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THE ROLE AND FUNCTION OF THE SHARIA SUPERVISORY BOARD IN SUPERVISING SHARIA BANKING (STUDY AT BPRS MASLAHAT DANA SYARIAH NUSANTARA)

Dafta Zatiwa
dafta.zatiwa@mail.uinfasbengkulu.ac.id
[1] Faculty of Islamic Studies and Business, Fatmawati Sukarno State Islamic University Bengkulu
Desi Isnaini
desi_isnaini@mail.uinfasbengkulu.ac.id
[2] Faculty of Islamic Studies and Business, Fatmawati Sukarno State Islamic University Bengkulu
Herlina Yustati
Herlina.yustati@mail.uinfasbengkulu.ac.id
[3] Faculty of Islamic Studies and Business, Fatmawati Sukarno State Islamic University Bengkulu

Abstract

This study aims to determine the role and function of the Sharia Supervisory Board in supervising BPRS Maslahat Dana Syariah Nusantara, the supervisory mechanism implemented by the Sharia Supervisory Board towards BPRS Maslahat Dana Syariah Nusantara, and the obstacles faced by the Sharia Supervisory Board in carrying out its supervisory function at BPRS Maslahat Dana Syariah Nusantara. This study uses a qualitative descriptive approach with field methods at PT BPRS Maslahat Dana Syariah Nusantara, Bengkulu. Data were collected through interviews, observations, and documentation, with informants selected using purposive sampling. Data analysis was carried out through collection, reduction, presentation, and drawing conclusions. The results of the study indicate that 1) the Sharia Supervisory Board of BPRS Maslahat Dana Syariah Nusantara Bengkulu plays a role in ensuring sharia compliance, reviewing and approving new products/services, conducting routine supervision and sharia audits, and submitting DSN-MUI fatwas to BPRS practices, 2) The supervisory mechanism of the Sharia Supervisory Board at BPRS Maslahat Dana Syariah Nusantara Bengkulu includes the appointment of members, supervision of bank operations, reporting of supervision results, and implementation of regulations to support sharia principles, and 3) Constraints of the Sharia Supervisory Board at BPRS Maslahat Dana Syariah Nusantara include limited competence and human resources, high workload and dual positions, as well as regulations and governance that do not fully support optimal sharia supervision.

Keywords: Role and function, DPS, Supervision of Islamic Banking

1. Introduction

Islamic banking in Indonesia has experienced significant development in recent years, in line with the growing awareness of the Muslim community to use financial services that comply with Sharia principles (Baklouti, 2022) . The Islamic banking system offers an alternative for those who wish to avoid riba (usury), gharar (gambling), and maysir (gambling), while still upholding the principles of fairness and transparency. The existence of Islamic banks, including Sharia Rural Financing Banks (BPRS), functions not only as financial service providers but also as a means of implementing Islamic values in the community's economic activities (Acarya, 2019) .

In line with this development, the Indonesian government, through Law Number 21 of 2008 concerning Islamic Banking, requires every Islamic financial institution to have a Sharia Supervisory Board (SSB) (Ulfi et al., 2020) . The SSB is an independent institution tasked with overseeing the implementation of all Islamic banking products and transactions in accordance with fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). The SSB's primary functions include providing advice, operational oversight, and reporting on supervisory results. Therefore, the SSB plays a strategic role in maintaining customer trust and the integrity of Islamic banking (Yuni, 2021) .

The role of the Sharia Supervisory Board is becoming increasingly important given the complexity of Islamic banking products and transactions. Every contract, whether murabahah, mudharabah, or rahn, must undergo strict oversight to ensure it does not violate Sharia principles (Haron et al., 2022) . However, the implementation of this oversight often faces practical challenges, such as limited human resources with understanding of Islamic jurisprudence (fiqh) and banking operations, as well as differences in understanding between management and customers. This requires an assessment of the effectiveness of the Sharia Supervisory Board's role in practice (Rinaldy, 2020) .

