

The Performance of the *Sharia Supervisory Board* at The Aceh Independent Cooperative *in The Perspective of the Syirkah Inan*

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Abstract

Cooperatives in their operational efforts require a Sharia Supervisory Board so that cooperative operations run well and in accordance with the standards set by the government as well as in Bintang Mandiri Aceh Cooperative has a Sharia Supervisory Board that will oversee all business operations and will be about products, contracts, financing distribution systems, and all products in BMA cooperatives to comply with sharia principles. The research problem is how the duties of the Sharia Supervisory Board in monitoring the effectiveness of implementation and how the decision-making process to achieve the targets set by Bintang Mandiri Aceh Cooperative, DPS ensures compliance and assessment of the issuance of new products according to sharia principles and the perspective of syirkah inan on DPS performance at the BMA Cooperative. The research method uses descriptive analysis with a normative sociological approach. Data collection through interviews and documentation. The results showed that the Sharia Supervisory Board at Bintang Mandiri Aceh Cooperative carries out its function to control and supervise operations ranging from BMA products, business operational SOPs to product marketing. In handling discrepancies by providing recommendations for improvement. DPS is responsible for ensuring that the process of launching new products does not conflict with sharia principles, is transparent, fair, and sustainable. This is the urgency of the supervisory board at Kopsyah BMA, so that Kopsyah BMA's operations can run optimally in accordance with what has been determined in the AD ART evaluation, especially in accordance with sharia principles. Based on the concept of *syirkah inan*, the existence of DPS in Kopsyah BMA's operations is in accordance with its basic principles as an integral part of the cooperative that has the right to supervise representing the owners of capital in this cooperative, as the commissioner oversees cooperative operations including compliance with sharia principles including *syirkah inan*.

Keywords: Aceh, , Cooperative, *Shirkah Inan* and *Sharia Supervisory Board*

Introduction

Shirkah inan is a form of co-operation agreement between parties who have certain capital or expertise to achieve a common goal. In the context of *shirkah inan*, the parties agree to share profits and losses based on a predetermined agreement. According to Hanafiah scholars and Ahmad ibn Hanbal scholars are of the opinion that *syirkah inan* is a form of capital contribution given in the form of money whose nominal value is sufficient, and both scholars do not allow capital in the form of assets.¹ According to the Malikiyah scholars, the liquidity of capital is not a condition for the validity of *syirkah inan*, so the parties are allowed to include capital in the form of assets.²

Thus, in this *syirkah inan* contract, each member concerned gives access to freedom to *manage* business cooperation according to the ability and performance of the work partner. Because basically the business is built with the aim of obtaining mutual benefits (*profit*) which will be shared in accordance with the agreement that has been agreed upon and has been ratified when the contract takes place. The level of change in the *syirkah inan* contract is very high, because the parties invest capital according to their financial capabilities, as well as the *profit sharing* can be agreed upon both in the form of *profit sharing* and *revenue sharing*. In this profit-sharing system, there are several work risks that will be encountered by business managers, because the profit-sharing rate is higher even though the capital that has been spent is proportional.³

In the *syirkah inan* contract, members of the partnership can agree on an agreement in the form of *tasarruf* in business operations and including the management of risk coverage that must be carried out because the risk of this business is relatively high. Therefore, in *managing* the business in the form of *syirkah inan*, the parties have initially discussed and discussed the risks that will occur in managing this business because it will have an impact on the financial value and income of the business being run.⁴ The relationship

¹ Ascarya, *Islamic Bank Agreements and Products* (Jakarta: PT Raja Grafindo, 2008) pp.55-56

² *Ibid*

³ Nasrun Haroen, *Fiqh Muamalah*, (Jakarta: Gaya Media Pratama, 2009), p 168.

⁴ Sayed Sabiq, *Fiqh Sunnah* Volume 4, translated by: Nor Hasanuddin, (Jakarta: Pena Pundi Aksara, 2006), pp. 318.

between co-operatives and *shirkah inan* creates a foundation for fair and sustainable co-operation. In the context of co-operatives, *shirkah inan* can be a model of co-operation that allows co-operative members to jointly manage the business and share in the profits.

