

Supervision Pattern of Baitul Maal Wattamwil Perspective Of Law No.1 Of 2013

Okto Viandra Arnes

UIN Sunan Kalijaga Yogyakarta, Indonesia

Abstract:

BMT, which is abbreviated as Baitul Maal Wat Tamwil, began to be known in Indonesia, namely in early 1992 on the initiative of the Bina Insan Kamil self-help organization which founded the BMT institution 1994 in Jakarta. The development of BMT in Indonesia has experienced very rapid development and has a very important role in economic growth in Indonesia. However, what must be considered regarding the development of BMT in Indonesia, namely that which was the main problem before the enactment of law number 1 of 2013 concerning microfinance institutions, was that BMT operations were not in accordance with the legal system of financial institutions in Indonesia. This study uses library research or what is called library research, the research approach used a statutory approach (statue approach) and a conceptual approach (conceptual approach). the result of the research is that supervision before the birth of law number 1 of 2013 was carried out by Bank Indonesia and the cooperatives departement, while after the birth of law number 1 of 2013 specifically the supervision was carried out by the financial services authority (OJK).

Keywords: Supervision, BMT, Law Number 1 of 2013

Introduction

The pattern of BMT supervision in Law Number 1 Year 2013 on microfinance institutions(UULKM), is a current challenge for microfinance institutions in Indonesia. The microfinance institution, whether in the form of a cooperative legal entity or a microfinance institution with the legal entity of a limited liability company (PT), is obliged to familiarise itself with all the views and determinations contained in the legislation. BMT, abbreviated as BMT, began to be known in Indonesia in the beginning of 1992, initiated by the Bina Insan Complete self-help agency which established the BMT agency in 1994 in Jakarta. The progress of BMT in Indonesia faces very rapid progress and has a very significant position in the development of the economy in Indonesia. But what must be observed in the progress of BMT in Indonesia is that an important problem when before the birth of Law Number 1 of 2013 concerning microfinance institutions is not yet suitable BMT operations with the legal system of microfinance institutions in Indonesia, there are no special provisions governing BMT institutions as well as other microfinance institutions. Before the enactment of Law Number 1 of 2013 on microfinance institutions, BMTs were part of informal microfinance institutions.¹

¹ Ahmad Hasan Ridwan, *BMT & Bank Islam Instrumen Lembaga Keuangan Syariah* (Bandung: Pustaka Bani Quraisy, 2004). 5

The birth and formation of Regulation Number 1 of 2013 on Microfinance Establishment and Law Number 21 of 2011 on Economic Offering Authority (OJK) provide the right juridical foundation for the organisation and operation of BMT in Indonesia, BMT enters the modern financial segment of the expert and accountable group. The establishment of the law on Economic Offering Authority provides a good authority to supervise microfinance in Indonesia and assigns the institution DSN MUI as a sharia audit organisation in Indonesia which is authorised to symbolise the state (mandatory) to supervise microfinance to make technical policies. The Authority, is directed, efficient and robust.

With the issuance of Law Number 21 of 2011 on Monetary Offering Authority and Regulation Number 1 of 2013 on Microfinance Institutions, the electricity of Baitul Maal Wat Tamwil Syariah Financial Institutions was transferred from the Ministry of Cooperatives and Micro, Small, and Medium-sized Institutions to the offering authority. (OJK), based on regulation number 21 of 2011 explicitly that microfinance institutions are supervised through the economic bidding authority (OJK), and related to regulation number 1 of 2013 that microfinance institutions such as Baitul Maal Wat Tamwil must be in the jail of cooperative legal entities or limited liability businesses, while allowing for the establishment of Baitul Maal Wat Tamwil needs to go through the monetary offering authority, finally in 2017 all Baitul Maal Wat Tamwil must be legal entities. to date, many Baitul Maal Wat Tamwil do not yet have prison status and need to be registered with the Economic Services Authority.²