Several previous studies have highlighted the role of the Sharia Supervisory Board (SSB) in maintaining compliance with Sharia principles in financial institutions. Research by Ardian Firmansyah indicates that the role of the Sharia Supervisory Board at the Ukhuwah Bintang Ihsani Islamic LKM in Bengkulu remains suboptimal, particularly in its advisory and support functions (Alam et al., 2021) . Research by Dhien Rosmayati found that the Sharia Supervisory Board at Bank Aceh Syariah acts as a muhtasib (supervisory body) overseeing murabahah contracts despite facing structural constraints (Pradesyah, 2019) . Research by Yuni Lahena indicates that the Sharia Supervisory Board regularly supervises rahn and murabahah products, but there were initial deviations due to limited employee understanding. Research by Rahmat Iliyas confirms that the Sharia Supervisory Board is an independent body that holds a strategic position in ensuring that banking products and procedures comply with Sharia principles. Meanwhile, research by Mukhtar Adinugroho et al. emphasizes the Sharia Supervisory Board as an independent institution that oversees the implementation of

the National Sharia Council's decisions in Islamic banking. Based on these findings, this study focuses on the role and function of the Sharia Supervisory Board in overseeing Sharia banking transactions at BPRS Maslahat Nusantara Syariah Bengkulu (Perwataatmadja, 1992) .

This situation highlights the need for more in-depth research into how the Sharia Supervisory Board (BPS) carries out its supervisory function, particularly at the local level. In Bengkulu, the existence of BPRS Maslahat Nusantara Syariah serves as a clear example of a Sharia financial institution that serves the community professionally. This BPRS provides various financing and fundraising products that must be implemented in accordance with Sharia principles. Therefore, the effectiveness of the Sharia Supervisory Board in this institution is an important indicator of the credibility and Sharia compliance of the BPRS (Maharani, 2020) .

The Sharia People's Financing Bank (BPRS) Maslahat Nusantara Syariah Bengkulu is a sharia financial institution operating in Bengkulu province. This BPRS offers various financing products, such as murabahah, musyarakah, and rahn, and collects public funds through savings and time deposits in accordance with sharia principles. This institution offers an alternative for those who want to avoid usury and conduct economic activities in accordance with sharia principles, while also encouraging local economic growth through financing for micro, small, and medium enterprises (MSMEs). (Karim, 2019) .

In its operations, BPRS Maslahat Nusantara Syariah is guided by the Sharia Supervisory Board (DPS), which plays a strategic role in ensuring that all bank products and transactions comply with the fatwas of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). The Sharia Supervisory Board is tasked with providing advice, conducting operational oversight, and compiling supervisory reports for management and regulators. The existence of the Sharia Supervisory Board is crucial, as misuse of sharia principles can harm customers and undermine public trust in Islamic banking (Supriyadi, 2018) .

However, the implementation of the Sharia Supervisory Board's functions and position is not without complex challenges. One major challenge is maintaining the independence of the Sharia Supervisory Board as a supervisory body within the bank's internal structure. In practice, the Sharia Supervisory Board is required to remain objective and professional without being influenced by management interests or other external pressures (Muslihun, 2023). Furthermore, the limited human resources with dual competencies in both modern finance and Sharia law are a significant obstacle. The ever-increasing complexity of Sharia banking products and transactions requires the Sharia Supervisory Board to possess in-depth analytical skills to provide appropriate assessments and fatwas in accordance with Sharia principles (Machmud et al., 2019) .

On the other hand, the public's lack of understanding of the function and role of the Sharia Supervisory Agency (BKSDA) also poses a challenge. Many customers are

still unaware of the importance of the BKSDA in ensuring transactions comply with Sharia principles, potentially eroding trust in Islamic banking institutions. Therefore, more intensive public education efforts are needed to ensure a broader understanding of the BKSDA's strategic role (Hasibuan et al., 2021). Based on these challenges, this study aims to analyze the position and function of the BKSDA in supervising Islamic banking transactions in Bengkulu, specifically at BPRS Maslahat Dana Syariah Nusantara. This research is expected to provide a comprehensive overview of the BKSDA's role and offer constructive recommendations to improve the effectiveness of Sharia supervision in the future (Nuryadi et al., 2017) .

2. Literature Review

Islamic Banking

Islamic banking, commonly known in Indonesia as sharia banking, is a financial institution that plays a strategic role in facilitating economic activities in the real sector through various business operations such as investment, trade, and financing, all conducted in accordance with sharia principles (Syarofi, 2023). These principles are derived from Islamic law and govern the contractual relationship between banks and their clients, both in terms of raising funds and disbursing financing. The goal is not only to generate profits but also to ensure fairness, balance, and ethical behavior, while strictly avoiding prohibited elements such as riba (interest), gharar (uncertainty), and maysir (gambling). Consequently, Islamic banking promotes a values-based financial system that aligns economic activities with moral and religious guidelines (Irawan, 2021) .