Microfinance institutions are one of the most important tools to lift the economic level of today's society. The operational implementation of microfinance institutions in addition to being carried out with a savings and loan pattern can also be carried out with a profit-sharing pattern under the sharia financial system.⁵ Institutions that can carry out the role of Islamic microfinance institutions today are Sharia Financial Services Cooperatives (KJKS) and Baitul Maal Wat Tamwil (BMT).⁶ Along with its development, the role of BMT is increasingly needed so that to confirm this there is a change that was originally a Sharia Financial Services Cooperative (KJKS) to a Sharia Savings and Loan Cooperative (KSPPS).

Co-operatives play a positive role, directly or indirectly, for Indonesia's national development. Cooperatives play an important role in improving economic development for members of the community, in accordance with the objectives of the cooperative to improve the welfare of the community and its members. In this case, the Sharia Supervisory Board plays a role in overseeing these activities so that they run according to sharia principles.⁷

Bintang Mandiri Aceh Cooperative also has a member of the Sharia Supervisory Board appointed by the cooperative itself to supervise and as a completeness of the operational business as well as to ensure that the performance of the Company is running in accordance with sharia principles. The Sharia Supervisory Board is an institution in charge of issuing fatwas and absolutely in every sharia-based activity, providing rules, as well as sanctions for violators. The Sharia Supervisory Board has a crucial role in ensuring that the co-operative's operations are in accordance with sharia principles.⁸

⁵ Chairul Fahmi, "Revitalising the Implementation of Sharia Law in Aceh," *Tsaqafah Journal* 8, no. 2 (2012).

⁶ Muhammad Ridwan, *Management of Baitul Maal Wa Tamwil*, (Yogyakarta: UII Press, 2004), p.150.

⁷ Ninik Widiyanti, *Cooperatives and the Indonesian Economy*, PT BINA ADI AKSARA, 2003, pp. 5

⁸ Cut Afra, Nahara Eriyanti, and Nasr Mohamed Arif, "SETTLEMENT OF DEFECTS IN MURABAHAH FINANCING AT BANK ACEH SYARIAH REGIONAL BIREUEN, INDONESIA," *JURISTA: Journal of Law and Justice* 7, no. 2 (December 31, 2023): 201-21, <https://jurista-journal.org/index.php/jurista/article/view/78>.

The fact that occurs in the field today, those involved in this cooperative practice still do not understand or there are still mistakes about the contracts. For this reason, consultants or experts who understand the sharia concept of muamalah are needed, so that all transactions in Islamic financial institutions can be in line with the provisions of shara'. Such as Islamic cooperatives must fully implement sharia transactions, although there are still Islamic cooperatives that still use conventional concepts such as lending with debt and when returning there are additions to achieve large profits. Actually, in the concept of muamalah as a *tabarru* 'contract such as debt is carried out as a helping transaction, but the additional fee has violated the basic concept of debt (*qardh*) itself, because debts and loans cannot have any additions.⁹ Therefore, it is necessary for supervision to be carried out actively and firmly in monitoring all activities of Islamic cooperatives and other financial institutions by certain institutions as external parties and also institutions or internal elements of certain institutions such as the Sharia Supervisory Board (DPS).

This sharia supervisory board is responsible for overseeing all cooperative activities, including the release of new products, so that they are in accordance with the sharia principles that the cooperative upholds. In the context of new product releases, the sharia supervisory board needs to ensure that any products produced by the cooperative do not violate sharia principles, such as the prohibition of *riba*, *gharar* and *maisir*. In addition, aspects of ethics and social justice are also a concern in making decisions related to new products.¹⁰

In that case, it is necessary to have monitoring attached to each person involved in financial activities, so it is necessary to have institutional supervision so that these activities run according to and do not deviate from Islamic sharia. The importance of the existence of a Sharia Supervisory Board in cooperatives, especially those operating based on sharia principles, is essential to ensure that activities are transparent, as well as accountability in compliance with sharia principles.

