

Sharia Compliance Implementation in Gold Pawn Products at Sharia Pawnshops and Sharia Banks XYZ

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ABSTRACT

Sharia compliance in the gold pawn business in the current era tends to be often violated by sharia companies in order to get greater profits. Even though interest in Islamic gold pawns continues to increase. On the other hand, the shariah compliance component is the main differentiator between sharia companies and conventional companies. Therefore, this study aims to analyze how the implementation of shariah compliance on gold pawn products is applied to Sharia Pawnshops and X Syariah Banks in Metro City, Lampung. The research was conducted in 2019 at the Syariah Pawnshop and X Syariah Bank in Metro City. The research method used is a case study in both sharia companies, with a qualitative descriptive analysis method by comparing the implementation of the gold pawn in the two sharia companies with the MUI fatwa and six shariah compliance indicators that the calculation formula does not purely use the loan amount as a cost determination, but only uses presentation only. While the administrative costs are different for each group, the Sharia Pawnshop will provide discounts for customers who do not borrow in full on the estimated pawned goods. Then the administrative costs at Bank Syariah X have details that are in accordance with the costs that are clearly needed, namely 2 stamps and 0.133% of the loan value

Keyword: *Islamic Bank; gold pawn; Sharia Pawnshops; shariah compliance;*

INTRODUCTION

Sharia compliance in Islamic banks is the implementation of Islamic principles, sharia and its traditions in financial and banking transactions and other related businesses (Arifin, 2009). Shariah compliance operationally is compliance with the National Sharia Council (DSN) because the DSN fatwa is the embodiment of sharia principles and rules that must be adhered to in sharia banking (Sutedi, 2019). The element that has the authority and authority in supervising Shariah compliance is the Sharia Supervisory Board (DPS). The implementation of Shariah compliance is an obligation with the expansion of sharia banking and sharia financial institutions in innovating products which must also be followed by increased supervision by the Sharia Supervisory Board (DPS).

The development of sharia financial product innovations must be adjusted to product quality, reliability of human resources (HR), technology service facilities and expansion of service networks, guided by the MUI fatwa that has been implemented by the National Sharia Council (DSN) (Lewis & Lativa, 2007). Regarding product innovation, currently Islamic banking has expanded its business reach into the realm of pawning. The product launched is sharia gold pawn (rahn gold).

Pawn is essentially a form of muamalah concept that applies an attitude of help and an attitude of trust that is allowed in Islam. So basically, the nature and function of pawning in Islam is solely to provide help to people in need by providing guarantees. As with any institution with an Islamic label, the basis for the concept of Sharia Pawnshops and Bank Syariah X has a legal basis for Article 1159 of the Civil Code and pawning in Islamic law refers to DSN Fatwa N0. 25/DSN-MUI/III/2002 which is sourced from the Al-Quran and Hadith of the Prophet SAW. As for the argument that is the legal reason for the implementation of the permissibility of ar-rahn, namely the Qur'an Surah Al-Baqarah verse 283, which reads:

Meaning: If you are on a journey (and do mu'amalah not in cash) while you do not find a writer, then there should be collateral held (by the debtor). but if some of you believe in others, then let the one who is trusted fulfill his mandate (his debt) and let him fear Allah his Lord; And do not (witnesses) hide your testimony. And whoever hides it, then indeed he is a sinner in his heart and Allah is Knowing of what you do. (Al Qur'an and Rabbani translation, 2013).

Pegadaian Syariah and Bank Syariah X use liens on movable objects in accordance with civil law pledges and eliminate withdrawing profits with interest or capital leases (riba) and then replace them with goods safekeeping services (ijarah) that are in accordance with sharia. The development of the sharia pawning industry experienced rapid development from 2010 to 2011. but after 2012 the development declined due to the Bank Indonesia Pawn Regulation No. 14/7/DpBs dated February 29, 2012 which limits mortgage financing to Rp. 250,000,000, other factors are the unstable gold price, and intense competition between fellow sharia pawning industry players. However, interest in sharia gold pawning continues to increase both at the Sharia Pawnshop and at Bank Syariah X, therefore this study aims to review the implementation of shariah compliance on gold pawn products that are applied to Sharia Pawnshops and Bank Syariah X.

