



Judicial Protection for Sharia Consumers: A Normative Analysis of OJK Regulation No. 2 of 2024 and the Competence of Religious Courts

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Abstract

Strengthening Sharia governance through Financial Services Authority Regulation (POJK) No. 2 of 2024 is pivotal for enhancing Sharia compliance and consumer protection. However, a significant gap remains between institutional governance and the practical enforcement of consumer rights. This article analyzes this disparity by evaluating POJK No. 2/2024 within the framework of Sharia economic law and the judicial role of Religious Courts. Using a normative-juridical method with statutory and conceptual approaches, this study finds that POJK No. 2/2024 remains focused on administrative-institutional realms, failing to optimally integrate with the Financial Sector Development and Strengthening Law (PPSK Law) and the adjudicatory authority of Religious Courts. To address this, this article develops a judicial-normative model that positions POJK No. 2/2024 as a "standard of care" in Sharia consumer dispute adjudication. This model transcends mere administrative compliance by transforming OJK's governance standards into enforceable legal benchmarks for judges to determine professional negligence and liability. By integrating maqāṣid al-sharī'ah with access to justice, this research repositioning the Religious Court not merely as a dispute resolver, but as a strategic enforcer of Sharia-compliant consumer protection standards.

Keywords: Sharia Governance; Consumer Protection; Standard of Care

INTRODUCTION

The Islamic finance industry in Indonesia has entered a transformative phase following the enactment of Financial Services Authority Regulation (POJK) No. 2 of 2024 concerning the Governance of Islamic Commercial Banks. Substantively, this regulation is designed to fortify sharia compliance structures and operational transparency within a rapidly evolving digital economy. However, a persistent dichotomy exists between the tightening of administrative governance by regulators and the actualization of consumer protection in the field. Despite the rigorous compliance reports submitted by Islamic banks, the reality of implementation often reveals a preoccupation with "sharia formalities" where compliance is measured by the presence of institutional symbols and administrative checklists while neglecting the substantive mitigation of consumer risks. This gap is evidenced by the recurring nature of disputes involving contract transparency and collateral enforcement, suggesting that governance under POJK 2/2024 has yet to become a functional shield for the financial consumer (Widyastuti et al., 2022).

The fundamental legal problem identified in this study is the normative disconnection between the administrative standards of POJK No. 2/2024 and the judicial adjudication process in the Religious Courts. While the regulation empowers the Sharia Supervisory Board (DPS) and internal audit mechanisms, it remains silent on how these governance standards should be interpreted by judges when resolving sharia economic disputes. (Jaziroh & Nirwana, n.d.) This creates a state of judicial uncertainty: can a bank's failure to meet the governance standards in POJK 2/2024 be categorized as a "breach of duty" or professional negligence in a court of law? Without a clear integration between OJK's administrative norms and the Religious Court's judicial reasoning, consumer protection remains a fragmented concept—strong on paper but weak in enforcement. Therefore, there is an urgent need to clarify the status of these regulations as a "standard of care" in the judicial realm to ensure that administrative violations have direct legal consequences for consumer rights restoration.

Scholarly discourse on sharia governance has predominantly focused on the institutional role of the DPS, internal audit effectiveness, and risk management as instruments for ensuring sharia compliance. (Dwi et al., 2024) Conversely, existing literature on consumer protection often approaches the subject through the broad ethical lenses of *maqāṣid al-sharī'ah*, emphasizing fairness and the prohibition of *gharar* without linking these principles to specific regulatory benchmarks (Abubakar & Handayani, 2021) This research identifies a critical gap: there is a lack of a normative-prescriptive framework that operationalizes post-POJK 2/2024 governance norms into concrete legal arguments for sharia economic litigation. Previous studies have

failed to address how the "administrative domain" of the OJK can be harmonized with the "judicial domain" of the Religious Court to create a seamless protection mechanism for consumers.

This article fills this void by offering a judicial-normative model that repositions POJK No. 2/2024 from a mere managerial guideline into a fundamental "standard of care" for sharia banking operations. The novelty of this research lies in its proposition that sharia governance standards should serve as the primary parameter for judges to assess professional liability and bad faith in banking disputes. By integrating the principles of *maqāṣid al-sharī'ah* with the doctrine of "access to justice," this study argues that the Religious Court must act as a strategic actor that transforms OJK's administrative requirements into enforceable legal protections. This repositioning is crucial to move beyond sharia formalities and toward a substantive legal system that guarantees fair and sustainable protection for consumers.

Based on the aforementioned problems, this study addresses two central legal inquiries. First, it examines the normative construction of sharia governance under POJK No. 2/2024 and its theoretical alignment with the substantive justice required by sharia economic law. Second, it analyzes the legal implications and the role of the Religious Court in operationalizing these governance standards within the dispute resolution process. By employing a normative-juridical method with a statutory and conceptual approach, this research aims to provide a prescriptive framework that bridges the current regulatory divide, ensuring that the development of the sharia financial sector is intrinsically linked to the protection of its most vulnerable stakeholders.