⁹ Interview Husni Mubarak, Member of Sharia Supervisory Board. On 23 December 2023 at UIN Ar-Raniry Darussalam Campus Banda Aceh.

¹⁰ Jarmanisa et al., "Analysis of Risk Coverage Agreement Between Pt. J&T and an Insurance Company For Delivery Of Consumer Goods in The Context Of Kafalah Contract," *JURISTA: Journal of Law and Justice* 5, no. 2 (October 1, 2021): 126–46, <https://doi.org/10.1234/JURISTA.V5I2.11>.

The Shariah Supervisory Board is responsible for ensuring that the co-operative's activities and financial transactions comply with Islamic principles and shariah law, they review and approve financial, investment activities, and business operations to ensure they are free from prohibited elements such as interest (riba) and ambiguity (gharar).¹¹ Shariah, which is the same as reporting its findings and recommendations regarding shariah compliance to the general assembly and relevant stakeholders.

The author's interview with a member of the DPS Cooperative who has been certified by DSN, namely Ihsan Fajri, stated that the DPS member of the cooperative has a strategic position to supervise the internal cooperative, both the contracts used in the cooperative, its performance, and its profit sharing system.¹² In this case, the DPS must ensure that cooperative products and services are in accordance with sharia provisions, as well as ensure that management and service procedures are in accordance with sharia principles. DPS must also oversee the implementation of member coaching that can enlighten and build mutual awareness so that members are ready and consistent in doing business in accordance with sharia provisions.

Research Methods

In this study, the type of research used in writing this scientific work is qualitative research. Qualitative research is research that focuses on a deep and interpretative understanding of research phenomena such as humans or society as the object of research. The method of this research is that the author uses interview methods, content analysis, observation, and digs up related contexts.¹³

The data sources in this study consist of: a) Primary data is data obtained directly from sources from members of the supervisory board and sharia supervisory board and members of the BMA cooperative by means of interviews.¹⁴ and b) Secondary data is a type of data that has been found by

¹¹ Fatarib, Husnul, *Revitalising the Role and Function of the Supervisory Board in Shari'ah Financial Institutions in Metro City*. "Journal of el-Hekam", Vol. II, No. 1, 2017.

¹² Interview with Ihsan Fazri, Member of Sharia Supervisory Board. On 23 December 2023 at UIN Ar-Raniry Darussalam Campus Banda Aceh

¹³ Abdulkadir Muhammad, *Law and Legal Research*, (Bandung: Citra Aditya Bakti, 2004), pp. 1

¹⁴ Suharsimi Arikunto, *Research Procedure: A Practice Approach*, (Jakarta: Rineka Cipta, 2010), pp. 27

other parties through, notes, research papers, theses, Al-Qur'an, hadiths, reference books related to the discussion, as well as access to libraries and journals that are to add to the data.¹⁵ To obtain the data needed in this study, the authors used *interviews*, and documentation as data collection techniques. Documentation refers to the process or result of recording, storing, and compiling information in written form.¹⁶ This involves collecting documents, selecting reliable documents, both in standard operating procedures (SOPs), reports on the results of the Annual Members Meeting (RAT), balance sheets, researcher activities when interviewing 2 members of the sharia supervisory board at Bintang Mandiri Aceh cooperative.

The validity of the data in this study, researchers used triangulation techniques as a data checking technique, which is one of the very important parts in qualitative research, to determine the degree of trust in the results of the research conducted. If the researcher carries out an examination of the validity of the data carefully with the right technique, it can be obtained research results that can really be accounted for from various aspects or aspects. To get this process is very supportive and determines the final result of a study. Therefore, a technique is needed to check the validity of the data. The technique is triangulation. Triangulation is a data checking technique that utilises something other than the data for the purposes of checking and comparing the data. The data triangulation technique as a checking technique is by utilising the use of sources, methods, investigators and questionnaires and others.