LITERATURE REVIEW

Sharia Pawn

According to Antonio (2001) pawn sharia (rahn) is to withhold one of the customer property (rahn) as collateral goods (marhun) above debt/loan (marhun bih) received. The Marhun has a value of economical. Thus, the party who detain or pawnee (murtahin) obtain guarantees for can take back the whole or part of the debt. Rahn is an agreement for the transfer of property that is used as a guarantee for the owner of the debt which can later be

used as a payment for the rights of the receivable, either in whole or in part. Items that are used as rahn are valuable or have economic value and can be stored or last a long time. (Sadily, 2000)

Islamic Gold Pawning

Gold pawning in Islamic banks is subject to Law No. 21 of 2008 concerning Islamic Banking. In the sharia banking law, it does not materially regulate the practice of Islamic gold pawning. The sharia banking law only regulates formally, namely in article 19 paragraph 1 letter 9 of the sharia banking law which stipulates that sharia banking can carry out sharia business activities other as long as it does not conflict with sharia principles and applicable laws and regulations. Islamic gold pawning is a form of disbursement of funds by Islamic banks which aims to help the community, especially customers, in obtaining money loans by pawning the customer's gold.

Previous Research

Ardiani & Nafik (2015) find the gold pawn Islamic financial institutions may be reinforcement of capital Micro, Small and Medium Enterprises. The use of gold as a pledge of capital strengthening of capital Micro, Small and Medium Enterprises undertaken to meet short-term capital in the form of working capital. Rahman & Suprayogi (2015) find that the accounting treatment in pawning gold in Surabaya from the aspect of recognition and measurement in accordance with PSAK 107, PSAK 59, and PAPS 2013. But, the presentation of the financial statements is not accordance with PSAK 100 and 101.

Ervina Et al (2014) find The implementation of risk management at BNI Syariah uses 5 stages, namely risk identification and setting tolerance limits, measuring risk, monitoring and reporting risk, controlling risk, and supervising, auditing, completing and aligning. Of the five stages, BNI Syariah experienced many obstacles. One of them is the customer is not able to complete his achievements so that in a situation called jam. To overcome these obstacles, BNI Syariah can conduct an auction when the customer's gold pawn is due and agreed upon by the customer

Rahmi & Nispan (2014) find in BPD Syariah Kalsel the gold pawning procedures through the following stages: Estimators explain in brief about BPD mortgage loan products to customers. While the contract is used is as follows: qardh contract, for the binding of loan funds provided by Sharia Bank or UUS to customers; rahn contract, for the binding of gold as collateral for the loan fund; ijarah contract, for the binding of storage utilization and maintenance services of gold as loan funds collateral.

RESEARCH METHOD

The research was conducted at the Metro City Syariah Pawnshop and Metro City Syariah X Bank. The method used is descriptive analysis. Descriptive data is the data obtained in the form of descriptions (information or descriptions) and the observed

symptoms are not always in the form of coefficient figures between variables and are descriptions in the form of descriptions (Subana Sudrajat, 2001). The primary data used in this study was conducted by interviewing the branch managers and functionaries of the Metro City Syariah Pawnshop and Metro City Syariah X Bank. For secondary data, this study uses data from related agencies such as the Central Statistics Agency, the Ministry of Finance of the Republic of Indonesia and others.

The data analysis used is qualitative analysis. The thinking method uses the inductive method, namely the inductive procedure the process starts from specific propositions (as a result of observation) and ends at a conclusion (new knowledge) in the form of general principles. From this analysis method, the researcher tries to analyze the comparison of the practice of pawning gold at Sharia Pawnshops and Bank Syariah X in terms of Shariah Compliance.

