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The concept of contemporary Islamic economics version of Muhammad Antonio Syafii (government policy in the development of Islamic banking in Indonesia)

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ABSTRACT

Muhammad Syafii Antonio is a figure who contemporary Islamic Economics in Indonesia who is very well known and contributed many thoughts to the development of Islamic economics, especially sharia banking in Indonesia. This article aims to reveal the concept of Islamic banking and government policy in developing Islamic banking in Indonesia's version of Muhammad Syafii Antonio. The method used is a literature review with the primary source of the book " Sharia Banking From Theory to Praktik ". The study results show that Islamic Banking presents a way for Muslims to use banking services free from elements of interest. Conventional banks are an alternative for people who are incompatible with interest systems and prefer a profit-sharing system. As a system, Islamic banks apply Islamic principles, namely deposit (wakalah), profit sharing (sirkah), buying and selling (murabahah), leasing (ijarah) and service principles. The problems faced in the developing Islamic Banking in Indonesia are that the public does not yet have a proper understanding of Islamic banks, existing regulations have not fully accommodated the operational system of Islamic banks, Islamic banking does not yet have a vast network reaching various corners, and there is still a lack of human resources with expertise in sharia banking. The policy steps taken by the government include: continuing to socialize sharia banking to all level of society, making improvements to applicable regulations, continuing to develop sharia bank networks throughout Indonesia and increasing sharia banking outreach to all levels of society.

Keywords: Islamic banking; basic principles of Islamic banking; government policy

1. INTRODUCTION

Banks are business entities that collect public funds and then distribute them to other members of the public who need them either for investment or to pay for consumptive needs such as buying houses, private vehicles, and others, as well as providing services (transfers, clearing, collections, bank guarantees, L/C, Safe deposit box etc). Banks are very much needed by the community in their daily economic activities, both as employees, entrepreneurs and the government. With the presence of banks, economic activities going back to ancient times could be done using barter. The first bank in the world in the physical form of a bank is Banca Monte Dei Pasci, a bank in Italy established in 1397. In fact, since the 18th century BC, there have been banks in the world, but the form is still in the form of banking services in houses of worship. Banks continued to grow rapidly in Europe, but problems arose when these banks used interest instruments in their operational systems. The Europeans continued to explore the world and colonize the nations of the world so that they could control the world's economic activities. At that time, Islamic civilization was in decline, so one by one, it fell under the control of the Europeans. As a result, the Islamic economic institutions fell and were replaced with a European-style economic system, including the interest-based (conventional) banking system, until today's modern era.

Islamic banks come with Islamic principles by the Al Quran and Hadith. Conceptually, Islamic banks are in line with the Islamic economy, which has existed since the time of the Prophet Muhammad SAW. In the muaamalah system, Muslims believe that everything related to fellow human beings is permissible as long as there is no argument against it. The Islamic concept that underlies sharia banking originated in the era of the Prophet Muhammad SAW, with relationships between individuals and other individuals in terms of daily economic life carried out according to Islamic guidelines. However, in the current development, these guidelines began to be developed by preachers and scholars. Islam from the relationship between individuals to become a bank or non-bank financial institution. This continues to be done so that Muslims can also be served financially by financial institutions that are by sharia and leave things that smell of usury and other transactions that are prohibited and forbidden in Islam to benefit humanity which is rahmatan lil alamin, for this reason the idea of sharia banking was sparked.

Efforts to implement the sharia system (profit sharing) were first found in Pakistan and Malaysia in the 1940s by managing the funds of the Pilgrims unconventionally, and then in 1963, in the village of Mit Ghamr Cairo, Egypt, the Islamic Rural Bank was established, after which Islamic banks continued to develop with very rapidly throughout the world, both in Muslim-populated countries and in European, American and Australian countries (Hasan & Ahmad, 2020). It is encouraging that international financial institutions such as Citi Bank, ANZ etc. have opened sharia branches and subsidiaries. In Indonesia until the end of 2022 there are 12 Sharia Commercial Banks and 21 Sharia Business Units. The rapid development of Islamic banks and Islamic financial institutions cannot be separated from the role of Islamic economic thinkers in this world, among others

Dr. Muhammad Syafii Antonio, M.Ec is one of the Islamic thinkers in Indonesia. In his biographical notes, he turned out to be a convert who received guidance from Allah SWT to embrace Islam as a religion that is rahmatan lil alamin. Muhammad Syafi'i Antonio was born in Sukabumi, West Java, on May 12 1967. His real name is Nio Gwan Chung, and he is an Indonesian citizen of Chinese descent. Muhammad Syafi'i Antonio's thoughts regarding the economic system, especially Islamic banking, are strongly motivated by internal and external factors. Internal factors, namely arising from his educational background and visits to various parts of the Islamic world about sharia banking, ultimately spurred a solid desire to develop sharia banking in Indonesia. External factors that provide opportunities include the issuance of Law no. 7 of 1992, updated with Law no. 10 of 1998, concerning the legal basis of sharia banking in Indonesia (Antonio, 2017). His thoughts on contemporary Islamic economics are exciting, especially in his book "Sharia Bank from Theory to Practice". The book contains the concept of Islamic banking. What is its relevance to the current situation of Islamic banking? The authors are interested in creating an article entitled "Contemporary Islamic Economic Concepts of Muhammad Syafii Antonio's Version (Government Policy in the Development of Islamic Banking in Indonesia).