In its operations, Islamic banking functions not only as a financial intermediary but also as a development instrument that emphasizes ethical values, social responsibility, and general welfare (maslahah) (Triasari, 2021). This dual function reflects a balance between macroeconomic and microeconomic roles, where at the macro level, Islamic banks contribute to the stability of the national financial system, while at the micro level, they meet the financial needs of individuals and businesses in everyday life. Through profit-sharing mechanisms and asset-based financing, Islamic banks aim to create a more equitable distribution of wealth and support sustainable economic growth that benefits society as a whole (Susila, 2017) .

Islamic banks are distinguished by their operational model, which does not rely on interest-based transactions. Instead, they conduct their business activities based on Sharia-compliant contracts such as mudharabah, musyarakah, murabahah, and ijarah. Essentially, Islamic banks are defined as financial institutions that conduct their business activities based on the principles of Islamic law, which regulate agreements between banks and other parties for the deposit of funds, financing, and other permissible activities. By adhering to these principles, Islamic banking strives to provide financial services that are not only profitable but also ethical and socially responsible, ensuring alignment with Islamic teachings (Fahmi, 2022) .

Sharia Supervisory Board (DPS)

In Indonesian, the term "board" refers to a body consisting of several individuals tasked with deliberation and collective decision-making, while "supervisor" means supervisor or leader. Meanwhile, "sharia" is a fundamental component of Islamic teachings that regulates a Muslim's life, including worship (habluminallah) and social interaction (hablumminannas) (Bayu, 2023). Within the scope of social interaction, particularly in economic and commercial activities, the term muamalah maliyah is used to describe financial transactions and matters related to wealth. Based on this understanding, the Sharia Supervisory Board can be defined as a body responsible for ensuring that all activities in Islamic financial institutions are conducted in accordance with the principles of Islamic law, particularly in areas related to economic transactions and financial management (Nurhidayah, 2021) .

The Sharia Supervisory Board (BSN) is an institutional body tasked with overseeing the implementation of decisions issued by the National Sharia Council (DSN) in Islamic financial institutions. Members of this body are appointed and dismissed through the General Meeting of Shareholders (GMS), based on recommendations from the DSN. Structurally, the BSN holds a position equivalent to the Board of Commissioners and operates under the authority of the General Meeting of Shareholders, thus ensuring independence in its supervisory role (Adinugroho et al., 2023). Its primary responsibility is to monitor the business activities of Islamic financial institutions to ensure full compliance with sharia principles as determined by DSN fatwas. Furthermore, this body serves as an advisor, providing guidance and recommendations to directors, sharia business unit managers, and branch managers on matters related to sharia compliance. This body also serves as a mediator between financial institutions and the DSN in communicating proposals, innovations, and product and service developments that require further study and formal fatwas (Misbach, 2015) .

In the context of the banking and finance industry, one of the key differences between Islamic and conventional financial institutions lies in ensuring Sharia compliance in all operational aspects. To maintain this compliance, Islamic financial institutions not only appoint managers and leaders who understand Islamic economic principles but also establish a Sharia Supervisory Board to oversee operations from a Sharia perspective (Zahra, 2025). According to Law Number 21 of 2008 concerning Islamic Banking in Indonesia, every Islamic bank, including Islamic Commercial Banks (BUS) and Sharia Business Units (UUS), is required to establish a Sharia Supervisory Board. In general, the body's duties include providing advice and recommendations to the board of directors and overseeing all banking activities to ensure they remain aligned with Sharia principles. Through this role, the Sharia Supervisory Board acts as a crucial mechanism in maintaining the integrity, credibility, and ethical foundation of Islamic financial institutions (Rulanda et al., 2020) .

3. Research Methods

This research is a field study with a descriptive approach, a research method conducted directly at the research location to obtain real and factual data from the object being studied. Through this approach, researchers attempt to systematically, accurately, and in-depth describe phenomena, conditions, and various information found in the field according to the actual situation without data manipulation. Furthermore, this research also uses a qualitative descriptive approach, which emphasizes understanding social phenomena through in-depth observation and holistic data interpretation (Ulfi et al., 2020). This qualitative approach requires sensitivity and analytical acumen from researchers in capturing the meaning behind the data obtained, so that the research results are not only in the form of numbers, but also a comprehensive description of the facts and phenomena occurring at the research location. This qualitative descriptive research aims to provide a clear picture of the characteristics, traits, and dynamics that occur within a specific population or region objectively and in depth (Muhammad, 2021) .