METHODS

This study is conducted using a normative-juridical research method, which places the analysis of legal norms, principles, and regulatory frameworks at the center of its inquiry. To address the complexity of Sharia governance under POJK No. 2 of 2024, the research adopts a multifaceted approach. It begins with a statute approach to critically examine the consistency and synchronization of the new OJK regulation within the broader Indonesian legal hierarchy, particularly its alignment with the Sharia Banking Law and the Financial Sector Development and Strengthening Law (PPSK Law). This is complemented by a conceptual approach, which serves to reconstruct the "standard of care" doctrine and redefine the judicial role of the Religious Courts through the lens of Sharia economic law theories (Ariawan, 2013). Furthermore, this research integrates a legal system approach to analyze the institutional interplay between administrative oversight and judicial enforcement, ensuring that consumer protection is viewed as a unified legal continuum rather than a fragmented administrative task. To provide a global perspective and enhance the

scholarly weight of the analysis, a comparative approach is explicitly employed. This involves a critical comparison between Indonesia's domestic standards in POJK No. 2/2024 and international benchmarks issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Islamic Financial Services Board (IFSB). This comparison is pivotal to evaluate whether the current regulatory design in Indonesia meets international best practices regarding professional liability and consumer rights

The data analyzed in this study are secondary in nature, categorized into primary, secondary, and tertiary legal materials. The primary legal materials consist of statutory instruments, including the Sharia Banking Law, Consumer Protection Law, and the core subject of this study, POJK No. 2 of 2024. Secondary materials are sourced from reputable academic journals, international Sharia standards, and previous legal research that provides a contextual foundation for Sharia governance. These materials are gathered through comprehensive library research, utilizing inventorying and categorization techniques to ensure a systematic evaluation of relevant legal norms (Efendi, 2022).

The analysis is executed through a prescriptive-deductive reasoning process. The researcher initiates the analysis from universal legal principles, specifically *maqāṣid al-sharī'ah* and global corporate governance standards, and subsequently draws specific, prescriptive conclusions regarding the implementation of consumer protection post-POJK 2/2024. Through systematic interpretation, the research bridges the "administrative domain" of the OJK with the "judicial domain" of the Religious Court. This synthesis aims to formulate a legal framework that repositions the Religious Court not merely as a dispute resolver, but as a repressive supervisor of Sharia compliance, thereby providing a more robust and enforceable level of legal certainty for consumers within the Sharia financial ecosystem.

DISCUSSION AND RESULT

The Paradox of Administrative Compliance: Beyond "Check-Box" Sharia Governance

The enactment of POJK No. 2 of 2024, while ostensibly strengthening sharia governance, reveals a deep-seated normative bias towards institutional stability rather than consumer restoration. Substantively, the regulation heavily emphasizes administrative sanctions ranging from written warnings to the revocation of business licenses as the primary tool for enforcement. From a normative-critical perspective, this approach positions consumer protection merely as a byproduct of institutional compliance. (Al-Tawil & Rahhal, 2025) The regulation creates a "check-box" compliance culture where Sharia Commercial Banks (BUS) are deemed "protective"

simply by fulfilling formal requirements, such as the composition of the Sharia Supervisory Board (DPS) or internal audit frequencies. However, this study argues that administrative compliance is not synonymous with substantive justice. The dominance of administrative sanctions fails to provide a direct remedial path for aggrieved consumers. When a bank violates governance norms for instance, through a lack of transparency in *murabahah* margin calculations the OJK may fine the bank, but the regulation does not explicitly mandate how that specific consumer should be compensated or how the contract should be rectified. This creates a "remedial vacuum" where the state collects fines, but the consumer remains burdened by the unfair contract. (Srirejeki & Khairurrizqo, 2025)

A critical evaluation of POJK No. 2/2024 reveals a significant absence of structured objection procedures for consumers. While international standards such as IFSB-10 (Guiding Principles on Governance for Islamic Financial Services Institutions) emphasize the necessity of "efficient mechanisms for consumer redress," the Indonesian POJK remains largely inward-looking, focusing on the bank's internal governance organs. From a *maqāṣid al-sharī'ah* perspective, specifically the protection of property (*hifz al-mal*), the law must provide a functional instrument for rights restoration. The absence of specific compensation standards or a clear "internal dispute resolution" (IDR) protocol within the POJK framework renders the regulation toothless in the face of predatory banking practices. (Soomro et al., 2025) The current normative construction assumes that a "well-governed" bank is automatically a "fair" bank, a legal fallacy that ignores the inherent power imbalance in adhesion contracts typical of sharia banking.

The most pressing question regarding the effectiveness of POJK No. 2/2024 is its justiciability. Is this regulation merely an internal "operating manual" for OJK supervisors, or can it be invoked as a source of law in the Religious Courts? This study asserts that for POJK No. 2/2024 to transcend being a mere "annotated regulation," it must be repositioned as a judicial standard of care. In sharia economic litigation, judges in the Religious Court often struggle to define what constitutes "professional negligence" (*wanprestasi* or *perbuatan melawan hukum*) in the complex operations of sharia banks.

This research argues that the governance norms in POJK 2/2024 should function as a normative benchmark for judges. For example, if a bank fails to implement the transparency standards mandated by the POJK, the judge should treat this administrative failure as *prima facie* evidence of bad faith (*su'ul khulq*) or negligence. By transforming these administrative norms into enforceable judicial standards, the Religious Court can bridge the gap left by the OJK's administrative focus. This repositioning ensures that POJK No. 2/2024 is not just a regulatory burden

for banks, but a potent legal instrument for consumers to reclaim their rights through judicial adjudication.