BMT after the issuance of law number 1 of 2013 is the same as banks, BMT as part of the origin of non-bank financial institutions in the context of economic policy is part of the origin of the economic system to build monetary balance, lifestyle Bank Indonesia In accordance with Law Number 21 of 2011 concerning the Economic Services Authority and effective 31 December 2013, the mandate of regulation, guidance and supervision of economic institutions financial institutions and non-financial institutions of Indonesia's financial institutions transferred to the Monetary Services Authority (OJK). [Joint Press Release Number. 15/56/dkom Bank Indonesia and the Financial Services Authority today 31 December 2013 wants the Minutes of Handover (BAST) of Supervisory Function Development from BI to OJK] due to the promulgation of Regulation Number 21 of 2011 on Economic Offering Authority and regulation of law Number 1 of 2013 on Microfinance Institutions, the authority of Islamic BMT financial institutions has shifted from the policy of Cooperatives and MSMEs to the authority of economic offering agency (OJK), in accordance with law number 21 year 2011 net that the micro economic board is OJK, and correlated with regulation number 1 year 2013 that micro financial institution which consist of BMT must be integrated as cooperative or limited liability organisation, while the recognition of BMT is mandatory through economic offering (OJK), so that during 2017 all BMT are required to have our body regulation. to date BMTs have been registered and

² Zakiah Noer, "Akibat Hukum Pendirian Lembaga Keuangan Mikro Oleh Badan Hukum Koperasi," *Jurnal Justiciabelen* 1, no. 1 (2018): 170–91.

integrated with the Economic Services Authority. After the emergence of law number 1 of 2013 on microfinance institutions, many laws are harsh and overlapping regarding the sustainability of the current BMT. the problems that exist in BMT after the issuance of the law need to be resolved through supervision conducted through the economic services authority (OJK).³

Based on the above reasons, the problem component in this research is how the example of supervision of Baitul Maal wat Tamwil after the enactment of local government Number 1 Year 2013. The evaluation of the problems in this research uses literature studies or what is known as library research through the utilisation of literature and previous studies. In this study, the research approach used was changed to the statutory technique (statue method) and conceptual technique (conceptual method). Variety of Statistics and Evaluation The use of qualitative research that emphasises study and description in reading a meaning. This study will answer the question of BMT Supervision after the presence of local government number 1 Year 2013? This study was conducted by exploring reference sources in theses, journals, articles related to BMT supervisory styles. The information needed in this study is a discussion of BMT supervision patterns in accordance with Law Number 1 of 2013 concerning Microfinance Institutions. Researchers in collecting facts discuss with the hierarchy of law and policy through the search for norms at the constitutional level, legal guidelines, rules for implementing legal guidelines and others related to criminal matters to be investigated. [Kaharudin, Research in Law, (Semarang: Formaci, 2021), p. 204.] The purpose of this study is broad and in-depth knowledge of the material studied. The focal point of this study is to discuss the pattern of supervision of BMT angle regulation Number 1 Year 2013.⁴

Result and Discussion

Supervision in Microfinance Institutions

Supervision in technological knowledge control can be interpreted as a form of management method to realise certain organisational goals so that exercise is achieved in accordance with previously made plans.⁵ Islamic economic institutions in changing rules, particularly developing healthy microfinance institutions must fulfil three components, namely protecting network hobbies, developing pretty and paying attention to danger factors for each monetary systems and human resources.⁶ Policy regarding supervision in essence in business regulation is a guarantee that the nature of control must be fulfilled, namely "supervision" or what is called control, this function includes all activities carried out by managers to ensure that the results are in accordance with the canakan cool effect. There are several kinds of supervision patterns that can be carried out through microfinance institutions consisting of economic BMT Syari'ah because this procedure has apparently been standardised for institutions that can be incorporated, which

³ Sugiyono, *Metode Penelitian Kuantitatif Kualitatif Dan R & D* (Bandung: Alfabeta, 2020). 2

⁴ Kaharudin, *Penelitian Di Bidang Ilmu Hukum* (semarang: Formaci, 2021). 4

⁵ Yohanes Yahya, *Introduction to Management* (Yogyakarta: Graha Ilmu, 2006). 133

⁶ Hermansya, *Indonesian National Banking Law* (Jakarta: Kencana Prenada Media Group, 2008). 163

include (1) preliminary supervision (2) "concurrent" supervision and (3) feedback supervision.⁷

As for the software to BMT regarding early monitoring (freedform manage) or often referred to as steorage manage, it is formed to assume problems or deviations from BMT operational standards or the motive for organising BMT is to make it as unique as possible to serve as a guide for correction, taking a fortopolio before BMT activities are carried out. This BMT monitoring technique seems to be more robust and competitive. through early detection of problems, predictive moves are expected to be designed before problems arise. BMT monitoring can work if the coordination system in the BMT takes place very harmoniously, along with the changes in the environment and the nature of the BMT.