This research was conducted over a two-month period, starting from September 2025 to October 2025. This time period was chosen considering sufficient time to carry out the process of data collection, observation, and data analysis optimally so that research results could be obtained optimally. The research location was directly at PT. BPRS Maslahat Dana Syariah Nusantara, which is located on Jalan Gedang, Gading Cempaka District, Bengkulu City. This location was chosen based on the relevance of the research object to the study focus raised by the researcher, so it is expected to provide accurate data and in accordance with research needs. In this study, the data sources used consist of primary data and secondary data. Primary data was obtained directly through interviews with predetermined informants, so that the data obtained was actual and in accordance with field conditions. Meanwhile, secondary data was obtained from various sources such as books, journals, documents, previous theses, and other literature relevant to the research topic, which serves to support and complement the primary data (Alimusa, 2020) .

Data collection techniques in this study were conducted through three main methods: interviews, observation, and documentation. Interviews were conducted in an unstructured manner, where the researcher did not use standard question guidelines but instead engaged in flexible dialogue while remaining focused on the research objectives, allowing the researcher to dig deeper into information from informants. Furthermore, the observation used was passive participant observation, where the researcher directly observed activities and behaviors occurring in the field without actively participating in them, so that the data obtained were natural and objective (Alam et al., 2021). The documentation method was also used to complement the data obtained from interviews and observations, by collecting various documents such as archives, photographs, organizational structures, and other administrative data. The data analysis technique in this study was carried out through several stages:

data collection, data reduction, data presentation, and drawing conclusions. These stages were carried out systematically and continuously so that the data obtained could be processed appropriately, resulting in valid, objective, and scientifically accountable conclusions. (Wahyudi, 2013) .

4. Results And Discussion

The role and function of the Sharia Supervisory Board in supervising BPRS Maslahat Dana Syariah Nusantara Bengkulu

Ensuring Compliance with Sharia Principles

The Sharia Supervisory Board (SSB) holds primary responsibility at BPRS Maslahat Dana Syariah Nusantara Bengkulu to ensure that all operational activities of the institution are conducted in accordance with Sharia principles. This responsibility includes overseeing the compliance of contracts (akad), financing transactions, operational procedures, and financial reporting to ensure that they do not conflict with Islamic law (Anisykurlillah et al., 2020). The SSB ensures that all fundraising and distribution processes are free from elements of riba (usury), gharar (uncertainty), and maysir (gambling). Thus, the SSB functions as a Sharia compliance supervisor, ensuring that all BPRS activities comply not only with national banking regulations but also with the principles of muamalah as stipulated in the DSN-MUI (Sugiyono, 2022) .

The SSB's commitment to ensuring Sharia compliance is also reflected in its consultation and guidance to BPRS management in making important Sharia-related decisions. Each time a policy or program is to be implemented, the SSB conducts a prior review to ensure it will not lead to future Sharia violations. This consultative role is crucial as it serves as an early prevention mechanism for Sharia risks. If non-compliance is found in product implementation, the SSB provides recommendations for improvements that must be implemented immediately by management to avoid negative impacts on service quality and customer trust (Taufiq, 2020) .

Furthermore, the SSB acts as a moral and ethical supervisor in all institutional activities. Its oversight focuses not only on technical aspects but also on alignment with values such as fairness, honesty, and trustworthiness, the foundations of Islamic financial institutions. The presence of the SSB provides public assurance that BPRS Maslahat Dana Syariah Nusantara operates properly and transparently in accordance with Sharia. In the context of public trust, the SSB's role is highly strategic because it ensures that the institution remains within the framework of Islamic law, which is the fundamental basis for the establishment of Islamic banking. (Rifkhan, 2023) .

New Product/Service Review and Approval

Before BPRS Maslahat Dana Syariah Nusantara Bengkulu launches a new product or service, the SSB (Syariah Syariah Board) is required to conduct a comprehensive review of the proposed product. This process includes examining the contract structure, transaction mechanisms, operational flows, and supporting documents to ensure there are no inconsistencies with Sharia provisions (Supriyadi, 2018). The SSB assesses whether the product aligns with the DSN-MUI fatwa and

Islamic muamalah principles. This review stage is crucial to ensure that the product offered to the public does not contain elements of usury, gharar, or other deviations that could pose Sharia risks in the future (Waldelmi et al., 2023) .