Reconstruction of Sharia Governance in POJK Number 2 of 2024

The reconstruction of sharia governance under POJK No. 2 of 2024 cannot be viewed in isolation; it must be interpreted as a regulatory manifestation of the Financial Sector Development and Strengthening Law (UU PPSK). The UU PPSK serves as a *lex superior* that breathes a spirit of "integration" into the financial system, yet POJK No. 2/2024 still exhibits a conceptual hesitation in connecting administrative governance with judicial finality. One of the most glaring gaps is the regulation's failure to explicitly synchronize sharia compliance standards with the execution of sharia arbitration awards by the Religious Courts. Under the UU PPSK, there is a clear mandate to strengthen the integrity of the sharia financial system. However, governance is not just about how a bank operates internally, but how it behaves when disputes arise. In the context of sharia arbitration (Basyarnas), the governance standards stipulated in POJK No. 2/2024 should ideally serve as the substantive "sharia compliance" barometer for the Religious Courts during the execution phase. When a consumer seeks the execution of an arbitration award, the court must ensure that the governance process leading to that award reflects the transparency and fairness mandated by both POJK 2/2024 and UU PPSK.

OJK Regulation No. 2 of 2024 concerning *the Implementation of Sharia Governance for Sharia Commercial Banks and Sharia Business Units* is a new regulation issued by the Financial Services Authority (OJK) to create a stronger, more comprehensive, and internationally standardised framework for sharia governance. This POJK was created as part of *the 2023–2027 Roadmap for the Development and Strengthening of Indonesian Sharia Banking* with the aim of reinforcing the characteristics of sharia in sharia banking governance and following up on the mandate of Law-Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (P2SK Law), which gives the OJK the authority to strengthen financial sector regulations, including aspects of sharia *governance*.

Several articles in POJK Number 2 of 2024 contain statements that require Islamic banks and financial institutions/Islamic business units to comprehensively apply Islamic principles and values not only to products but also to business processes and decision-making. The sharia principles referred to here are those based on fatwas and sharia compliance statements from the MUI's National Sharia Council. Article 2 in Chapter II of this POJK describes this, stating that "*banks are required to apply sharia principles in the conduct of their business activities*". This statement forms the basis of mandatory Sharia governance, which aims to ensure that all activities of Sharia institutions are oriented towards authentic Sharia principles and are not merely formalities. (Fitriansyah & Komaruddin, 2024)

Then, in articles 3 and 4, it is stated that to ensure compliance with sharia governance, a sharia development committee is formed, in which the OJK can coordinate with the National Sharia Council-MUI. Furthermore, the Sharia Supervisory Board is tasked with implementing and ensuring compliance with sharia principles in governance. In addition, the details of the tasks in governance that must be realised are the implementation of sharia compliance functions (point 2b, article 4), the application of sharia risk management functions (point 2c, article 4); the implementation of the Sharia internal audit function (point 2d, article 4); and the implementation of an external review of Sharia governance (point 2e, article 4).

In general, POJK Number 2 of 2024 introduces a fundamental shift in the compliance architecture of Islamic banks by elevating the Sharia Supervisory Board (DPS) from a mere consultative body to a central pillar of risk management. However, from a normative-critical perspective, this strengthening creates a legal paradox for the DPS. While the regulation ostensibly implements the principle of *maslahah mursalah* by suppressing potential malpractice, it simultaneously shifts a significant burden of legal liability onto the members of the DPS (Jannah et al., 2025).

Under the new regime, the DPS is no longer solely responsible for *ex-ante* fatwa issuance; they are now mandated to perform *ex-post* supervisory functions over sharia risk. This transition raises a critical question regarding the legal protection of DPS members when providing opinions. POJK No. 2 of 2024 demands stricter accountability, yet it remains ambiguous on whether a DPS member can be held personally liable for a bank's "sharia non-compliance" that leads to consumer loss. Without explicit "safe harbor" provisions or professional indemnity protections, the increased responsibilities under this regulation may transform the DPS into a high-risk legal actor. Consequently, rather than just being a measurable operational system, this regulation runs the risk of creating a "defensive compliance" culture where the DPS may become overly cautious in their opinions to avoid potential litigation or administrative sanctions. Therefore, the reconstruction of sharia governance must go beyond administrative rigidity; it must clarify the legal immunity and professional boundaries of the DPS to ensure they can perform their supervisory duties without the looming threat of disproportionate legal consequences.

Financial Services Authority Regulation POJK Number 2 of 2024 marks a significant "reconstruction" in Indonesian Islamic banking governance by strengthening the regulatory framework and ensuring more comprehensive compliance for Islamic Commercial Banks (BUS) and Islamic Business Units (UUS). This POJK was issued to complement the general governance framework regulated in a separate POJK (POJK No. 17 of 2023), thereby creating an integrated dual governance system: general governance and sharia governance. The aim is to increase public confidence and ensure that all bank operations are fully in line with Sharia

Principles, addressing compliance challenges and infrastructure readiness that arise alongside the industry's growth .