The enactment of Law Number 1 Year 2013 on Microfinance Institutions

The birth or formation of the law on Microfinance Institutions stipulated in Law Number 1 of 2013 brought a breath of fresh air in the legal protection of microfinance institutions in Indonesia because the existence of the legal entity makes it easier for microfinance institutions to become conventional or sharia legal entities as well as limited liability companies or cooperatives.⁸ However, the enactment of this Law also has consequences for microfinance institutions, including sharia-based ones, which must fulfil the provisions stipulated in Law Number 1 Year 2013 on Microfinance Institutions and its regulations. (MFIs), capital systems, operations, business fields, and all aspects related to the provisions contained in this legislation. The existence of this regulation provides a legal basis for the financial services authority in carrying out its duties in supervising existing microfinance institutions.⁹

Polemics about the legality of Islamic microfinance institutions with cooperative legal entities began to emerge and stick out. the kingdom's policy does not directly modify integrated Islamic microfinance institutions such as cooperatives. The first regulation governing the establishment of microfinance is Law Number 1 of 2013 and the second law governing cooperatives is Law Number 25 of 1992 [Law Number 25 of 1992 on Cooperatives] for the choice of legal entity used in the Islamic Microfinance guidelines of this group used can have an impact on the rules up to its direction and supervision.¹⁰ The mandate is contained in regulation number 1 of 2013 concerning the Establishment of Microfinance on the results of the obligation for Islamic microfinance institutions to obtain a business permit at the financial services authority does not seem to be running optimally. statistics in the field show that so far the most effective are 17 Islamic MFIs that

⁷ Sudarsono, *Bank Dan Lembaga Keuangan Syariah Deskripsi Dan Ilustrasi* (Yogyakarta: Ekonosia, 2004). 96

⁸ Pasal 5 ayat (1) Undang - Undang Republik Indonesia Nomor 1 Tahun 2013 Tentang Lembaga Keuangan Mikro.

⁹ Pasal 1 Undang - Undang Republik Indonesia Nomor 1 Tahun 2013 Tentang Lembaga Keuangan Mikro.

¹⁰ Neni Sri Imaniyati, *Legal Aspects of BMT (Baitul Maal Wat Tamwil)* (Bandung: Citra Adytia Bakti, 2010). 102

have registered their institutions with the financial services authority. cross.identification. This path provides an indication of the irregularities in the growth of Islamic microfinance institutions that are growing rapidly. (Number 1 Year 2019: Seventy Eight-93) In order to encourage community empowerment, particularly lower-middle-income communities and micro, small, and medium enterprises (MSMEs), complete guidance from economic institutions is required. so far, MSMEs are limited through access to investment from formal financial institutions.

To overcome these problems, many non-financial economic institutions have grown and developed in the community that offer business development and community empowerment activities, each driven by the government or network. these institutions are called microfinance institutions (MFIs). however, many of these microfinance institutions are not yet incorporated and have business licences. In order to provide a solid legal foundation for the implementation of microfinance institutions, on 8 January 2013 Regulation Number 1 Year 2013 on Microfinance Institutions was promulgated. The business activities of microfinance institutions include offering business improvement and community empowerment, either through loans or financing in micro-scale businesses to donors and the general public, deposit management, as well as offering business development consultancy. The objectives of microfinance institutions include fostering the right of entry to micro-scale investments for networks, assisting the growth of economic empowerment and community productivity, and supporting the income growth and welfare of the poor or low-income communities.¹¹