2. METHODS

The method used in writing this article is a literature review, with the main source being the book "Sharia Banking from Theory to Practice". Besides that, various other secondary data sources are also used in the form of journals or other writings and adopt the opinions of experts and practitioners in Islamic banking. This qualitative research analysis describes the results of the research and discussion.

Qualitative methods emphasize observing phenomena and emphasizing the substance of these phenomena. The arrangement of words and sentences determines the acuity of analysis in qualitative research. Therefore, it is necessary to focus on the process of composing words and sentences so that the research results have a deep meaning. Qualitative research focuses on human elements, objects, and institutions and the relationship between these elements in understanding an event or phenomenon.

3. RESULTS AND DISCUSSION

Islamic Banking Concept

Antonio stated that Islam is comprehensive, universal, and a way of life. Comprehensive means that Islam concerns various aspects of the excellent life concerning muamalah and worship, while universal means that Islamic sharia can be implemented anytime and anywhere. This universality can be seen in muamalah activities, which have a broad and flexible reach and do not make differences between Muslims and non-Muslims. If implemented consistently and continuously in various aspects of life, Islam will form a sound and thayyibah life system (Antonio, 2001).

The emergence of Islamic banks and other non-bank financial institutions is an endeavour of Muslims to carry out various aspects of the economy based on Islamic principles contained in the Al-Quran and Hadith. The Sharia Supervisory Board supervises Islamic banks under the monitoring of the MUI National Sharia Council. The Sharia Supervisory Board has a vital role in developing Islamic banks. If the Sharia Supervisory Board is negligent in carrying out its obligations and allows violations of sharia rules, it will significantly impact public trust in Islamic banks (Prabowo & Jamal, 2017). The development of Islamic banks is marked by the issuance of Law no. 10 of 1998 which regulates the legal basis and types of businesses that can be operated and implemented by Islamic banks.

Furthermore, Islamic banks get their legal umbrella in line with the issuance of Law No. 21 of 2008 concerning Sharia Banking. Islamic banks have several similarities with conventional banks, including mechanisms for receiving money, transfers, clearing, collection, computer technology, etc. However, a very principled and fundamental comparison between conventional and Islamic banks is presented in table 1 below.

Table 1. Comparison between Islamic Banks and Conventional Banks

Sharia Bank	Conventional Bank
Invest in halal only	Not looking at halal or haram
Based on profit sharing	Using interest system
Profit and Maslahah oriented	Profit oriented only
Pattern of partnership with customers	Pattern of relationship between debtors and creditors
In accordance with the DSN MUI Fatwa	There is no similar council

According to Antonio, there are several explanations regarding usury. However, there are saying that usury is marked by additions to both buying and selling and borrowing and is done in vain, contrary to the principles of Islamic muamalah. There are 4 types of usury, namely: usury qardh, usury jahiliyyah, usury fadl and usury nasi'ah. Riba qard shows a hint that there is a benefit or excess that the debtor bears. Riba Jahiliyyah shows that a debt payment exceeds the principal because it cannot pay it off at a predetermined time. Riba fadl indicates the exchange of similar goods at different rates. Riba nasi'ah shows that there is an addition to the goods delivered at this time with the goods delivered later.

Some of the reasons for justifying taking usury, according to some scholars, include: legal interest is lawful in an emergency. What is prohibited is only multiple interest rates. In contrast, reasonable interest rates and not tyrannical are legal; banks are not included in the Mukallaf category because they are institutions, so they are not exposed to riba verses and hadiths. For emergency reasons based on al-Baqarah: 173, while multiple reasons are based on a wrong opinion about Surat Ali Imran: 130. For reasons of not imposing taklif laws on banks, Antonio strongly opposed this as an institution so that its existence was legalized. There were many explanations for this, including that in the pre-Prophet era in the Roman, Greek and Persian diaspora, it was not true that there were no banks at all. Riba undertaken by a person will undoubtedly have a more significant impact if the usury is undertaken by an institution such as a bank. That is Antonio's reason. The prohibition of usury is found in both the Al-Quran and hadith, in the Koran, including in the letters Ar-Ruum: 39, an-Nisaa': 160-161, Ali Imran: 130, al-Baqarah: 278-279, and in The hadiths include: HR Bukhari no. 2084 book al-Buyu, HR. Bukhari no. 2145, book al-wakalah, HR. Bukhari No. 2034, book of al-Buyu, HR. Muslim no. 2791 in the book al-Masaqqah, HR. Bukhari No. 6525 book at-Ta'bir, HR. Muslim No. 2995, the book of al-Masaqqah,

Interest is characteristic of cash for conventional banks in obtaining business profits while profit sharing is characteristic of Islamic banks in carrying out their business operations. The two are sometimes confused, however, according to Antonio, the differences between the two are presented in table 2.