The reconstruction of Sharia governance through POJK No. 2 of 2024 emphasises the affirmation of the roles and responsibilities of all levels of the organisation, not merely the duties of the Sharia Supervisory Board (DPS). The mandatory Sharia governance framework includes the implementation of more independent duties and responsibilities of the DPS, the application of Sharia compliance functions, Sharia risk management functions, Sharia internal audit functions, and the implementation of external Sharia reviews. Regulations regarding the independence of the DPS, such as prohibitions on certain concurrent positions, are clarified in an effort to strengthen Sharia supervision. In addition, this POJK also regulates more structured reporting on the implementation of sharia governance and firm follow-up on non-compliance with sharia principles, including administrative sanctions in the form of significant fines. (Al Rasyied & Fatwa, 2025)

Upon closer examination, there are significant differences between the construction of banking sharia governance before and after the enactment of POJK No. 2 of 2024. Previously, the construction of sharia governance in the regulation, supervision, and implementation of sharia principles was scattered across various regulations and was not yet systematically integrated. However, after the enactment of POJK No. 2 of 2024, the construction of governance became systematically integrated into one regulation.

The sharia governance system is actually positioned as an umbrella concept that serves as a normative goal for sharia banking operations. However, prior to POJK Number 2 of 2024 , this governance did not have a single comprehensive regulation. It was formed by various rules originating from Bank Indonesia (BI) in the past as well as various sectoral POJK and PBI that regulated certain aspects partially. (Ariswanto et al., 2023) This condition created a fragmentary governance framework, in which sharia principles were regulated separately according to the functions of each institution and work unit.

In terms of internal oversight structure, the role of the Sharia Supervisory Board (DPS) and sharia risk management is influenced by BI regulations and various previous POJK/PBI. The DPS serves to ensure the compliance of products and operations with DSN-MUI fatwas, but its position is more normative and consultative in nature. The involvement of the DPS in strategic decision-making, risk mitigation, and its relationship with other audit and supervisory mechanisms is still limited. As a result, sharia supervision often runs independently and is not fully integrated with the bank's overall risk management system.

However, on the other hand, POJK No. 17 of 2023 concerning Bank Governance regulates the general principles of *good corporate governance* (GCG) for banks, including Islamic banks. This regulation gave rise to the functions of sharia

compliance and sharia internal audit. However, because POJK No. 17 of 2023 is general in nature and not specifically designed for the characteristics of Islamic banking, the sharia aspect is only placed as an additional part of conventional governance. This has resulted in the absence of a distinctive, comprehensive sharia governance design based on the principles of *maqāṣid al-syarī'ah*.

Furthermore, there are a number of major weaknesses in the construction of sharia governance prior to POJK No. 2 of 2024. First, there is fragmentation of regulations, as sharia regulations are scattered across many regulations without a unified framework. Second, the role of the DPS is not yet synergistic with the functions of compliance, audit, and risk management. Third, there is no external review or assessment framework that systematically tests the effectiveness of sharia governance. Fourth, governance guidelines are not specific to sharia characteristics, so sharia principles are often adjusted administratively rather than substantively.

Overall, the Islamic banking governance system in Indonesia was still partial, sectoral, and not yet integrated prior to POJK No. 2 of 2024. These conditions then led to the issuance of POJK No. 2 of 2024 as an effort to reconstruct Islamic governance to be more systemic, synergistic, and have stronger legal certainty in Islamic banking practices ().

Meanwhile, POJK No. 2 of 2024 serves as a more robust legal basis for ensuring the integrity and accountability of Islamic banking in Indonesia. This regulation repeals several previous provisions, such as PBI No. 11/33/PBI/2009, to create more effective regulatory harmonisation. The issuance of this POJK is also in line with the 2023 General Guidelines for Indonesian Sharia Entity Governance (PUG-ESI) and international standards such as IFSB-10 *Guiding Principles on Shariah Governance Systems*, demonstrating OJK's efforts to bring sharia governance practices in Indonesia to the highest global standards (IFSB, 2009). The best global standards referred to are those issued by two major international standard-setting bodies, namely *the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI)* and *the Islamic Financial Services Board (IFSB)*. These standards serve as guidelines and references for global Shariah financial institutions in their management of *Shariah compliance*, transparency, accountability, and effective risk management.

The Sharia Governance Reconstruction Scheme in POJK No. 2 of 2024 represents a paradigm shift in the management of Islamic financial services institutions from a formal compliance approach to a systemic, substantive, and sustainable sharia governance. In this scheme, sharia governance is placed at the core, connecting all elements of supervision, compliance, transparency, and institutional integration. This placement emphasises that sharia principles are no longer understood merely as normative requirements, but as the main foundation for strategic and operational decision-making in sharia financial institutions.

The first prominent element in the scheme is the role of the Sharia Supervisory Board (DPS). POJK Number 2 of 2024 reconstructs the position of the DPS from a symbolic supervisor to a substantive supervisor that is active in ensuring the conformity of products, contracts, and business activities with sharia principles. The strengthening of the qualifications, certification, and work guidelines of the DPS indicates that sharia supervision is directed to be both preventive and corrective simultaneously. Thus, the DPS is not only present at the end of the process but is involved from the planning stage to the evaluation of the institution's policies.