The definition of microfinance institutions in accordance with regulation number 1 of 2013 concerning microfinance institutions in article 1 is very diverse (1) in particular: "Microfinance institutions, hereinafter abbreviated as MFIs, are financial institutions that are specifically established to offer business improvement and community empowerment, either through loans or financing in micro businesses to participants and the community, handling deposits, as well as providing commercial business development consulting services that are not entirely for revenue regulation number 1 of 2013 concerning Microfinance Institutions (MFIs), microfinance institutions are financial institutions specially formed to provide commercial business development services and network empowerment, deposit control and commercial business development financing entirely for profit and profit¹² BMT stands for Baitul maal Wa Tamwil, which is a sharia-based microfinance institution with social nuances that has no impact on worldly income and profit or clothing.¹³ Traditionally the emergence of BMT from various historical researches, BMT became a mode and its delivery There are various perspectives that have a historical correlation with the formation of Baitul Maal during the time of the Prophet Muhammad PBUH, then continued through the

¹¹ Muhammad Ridwan, *Sistem Dan Prosedur Pendirian Baitul Mal Wat-Tanzil (BMT)* (Yogyakarta: Citra Media, 2006). 1

¹² Pasal 1 Undang - Undang Republik Indonesia Nomor 1 Tahun 2013 Tentang Lembaga Keuangan Mikro.

¹³ Muhammad Ridwan, *Sistem Dan Prosedur Pendirian Baitul Mal Wat-Tanzil (BMT)*. 1

caliphate of Abu Bakar, Umar Bin Khatab and Usman bin Affan until it survived in this modern era. The Baitul Maal that served as the Prophet's headquarters no longer has its proper form, the current Baitul Maal is reserved for the treasury whose assets are collected from the remnants of war treasures, the collection of zakat, and donations from Muslims. this case lasted until the caliph Abu Bakr. Baitul Maal has a market share in non-profit fund-raising enterprises because of its charitable nature which includes infaq, shodaqoh, waqf and zakat. Baitul Wat Tamwil (BMT) is also a financial institution for the general public that seeks to develop effective groups and investments to grow the financial activities of small marketers based on cooperative standards and sharia concepts.

BMT (Baitul Maal Wat Tamwil) Profile

BMT stands for the word Integrated Independent Business Centre or Baitul Maal Wat Tamwil, which is a microfinance institution (MFI) that is ready to operate based on sharia principles.¹⁴ BMT is an economic institution that manages non-income (social) funds whose budget sources are obtained from zakat, infaq, and sadaqah or halal sources.¹⁵ Baitul Mal Wat Tamwil (BMT) is an organisation that includes two terms, namely baitul maal and baitul tamwil. Baitul Maal is more directed at efforts to obtain and distribute a range of non-income prices, which include: infaq, sadaqah, and zakat. As for baitul tamwil as a series business and distribution business.¹⁶ Baitul Mal Wat Tamwil (BMT) capabilities, consisting of : 1) A collection and distribution of budgets, through money savings in BMT, accelerated use of cash, resulting in a surplus of goods (those with surplus) and a deficit of means (those who lack funds); 2) Liquidity makers and sellers can create a unit cost of crime that can provide the potential to fulfil group tasks.¹⁷

History of BMT Establishment

Because during the time of the Prophet Muhammad, the traditional Baitul Mal lifestyle existed, the emergence of the concept of establishing Baitul Mal was when the Muslims won the battle of Badr and managed to get ghanimah (spoils of battle) from the treasure. This was the first formation that was made. Furthermore, during the generation of Caliph Abu Bakr Ash Shiddiq, the development of Baitul Mal developed unexpectedly, the source of the Baitul Mal budget was managed through the collection of zakat. Furthermore, entering the era of caliph Umar bin Khattab, the improvement of Baitul Mal was sustained and carefully managed, receiving income and something halal in accordance with sharia policy and distributing it to people who were entitled to receive it. during the time of Uthman bin Affan the development of BMT became advanced and rapid, this can be seen

¹⁴ Andri Soemitra, *Banks and Islamic Financial Institutions*, (Jakarta: Kencana, 2009). 447

¹⁵ Hertanto Widodo, *Practical Operational Guide for Baitul Mal Wat Tamwil (BMT)* (Bandung: Mizan, 1999).

¹⁶ Nurul Huda and Mohammad Heykal, *Islamic Financial Institutions: Theoretical and Practical Review* (Jakarta: Dating, 2010). 362

¹⁷ IKNB, "Informasi Umum Lembaga Keuangan Mikro," 2023, <https://ojk.go.id/id/kanal/iknb/Pages/Lembaga-Kuangan-Micro.aspx>.

from the royal budget deposited through Baitul Mal. During the time of Caliph Ali bin Abi Talib, the financial management of Baitul Mal was sourced from the collection of khums of fish or forest products.