Table 2. Differences in interest and profit sharing

Interest	Profit Sharing
Interest is determined when making the agreement	Profit sharing is determined based on the ratio agreed at the time of the contract.
Presentation multiplied by nominal money	Profit sharing ratio multiplied by the profit or loss that will be received
Payment of interest according to what has been agreed upon does not depend on the profit or loss of the project	The profit sharing received depends on the profit and loss of the project
Interest existence is doubtful	No one doubts the profit sharing

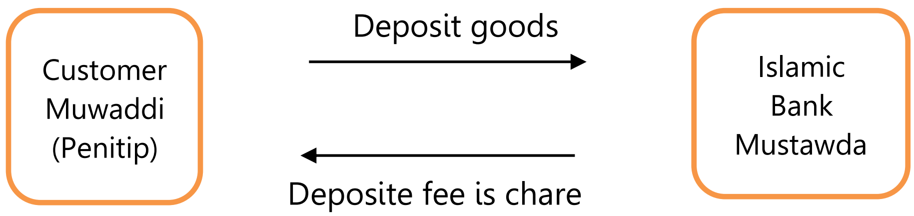
Riba harms the economy and society. The economic impact of usury causes inflation (inflation), and high-interest rates will also cause prices to be set higher. The impact caused by the interest system on society is due to injustice in the interest system. Communities using bank capital with an interest system are forced to continue to be profitable in running their business so they can repay the principal of the loan as well as the interest.

As a system, Islamic banks apply Islamic principles, including deposit (al-Wakalah), profit sharing (shirkah), buying and selling (al-Murabahah), leasing (al-Ijarah) and the principle of service.

The principle of deposit (al-wadiah) is a deposit in the form of goods from one party to another, which must be returned if the depositor wants it. The basis in the Koran regarding safekeeping is found in an-Nisaa: 58, al-Baqarah: 283 and HR. Abu Dawud. The principle of al-Wadiah consists of two types, namely al-Wadiah Yad al-

Amanah and al-Wadiah Yad adh-Dhamanah. In wadiah al-Amanah, the deposit recipient is fully responsible for the goods entrusted to him unless the damage to the goods is caused by force majeure (not negligence). The deposit recipient cannot use the item entrusted (Pratiwi & Makhrus, 2018). The Wadiah Yad Amanah scheme is presented in Figure 1 as follows.

Figure 1. Wadiah Yad Amanah Scheme

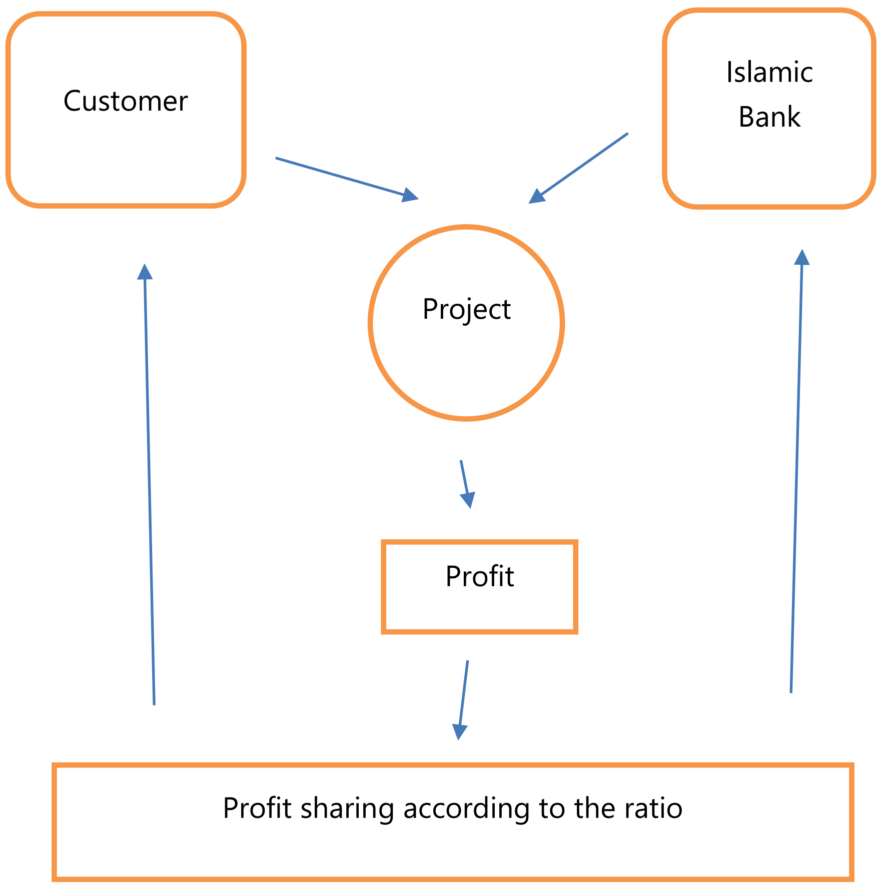


At wadiah Yad Dhamanah, the money depositor must permit the bank to manage the money and return it if desired by the depositor; in this case, the bank customer and the bank are fully responsible for the customer's money. In Islamic banks, the wadiah yad dhamanah contract is implemented to open current and savings accounts. Thus the bank has the right to manage the money deposited by the customer and get benefits while guaranteeing the return of the money deposited by the customer. The bank is allowed to provide incentives or bonuses as long as it is not agreed upon in advance. The Wadiah Yad Dhamanah scheme is presented in Figure 2 below.