The scheme also highlights the integration of supervision as an important element in the reconstruction of sharia governance. This integration reflects the synergy between the Financial Services Authority (OJK), the National Sharia Council–MUI, and the institution's internal supervisory mechanisms. POJK Number 2 of 2024 emphasises that sharia compliance must be part of risk-based supervision, so that violations of sharia principles are viewed as institutional risks that can impact the stability and reputation of the industry. With this approach, sharia supervision does not stand apart from prudential supervision, but rather complements it in an integrated control system.

Sharia compliance management in the scheme illustrates the strengthening of the institution's internal control mechanisms. Sharia compliance is no longer solely the responsibility of the Sharia Supervisory Board () but becomes the responsibility of the organisation as a whole through internal compliance functions, sharia audits, and the development of products that comply with sharia principles. This reflects a shift from an individual approach to an institutional approach, where sharia compliance is integrated into the risk management and corporate governance systems.

The elements of sharia transparency and accountability complement this reconstruction scheme by emphasising the importance of information disclosure and sharia compliance reporting to the public. POJK Number 2 of 2024 requires that sharia compliance be accessible, verifiable, and evaluable by stakeholders. This transparency serves as an instrument to strengthen public trust as well as a mechanism for social control over sharia financial service institutions, so that accountability is not only internal but also external.

Overall, the scheme shows that the reconstruction of sharia governance in POJK Number 2 of 2024 is built in a circular and sustainable pattern. Each element is interconnected and reinforces the others, creating a governance system that is adaptive to industry dynamics and the demands of sharia justice. The ultimate goal is to strengthen public trust, increase adherence to sharia principles, and encourage the growth of a healthy, ethical, and competitive Islamic financial services industry.

Harmonisation of Consumer Protection: From Preventive to True Justice

Consumer protection is one of the main pillars of a modern economic legal system oriented towards justice and balance in the relationship between businesses and consumers. In its early stages of development, consumer protection was mostly placed within a preventive framework, namely through the regulation of goods and services quality standards, information obligations, and prohibitions on misleading business practices. (Mertokusumo, 2007) This approach aims to prevent losses early on by placing regulations as a market control instrument. However, in practice, the preventive approach is often unable to address the complexity of unequal economic relations, especially when consumers are structurally in a weak position. Until now, consumer protection has often been neglected due to the weak bargaining position of customers in the face of standardised contracts (*asymmetric information*). POJK Number 2 of 2024 attempts to close this gap by emphasising transparency and accountability.

Based on an analysis of Sharia economic law, consumer protection is a manifestation of the principles of *'Adl* (justice) and *Tawazun* (balance). When banks implement transparent governance as stipulated in the latest POJK, they are actually carrying out their Sharia obligation to avoid *Gharar* (uncertainty). Harmonisation occurs when these OJK regulations compel banks to provide honest information about product risks, which directly protects customers' assets (*Hifz al-Mal*) from losses due to ignorance. This is where the urgency of POJK lies as an effort to protect customers or consumers. (Jufri, 2020)

In this context, harmonisation of consumer protection is an urgent need, especially to bridge the gap between legal norms and socio-economic realities. Harmonisation does not only mean the alignment of laws and regulations, but also the integration of substantive justice values into the consumer protection system. This means that the law does not stop at formal prevention, but moves towards repressive and restorative protection mechanisms that are capable of restoring consumer rights in a tangible manner. (Hawa et al., 2023) Thus, consumer protection is not merely normative, but also transformative.

The paradigm shift from preventive protection to substantive justice requires strengthening access to *justice* for consumers. Instruments such as alternative dispute resolution, consumer protection agencies, and special consumer courts are manifestations of efforts to provide more responsive justice. In this framework, substantive justice is understood not only as compliance with legal procedures, but also as the ability of the law to provide proportional, effective protection that is oriented towards the recovery of losses.

Furthermore, the harmonisation of consumer protection must also take into account the development of the digital economy and market globalisation. Cross-

border transactions, e-commerce, and digital financial products pose new risks that cannot always be anticipated by conventional preventive regulations. Therefore, true justice requires synergy between national regulations, international consumer protection principles, and sustainable business ethics. In this context, the law functions as a moral and social instrument to maintain a balance of economic interests.

Thus, harmonising consumer protection from a preventive approach to substantive justice is an evolutionary process that places consumers as dignified subjects of law. Protection is no longer understood as merely administrative security, but as an effort to realise social justice in economic activities. This paradigm is in line with the objectives of modern law, which is not only to create order, but also to bring about substantive justice that is felt tangibly by society. At the initial level, the Preventive Approach is positioned as the foundation of consumer protection. This approach includes the supervision of halal products, transparency of information, and the prohibition of business practices that harm and mislead consumers. From a Sharia perspective, this prevention is in line with the principle of *sadd al-dhari'ah* (closing the door to harm), which is to prevent potential injustice before it causes real harm. However, the diagram emphasises that the preventive approach is initial, not the ultimate goal.

Next, the transformation arrow shows a paradigm shift from formal protection to more substantial protection. At this stage, the principle of Maqāṣid al-Shari'ah becomes the connecting axis between prevention and true justice. Maqāṣid such as the protection of property (*hifz al-māl*), life, and dignity become the normative framework that guides the direction of consumer protection policies so that they are not merely regulatory compliant, but also oriented towards humanity and justice. At the centre of the diagram is True Sharia Justice as the main objective. This justice is not interpreted procedurally, but rather as substantive justice that is truly felt by consumers. To support this true justice, the diagram shows several intertwined supporting elements, namely access to justice, Islamic dispute resolution, business ethics and Sharia standards, and consumer rights restoration (). These elements emphasise that justice can only be achieved if consumers have access to dispute resolution mechanisms that are fair, easily accessible, and in line with Sharia values.