In the next stage, the DPS issues a written opinion in the form of a Sharia compliance statement indicating approval or consent to the product. If all aspects meet Sharia standards, the SSB grants approval, allowing the product to be implemented by the BPRS. However, if certain components are found to be non-compliant, the SSB recommends revisions or modifications that must be addressed by management before approval is granted. The role of oversight in the development of this new product is crucial because it serves as an initial control mechanism to ensure the public receives services that are fully Sharia-compliant and of high quality (Wangsawidjaja, 2013) .

In addition to reviewing the technical aspects of contracts, the SSB also identifies Sharia risks in new products, such as potential implementation irregularities, possible ambiguities in operational processes, or disruptions in transaction recording. This risk assessment encourages BPRS to be more careful in product design to avoid non-compliance during implementation by field staff (Muhammad, 2021). Therefore, the product review and approval process by the SSB is not merely a formality but an integral part of ensuring the quality, safety, and halal nature of all services offered to customers (Rauf, 2015) .

Carry out Routine Supervision and Sharia Audits

The Security Board (SSB) routinely monitors the operational activities of BPRS Maslahat Dana Syariah Nusantara Bengkulu to ensure that all transactions comply with contractual provisions and Sharia principles. Daily monitoring is conducted through reviewing transaction documents, checking financing activities, validating contracts, and monitoring operational processes carried out by employees. Through this oversight, the SSB can detect potential Sharia violations or administrative inconsistencies that could harm the institution or its customers early on. This routine monitoring is part of the internal control system that maintains Sharia compliance across all units. (Rahmadi, 2011) .

In addition to daily supervision, SSB also conducts periodic Sharia audits, typically twice a year. These audits include reviewing financing documents, evaluating fundraising activities, assessing SOP implementation, and ensuring operational compliance with DSN-MUI and OJK regulations (Triasari, 2021). Audit results are compiled into a written report containing findings (if any), the level of compliance, and recommendations for improvement that must be followed up by management. This audit process is crucial because it serves as a benchmark for improving the quality of Sharia governance and maintaining public trust in the bank's operations (Shofanisa, 2017) .

The SSB also monitors the implementation of corrective actions taken by management based on previous audit recommendations. This follow-up process ensures that improvements are not only documented but also implemented in

operational practices (Anisykurlillah et al., 2020). The SSB observes whether revised procedures are effectively implemented by employees and whether there is measurable improvement in Sharia compliance over time. Thus, the Sharia audit conducted by the SSB is not merely an administrative process but also a mechanism for continuous evaluation and improvement in the implementation of Sharia principles within the institution (Wilardjo, 2019) .

Bridging the DSN-MUI Fatwa into BPRS Practice

One of the important roles of the SSB is to translate DSN-MUI fatwas into operational practices at BPRS Maslahat Dana Syariah Nusantara Bengkulu. DSN-MUI fatwas, being normative in nature, often require technical interpretation for implementation within banking mechanisms. The SSB ensures that each fatwa is well understood by management and incorporated into SOPs, policy guidelines, transaction flows, and contractual agreements. In this way, the SSB acts as a bridge connecting the principles of Islamic jurisprudence (fiqh muamalah) with the practical needs of banking operations, ensuring proper Sharia implementation (Robe'nur, 2022) .

In addition to interpreting fatwas, the SSB also plays a role in providing explanations and outreach to employees regarding Sharia principles relevant to their duties. This is done through training sessions, discussions, or direct consultations when operational issues requiring Sharia reference arise (Wilardjo, 2019). This educational role is crucial because the success of Sharia implementation depends not only on written regulations but also on employees' understanding of the correct procedures. With the involvement of the SSB, BPRS employees can carry out their duties with confidence that their actions are within Sharia boundaries (Rafsanjani, 2021) .

In addition, the SSB serves as a mediator when BPRS face operational issues for which there is no clear technical guidance in the DSN-MUI fatwa. In such situations, the SSB provides an interim Sharia opinion that serves as guidance for management until new provisions are issued by the DSN-MUI. Through this role, the SSB ensures that every decision made by management remains based on Sharia principles and does not lead to non-compliance. Therefore, the SSB's role in bridging fatwas with operational practices is strategic in maintaining consistent Sharia implementation in all BPRS activities. (Ilyas, 2021) .