RESULT AND DISCUSSION

Berdasarkan Metro Sharia Pawnshop was established on the basis of the minimal presence of Pawn Syariah in Metro City as an integrated business solution in the field of sharia pawning whose main function is to provide loans to the public on the basis of pawn law (Supriyanto, 2019). funds by mortgaging his possessions in the form of gold, vehicles and electronics. Pegadaian Syariah Metro, one of which is here to provide convenience in borrowing funds by mortgaging collateral. With easy and fast procedures, Pegadaian Syariah Metro can serve the needs of its customers who need funds without having to open an account. The implementation of sharia pawning at Pegadaian Syariah Iringmulyo is fairly smooth, it is proven by the number of customers who pawn and disburse loans that exceed liquidity per day (Rp. 19,000,000/day). can be seen in Table 1

No	Types of Products	Pawn gold (Rahn gold) Pawnshop Sharia
1	Allotment	General, consumptive/productive
2	Pawn Object	Gold in the form of precious metal or jewelry
3	Duration	Rahn and mu'nah
4	Re-pawn terms	Maximum 4 months or 120 days
5	Financing value	Pay administrative fees and rental fees in advance
6	Maximum financing value at estimate	Starting from Rp.E 50,000 to Rp. 400,000,000
7	Upkeep	Maximum 92% to 95% of standard metal estimate
8	The basic price of gold	Centrally determined according to STL (Metal Appraisal standard)

Source: Metro Sharia Pawnshop in 2019

Bank Syariah X Metro is a Branch Office (KC) of PT Bank Syariah X located in Metro Lampung City. Bank Syariah X has a vision of realizing a Sharia Bank that is always superior among Islamic banking industry players in Indonesia in the micro, SME,

commercial and corporate segments and can create a Sharia Bank with a service system and the latest technology that exceeds customer expectations (Rahmad, 2019). Pawn gold is one of the product innovations from Bank Syariah X that has the potential to attract new customers in terms of sharia pawnshops.

Islamic gold pawning in Islamic banks must comply with the rules set by the government because Islamic banks are financial institutions that are supervised by Bank Indonesia. Bank Indonesia stated that Islamic gold pawning in Islamic banking is regulated based on Bank Indonesia Regulations (PBI), Bank Indonesia Circulars, and the Fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI Fatwa). Gold was chosen by BSI because gold is a liquid item and there are provisions such as gold guide prices and usually seen from the Antam price website to find out the base price of gold (HDE). The allowed gold in BSI is gold jewelery and gold bullion. The gold must be at least 16 carat and cannot be white gold.

Pawn gold (rahn gold) at Bank X Syariah is a financing product based on legal guarantees in the form of gold in the form of jewelry or precious metals as an alternative to funds or cash quickly and easily with a certain period of time. The gold pawn product (Rahn gold) at Bank Syariah X KC Metro is shown in Table 2. Rahn (pawn) with sharia principles has several advantages including:

1. Bank Syariah x branches can serve 396 gold pawns spread throughout Indonesia.
2. Easy and fast pawn procedures, low maintenance costs, safe pawn items.
3. Loans (marhun bih) start from Rp. 500,000 to Rp.250,000,000
4. The maximum loan period is 4 months or 120 days and can be extended by paying only ijarah or paying in installments some of the loan money (Risna, 2019).

Table 2. Gold pawn product (Golden Rahn) at Bank Syariah X KC Metro

No.	Types of products	Pawn gold (Rahn gold)
1	allotment	Individual, consumptive/productive
2	Pawn Object	Gold in the form of jewelry and gold bullion
3	Engagement	Qard and Rahn
4	Duration	Maximum 4 months or 120 days
5	Re-pawn terms	After an assessment and paying the mortgage fee
6	Financing value	Starting from Rp. 500,000 to Rp.250,000,000
7	Maximum financing value at estimate	Maximum 80% to 95% of the standard metal estimate.