The next layer shows a shift from preventive protection to repressive and restorative protection. Repressive protection is realised through sanctions and law enforcement against violators, while restorative protection focuses on compensation and restoration of the consumer's position. From a Sharia perspective, the restorative approach better reflects true justice because it aims to eliminate the effects of injustice and restore balance (*tawāzun*) in economic relations. In the final section, the entire paradigm flows into the Maslahah and Economic Justice of the Ummah. This confirms that the highest goal of harmonising consumer protection from a sharia perspective is not only to protect individual consumers but also to create a fair, sustainable, and

dignified economic system. Thus, the diagram represents a holistic, integrative, and normative conceptual framework for developing consumer protection based on true sharia justice.

The Strategic Role of Religious Courts as Judicial Supervisors

Religious courts are one of the pillars of judicial power in Indonesia and have a strategic role in upholding the law and justice for people seeking justice, particularly in cases related to Islamic family law, Sharia economics, and other areas of Islamic civil law. Along with the expansion of authority granted by legislation, Religious Courts not only function as adjudicative institutions but also play an important role as judicial supervisors in ensuring that the principles of law, justice, and legal certainty are consistently implemented. This supervisory function is crucial in maintaining the integrity of the judicial system and public trust in religious judicial institutions. (Suhaili, 2025)

The judicial oversight role of the Religious Court is reflected in two main dimensions, namely internal oversight and oversight of the implementation of Islamic substantive law. In the internal dimension, the Religious Court is under the oversight system of the Supreme Court, which aims to ensure the professionalism, independence, and accountability of judges. This oversight covers aspects of judicial administration, judicial ethics, and compliance with procedural law. Through this mechanism, the Religious Court contributes to preventing *judicial misconduct* while strengthening the principle of *judicial accountability* without reducing the independence of judges in deciding cases. (toldo Sitohang, 2025)

As part of the judicial branch, the Religious Court has a strategic responsibility to maintain the integrity of the judiciary by preventing *judicial misconduct*. Judicial misconduct can take the form of violations of the code of ethics, abuse of authority, conflicts of interest, and unprofessional behaviour that undermines public trust in the judiciary. In this context, the Religious Court not only functions as a forum for resolving Islamic legal disputes, but also as an institution that structurally and culturally contributes to maintaining the morality and professionalism of judges.

Efforts to prevent *judicial misconduct* within the Religious Courts are carried out through an internal oversight mechanism that is integrated with the Supreme Court's oversight system. This oversight covers aspects of court administration, compliance with procedural law, and the implementation of the code of ethics and guidelines for judges' conduct. Through this system, the Religious Court plays a role in ensuring that every judge exercises their authority responsibly, transparently, and in accordance with established ethical standards, so that the potential for misconduct can be minimised from the outset.

On the other hand, strengthening the principle of *judicial accountability* in the Religious Court is not interpreted as a form of intervention in the freedom of judges

to decide cases. Judicial accountability is better understood as the obligation of judges to be accountable for their legal processes and considerations in a rational, open manner that can be tested ethically and legally. In practice, this is reflected in the obligation of Religious Court judges to draft decisions that are argumentative, based on trial facts, and grounded in legal norms and substantive justice values.

The importance of balancing judicial accountability and independence is a fundamental principle in a state governed by the rule of law. Religious courts contribute to maintaining this balance by focusing their oversight on conduct and procedures rather than on the substance of decisions. Thus, the independence of judges in conducting legal assessments and judicial deliberations is preserved, while behavioural deviations that could potentially undermine justice can be controlled. This model is in line with the universal principles of modern justice, which emphasise that independence and accountability are not mutually exclusive concepts, but rather complementary ones.

In addition, the characteristics of the Religious Court, which are based on Islamic ethical values, also strengthen the prevention of judicial misconduct. The principles of justice (*al-'adl*), trustworthiness, and moral responsibility form the ethical foundation that shapes the professional awareness of judges. From this perspective, judges are not only legally and institutionally responsible, but also morally and spiritually responsible. This ethical awareness serves as an effective internal control mechanism in preventing *judicial misconduct* without sacrificing the independence of judges.

Furthermore, one of the most crucial aspects of this study is the influence of POJK Number 2 of 2024 on the role of the Religious Court in harmonising sharia governance and consumer protection. The Religious Court now has a new normative reference in deciding sharia economic cases. In the settlement of Sharia economic disputes, POJK No. 2 of 2024 does not change the evidence in civil procedure law, but it can serve as a standard of care and a normative reference for assessing whether there has been a violation of the obligations of due care, Sharia compliance, and transparency that affects consumer rights. With this reference, Religious Court judges can examine whether the bank's actions comply with the principles of Sharia governance and consumer protection obligations, which can further strengthen the construction of default or unlawful acts based on the facts of the trial.