The supervisory mechanism implemented by the Sharia Supervisory Board for BPRS Maslahat Dana Syariah Nusantara Bengkulu

Appointment

The appointment of members of the Sharia Supervisory Board (SSB) at BPRS Maslahat Dana Syariah Nusantara Bengkulu is carried out through a mechanism strictly regulated by Islamic banking regulations. The process begins with nominations submitted by BPRS shareholders or management, who nominate candidates for SSB membership. These candidates must possess relevant academic competencies, particularly in the field of muamalah jurisprudence (fiqh muamalah), as well as a

thorough understanding of the operational aspects of Islamic financial institutions. Furthermore, the candidate's moral integrity and professional track record are key considerations in the selection process. This ensures that the appointed SSB members are truly capable of carrying out Sharia supervision objectively and comprehensively (Sabri, 2022) .

After undergoing an initial internal selection process, SSB candidates must obtain an official recommendation from the Indonesian National Sharia Ulema Council (DSN-MUI). This stage is mandatory and serves as proof that the candidate meets national competency and integrity standards (Baklouti, 2022). As the institution authorized to issue fatwas, the DSN-MUI evaluates the candidate's understanding of contracts, muamalah principles, and Sharia governance. This recommendation serves as religious and professional legitimacy for the appointed SSB, ensuring that its members possess adequate academic qualifications (Maharani, 2020) .

After obtaining the DSN-MUI recommendation, the candidate's name is submitted to the General Meeting of Shareholders (GMS) for formal approval as part of the BPRS's official organizational structure. The final appointment decision is then reported to the Financial Services Authority (OJK), which is authorized to grant operational approval. Thus, the SSB appointment process is carried out through a multi-layered and structured mechanism, ensuring that SSB members at BPRS Maslahat Dana Syariah Nusantara Bengkulu have legal legitimacy, religious authority, and the technical capability to conduct accurate and professional Sharia supervision (Nuryadi et al., 2017) .

Implementation of Supervision

The SSB's supervision of BPRS Maslahat Dana Syariah Nusantara Bengkulu is carried out through a systematic and continuous approach. Supervision begins with a preventive (ex-ante) phase, which is carried out before any activities or products are implemented (Zahra, 2025). At this stage, the SSB reviews documents, contracts, standard operating procedures (SOPs), and policies to ensure compliance with Sharia principles. A thorough evaluation is conducted to prevent elements that could potentially lead to future Sharia violations. Through preventive supervision, the BPRS can minimize the risk of deviations and ensure that all activities align with Sharia principles from the outset. (Rinaldy, 2020) .

In addition to preventive supervision, the SSB also conducts repressive (ex-post) supervision, which is conducted after activities have been implemented. This includes reviewing completed transactions, reviewing financing documents, verifying compliance with Sharia-based operational procedures (SOPs), and monitoring contract implementation (Rifkhan, 2023). In practice, the SSB frequently conducts field visits to relevant units to ensure that financing activities are carried out in accordance with the contracts agreed between the BPRS and its customers. This form of supervision is crucial to ensure there are no irregularities during service delivery (Pradesyah, 2019) .

The SSB's supervisory function also encompasses educational aspects, providing guidance, consultation, and direction to all employees regarding Sharia principles. When inconsistencies or weaknesses are identified in operational practices, the SSB not only provides corrective notes but also explains the Sharia rationale behind those corrections. Thus, supervision serves not only as a control mechanism but also as a process of continuous improvement in Sharia governance. The combination of preventive, repressive, and educational supervision makes the SSB highly strategic in maintaining sustainable Sharia compliance within BPRS (Irawan, 2021) .

Implementation of Reporting

Reporting is a crucial component of the SSB oversight mechanism, as it serves as a form of accountability for Sharia supervision. All inspections, audits, or evaluations conducted by the SSB must be documented in systematically prepared written reports (Yuni, 2021). These reports include findings of violations or non-compliance, the level of Sharia compliance, and recommendations for corrective actions that must be immediately implemented by BPRS management. This documentation provides management with an official reference for improving operational practices and ensuring follow-up on all findings (Rifkhan, 2023) .

SSB reports are not only intended for internal management but must also be submitted to the DSN-MUI and the OJK as national regulators overseeing Sharia compliance in Islamic banking (Haron et al., 2022). Reports submitted to the DSN-MUI provide information on the implementation of fatwas in practice, while reports to the OJK ensure that BPRS operations comply with Sharia principles and banking regulations. Submission of reports to these institutions demonstrates that SSB oversight is not only internal but also has strong external accountability. (Shofanisa, 2017) .

In addition to periodic reports, the SSB also prepares incidental reports whenever urgent Sharia violations requiring immediate corrective action are discovered. These reports serve as a rapid control mechanism, enabling management to take prompt action before the issue escalates. Therefore, reporting by the SSB is not merely an administrative formality but an integral part of a comprehensive Sharia oversight system aimed at improving compliance at BPRS Maslahat Dana Syariah Nusantara Bengkulu.