Figure 2. Al-Wadiah Yad Adh-Dhamanah Scheme

Profit sharing (Musyarakah) can be done using 4 contracts, namely: musyarakah, mudharabah, muzara'ah and musaqah. The four contracts often used are musyarakah and mudharabah, while muzara'ah and musaqah are devoted to financing in the agricultural sector. Musyarakah is a cooperation contract between two or more parties, and each party contributes funds for the business. The sharia basis for this al-musyarakah contract is the Koran letter an-nisaa': 12, Shaad: 24 and HR Abu Dawud no. 2936 and Ijma ulama. This musyarakah contract is usually applied to finance a project with capital originating from the bank and its customers in an agreed proportion, and the distribution of the results is by the proportion of the funds invested. The al-Musyarakah scheme is presented in Figure 3 as follows.

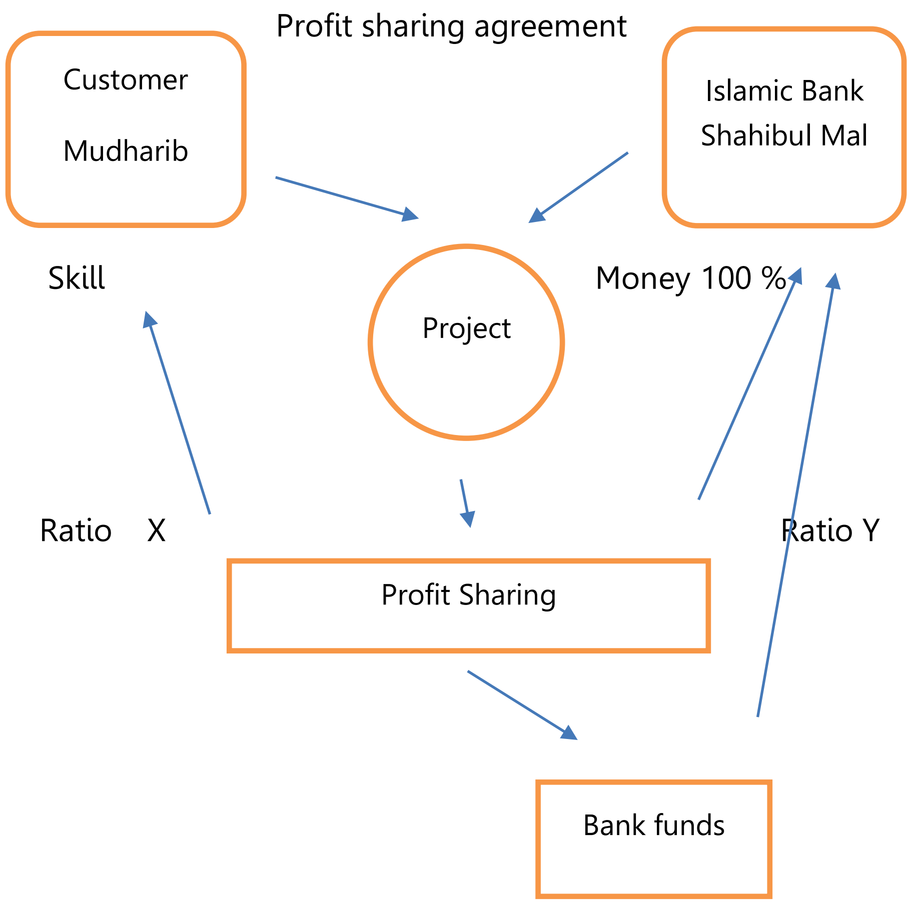
Figure 3. Musyarakah Contract Scheme on Bank Financing



The al-mudharabah contract is a business cooperation contract between two parties. The first party finances 100% of the funds needed, called shahibul mal. In contrast, the second party acts as a business manager, called mudharib, with profits divided according to the agreement. Business losses caused by the manager's negligence are the manager's responsibility. In contrast, losses not due to the negligence of the fund manager are born by the owner of the funds or shahibul mal. Al-Mudharabah is one of the most prominent and popular production-sharing contracts (Srisusilawati & Eprianti, 2017). Mudharabah consists of two types, namely mudharabah muthlaqah and mudharabah muqayyadah. Mudharabah mutlaqah is a cooperation contract between two parties with a broad scope and is not limited to certain types of business.

In comparison, mudharabah muqayyadah is a cooperation agreement between two parties with a predetermined scope for certain types of business (Sumadi et al., 2021). The application of mudharabah contracts in banking is in savings products and financing products. In savings products, mudharabah is commonly used in term savings (hajj savings, qurban savings, etc.) and time deposits. Risks in mudharabah contracts, especially those applied to financing products, include: side streaming, negligence or intentionality and concealment of profits by the mudharib. The al-Musyarakah scheme is presented in Figure 4 as follows.

Figure 4. Scheme of al-Mudharabah



The muzzara'ah contract is a cooperation contract in the agricultural sector between the land owner and the party working on the land. The land owner and land manager get a distribution of the results by the agreement. Muzara'ah is synonymous with al-mukhabarah, but the difference is that in muzara'ah the seeds come from the land owner. In contrast, in al-mukhabarah the seeds come from cultivators of the land.

Musaqah is also a cooperation agreement between the land owner and cultivators, but it is simpler in nature than muzzara'ah. In al-muzaqah, the cultivator is only responsible for watering and maintaining the plants and, in return, will get a percentage according to the agreement on the yield of the plants.