Shariah Compliance Gold rahn product

One of the important pillars of Islamic banks is sharia compliance. This pillar is the main differentiator between Islamic banks and conventional banks (Mulazid, 2019). Shariah compliance operationally is compliance with the Fatwa of the National Sharia Council which must be obeyed by sharia financial institutions and in its implementation is supervised by the Sharia Supervisory Board. Violation of shariah compliance will have an impact on the reputation, image and credibility of Islamic financial institutions. The implementation of shariah compliance is a must with the increasingly widespread development of sharia financial institutions in product innovation.

The implementation of shariah compliance (sharia compliance) for rahn gold products at the Sharia Pawnshop KC Metro and Bank Syariah X KC Metro can be reviewed with the application of fatwa no. 25/DSN-MUI/III/2002 on rahn and fatwa no. 26/DSN-MUI/III/2002 about golden rahn. The DSN fatwa generally has an influence on the social order of the Indonesian nation. There are 2 important meanings, first the DSN fatwas have an important meaning in Indonesian society, especially Muslims. Although the fatwa is not legally binding, in practice it is often used as a reference for behavior by the community and government in various aspects of national and state life. Second, because it has such a strong effect and influence on society, it requires DSN to be responsive to dynamics and trends in society, so that the fatwa issued can be in line with the benefit of the people (Ni'am, 2018). In addition to being reviewed with the DSN fatwa, the implementation of shariah compliance is also reviewed through 6 qualitative indicators to assess sharia compliance. The implementation of shariah compliance is explained in detail in the following sub-chapters.

Implementation of the Fatwa MUI Regarding Gold Pawn

Pegadaian and Syairah Bank operational activities are guided by the National Sharia Council Fatwa, namely the National Sharia Council Fatwa Number 25/DSN-MUI/III/2002 concerning the National Sharia Council's rahn and fatwa number 26/DSN-MUI/III/2002 concerning Rahn Emas. Based on research results, the application of the DSN-MUI fatwa Number 25/DSN-MUI/III/2002 on the Metro Branch Sharia Pawnshop and KCMetro Syariah X Bank is described as follows:

No	DSN Fatwa No. 25/DSN-MUI/III/2002 regarding Rahn	Bank Syariah X KC Metro
1	The murtahin (the pawnee) has the right to hold Marhun (the pawn) until the rahin (the pawner) pays the debt..	Murtahin is Bank Syariah X Metro as the recipient of the pledged goods and the lender. Rahin is the community or customer who pawns the goods. Murtahin detained Marhun until all of Rahin's debts were paid off.

2	Marhun and its benefits remain the property of rahin, in principle marhun should not be used by murtahin except with permission of rahin, without reducing the value of marhun and its use is just a substitute for the cost of maintenance and care.	Marhun still belongs to Rahin. Murtahin only cares for and keeps marhun in the treasure and does not use it.
3	The maintenance and storage of marhun is basically the responsibility of the rahin, but it can be done by the murtahin, while the cost and maintenance of the storage remains the responsibility of the rahin.	Marhun is kept by the murtahin and cared for. Meanwhile, storage maintenance costs are the responsibility of Rahin according to the previous agreement.
4	The amount of the cost of maintaining and storing marhun should not be determined based on the loan amount.	<ul style="list-style-type: none"> a) Maintenance costs are calculated from the estimated value multiplied by a percentage, the percentage still depends on the loan amount. b) Tariff for maintenance services for 120 days / 4 months. c) Estimate: maximum 95% of the pawned goods. d) Administration fee is determined based on the estimated value and there is a discount for customers who do not borrow in full on the estimated value of the pawned goods..
5	<p>Marhun Sales:</p> <ul style="list-style-type: none"> a) when it is due, Murtahin must warn rahin to immediately pay off the debt. b) if rahin is still unable to pay off her debt, then marhun is forcibly sold/executed through an auction according to sharia. c) the proceeds from the sale of marhun are used to pay off debts, unpaid maintenance and storage costs and selling costs. d) excess sales proceeds belong to rahin and the deficiency becomes rahin's obligation. 	<ul style="list-style-type: none"> a). confirmation by telephone, mail and notification. b) confirmation with the Branch and then selling is carried out by the rahin party with the knowledge of the murtahin. c) Principal loan, selling costs, and maintenance costs. d) the proceeds from the sale of marhun, if more, become the right of rahin, if less, it becomes the obligation of rahin.