Regulation

The implementation of SSB supervision at BPRS Maslahat Dana Syariah Nusantara Bengkulu is based on various regulations that serve as legal guidelines in carrying out its duties. The primary legal basis is Law Number 21 of 2008 concerning Sharia Banking, which stipulates that every Islamic banking institution must have an SSB as an essential component of Sharia governance. This law provides the legal basis for the duties, authorities, and responsibilities of the SSB in ensuring Sharia compliance within Islamic financial institutions. The existence of the SSB is also part of the mandatory Sharia governance system implemented by all Islamic banks (Rafsanjani, 2021) .

In addition to the law, supervision of Sharia Supervisory Boards (SSBs) is regulated by Financial Services Authority (OJK) Regulation No. 8/POJK.03/2014 concerning Sharia Supervisory Boards (SSBs) and OJK Circular Letter No. 10/SEOJK.03/2014. These regulations provide detailed guidance on the requirements for appointing SSBs, their scope of duties, reporting mechanisms, and the competency standards that SSB members must meet. These regulations ensure that Sharia supervision is carried out in a measurable and standardized manner, providing formal guidance for SSBs in carrying out their functions while strengthening the principles of accountability (Maharani, 2020) .

Another important regulatory reference is the fatwas issued by the DSN-MUI, which serve as the primary benchmark for determining Sharia compliance with products and transactions. These fatwas provide normative and technical guidance on various contracts, financing mechanisms, fundraising services, and transaction structures. The SSB is responsible for ensuring that practical implementation aligns with these fatwas. With this robust regulatory framework, the SSB has a clear legal basis to carry out its supervisory role and ensure that all activities of BPRS Maslahat Dana Syariah Nusantara Bengkulu are consistent with Sharia principles, positive law, and Islamic banking governance standards (Thoib, 2025) .

Obstacles faced by the Sharia Supervisory Board in carrying out its supervisory function at BPRS Maslahat Dana Syariah Nusantara

Constraints in Competence and Human Resources

One of the most prominent challenges in carrying out the Sharia Supervisory Board (SSB) function at BPRS Maslahat Dana Syariah Nusantara Bengkulu is the limited multidisciplinary competency. To conduct effective supervision, SSB members are required to possess in-depth expertise in muamalah fiqh (Islamic jurisprudence), a strong understanding of DSN-MUI regulations, and technical knowledge of modern banking operations (Shofanisa, 2017). In reality, not all SSB members in Islamic financial institutions have a balanced background of Sharia and technical banking knowledge. The increasing complexity of Islamic banking products demands a high analytical capacity, particularly in understanding product structure, Sharia risks, and operational implications. This competency imbalance can lead to delays or suboptimal performance in the product review process and daily transaction evaluation (Ningsih, 2020) .

In addition to competency issues, limited human resources also pose significant challenges for the SSB. Typically, the SSB consists of only two part-time members, while the volume of supervisory work continues to increase with the expansion of BPRS operations (Rafsanjani, 2021). With a limited number of members, the workload becomes heavier, particularly during Sharia audits, financing document verification,

and product reviews. These limitations force the SSB to carefully allocate its focus and time to effectively cover all supervisory areas. However, in practice, achieving the ideal level of supervision becomes difficult when the number of supervisors is disproportionate to the institution's operational needs (Thnaibat et al., 2024) .

Workload and Various Positions

The heavy workload of the SSB is one of the main obstacles to implementing Sharia supervision at BPRS Maslahat Dana Syariah Nusantara Bengkulu. The SSB's responsibilities extend beyond preventive supervision through document and product reviews to include repressive supervision such as Sharia audits, field visits, and ongoing guidance and consultation for employees (Rifkhan, 2023). With these comprehensive responsibilities, the SSB is required to continuously monitor the institution's operational developments. In many cases, the high workload is not commensurate with the time and attendance of SSB members, resulting in some supervisory processes relying heavily on internal reports from employees or related units. This dependency can reduce the effectiveness of direct supervision, particularly in technical aspects that require detailed examination (Anisykurlillah et al., 2020) .