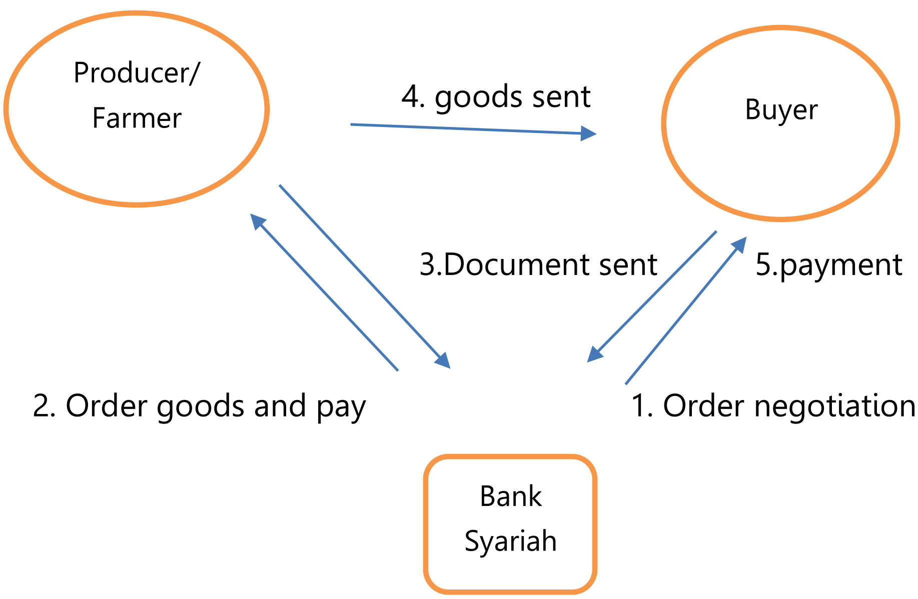
According to Antonio, the principles of buying and selling discussed by the scholars are quite a few dozen, if not dozens. However, three types of buying and selling contracts are prevalent: Murabahah, salam and istishna.

Murabahah is a sale and purchase contract. The seller takes advantage by raising the introductory price by notifying the seller. The foundation of sharia in the Koran is al-

Baqarah: 275 and HR Ibnu Majah. The application of al-Murabaha in Islamic banks is carried out on financing products aimed at purchasing goods. Some of the risks of providing al-Murabahah financing include customer arrears, the price of goods cannot be changed if there is a fluctuation in the price of the goods, the customer's rejection of the goods sent, and there is a possibility that the customer will sell the goods in instalments at the bank.

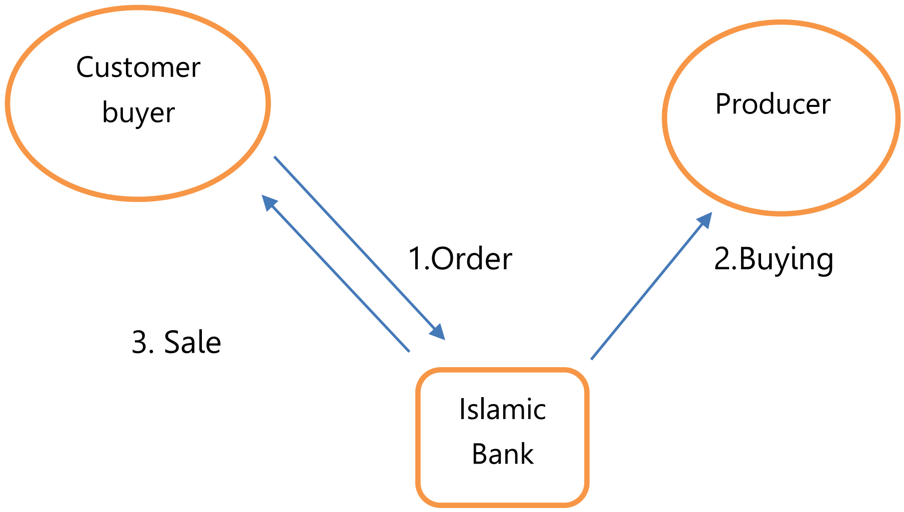
The Salam contract is the purchase of goods by making payment at the beginning of the transaction, and the goods are handed over later. The sharia basis for bai' as-Salam is QS. Al-Baqarah 282 and HR. Ibn Majah. Akad is used to finance farmers in cultivating their agricultural land. In Bai' as-Salam, it is the producers who are financed. The Bai' as-Salam scheme is presented in Figure 5.