Results and Discussion

A. Shariah Principle Assessment of Operational Guidance for New Product Issuance

In carrying out its operational activities, according to the provisions of the cooperative regulation, it is required to have a Sharia Supervisory Board (DPS) consisting of 3 members and one of them will be appointed as chairman. DPS is an institution that stands without relying on other agencies. The DPS is formed by the Indonesian Ulema Council which must be carried out based on

¹⁵ Sugiyono, *Business Research Methods*, (Bandung: Alfabeta, 2010), pp. 103.

¹⁶ Husain Usman and Purnomo Setiadi Akbar, *Social Research Methodology*, (Jakarta: PT. Bumi Aksara, 2009), pp. 6

the results of its recommendations. The role of the DPS is very important and affects public trust in cooperatives that carry out activities with the sharia system. In its activities, DPS must have extensive knowledge of sharia, obedience, experience and various things needed in carrying out its duties and fulfilling its responsibilities as a Sharia Supervisory Board.¹⁷

The necessity for the establishment of DPS in a cooperative and Islamic financial institutions and sharia-based companies has been regulated in Law Number 40 of 2007 concerning Limited Liability Companies and Law Number 21 of 2008 Article 32 concerning Islamic Banking. The two laws are the juridical basis for the existence of DPS to ensure the implementation of sharia compliance in institutions and more broadly in sharia cooperatives. This DPS is a board that is tasked with providing advice and suggestions to the board of directors and overseeing cooperative activities in terms of murabaha financing to comply with sharia principles both in fund-raising activities, distribution of financing and in other sharia financial service activities. Sharia principles are the principles of Islamic law in Islamic banking activities based on fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI).¹⁸

This is in accordance with the results of interviews with members of the Sharia Supervisory Board at the BMA Cooperative and at the same time as a Lecturer at the Faculty of FEB unsyiah with Ridwan Nurdin:

"Usually the supervision of sharia contracts must hold discussions between the Supervisory Board and DPS there are discussions later usually DPS will refer to the decisions of DSN-MUI and as long as I am a member of DPS there have been no new products and DPS's job is to only supervise the contracts, namely *murabaha* because this contract is the easiest to supervise because the work of this contract is direct and clear to determine the margin and so far for 2 years in the supervision of this contract there has been no deviation and the term is *shari'a compliance*."¹⁹

¹⁷ Bagya Agung Prabowo and Jasri Bin Jamal, "The Role of Sharia Supervisory Board on Sharia Compliance Practices in Islamic Banking in Indonesia", *IUS QUILA IUSTUM Law Journal*, Vol 24(1), (2017), pp. 115-116.

¹⁸ *ibid*

¹⁹ Interview with Ridwan Nurdin, member of the DPS of BMA Cooperative on 27 May 2024 at the Faculty of FEB, USK Banda Aceh Campus.

The existence of members of the Sharia Supervisory Board in every other institution or cooperative is actually to oversee the suitability of the contracts in the cooperative itself. That is, compliance with the DSN-MUI fatwa and each product such as *murabahah*, and *syirkah*. When DPS members oversee the product, there must be an SOP (*standard operating procedure*) in every job, all activities carried out must be in accordance with the standards that have been applied. Some cooperatives that have made SOPs in their implementation only supervise their activities. In large financial institutions, compliance with SOP activities is very less complied with so that many complaints occur and are contrary to sharia contracts, this is where the role of DPS is needed so that customers are not harmed and the institution does not deviate from sharia principles. Indeed, DPS does not always supervise these activities but the cooperative must follow the suggestions recommended by DPS such as reading the agreement contract, must explain how it works, must explain its rights and obligations, when everything has been conveyed clearly and according to the procedure then the role of DPS has been carried out.²⁰

When the management is good and holds meetings, but most cooperatives, including my own, are just *hitchhikers*, this is what happens and becomes an evaluation for those in charge of it, only supervising it as a sample but never consulting and this is natural because DPS members also do not get *ujrah* from the cooperative and DPS does not question this. This means that the existence of DPS in the cooperative is not effective because it is not directly involved or asked for its opinion but it does not exist and that is what I feel as a DPS member in the cooperative. In addition to marketing, we as DPS also see how the procedure is whether physically or *online*, sometimes the word marketing includes a little word of *interest*, so it is no longer correct even though in language, for example, it is written a contra with low interest and it is a concern because it has become a habit with the word borrow and how much the interest is, then it includes our duty in providing advice and advice as DPS.²¹