First, the standard of care. If a sharia bank is proven to have violated the governance provisions in POJK Number 2 of 2024 (for example, negligence in supervising DPS), the Religious Court judge can use this as strong evidence of "Unlawful Acts" by the bank's management. Second, legal certainty. This regulation provides guidelines for judges to determine whether a banking product has met the state-recognised standards of Sharia compliance. Third, *Ex-Post* Function. If the OJK functions as an *ex-ante* supervisor (before a dispute arises), then the Religious Court

acts as an *ex-post* enforcer of justice (after a violation occurs), referring to the OJK's administrative standards to restore the rights of aggrieved consumers.

Thus, the contribution of the Religious Court is increasingly evident as an element that plays a role in preventing and enforcing judicial irregularities and strengthening *judicial accountability*. The key to its success lies in its ability to build a proportional, ethics-based, and quality-oriented justice supervision system. This approach demonstrates that strong judicial accountability does not necessarily lead to restrictions on judicial independence, but rather strengthens it through enhanced integrity, professionalism, and public trust in the Religious Court as an institution upholding justice.

The next stage in the scheme shows a shift from the regulatory to the judicial realm, where the Religious Court is positioned as a judicial oversight body. In this capacity, the Religious Court plays a role in examining sharia economic disputes that arise due to alleged consumer protection violations. This judicial oversight is not interpreted as administrative supervision of financial institutions, but rather as a legal review of sharia governance practices through an independent and impartial judicial mechanism. This scheme also shows that the role of the Religious Court has a dual function, namely corrective and preventive. The corrective function is reflected in the authority of judges to assess the conformity of consumer protection governance practices with sharia principles and substantive justice principles, as well as to restore consumer rights through fair decisions. Meanwhile, the preventive function is realised through the establishment of consistent jurisprudence oriented towards consumer protection, thereby encouraging Islamic financial service institutions to improve their compliance with POJK No. 2 of 2024 and sharia principles from the product and contract design stage.

This scheme emphasises the contribution of the Religious Court in indirectly preventing governance irregularities and judicial misconduct. By maintaining the integrity of its rulings, transparent legal arguments, and consistent application of sharia principles, the Religious Court strengthens judicial accountability without compromising the independence of judges. In this context, accountability is not interpreted as external intervention, but rather as the ethical and professional responsibility of judges to ensure that judicial power is exercised in the interests of justice and public welfare.

At the end of the scheme, the entire process culminates in the harmonisation of consumer protection governance based on Sharia justice. This harmonisation is achieved when POJK Regulation Number 2 of 2024, the governance practices of Sharia financial institutions, and the decisions of the Religious Court are integrated into a coherent system. The end result is the creation of consumer protection that not only provides legal certainty but also ensures sharia compliance and delivers substantive

justice for consumers as the structurally weaker party. Thus, this scheme emphasises that the Religious Court is not merely a forum for dispute resolution, but a strategic institutional actor in overseeing the quality of consumer protection governance following POJK No. 2 of 2024. This judicial role serves as a bridge between legal norms, Sharia ethics, and economic practices, ensuring that the reconstruction of Sharia governance is truly oriented towards justice and the welfare of the people.

Implementation and Integration Challenges

Following the enactment of POJK No. 2 of 2024, strengthening sharia governance and consumer protection in the financial services sector faces complex implementation challenges. This regulation requires the simultaneous integration of prudential principles, sharia compliance, and consumer protection. The main challenge lies in the ability of sharia financial services institutions to translate normative regulations into consistent operational practices, especially in terms of business decision-making, product design, and risk management that remain oriented towards consumer welfare. From an institutional perspective, there are issues of coordination and synchronisation of roles between sharia supervisory actors. The relationship between the Financial Services Authority, the Sharia Supervisory Board, and the internal management of Islamic financial institutions is not yet fully integrated functionally. In practice, sharia supervision is often positioned as a formal administrative mechanism, rather than a substantive instrument that serves as a preventive measure against potential violations of consumer rights. This condition has the potential to create a gap between regulatory compliance and real and fair consumer protection.

The next challenge relates to human resources and regulatory literacy. The implementation of POJK No. 2 of 2024 requires dual competencies, namely a deep understanding of sharia principles and technical capabilities in consumer protection and modern governance. However, not all industry players have adequate human resources to bridge these two regimes. As a result, consumer protection is often understood purely in procedural terms, without being internalised as an ethical value inherent in *maqāṣid al-syarī'ah*. On the consumer side, integration challenges also arise due to low legal awareness and Islamic financial literacy. Although POJK No. 2 of 2024 has strengthened transparency and accountability mechanisms, the effectiveness of consumer protection is highly dependent on consumers' ability to understand their rights and the available complaint mechanisms. The information gap between financial institutions and consumers has the potential to undermine the objectives of protection, especially for vulnerable consumer groups who are in a weak position socially and economically.

In addition, the integration of sharia governance and consumer protection faces structural challenges in dispute resolution. The lack of synergy between internal

dispute resolution mechanisms, alternative dispute resolution institutions, and religious courts has led to fragmentation in the enforcement of justice. In fact, following POJK No. 2 of 2024, consumer protection should not only be administrative in nature, but should also have a judicial dimension that guarantees legal certainty and substantive justice for consumers of sharia financial services. Thus, the challenges of implementation and integration after POJK No. 2 of 2024 are not only technical-regulatory in nature but also reflect paradigmatic issues in interpreting sharia governance itself. Reconstruction efforts oriented towards the integration of sharia values, consumer protection principles, and an adaptive supervisory system are needed. Without strengthening institutional aspects, human resources, literacy, and law enforcement mechanisms, the grand objective of POJK No. 2 of 2024 to realise fair, transparent, and welfare-oriented sharia governance risks not being optimally achieved.