Figure 5. Bai' as-Salam Scheme



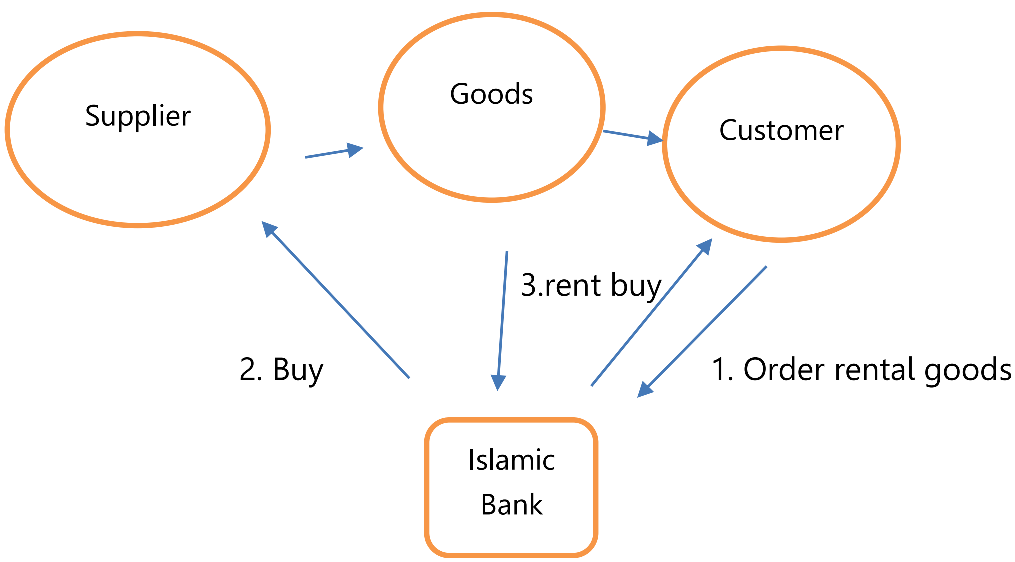
Istishna contract is a sales contract between the producer and the buyer with payments that can be made in advance, in instalments or deferred at the same time in the future. In Istishna', it is the buyer who pays for it. Bai' al-Istisna' scheme is presented in Figure 6 below.

Figure 6. Isthisna' Contract Scheme



The principle of leasing or ijarah is a contract that transfers the right to use goods or services without transferring ownership rights (Munif, 2017). The foundation of the sharia is QS. al-Baqarah: 233 and HR. Ibn Majah. At al-Ijarah this is also known as Ijarah Muntakiya Bittamlik (IMBT), a lease ending with the transfer of ownership rights at the end of the lease period. The al-Ijarah scheme is presented in Figure 7 as follows.

Figure 7. Scheme of al-Ijarah

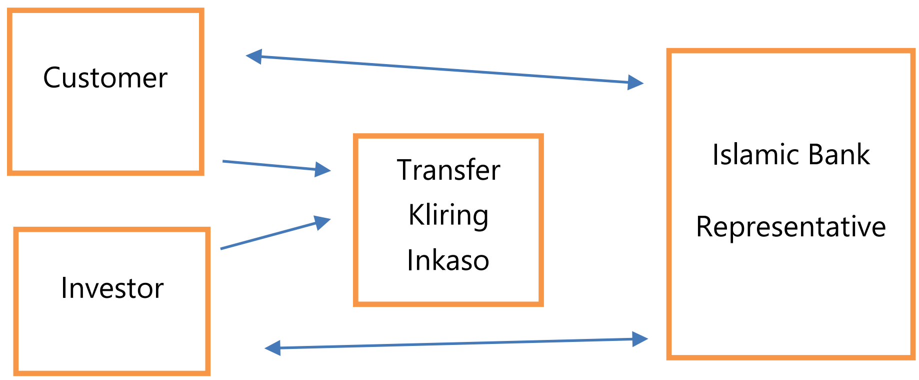


Sharia contracts intended for services include Wakalah, Kafalah, Hawalah, Rahn, and Qard contracts.

Wakalah or wikalah is the delegation of mandates or the granting of authority from the party giving the authority (mu represented) to the party exercising the authority (representative). The sharia basis for the wakalah contract includes QS. Al-Kahf:

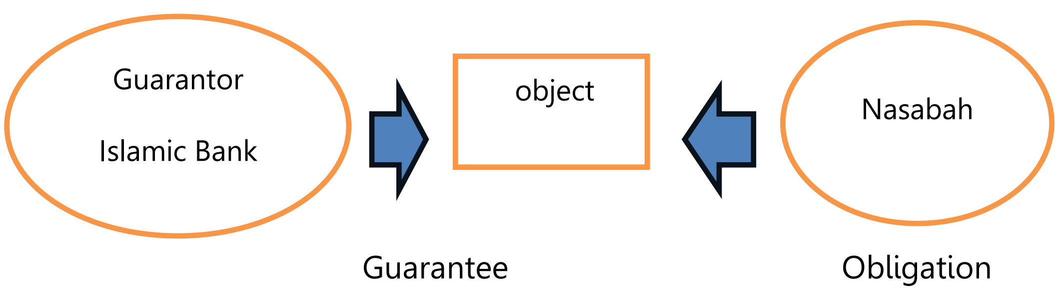
10, QS. Yusuf: 55, Hadith Malik No. 678, and Ijma. The Akad Wakalah scheme is presented in Figure 8.