In handling discrepancies, namely providing recommendations and improving and every year it holds an Annual Members Meeting (RAT) but when the RAT is held, the DPS members are invited but what I supervise is

²⁰ Interview with Jalaluddin, Member of DPS on 21 May 2024 at Faculty of FEBI, UIN Ar-Raniry Campus Banda Aceh

²¹ Interview with Jalalludin, member of DPS, on 21 May 2024 at the Faculty of FEBI, UIN Ar-Raniry Campus, Banda Aceh.

that some cooperatives are not invited to the RAT, which means that the function of management has not functioned properly because as I said earlier there is no effective *ujrah*, in this regulation in my opinion there needs to be regulations from the government so that it is smoother and more effective in supervising these financial institutions. In risk management, it is definitely the duty of DPS to survey whether there is collateral, whether the morals are good, because the cooperative is not like banking, if banking there is such a thing as bi-check-in, meaning that every person owes the bank knows but for cooperatives for this stage there is no such thing and maybe it will be transferred and supervised by the OJK (Financial Services Authority) so we need to know the character of the person whether the debt is everywhere then people like this can no longer do the financing, and the next risk is issuing products carelessly, promising results and all that is not allowed in the cooperative.²²

In this case, DPS also carries out several processes carried out in fulfilling sharia principles in the issuance of new products involving several stages, as follows:²³

1. Initial assessment

DPS conducts an initial review of the proposed new product concept. This involves analysing the purpose, structure and operational mechanism of the new product.

2. Shariah-compliant assessment

New products must comply with sharia principles that refer to the Qur'an, Hadith, Ijma' (consensus of scholars), and Qiyas (analogy). DPS assesses whether the product is free from elements of riba (interest), gharar (uncertainty), maysir (gambling), and haram (prohibited goods or services).

3. Development of operational guidelines

The DPS assists in the development of operational guidelines for new products, ensuring that every step and procedure to be implemented is in accordance with sharia principles. This includes rules regarding contracts, agreements used, and procedures for implementing transactions.

4. Fatwa and approval

²² Interview with Jalalludin, member of DPS, on 21 May 2024 at the Faculty of FEBI, UIN Ar-Raniry Campus, Banda Aceh.

²³ Interview with Jalalludin, member of DPS, on 21 May 2024 at the Faculty of FEBI, UIN Ar-Raniry Campus, Banda Aceh.

After the review and assessment is complete, DPS issues a fatwa stating that the product has fulfilled sharia principles. This fatwa becomes the legal basis for Islamic financial institutions to launch the new product.

5. Continuous supervision

The DPS does not stop at the approval stage, but also conducts ongoing supervision to ensure the product continues to comply with sharia principles. This supervision includes regular sharia audits and regular evaluation of product operations.

6. Training and socialisation

DPS plays a role in providing training and socialisation to employees of Islamic financial institutions regarding the new product, including how to implement it in accordance with sharia principles.

In the interview, Jalaluddin also gave an example of the issuance of Islamic financing products (*murabahah*) as follows:

1. Analyse whether murabahah financing products (sale and purchase with profit *margin*) are in accordance with sharia.
2. The assessment ensures that there are no elements of usury and gharar in the sale and purchase contract.
3. Develop procedures on how profit *margins* are calculated and agreed upon at the beginning of the contract.
4. Conduct audits to ensure that the profit margin applied is in accordance with what was agreed and there are no changes that violate sharia.

But in this case all violations of sharia principles DPS is not responsible for all violations committed by the cooperative or the Company. The form of supervision is the DPS report to OJK as the authorised party, if DPS does not carry out its main duties then DPS can be subject to administrative sanctions. Administrative sanctions are given to the management of the cooperative in the form of a written warning, the imposition of administrative sanctions in the form of written at most 3 (three) times in a row for each violation.