In addition, another National Sharia Council fatwa that regulates the Golden Rahn is stipulated in fatwa number 26/DSN-MUI/III/2002. The assessment of the implementation of fatwa number 26/DSN-MUI/III/2002 at the Metro Syariah Pawnshop and X Metro Syariah Bank is described in detail in Table 4

Table 4. Application of DSN Fatwa No. 26/DSN-MUI/III/2002 concerning Rahn Emas

No	DSN Fatwa No. 26/DSN-MUI/III/2002 concerning Rahn Emas	Metro Sharia Pawnshop	Bank Syariah X Metro
1	Gold rahn is allowed based on the rahn principle (see DSN fatwa No. 25/DSN-MUI/III/2002 on golden rahn)	Rahn Emas is a financing product based on the principle of Rahn Fatwa DSN No. 25/DSN-MUI/III/2002	Rahn gold is a financing product based on the rahn principle and is listed in the SBR (Surat Proof of Rahn).
2	The cost and cost of storing goods (marhun) is borne by the pawnbroker (rahin).	For costs and costs for storing goods in the form of: a) administrative costs (mu'nah contract) b) maintenance costs (mu'nah maintenance) both of which are borne by rahin.	For costs and costs for storing goods in the form of: a). administrative costs b). maintenance cost the second cost is borne by rahin.
3	The costs as referred to in paragraph 2 above are based on expenses that are actually needed.	a) mu'nah contract rates are calculated from the estimated value of gold. There are no details on the use of the mun'ah contract, but the sharia pawnshop provides discounts for customers who do not take the full loan according to the estimated value of the goods. b) Mu'nah maintenance rates in multiples of 10 days, 1 (one) day is calculated as 10 days. Calculated based on the estimated value multiplied by a percentage, which percentage still depends on the loan value.	a) administration fee is calculated from the value of the mortgage financing. There are details of the use of administrative costs, namely for 2 pieces of stamp duty and insurance of 0.133% of the loan value. b) the amount of maintenance costs is calculated based on the estimated value multiplied by a percentage whose percentage still depends on the value of the loan.
4	The cost of maintaining goods (marhun) is carried out based on the ijarah agreement.	Using the maintenance ijarah contract and listed in the SBR (Surat Proof of Rahn)	Using the ijarah contract and listed in the SBR (Surat Proof of Rahn).

Based on the results of research in its implementation, the majority of fatwas have been complied with by the Sharia Pawnshop KC Metro and Bank Syariah X KC Metro.

However, there are points that contradict point 4 of the DSN Fatwa Number 25/DSN-MUI/III/2002 concerning Rahn which states that the cost of maintaining and storing marhun should not be determined based on the amount of the loan. This is because the Sharia Pawnshop KC Metro and Bank Syariah X KC Metro calculate the cost of maintenance with the formula of the estimated value multiplied by the percentage, when reviewed the percentage turns out to still depend on the size of the loan.