In addition to the heavy workload, the issue of holding multiple positions, common among SSB members in many Islamic financial institutions, including BPRS, also presents significant challenges. Most SSB members have responsibilities at other institutions, whether as academic staff, members of other SSBs, or Sharia advisors in various organizations (Hasibuan et al., 2021). This situation limits the time and focus that can be devoted to intensive supervision at BPRS. Holding multiple roles reduces the frequency of SSB members' presence in the office and limits their ability to directly monitor daily transactions and activities. As a result, the quality of supervision can be affected, especially when operational issues arise that require a rapid response from the SSB. (Susila, 2017) .

Inadequate Regulation and Governance

Another challenge lies in the limited availability of technical regulations that serve as guidelines for implementing Sharia supervision at the operational level. Although key regulations such as Law No. 21 of 2008 and OJK Regulation No. 8/POJK.03/2014 exist, some implementing provisions still require more detailed clarification for effective implementation in practice (Shofanisa, 2017). Many DSN-MUI fatwas are normative in nature and therefore require additional interpretation by the SSB to be translated into SOPs and operational practices. The lack of detailed technical guidelines can result in variations in the application of Sharia principles across institutions, forcing SSBs to exert greater effort in anticipating Sharia risks and preventing incorrect or non-compliant contract execution (Fahmi, 2022) .

In addition to regulatory limitations, the internal governance of the BPRS also needs to be strengthened to support more effective Sharia supervision. Some internal reporting procedures and follow-up mechanisms for audit findings have not been fully optimized, which impacts the speed of response to issues identified by the SSB

(Maharani & Hidayat, 2020). When internal governance is not supported by a strong administrative structure, the Sharia supervision process can be hampered, as the SSB relies on accurate and timely operational data for evaluation. Therefore, strengthening the regulatory framework and internal governance is crucial to enable the SSB to optimally perform its function in maintaining Sharia compliance at BPRS Maslahat Dana Syariah Nusantara Bengkulu (Alam & Miah, 2021) .

5. Conclusion And Suggestions

Based on the research conducted, it can be concluded that the role and function of the Sharia Supervisory Board in supervising BPRS Maslahat Dana Syariah Nusantara Bengkulu is comprehensive and strategic. The board acts not only as a supervisory body but also as an advisor by providing guidance and recommendations to ensure that all banking operations comply with Sharia principles. In carrying out its duties, the board conducts compliance audits to evaluate whether the bank's activities align with established Islamic financial standards. Furthermore, the Sharia Supervisory Board acts as a consultant in the review and approval of new financial products, ensuring that each product meets Sharia requirements before implementation. The board also acts as a mediator between the National Sharia Council (DSN-MUI) and the bank in the implementation of fatwas, thus bridging regulatory directives with practical implementation. Within its authority, the board assesses product compliance, documents and reports the results of its supervision, and provides corrective recommendations whenever deviations from Sharia principles are found, ensuring continuous improvement in the bank's operations.

Furthermore, the supervisory mechanism implemented by the Sharia Supervisory Board at BPRS Maslahat Dana Syariah Nusantara Bengkulu is carried out through a structured and systematic process that supports effective oversight. This mechanism begins with the appointment of appropriate members of the Sharia Supervisory Board, ensuring that the selected individuals possess the necessary qualifications and expertise in both Islamic jurisprudence and banking practices. The board then conducts routine oversight of the bank's operational activities, including monitoring transactions, evaluating financial products, and ensuring compliance with internal and external regulations. Another important aspect of this mechanism is the preparation and submission of supervisory reports, which serve as formal documentation of the board's findings and recommendations. These reports are crucial for maintaining transparency and accountability within the institution. Furthermore, the implementation of relevant regulations plays a crucial role in strengthening the implementation of Sharia principles, as they provide a legal and operational framework that guides the bank in maintaining ongoing compliance with Islamic financial standards.

However, despite its important role and existing structured mechanisms, the Sharia Supervisory Board faces several challenges in carrying out its supervisory function at BPRS Maslahat Dana Syariah Nusantara Bengkulu. One major obstacle is the limited competence and availability of human resources, particularly individuals

with multidisciplinary expertise in both muamalah fiqh and modern banking practices. Furthermore, the high workload faced by board members, often exacerbated by holding multiple positions across multiple institutions, can undermine the effectiveness and focus of supervision. Another critical issue lies in the regulatory and governance framework, which is not yet fully adequate to support optimal implementation of sharia supervision. Weaknesses in the governance structure and the lack of comprehensive regulatory support can hamper the board's ability to effectively enforce compliance. These challenges highlight the need for continued improvement in capacity building, institutional strengthening, and regulatory development to enhance the overall effectiveness of sharia supervision within the bank.

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