History and Development of BMT in Indonesia

The historical development of BMT in Indonesia began in 1984 which was developed by utilising ITB students at the Salman Mosque who tried to create a financing group based on sharia concepts for small organisations under the name Bait di Tamwil SALMAN and in Jakarta Ridho Gusti cooperative turned into also connected. BMT organisations are usually controlled by ICMI as an institution that is operationally followed up through the Small Business Incubation Centre (PINBUK). realising these ideals, especially directing BMT as a microfinance institution that can carry out financial savings and loan business activities, the function of channeling financing for individuals in order to develop a superior BMT.¹⁸

Characteristics of BMT

The characteristics of BMT as a microfinance institution are as follows: 1) a Business-minded, especially those that aim to seek mutual benefits and are able to develop the utilisation of all economic capabilities to the greatest extent for contributors and the environment; 2) BMT is not a social institution, but is used to manage social budgets in the form of infaq, zakat, sadaqah and gifts and waqf; 3) Micro-economic institutions that start from the bottom and contain the surrounding community; 4) BMT is a group that is jointly owned through smaller and smaller networks and not owned by positive people or corporations outside the BMT cross network.¹⁹

Function and Role of BMT

The presence of BMT in the middle of small groups in terms of business budget development and consumptive sports makes BMT institutions have a very important position in people's lives. in line with Heri Sudarsono, BMT life has the following roles and characteristics.²⁰ 1) BMT has a very important position in the practice of funding and channelling non-sharia financing. BMT routinely conducts socialisation to the community about the importance of sharia economic practices. BMT educates the procedures for good and correct transactions in accordance with Islamic economics, so that there is no more fraud and dishonesty in BMT investment practices; 2) BMT provides investment and education for small business activists. As a microfinance institution, BMT must be active in carrying out its features, such as providing direction, counselling, mentoring and supervision of groups run with the help of the community or customers; 3) With BMT, people can avoid lending money to loan sharks. To overcome this, BMT needs to provide good

¹⁸ Pinbuk Indonesia, *Tata Cara Pembinaan BMT* (Pinbuk, 2006), <https://pinbuk.id/>.

¹⁹ Nur Riyanto, *Dasar-Dasar Ekonomi Islam* (solo: PT Era Adicitra Intermedia, 2011). 110

²⁰ Heri Sudarsono, *Islamic Banks and Financial Institutions, Description and Illustration* (Yogyakarta: Ekonosia, 2007). 97

service so that people feel safe and comfortable when borrowing money at BMT; 4) BMT functions to maintain socio-economic justice with equity. BMT must examine and pay attention to the eligibility of customers in terms of patron institutions and various types of financing.

Law Number 1 Year 2013

Government Regulation of the Republic of Indonesia Number 1 of 2013 on Microfinance Institutions Article 1 number 1 explains that Microfinance Institutions hereinafter abbreviated as MFIs are economic institutions established specifically to provide business improvement and community empowerment services, both through loans and financing in the field of micro-scale organisations. to contributors and the community, addressing savings, as well as presenting business improvement consulting offers that are not solely for income. Article 2 on standards and objectives of MFIs shall be primarily based on justice, togetherness, independence, convenience, openness, fairness, sustainability and usefulness and effectiveness. [Law No. 1 Year 2013 on Microfinance Institutions Article 1 and 2].²¹

Forms of BMT Legal Entity according to Law Number 1 Year 2013

There are many criminal entities that change BMT in its implementation, among others.²² BMT is regulated in law 25 of 1992 concerning cooperatives, at the beginning of its development, BMT changed to law number 25 of 1992 concerning cooperatives, then changed to law number 17 of 2012 concerning cooperatives. In 2014, the Cooperative Law Number 17 of 2012 was cancelled by the Constitutional Court so that the law does not have a strong and binding criminal force.²³ BMT is also regulated in regulation number 23 of 2011 on zakat control, furthermore it operates as an organisation that provides monetary offerings in the form of custody, investment and financing BMT has unique characteristics that differ from other financial institutions in its social values/non-income sports. For certain activities, it is based on article 24 of Kep-person number 91 of 2004 concerning the guidelines for the imposition of business activities of Islamic financial cooperatives (KJKS). BMT in its implementation refers to article 6 of law number 23 of 2011 concerning the control of zakat.