Similarly, the implementation of shariah compliance at the Sharia Pawnshop KC Metro and Bank Syariah X KC Metro, according to Fujianty et al. (2017) and Bukido and Hasan (2016) the provisions on the amount of maintenance and storage costs for pawned goods are also an obstacle in terms of their application at the Pajajaran Pajajaran Sharia Pawnshop in Bandung and the Istiqlal Sharia Pegadaian Manado (Fujianty, 2019). Pegadaian Syariah KCP Pajajaran Bandung and Pegadaian Syariah Istiqlal Manado calculate the ijarah fee from the estimated value of gold which becomes the loan value. This needs to be an important concern for the company and of course both the sharia supervisory board because according to Kuncoro sharia compliance (sharia compliance) is a religious factor as the identity of an Islamic company, so that it becomes the main differentiator between Islamic banks and conventional banks (Hadi, 2012)

Implementation of Shariah Compliance Indicators Against Gold Pawn (Rahn Emas) at the Metro Sharia Pawnshop and Bank Syariah X KC Metro

Subsequent assessments of shariah compliance at Pegadaian Syariah Metro and Bank Syariah X KC Metro are assessed on six indicators. The six indicators include the contract or contract used, management of zakat funds, work environment, type of business and business, sharia supervisory board and sources of funds. Wardayati explained that the implementation of shariah compliance is directly proportional to good corporate governance. Good corporate governance is the institutional arrangements and relationships that direct and control a company with best practices. Therefore, the performance of a sharia company is also influenced by the implementation of shariah compliance. The implementation of Shariah compliance indicators at the Metro Branch Sharia Pawnshop and Bank Syariah X KC Metro is described in detail in Table 5.

Tabel 5. Implementation of Shariah compliance indicators

No	Sharia compliance indicator	Metro Branch Islamic pawnshop	Bank Syariah KC Metro
1	Akad or contract used for the collection and distribution of funds in accordance with	In the sharia gold pawn product at the Sharia Pawnshop, the contract used is to adhere to Fatwa No. 25 and 26/DSN-MUI/III/2002.	The contract used is to adhere to the DSN-MUI Fatwa. Only in practice there are several points in Fatwa No. 25 and 26/ DSN-MUI/III/2002.

No	Sharia compliance indicator	Metro Branch Islamic pawnshop	Bank Syariah KC Metro
	the principles and applicable sharia rules.		
2	Zakat funds are calculated and paid and managed in accordance with sharia rules and principles.	The gold pawn product is not subject to zakat, because the marhun bih belongs to the rahin who is pawned. So that zakat is charged to rahin and the provisions are not regulated by the Sharia Pawnshop.	Zakat is not imposed on the gold pawn, because the marhun bih is the property of the rahin who is pawned. So that zakat is charged to rahin and the provisions are not regulated by Bank Syariah X KC Metro.
3	Work environment and corporate culture in accordance with sharia.	1) 1) Employees Pawn uses work clothes were polite and hijab (women). 2) 2) Services are provided in an Islamic way, both in terms of contracts, transactions and employee behavior. 3) 3) The work environment at the Metro Branch Sharia Pawnshop is equipped with Islamic room accessories such as frames with calligraphy writing, Al-Quran arguments and hadiths related to pawning.	1) 1) The work environment at Bank Syariah X KC Metro has an Islamic layout with Arabic calligraphy accents. 2) 2) BSI employees wear polite and hijab (female) work clothes. 3) 3) Every 2 weeks a recitation is held by BSI employees which is attended by lecturers. 4) 4) Services are carried out in an Islamic way, both in terms of transactions and services.
4	Businesses and businesses that are financed do not conflict with sharia.	1) 1) Sharia Pawnshops in their business and business adhere to the DSN-MUI Fatwa. 2) 2) In practice, the implementation is supervised by the Sharia Supervisory Board and the Financial Services Authority. 3) 3) Customers who want to pawn will be interviewed first for the use of the loan and it is stated in the pawn form.	1) 1) Sharia Pawnshops in their business and business adhere to the DSN-MUI Fatwa. 2) 2) In practice, the implementation is supervised by the Sharia Supervisory Board and the Financial Services Authority. 3) 3) Customers who want to pawn will be interviewed first for the use of the loan and it is stated in the pawn form.
5	There is a Sharia Supervisory Board as sharia director for all operational activities of Sharia Banks.	Have a Sharia Supervisory Board	Have a Sharia Supervisory Board

No	Sharia compliance indicator	Metro Branch Islamic pawnshop	Bank Syariah KC Metro
6	Sources of funds come from legal and halal sources of funds according to sharia.	Sources of funds come from legal and halal sources of funds according to sharia.	Bank Syariah X comes from sources that are in accordance with Sharia.