By following these procedures, DPS ensures that the products issued by Islamic financial institutions are not only innovative but also fulfil strict sharia standards, maintaining customer trust and the sustainability of Islamic financial institutions.

B. Duties of the Sharia Supervisory Board in Supervising the Targets Set at the BMA Cooperative

The role of the Sharia Supervisory Board in overseeing the work practices at Bintang Mandiri Aceh Cooperative is very necessary. DPS is required to master the science in the field of sharia and science in the field of economics in order to be in accordance with the field of banking and financing as a sense of sympathy and responsibility in creating the economy of the community in overcoming the weak economy in Indonesia. DPS as an internal audit of sharia compliance must have the competence and understanding of legal and financial analysis systems in order to fulfil its duties and oversee any deviations and violations of sharia compliance. After tracing the supervision carried out by the Sharia Supervisory Board directly to the practice of implementing the cooperative, which is carried out at least twice a year.

The practice of Bintang Mandiri Aceh Cooperative has changed the truth in applying the *syirkah inan* contract so that it has an effect on the damage to the good name of the BMA cooperative and not only that the community will also think that this cooperative has not fully become sharia but is still conventional. This is in accordance with what has been interviewed with Husni Mubarak as a member of the DPS in the cooperative with his statement:

"So "my" experience as DPS is because our needs are at the level of a small cooperative or a mass organisation so its nature is more non-profit, meaning helping, volunteering, and so on. So I really supervise what the cooperative is about, for example in trading, that is, in trading there must be a minimum of safeguarding from non-halal elements and so on. Then I also see in terms of income and expenses, namely from the financial statements of the cooperative so that I know where the income and expenses come from. Then I look at the most important thing is the contract, the contract should not be used by the cooperative in the nature of debt but there are additions because to generate profits for the cooperative, indeed the most we do for now is *murabaha*, for example there are cooperative members who need new equipment such as refrigerators, televisions, For example, there are cooperative members who need new equipment such as refrigerators, televisions, they cannot afford to buy it directly and then we use a murabahah contract with instalments with a high sale than the original price, of course what we want is the sustainability of the contract, the contract used, the products sold in the lazismu, then the financial statements input activa and

fasiva and that's all the DPS duties that I carry out as a DPS in the cooperative."²⁴

"Then also "I" check the contract because the most important thing is that in our society there is still a misunderstanding because it still uses the discussion of borrowing and debt. Borrowing and debt we must understand that the words borrowing and debt are sharia contracts too, there is a name borrowing (*ariyadh*), debt (*qaradh*) is justified, what is not justified is the addition of loans over debt so do not later come up with words in this loan contract suddenly there is additional profit even though this is a sale and purchase contract (*murabahah*) even though the buyer will later pay in instalments. In terms of new products, we do not have any because the cooperative is small and still rotates in the *murabaha* contract because this contract adds a little profit to the cooperative. If it is a matter of risk, DPS is not responsible but still supervises, warns because the writing of the contract clause must be adjusted to the sharia contract because it will also be explained and some customers do not know about the contract so that many customers think that *murabaha* with profit sharing is wrong and that is why the DPS function was formed and this DPS is sincere in carrying out the supervision even though there is no *ujrah* and so far the supervision of the cooperative has been going well."²⁵

The implementation of the duties of the Sharia Supervisory Board in monitoring the effectiveness of the implementation of policies and decision-making processes is very important to achieve the targets expected by Islamic financial institutions, the following are the stages and methods used by DPS to carry out these duties:

1. Development of policies and procedures

DPS plays a role in formulating policies that are in accordance with sharia principles. These policies cover all aspects of operations, from products, services, to risk management. Together with management, DPS prepares standard operating procedures (SOPs) that direct the implementation of these policies.

2. Regular monitoring and surveillance

²⁴ Interview with Husni Mubarak, member of DPS, on 21 May 2024 at the Postgraduate Building Uin Ar-Raniry Banda Aceh

²⁵ Interview with Husni Mubarak, member of DPS, on 21 May 2024 at the Postgraduate Building Uin Ar-Raniry Banda Aceh

DPS conducts regular sharia audits to ensure that all operations and transactions are in accordance with established sharia policies. DPS requests regular reports from management on the implementation of targets. These reports are analysed to identify potential problems or deviations.