Regarding the supervision of BMT, it is regulated in law number 21 of 2011 concerning the economic supply authority. the range of regulations 21 of 2011 regulates the existence and scope of the Financial Services Authority (OJK) in supervising the implementation of BMT.²⁴ Explicitly about BMT Implementation and tactics are regulated in law no 1 of 2013 on microfinance institutions. In article five paragraph (1) of Law Number 1 Year 2013 on Microfinance Institutions, the

²¹ Pasal 1 dan 2 Undang-undang Nomor 1 tahun 2013 tentang Lembaga Keuangan Mikro.

²² Nourma Dewi, ""Regulation of the Existence of Baitul Maal Wat Tamwil (BMT) in the Indonesian Economic System," *Serambi Law Journal* 11, no. 1 (2017): 102–3.

²³ Bilis Mera, "BMT Berbadan Hukum Koperasi", " 2022, www.bilismerah.co. diakses pada 28 november 2022.

²⁴ OJK, "Data Lembaga Keuangan Mikro Yang Terdaftar Di OJK per 30 September 2017 - 30 Januari 2018," 2018, <http://www.ojk.go.id>.

notoriety of BMT legal entities as microfinance institutions can only take the form of cooperatives and limited liability companies. If the BMT is in the form of a cooperative, it must comply with Regulation Number 25 Year 1992 on Cooperatives and its supervision is under the Ministry of Cooperatives and SMEs. In the event that the BMT is a limited liability company, supervision is carried out by the economic services authority as stipulated in regulation number 21 of 2011 concerning the money supply authority (OJK).²⁵

Supervision of BMT according to Law Number 1 Year 2013

Since the enactment of Law Number 1 of 2013, BMT activities are problematic and there is no legal certainty in the framework of guidance and supervision.²⁶ If you look at article 29 (1) POJK Various kinds of 12/POJK.05 /2014 concerning Business Licensing and Institutionalisation of Microfinance Institutions of course it is stipulated that Microfinance Institutions that have been operating earlier than the enactment of regulation number 1 of 2013 concerning Microfinance Institutions including BMT. in accordance with POJK 14 of 2014 concerning guidance and supervision of microfinance institutions, BMT first rearranges in accordance with the legal basis of microfinance institutions in Indonesia in accordance with (1) law number one of 2013 concerning microfinance institutions (2) law No. 21 of 1999 concerning (three) OJK authority guidelines on financing and guaranteeing broad MFIs which are then also explained in POJK Number. 13 of 2014 concerning the Implementation of MFIs in Indonesia. Article 5 paragraph (1) of local government Number 1 of 2013 on Microfinance Institutions, the reputation of BMTs that commit criminal offences can at best be "confined organisations and cooperatives, the good name of a legal entity results in imprisonment for BMT administrators"²⁷ and Supervision of BMTs in accordance with law number one of 2013 concerning Microfinance Institutions is carried out through the financial institution Services Authority (OJK) all forms and practices carried out by BMTs will continue to be supervised through the Economic Services Authority The reason for the presence of the Economic Offer Authority (OJK) is to offer supervision to BMTs that have incorporated. so that all forms of problems and disputes that exist in BMTs can be resolved through litigation and non-litigation channels.

Problems of Supervision after Law Number 1 Year 2013

The presence of Regional Regulation Number 1 Year 2013 on Microfinance Institutions provides enthusiasm for the existence of BMTs in the community. However, there are some conflicting provisions in regulation number 1 of 2013

²⁵ Siaran Pers Bersama Nomor . 15/56/dkom Bank Indonesia dan otoritas jasa keuangan pada hari ini, 31 Desember 2013 menandatangani berita acara serah terima (BAST) pengalihan fungsi pengawasan dari BI kepada OJK

²⁶ Nourma Dewi, "'Regulation of the Existence of Baitul Maal Wat Tamwil (BMT) in the Indonesian Economic System,."

