banking business activities. Sharia Compliance (Shari'a Compliance) in Islamic banking must be a benchmark for the success of a sharia banking in carrying out its business activities both in terms of products, management and operations. Therefore, sharia compliance is the spirit and spirit of Islamic banking. Non-compliance with sharia (Sharia'ah Non Compliance) will downgrade and degrade Islamic banking as well as conventional banking.

The implementation of sharia principles as the basis and guidelines for sharia compliance for Islamic banking, according to the author, should have implications for: 1) Change in Mindset; 2) Behavior Change; 3) Changes in the Islamic Culture and Economic System; 4) Changes in the Work Procedure and Work Order of Sharia Banking, and 5) Changes in Social Obedience.

This change will lead and direct sharia banking to the essence of sharia compliance, namely the purpose of the benefit, welfare and happiness of the world and the hereafter to obtain the Grace, Grace and Pleasure of Allah SWT in reaching Falah (Glory), as the main goal of sharia economics (maqasid syariah). Allah SWT. Thus, according to the author, sharia compliance in sharia economic activities essentially aims at: 1) The Dimension of Benefit, 2) The Dimension of Welfare and Happiness, 3) The Dimension of Blessing, and 4) The Dimension of Worship, to obtain the Grace, Grace, and Pleasure of Allah SWT in reach for Glory (Falah). According to the author, these four dimensions are the theory and philosophy of sharia compliance (Shari'ah Compliance) which the author calls the Shari'ah Compliance Dimension Theory, which is described in the following schema / chart:

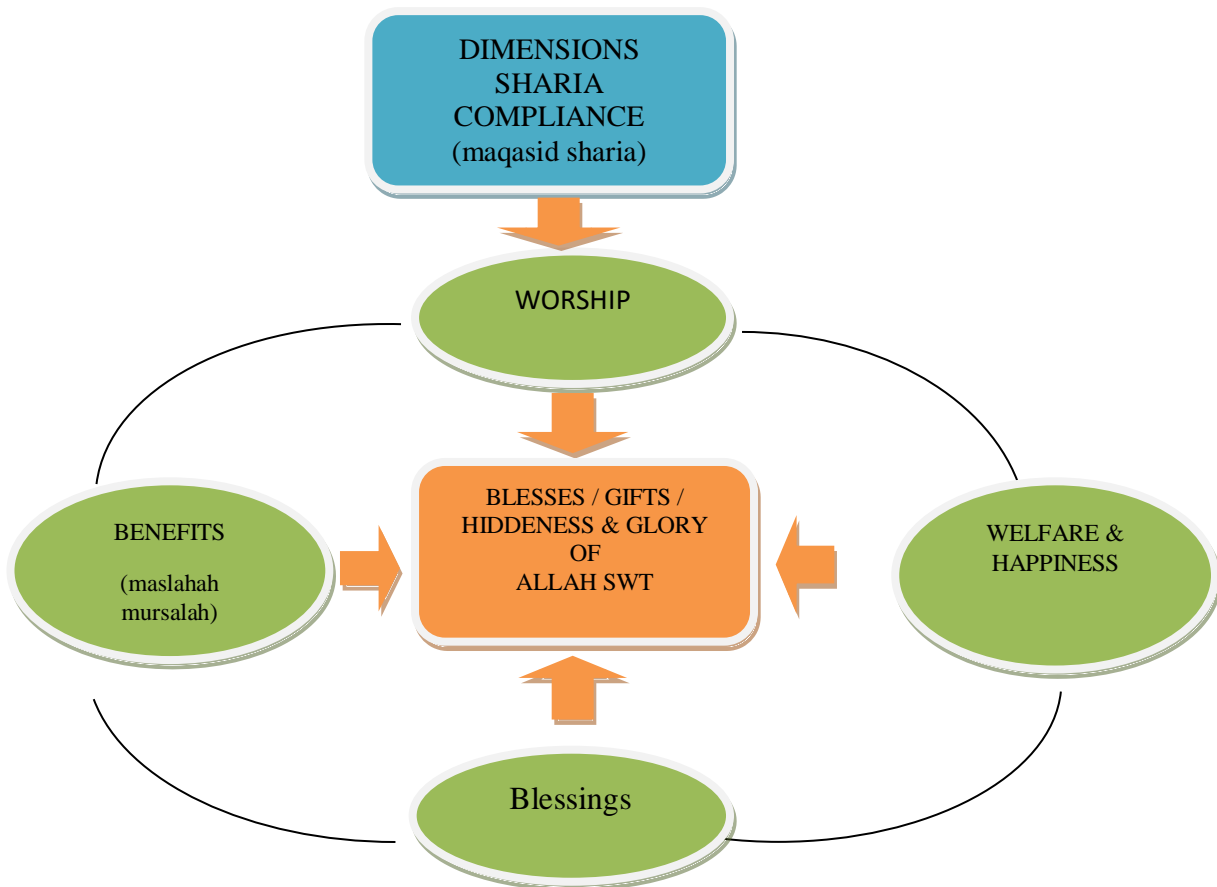


Figure 1. Dimensions of Sharia Compliance Schematic

To reach the Falah (Glory), Allah SWT says in the Koran as described below:

1. Q.S. Al-Israa (17): 9, Allah SWT said, which means: "Surely this Al Quran gives directions to a more straight (path) and gives good news to the people of Mu'min who do righteous deeds that for them there is reward. the big one".
2. Q.S. Al-An'am (6): 153, Allah SWT said, which means: "And that (which We command this) is My straight path, so follow him, and do not follow (other) paths, for they have driven you from his ways. That is what Allah commands you to be cautious.
3. QS Al-Qashash (28): 77, Allah SWT said, which means: "And look for what Allah has bestowed on you (happiness) in the hereafter, and do not forget your happiness from worldly (enjoyment) and do good (to others) just as Allah has done good to you, and do not do harm to the earth. Indeed, Allah does not like those who do damage".
4. QS An-Nahl (16): 97, Allah SWT said, which means: "Whoever does good deeds, both male and female in a state of faith, then we will actually give him a good life and in fact We will give. reward them with a reward that is better than what they have done".
5. Q.S. Hud (11): 108, Allah SWT said, which means: "As for those who are happy, then their place is in heaven, they are eternal in it as long as there is heaven and earth, unless your Lord wills (another); as a gift that never stops.
6. Q.S. An-Nisaa (4): 134, Allah SWT said, which means: "Whoever wants reward in the world alone (then he loses), because with Allah there is a reward in the world and the hereafter. And Allah is All-Hearing, All-Seeing".
7. Surah Al Hadid (57): 20, Allah SWT said, which means: "Know, that in fact the life of this world is just a game and something that is neglecting, jewelery and boasting between you and being proud of the many wealth and children, like rain whose crops amaze the peasants; Then the plant dries up and you see it is yellow and then crumbles. And in the hereafter (later) there will be harsh punishment and forgiveness from Allah and His good pleasure. And the life of this world is nothing but deceptive pleasures".

From some of the words of Allah SWT, sharia compliance is expected to have dimensions of benefit (maslahah mursalah), dimensions of welfare and happiness, dimensions of blessings, and dimensions of worship. The objective that compliance must be achieved is the essence of sharia compliance, so that the syariah economic system and transactions can provide benefits, blessings and value of worship in every muamalah activity in human life. The concept of maslahah mursalah in sharia economic activities is not only oriented or aimed at achieving benefits (welfare and happiness) but must also provide blessings and values / purposes of worship, because if it is only aimed at obtaining benefits it is only in a worldly dimension. Living with a mere worldly target only ends in fulfilling the pleasures of life and not approaching Allah SWT as warned in QS Al-Hadid verse 20, whereas if the goal is for worship it will have dimensions of the purpose of the world and the hereafter (worldly and ukhrawi), towards heaven Allah Azza Wajalla

IV. Conclusion

The essence of sharia compliance in Islamic banking is for the purpose of welfare and happiness in the world and the hereafter to obtain the Grace, Grace and Pleasure of Allah SWT in reaching Falah (Glory), as the main goal of sharia economics (maqasid syariah) which Allah SWT wants. Sharia compliance essentially aims at: 1) The Dimension of Benefit, 2) The Dimension of Welfare and Happiness, 3) The Dimension of Blessing, and 4) The Dimension of Worship, to obtain the Grace, Grace and Pleasure of Allah SWT in reaching Glory (Falah).

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