Figure 8. Schematic of al-Wakalah



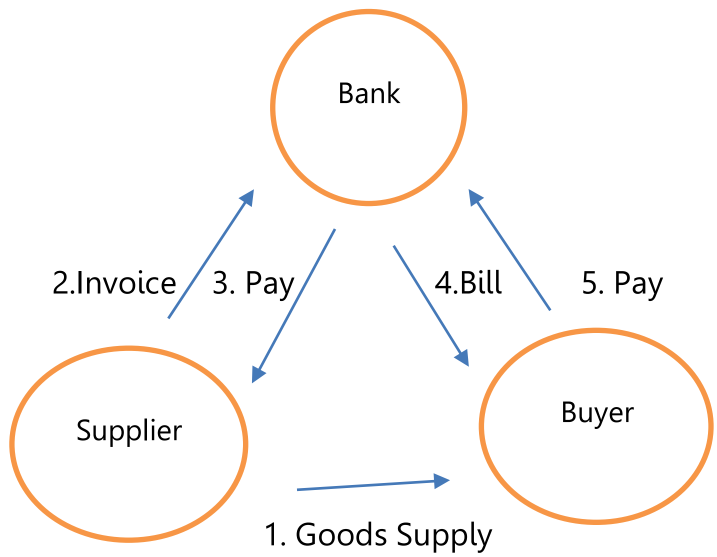
Kafalah is the provision of guarantees by the guarantor to the party receiving the guarantee for the responsibility of the guaranteed party. The sharia foundation of al-Kafalah includes: QS. Yusuf: HR. Bukhari no. 2127). The Kafalah Akad scheme is presented in Figure 9 as follows:

Figure 9. Kafalah Contract Scheme



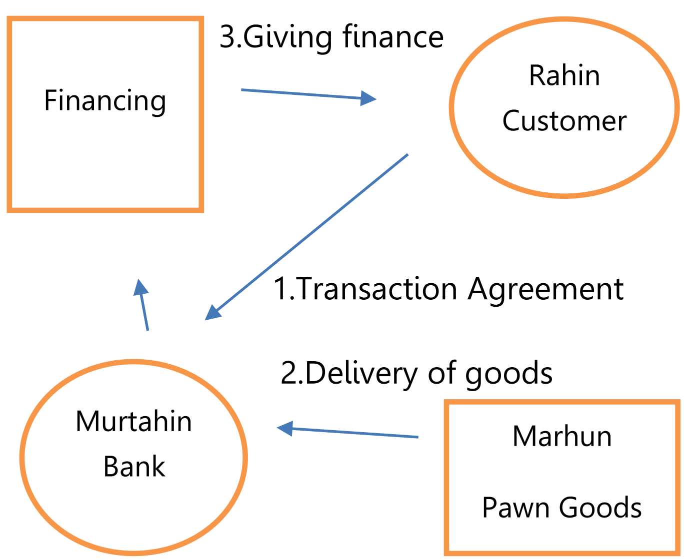
The hawalah or hiwalah contract is a debt transfer contract from the debtor to other interested parties to bear it. The person who owes is called muhil, who gives debt is called muhal, and who takes responsibility for the debt is called muhal'alaih. The basis of sharia hawalah is sunnah and ijma. In practice at the bank, hawalah is applied to transferring receivables from other parties to the bank and financing customer take over activities. The Hawalah Akad scheme is presented in Figure 10 as follows:

Figure 10 Scheme of Hawalah Contract



Rahn or pawning contract is a financing transaction that requires goods to be handed over as collateral by holding the goods physically. The foundation of the sharia is QS. Al-Baqarah: 283, HR. Bukhari No. 1926, book al-Buyu and Muslim), HR. Bukhari no. 1927, kits al-Buyu, Ahmad, Nasa'I and Ibn Majah) and HR Syafi'I and Daruqutni. The ar-Rahn scheme is presented in Figure 11 as follows.

Figure 11. Rahn Akad Scheme



Banks are intermediaries between parties with excess money and those who need money. To those who have excess money, savings products are offered. For these savings to be valid, they need to be invested by the bank, either in the form of financing or in other forms. The customer is sure to save his money in the bank because he is sure that the bank can invest it properly. The selection of these investments must be made carefully so that the bank can carry out its obligations to depositors of funds. This function is carried out by a part of the bank structure called Alco (assets liabilities management committee) with the main task of obtaining maximum profit, managing risk well and being able to maintain liquidity by Good.

As a bank, Islamic banking also requires supporting institutions such as money markets. This is to anticipate bank liquidity in connection with transactions that take place every day. This money market is needed when there is over-liquidity or a lack of liquidity in banks. The development of a sharia-based money market is necessary.

Islamic Bank Development Policy in Indonesia

The development of Islamic banking in ASEAN has its variations. Malaysia is the fastest-growing country developing the Islamic industry, followed by Indonesia and Brunei Darussalam, Singapore, the Philippines and Thailand (Rofi'ah, 2017). The development of Islamic banks in Indonesia faces many challenges and problems, including the public does not yet have a proper understanding of Islamic banks, existing regulations have not fully accommodated the operational system of Islamic banks, Islamic banks do not yet have a vast network reaching all corners, and there is still a lack of skilled human resources in the field of Islamic banking. Some of the obstacles to the development of Islamic financial institutions, namely the policies made are less aspirational, conventional banks still get great trust from the community, human resources still need to be improved and need socialization (Itang, 2014).

Related to Human Resources, the problems that arise in developing Islamic banking are: Human Resources are limited in Islamic banking expertise, banking socialization activities are very minimal, understanding and public interest still need to be improved, and others (Nugraha Triyan Putra & Thamrin, 2021 Until now, people's understanding of the systems and principles of Islamic banks is not correct, so there are still many who are mistaken in saying that Islamic banks and conventional banks are the same, only the terms are different. People still tend to get income from interest with a clear nominal value. Rather than erratic profit sharing, even though in Islam, it is clear by prohibiting the practice of usury.