Although regulations are harmonised, challenges remain in the field. Synergy between the OJK and the Supreme Court is needed to ensure a common understanding of sharia governance standards. Without this integration, there is a concern that there will be disparities between administrative sanctions from the OJK and legal decisions from the Religious Court. This integration is important to create a credible sharia financial ecosystem and provide a sense of security for the community.

The first cluster is institutional challenges, which highlight the issues of sharia supervision coordination and inter-agency synergy. In this context, POJK No. 2 of 2024 requires the integration of roles between the Financial Services Authority, the Sharia Supervisory Board, and the management of sharia financial services institutions. However, in practice, fragmented authority and differing regulatory perspectives often hinder substantive supervision. Sharia supervision still tends to be administrative and formalistic, so it does not yet fully function as an instrument for preventing violations that could potentially harm consumers. This condition shows that regulatory strengthening is not automatically followed by effective institutional integration.

The second cluster relates to limitations in human resources and regulatory literacy. The figure emphasises the importance of dual competence, namely a simultaneous understanding of Sharia principles and consumer protection. Following POJK No. 2 of 2024, Islamic financial services institutions are required not only to comply with fatwas and fiqh muamalah principles, but also to be able to apply modern governance standards oriented towards consumer rights. However, the limited number of human resources with these integrative capabilities means that the implementation of regulations is often procedural, without internalising the values of justice, transparency, and benefit that are the spirit of sharia.

The third cluster highlights the challenges of consumer awareness and access, particularly in relation to low Islamic financial literacy and information inequality. Although POJK No. 2 of 2024 has strengthened the principles of openness and complaint mechanisms, the effectiveness of consumer protection is highly dependent on consumers' capacity to understand their rights and obligations. The imbalance of information between businesses and consumers opens up opportunities for practices that are formally compliant with regulations but substantively detrimental to consumers. Therefore, this image emphasises that consumer protection is not sufficient based on regulations alone, but must be supported by continuous consumer education and empowerment.

The final cluster is disputes and law enforcement, which illustrates challenges in conflict resolution and legal certainty. Dispute resolution mechanisms that are spread across internal institutions, alternative dispute resolution institutions, and religious courts have the potential to cause overlapping jurisdictions. In the context of sharia governance, this fragmentation can weaken consumers' access to justice and undermine public confidence in the sharia financial system. The image emphasises the importance of integrating law enforcement mechanisms so that consumer protection does not stop at the administrative level but also guarantees substantive justice through clear and effective judicial channels. Thus, this diagram represents that the challenges of implementation and integration after POJK Number 2 of 2024 are multidimensional and interrelated. Weaknesses in one aspect will have a direct impact on other aspects, requiring a holistic approach to strengthening sharia governance and consumer protection. This diagram also emphasises the urgency of reconstructing the paradigm of sharia governance, which should not only emphasise formal compliance with regulations but also integrate the values of *maqāṣid al-syarī'ah*, social justice, and consumer protection as a unified and sustainable system.

CONCLUSION

This study concludes that while POJK No. 2 of 2024 represents a significant paradigm shift in Sharia governance, its effectiveness remains contingent upon bridging the "enforcement gap" between administrative compliance and judicial adjudication.

First, this research establishes a final legal position that the governance norms within POJK No. 2/2024 must be repositioned as a mandatory judicial "standard of care." In the event of a Sharia economic dispute, any failure by a bank to meet the administrative standards set by the OJK should not merely result in regulatory fines, but must be treated by the Religious Court as *prima facie* evidence of professional negligence or bad faith (*su'ul khulq*). Furthermore, this study asserts that the increased responsibility of the Sharia Supervisory Board (DPS) necessitates a clear legal demarcation: the DPS must be protected by a "sharia-business judgment rule," where

they are immune from personal liability as long as their opinions are based on the governance procedures stipulated in the POJK.

Second, the specific contribution of this article lies in its formulation of a judicial-normative model that integrates OJK's administrative oversight with the Religious Court's adjudicatory authority. Unlike previous studies that treat Sharia governance and consumer protection as separate managerial or ethical issues, this research offers a concrete mechanism to operationalize "Sharia compliance" as an enforceable legal benchmark. This bridges the gap between the "Sharia formalities" of banking operations and the "substantive justice" required in judicial outcomes.

Third, based on these findings, this study offers the following normative recommendations:

1. For Regulators (OJK): To issue an interpretative guideline that explicitly links administrative violations of POJK No. 2/2024 with mandatory consumer restitution (remedial mechanisms), moving beyond purely institutional fines.
2. For the Judiciary (The Supreme Court/Religious Courts): To formulate a Supreme Court Regulation (*PERMA*) or a standardized judicial technical guideline that adopts POJK No. 2/2024 as a parameter for assessing "professionalism" and "compliance" in Sharia banking litigation.
3. For the Legislative: To harmonize the execution authority under the PPSK Law with POJK standards, ensuring that Sharia arbitration awards can be scrutinized against these governance benchmarks during the execution process in the Religious Court.

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