²⁷ "Legal Consequences of the Establishment of Microfinance Institutions with Cooperative," *Legal Entities Justiciablen* 1, no. 1 (2018).

through the preparations contained in law number 25 of 1992 concerning cooperatives. where BMT institutions are given independence and leeway. this is a new complexity for the BMT lifestyle. The vagueness and overlapping of laws, guidance and supervision of BMTs contradict the provisions of both types of laws and guidelines. In accordance with the explanation of Law Number 25 of 1992 on Cooperatives, the guidance and supervision of BMT is carried out by the Ministry of Cooperatives in Indonesia according to Law No. 1 of 2013.²⁸

Meanwhile, in Law Number 1 Year 2013 on Microfinance Institutions, the preparation of guidance and supervision is done with the help of the Financial Services Authority (OJK). With the existence of two unique statues, BMT groups in practice have difficulty in determining which law to comply with. variations or overlapping regulations on microfinance institutions, especially BMTs, have led to a loss of truth about the sustainability of BMTs.²⁹ Therefore, it can be concluded that if the reason for Local Regulation Number 1 of 2013 on Microfinance Institutions is to comprehensively regulate MFIs, especially BMTs with clean direction and supervision of BMT life, then it is highly expected that there will be criminal acts. facts and techniques on the scarcity of BMT services that are not yet optimal. The content of regulation Number 1 of 2013 concerning microfinance institutions has not been synchronised with the provisions contained in the cooperative legislation. which means that the guidelines of the two laws are no longer able to offer solutions and the regulations are less harmonious. So that it does not match the actual situation or the desire of the community for microfinance institutions.³⁰

The enactment of various regulations 21 of 2011 on the economic services Authority and law number 1 of 2013 on microfinance which provides a reality for the life of microfinance institutions and this can have an impact on the supervision of BMT. In regulation number 1 of 2013, BMT has a criminal actuality, especially the business entity of the crime which until recently was doubtful and seemed disproportionate, in article five of law number 1 of 2013 concerning microfinance institutions which includes BMT with the legal entity of a cooperative or limited entity. The output of article five of Law Number 1 of 2013 has major institutional implications for BMTs. The complexity of the BMT supervisory machinery contained in Perda number 1 of 2013 is a major problem from the perspective of the politics of law in the context of the crime state of BMT supervisory authority related to formal law based on Law No.1 of 2013 and Perda number 10 of 2013 of 2011 is carried out by the Sharia Supervisory Board, the Financial Services Authority, the Cooperative Office and the Local Government. However, in terms of legal substance, how supervision is carried out is not always regulated in detail, and the law no longer explains who is authorised to make the substance of the

²⁸ R. Trihantana dan A.Alhifni, "Model Kebijakan Dan Perencanaan Pengawasan Lembaga Keuangan Mikro Syariah (Studi LKMS Di Wilayah Bogor)," *Jurnal Syarikah* 3, no. 2 (2017): 160.

²⁹ Stefan Staschen, *Regulatory Requirements for Microfinance A Comparison of Legal Frameworks in 11 Countries Worldwide* (Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) Divisi 41 GmBh postfach, 2003).

³⁰ Nourma Dewi, "Regulation of the Existence of Baitul Maal Wat Tamwil (BMT) in the Indonesian Economic System,," 103

supervision law in detail. Supervision is done with the help of the Sharia Supervisory Board, which is in charge of whether the BMT adheres to sharia or not. The enactment of various regulations in 2013 on microfinance institutions is expected to provide proper supervision of the lifestyle of BMTs in every region in Indonesia.

Conclusion

The pattern of supervision is in line with regulation number 1 of 2013 which has a clear impact on the security of microfinance institutions, before and after the promulgation of regulation number 1 of 2013 concerning microfinance institutions as an umbrella for operational crimes of BMT financial institutions, considering that the contribution of BMT to the Indonesian economy has a long history and is able to provide solutions to poverty alleviation by channeling financing in very large amounts, in the context of law enforcement it is necessary to establish a regulatory framework as a follow-up to legislation number 1 of 2013 in Indonesia. An example of supervision carried out in accordance with law number 1 of 2013 is predicted to have a major impact on the existence of BMT in Indonesia. so that there are no more BMTs whose practices are inconsistent with existing policies.