Banking regulations need to be reformed to accommodate the needs of Islamic banking so that Islamic banks can operate efficiently and effectively. These regulations include instruments that regulate liquidity issues, monetary instruments that comply with sharia provisions, accounting standards, auditing and reporting systems, and provisions governing Islamic banks' prudential principles. Islamic banking network still needs to be improved, so it must be developed to expand its reach.

The development of this network has been proclaimed in law number 21 of 2008 concerning sharia banking by requiring sharia business units to stand alone and spin off with the final deadline in July 2023. However, until now, many sharia business units have yet to spin off even though the time limit is not extended. Few human resources with expertise in Islamic banking still make it challenging to encourage Islamic banking to develop rapidly. Human Resources in Islamic banking play an important role in supporting the progress and achievement of Islamic bank performance. This needs to be continuously improved (Budiono & Aris, 2022).

The development of Islamic banks in Indonesia aims to provide an alternative for people who forbid and doubt bank interest so that they can transact at Islamic banks with the principle of profit sharing. The development of Islamic banks is in line with the rise of the Islamic economy worldwide in overcoming problems surrounding conventional banks and various economic crises that hit the world.

According to Antonio, several strategies for developing sharia banks include continuing to socialize sharia banking to all levels of society, making improvements to applicable regulations, continuing to develop sharia bank networks throughout Indonesia, and continuing to increase the number of human resources who know sharia banking (Antonio, 2001).

In increasing Human Resources in Islamic Banking, the Indonesian government through the Ministry of Education and Culture and the Ministry of Religion has granted permits to SMKs to organize Islamic Economics Education. At the same time, at the tertiary level there are D3, S1 and S2 and S3 programs in Islamic Economics (Yani, 2017).

Efforts to socialize sharia banking continue to be carried out both by Bank Indonesia, the Financial Services Authority, the Ministry of Religion, Universities, Islamic banking practitioners' scholars and others. Socialization can be through distributing pamphlets or fliers, through scientific seminars, community service activities, etc.

As a strategic effort to develop the Islamic economy, the government has issued Law no. 8 Concerning State Sharia Securities, Law no. 21 of 2008 concerning Sharia Banking, the Government through the Supreme Court has issued Perna no. 8 of 2008 concerning Compilation of Sharia Economic Law (KHES), which is the application of law within the Religious Courts, etc.

The government continues to develop Islamic Financial Institutions which in the elucidation of Law Number 3 of 2006 include Islamic economics, including: Islamic Banks, Islamic Microfinance Institutions, Islamic Insurance, Islamic Reinsurance, Islamic Mutual Funds, Islamic Bonds and Islamic Medium Term Securities, Sharia Securitas, Sharia Financing, Sharia Pawnshops, Islamic Financial Institution Pension Funds and Sharia Business.

In increasing Human Resources in Islamic Banking, the Indonesian government, through the Ministry of Education and Culture and the Ministry of Religion has granted permits to SMKs to organize Islamic Economics Education. At the same time, at the tertiary level, there are D3, S1 and S2 and S3 programs in Islamic Economics (Yani, 2017).

Antonio said that the government had prepared an agenda for the development of Islamic banking which was directed and clear through various stages. The steps that had been taken included: Establishing a steering committee, expert committee and working committee in developing Islamic banking in Indonesia, carrying out an inventory of banking instruments, existing sharia regulations and making more complete provisions, assisting the implementation of human resource education and training which is the backbone of sharia banking development and carry out sharia banking outreach activities to banking circles, the general public and scholars.

Ulama is known not only as pious figures who teach about religion but also as driving figures and motivators in society in various aspects of life, both in the economic and social fields of Indonesian society and in the field of national defence and security. In the economic sector, the ulama has participated in improving the community's economy through the distribution of zakat, infaq and almsgiving. In the social field of society, the presence of the clergy is needed both in the birth of a human child and marriage to death. In the national security and defence field, the ulemas inflamed the spirit of jihad in the struggle for Indonesian independence. Also, when the Dutch tried to carry out their aggression after Indonesia became independent, the ulema inflamed the spirit of jihad, the spirit of defending the motherland with the motto of independence or death.

In developing sharia banking, scholars with their mastery of sharia laws act as the Sharia Supervisory Board and the National Sharia Council. In their role as the Sharia supervisory board, the ulama oversee the day-to-day operational system of Islamic banks so that they do not deviate from sharia principles. This sharia supervisory board must make statements periodically stating that the bank or sharia financial institution under its supervision has been running according to sharia. With the growing development of Islamic financial institutions in Indonesia and the increasing number of Sharia Supervisory Boards formed and to avoid confusion over fatwas, the Indonesian Ulema Council formed a National Sharia Council, which oversees all Islamic financial institutions in Indonesia, both banks and non-banks, whose function is to supervise the Institution's products.

As a relatively new financial institution, sharia banking and other sharia financial institutions need to be socialized and introduced to the broader community, including among banking circles and banking authorities. Scholars play an essential role in this matter. The critical roles of these scholars include explaining to the public that Islamic banking is the application of (tathbiq) fiqh mu'amalah maaliyah, which describes the relationship between humans in terms of property, economy, business and finance. Ulama also plays a role in returning society to the nature of nature and business by sharia principles. Scholars rectify wrong assumptions in business such as "it is hard even to make money that is illegal, let alone halal" etc. The scholars are expected to help the nation's economy by developing Islamic banking in Indonesia.

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