3. Evaluation of policy effectiveness

DPS assesses the institution's performance based on agreed indicators, such as Islamic financing growth, Shariah compliance level, and customer satisfaction. DPS provides feedback to management on the findings of sharia audits and performance evaluation, in case of non-conformity, DPS recommends coercive action for improvement.

4. Participation and decision-making

DPS is involved in the strategic decision-making process by providing sharia consultation and guidance. This ensures that all strategic and operational decisions are in accordance with sharia principles. In these most important cases that require sharia legal certainty, the DPS issues a fatwa that provides the legal basis for the action.

5. HR training and development

DPS conducts training and education programmes for employees to enhance their understanding of sharia principles and the importance of sharia compliance. DPS also supports initiatives to obtain sharia certification for the institution and its products.

6. Policy review and update

DPS conducts periodic evaluations of existing policies and procedures to ensure their relevance to recent developments and market needs. Based on the evaluation, DPS may recommend policy updates or revisions to improve effectiveness and compliance with Shariah principles.

By carrying out these tasks, DPS ensures that policies and decision-making processes in Islamic financial institutions are effective and in accordance with sharia principles, and support the achievement of targets set by the institution. This not only strengthens the integrity of the institution but also increases the trust of customers and stakeholders. By applying these processes, the cooperative's work practices will run according to the *Standard Operating Procedure (SOP)* and will avoid *maghrib*, and if there are deviations from the implementation of the sharia contract at the BMA Cooperative, the

DPS has the authority and power to impose sanctions and reprimands on the BMA cooperative management to improve its performance system.

C. Study of *Syirkah Inan* contract in Bintang Mandiri Aceh Cooperative

Shirkah inan is a business contract that relies on financial and business management skills to earn profits through partnership by anyone who has a lot of capital or more capital. The scholars have explained that the specifics of *syirkah inan* have a high relative so that it can be managed easily by the parties to the partnership *in syirkah inan* as a system of cooperation in business transactions. In this *syirkah inan* there are two things, namely: First, the capital is not required to be the same amount so that it makes it easier for the parties to make the partnership. Secondly, in the measure of work and responsibility so that the parties can make easy work agreements according to their respective abilities and skills.

The ease of this *syirkah inan* makes the cooperating parties can be socially and individually can do on various forms of business cooperation both individually and with *partners* and groups with *persons* so that it becomes a strong business forum as in a limited liability company (PT), and even one of them cooperatives with various business units, both financing cooperatives and business cooperatives. In this case, the cooperation system that has been formulated *in syirkah inan* tends to facilitate the level of implementation that has differences and highlighting on finance and *skills* so that it can better ensure the level of achievement of business targets and higher profits. In cooperation in cooperatives, the delegation of cooperative business management is carried out jointly or jointly by all members to the management board for optimisation and focus on the management of financing cooperatives such as the Bintang Mandiri Aceh Cooperative which is the object of the author's research.

In the BMA Cooperative, the form of cooperative membership affects the rights and obligations of all members. For this reason, the BMA cooperative management sets its membership system in the ART of the BMA Cooperative, there are two membership qualifications, namely: active members as permanent members are owners and *users of* cooperative services who can take legal action and have common economic interests that have been regulated in the ART of the cooperative. In the BMA Cooperative, the application of the *syirkah inan* contract plays an important role in determining

financial performance and *profit* in this case the Supervisory Board and Sharia Supervisory Board are also responsible for the implementation of these sharia contracts. The DPS has a great responsibility in ensuring that cooperative operations are in accordance with sharia principles, which includes supervision of sharia contracts including *syirkah inan*.