Bibliography

- Ahmad Hasan Ridwan. *BMT & Bank Islam Instrumen Lembaga Keuangan Syariah*. Bandung: Pustaka Bani Quraisy, 2004.
- Andri Soemitra. *Banks and Islamic Financial Institutions*,. Jakarta: Kencana, 2009.
- Bilis Mera. "BMT Berbadan Hukum Koperasi", 2022. www.bilismerah.co.
- Heri Sudarsono. *Islamic Banks and Financial Institutions, Description and Illustration*. Yogyakarta: Ekonosia, 2007.
- Hermansya. *Indonesian National Banking Law*. Jakarta: Kencana Prenada Media Group, 2008.
- Hertanto Widodo. *Practical Operational Guide for Baitul Mal Wat Tamwil (BMT)*. Bandung: Mizan, 1999.
- IKNB. "Informasi Umum Lembaga Keuangan Mikro," 2023. <https://ojk.go.id/id/kanal/iknb/Pages/Lembaga-Kuangan-Micro.aspx>.
- Indonesia, Menteri Hukum dan Hak Asasi Manusia Republik. "Undang - Undang Republik Indonesia Nomor 1 Tahun 2013 Tentang Lembaga Keuangan Mikro," no. 42 (2019): 15.
- Kaharudin. *Penelitian Di Bidang Ilmu Hukum*. semarang: Formaci, 2021.
- "Legal Consequences of the Establishment of Microfinance Institutions with Cooperative." *Legal Entities Justiciabellen* 1, no. 1 (2018).
- Muhammad Amin. "Implementasi Undang-Undang Nomor 1 Tahun 2013 Terhadap Lembaga Keuangan Mikro Syariah Yang Berbadan Hukum Koperasi." *JURISDICTION: Jurnal Hukum Dan Syariah* 10, no. 1 (2019): 78–93.
- Muhammad Ridwan. *Sistem Dan Prosedur Pendirian Baitul Mal Wat-Tanzil (BMT)*. Yogyakarta: Citra Media, 2006.
- Neni Sri Imaniyati. *Legal Aspects of BMT (Baitul Maal Wat Tamwil)*. Bandung: Citra

- Adytia Bakti, 2010.
- Noer, Zakiah. "Akibat Hukum Pendirian Lembaga Keuangan Mikro Oleh Badan Hukum Koperasi." *Jurnal Justiciabelen* 1, no. 1 (2018): 170–91.
- Nourma Dewi. "'Regulation of the Existence of Baitul Maal Wat Tamwil (BMT) in the Indonesian Economic System,.'" *Serambi Law Journal* 11, no. 1 (2017): 102–3.
- Nur Riyanto. *Dasar-Dasar Ekonomi Islam*. solo: PT Era Adicitra Intermedia, 2011.
- Nurul Huda and Mohammad Heykal. *Islamic Financial Institutions: Theoretical and Practical Review*. Jakarta: Dating, 2010.
- OJK. "Data Lembaga Keuangan Mikro Yang Terdaftar Di OJK per 30 September 2017 - 30 Januari 2018," 2018. <http://www.ojk.go.id>.
- Pinbuk Indonesia. *Tata Cara Pembinaan BMT*. Pinbuk, 2006. <https://pinbuk.id/>.
- R. Trihantana dan A.Alhifni. "Model Kebijakan Dan Perencanaan Pengawasan Lembaga Keuangan Mikro Syariah (Sudi LKMS Di Wilayah Bogor)." *Jurnal Syarikah* 3, no. 2 (2017): 160.
- Stefan Staschen. *Regulatory Requirements for Microfinance A Comparison of Legal Frameworks in 11 Countries Worldwide*. Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) Divisi 41 GmBh postfach, 2003.
- Sudarsono. *Bank Dan Lembaga Keuangan Syariah Deskripsi Dan Ilustrasi*. Yogyakarta: Ekonosiia, 2004.
- Sugiyono. *Metode Penelitian Kuantitatif Kualitatif Dan R & D*. Bandung: Alfabeta, 2020.
- Yohanes Yahya. *Introduction to Management*. Yogyakarta: Graha Ilmu, 2006.