The six shariah compliance indicators have generally been met by Pegadaian Syariah Metro and Bank Syariah X KC Metro. In connection with the points of the contract or contract that are used as recommendations, it is necessary to make efforts to improve the cost of maintaining and storing marhun. This is where the important role of the company's sharia supervisory board. According to Susilo, the weakness of DPS supervision is one of the factors that Islamic companies operate not according to predetermined standards (Susilo, 2017).

In relation to the existence of DPS, the main task of DPS is as a sharia director for all operational activities of Islamic banks so that DPS is responsible for determining the creation of sharia compliance through strict legal rules (Lukman, 2016). Islamic banks must have a Sharia Supervisory Board who is appointed based on the General Meeting of Shareholders (GMS) and is not concurrently serving as a sharia consultant in all sharia commercial banks and sharia business units (Mulazid, 2016). This needs to be done because the DPS is independent and apart from all interests. For the sake of professionalism and improving company performance, DPS must fulfill its duties and responsibilities, adequate qualifications, proportional appointment procedures and supported by sufficient independence and recognition of the issued fatwas that will lead to effective supervision in achieving shariah compliance (Triyanta, 2009).

For zakat funds, in practice the Syariah Pegadaian and Mandri KC Metro Syariah Bank do not collect zakat on gold pawn products, this is because the marhun belongs to the rahin who is pawned so that zakat is charged to the rahin and the provisions are not regulated by the Syariah Pawnshop. This is in accordance with the principles that apply in sharia companies. In terms of the work environment and type of business, both adhere to the DSN-MUI Fatwa, so that from the way of dressing to the products offered, they meet shariah compliance. For sources of funds managed by the company, based on shariah compliance indicators, they must come from legitimate and halal sources. Therefore, Pegadaian Syariah and Bank Syariah Mandri KC Metro are trying to get funds from legal and halal sources.

In general, the practice of shariah compliance at Pegadaian Syariah and Bank Syariah Mandri KC Metro is quite good. This is indicated by the commitment of both of

them to fulfill every rule contained in the DSN fatwa no. 25 and 26 of 2002. However, there is still one point that must be immediately corrected because violations of sharia compliance that are allowed by the DPS will damage the image and credibility of banks or sharia companies in the eyes of the public, thereby reducing public confidence in these sharia companies (Wibowo & Jasri, 2017). These improvements must of course start from the system that is applied. In addition, the role and function of the supervisory board should be further enhanced. The importance of increasing the competence and independence of supervisors is one of the keys to the successful implementation of shariah compliance (Kooskusumawrdani and Birton, 2016). Therefore, standardization of the Sharia Supervisory Board in improving the quality of sharia compliance audits by establishing a Sharia Supervisory Board professional school in universities is urgently needed in the current era (Umam, 2015). Thus, DPS is expected to be able to provide solutions so that sharia business can continue to run profitably while also in accordance with the established shariah compliance.

CONCLUSION

Based on the results of research on the implementation of gold pawning at Sharia Pawnshops and Bank Syariah X in terms of sharia compliance, it can be concluded that Sharia Pawnshops KC Metro and Bank Syariah X KC Metro generally carry out gold pawn operations based on the DSN MUI fatwa and shariah compliance indicators. However, in practice there are points that are not in accordance with the DSN MUI fatwa, namely the formula for calculating maintenance costs which still depends on the percentage of the loan amount. Therefore, the function of the Sharia Supervisory Board in Islamic financial institutions has a strong influence on risk management in Islamic financial institutions. Violations of sharia compliance that are left unchecked or escape the supervision of DPS will damage the image and credibility of Islamic financial institutions so that they can reduce public interest and trust

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