The *syirkah inan* agreement involves the participation of capital from various parties, including members of the BMA cooperative, risks and profits are shared according to the portion of capital included with the cooperation of capital and business *syirkah inan* encourages synergies that can increase operational efficiency and productivity. In Kopsyah BMA applying this contract can maximise the business potential of its members to achieve higher profits, this shows proportional sharing of responsibilities and risks, increases financial stability and encourages active participation from BMA cooperative members and prospective customers. *Syirkah inan* requires transparency in the management of capital and profit sharing, which encourages more accountable financial management and can increase member confidence in the management of the BMA cooperative.²⁶

In this case, to prevent unwanted things from happening and not to deviate from sharia principles, the DPS is tasked with ensuring that all BMA cooperative activities including the *syirkah inan* contract are in accordance with sharia principles and this supervision includes contract verification, transaction supervision, and financial performance assessment. DPS has a role in educating the management and members of cooperatives on sharia principles and their implementation in the activities of BMA cooperatives, BMA cooperatives must socialise their members and this socialisation is important to ensure optimal understanding and compliance with sharia rules. DPS conducts periodic audit checks to evaluate the cooperative's compliance with sharia principles.²⁷

In BMA Cooperatives, it plays an important role in ensuring that the cooperative operates in accordance with sharia principles, maintains fairness, and ensures transparency in the management of the cooperative. The

²⁶ Sri Wahyuni et al., "THE ROLE OF COURTS IN RESOLVING CASES OF BANKRUPTCY OF ISLAMIC BANK CUSTOMERS," *JURISTA: Journal of Law and Justice* 7, no. 1 (June 10, 2023): 1-23, <https://doi.org/10.22373/JURISTA.V7I1.42>.

²⁷ Wahyu Akbar et al., "Optimisation of Sharia Banking Regulations in Developing the Halal Cosmetic Industry in Indonesia," *Al-Syir'ah Scientific Journal* 22, no. 1 (June 30, 2024): 1-12, <https://doi.org/10.30984/JIS.V22I1.2611>.

Supervisory Board is also expected to provide advice and guidance to the management of the BMA Cooperative in managing risks and making decisions based on sharia principles. As such, the DPS and Supervisory Board are considered independent supervisors that support the achievement of sustainable and shariah-compliant performance in the context of cooperatives.

Conclusions

Supervision of sharia contracts must conduct Sharia Supervisory Board discussions to oversee the suitability of the contracts in the cooperative itself. In dealing with discrepancies, namely providing recommendations and correcting them and every year holding an Annual Members Meeting (RAT) but once the RAT is held, it analyses whether the murabahah financing product (sale and purchase with a profit *margin*) is in accordance with sharia. The assessment ensures that there are no elements of usury and gharar in the sale and purchase contract, develops procedures for how the profit *margin* is calculated and agreed at the beginning of the contract and conducts audits to ensure that the profit margin applied is in accordance with what was agreed and there are no changes that violate sharia.

The Sharia Supervisory Board has the responsibility to ensure that the management of Bintang Mandiri Aceh Cooperative has fulfilled the basic principles in the launch of new products in BMA Cooperative in accordance with sharia principles. The DPS is responsible for ensuring that the process of launching new products does not conflict with sharia principles, is transparent, fair, and sustainable. The DPS must be active in ensuring that new products launched are consistent with sharia values without violating applicable prohibitions and regulations. The process of assessing and resolving sharia principles for operational guidelines in the release of new products can improve the quality of trust and sustainability of products to meet the needs of cooperative members and in accordance with market demands while still fulfilling sharia principles and can fulfil the trust of cooperative members including stakeholders, so that this can support the creation of new products that comply with sustainable sharia principles.

From the perspective of *shirkah inan*, the existence of a supervisory board is permissible and even has an important position to ensure that the objectives of the cooperation can be carried out and implemented properly.

The supervisory board will be the party that has the authority to control business operations and ensure business performance *is on the track*. This is the urgency of the supervisory board at Kopsyah BMA, so that the operations of Kopsyah BMA can run optimally according to what has been determined in the AD ART and can also be explained by the results of supervision and evaluation, especially compliance with sharia principles in several aspects at each RAT conducted by the cooperative management board. In this case, the sharia supervisory board must ensure that the cooperative's operations run according to sharia principles, so as not to deviate from the element of *usury*.

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