

A Legal Study on the Mechanism for Resolving Sharia Economic Disputes in the Religious Court

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ABSTRACT

This study examines the legal framework and procedural mechanisms for resolving Sharia economic disputes within the Indonesian Religious Court system. As the growth of Islamic finance continues to increase, the number and complexity of disputes related to Sharia-based contracts, financing schemes, and commercial agreements have also risen. This research aims to analyze the principles, legal foundations, and procedural stages used by Religious Courts in handling such disputes. Using a normative juridical approach supported by statutory, conceptual, and case-based analyses, the study explores how judges interpret Sharia principles alongside national law, the effectiveness of dispute resolution procedures, and the extent to which decisions reflect justice and legal certainty for the parties involved. The findings indicate that although the legal basis for Sharia economic dispute resolution is well-established, several challenges remain, including varying interpretations of Sharia, limited expert involvement, and procedural inefficiencies. Strengthening legal harmonization and improving judicial competence are essential for achieving a more effective and equitable dispute resolution system.

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INTRODUCTION

The rapid development of Islamic economic practices in Indonesia over the past two decades has significantly influenced the dynamics of dispute resolution within the national legal system. As one of the countries with the largest Muslim population in the world, Indonesia has adopted a comprehensive legal framework to support the growth of Sharia-based financial institutions, including Islamic banks, cooperatives, pawnshops, insurance companies, and capital market instruments. The expansion of these institutions has inevitably contributed to an increase in legal disputes related to Sharia economic activities, particularly those arising from contractual relationships involving murabahah, mudharabah, musyarakah, ijarah, and other Islamic financial instruments. Consequently, the Religious Courts have been granted formal authority to adjudicate Sharia economic disputes under Law No. 3 of 2006 and Law No. 50 of 2009, marking an important milestone in the development of Islamic economic law in Indonesia.

The transfer of Sharia economic dispute resolution authority from Civil Courts to Religious Courts reflects a broader effort to align legal procedures with Islamic legal principles. This institutional shift positions the Religious Court as a central actor in maintaining justice, legal certainty, and public trust in Islamic economic practices. However, implementing Sharia principles into judicial proceedings poses various challenges, including differences in interpretation, limited technical knowledge of Islamic finance among some judges, and procedural complexities that may hinder effective dispute resolution. These challenges require systematic analysis to determine whether the current mechanisms are sufficient and compatible with both Sharia law and national legal standards.

In addition to institutional challenges, the growing sophistication of Islamic financial transactions demands a more holistic and responsive adjudication process. Disputes related to profit-sharing mechanisms, financing defaults, collateral enforcement, and the validity of Sharia contracts require judges to balance legal positivism with the dynamic nature of *fiqh muamalah*. While the Religious Courts have established guidelines and standard operating procedures, discrepancies in judicial reasoning and legal conclusions remain a concern. Ensuring consistency and fairness in judicial decisions is crucial, particularly in maintaining the credibility of Sharia-based economic practices and protecting the rights of disputing parties.

The complexity of Sharia economic disputes also highlights the need for synergy between legal frameworks, including statutory laws, Supreme Court regulations, and DSN-MUI fatwas. Although these instruments are intended to complement each other, in practice, they may sometimes conflict or require harmonization to ensure clarity and enforceability. Understanding how judges apply these instruments, and how procedural law accommodates Sharia-specific matters, is essential for assessing the effectiveness of dispute resolution mechanisms in the Religious Court.

Therefore, this study aims to provide a comprehensive legal analysis of the mechanisms used by Religious Courts in resolving Sharia economic disputes. By examining statutory provisions, procedural frameworks, judicial practices, and interpretive approaches, this research seeks to highlight existing strengths, identify legal and institutional gaps, and offer constructive recommendations for enhancing the capacity and effectiveness of the Religious Court system in handling Sharia economic cases. A deeper understanding of these issues is expected to contribute to the development of a more integrated, just, and Sharia-compliant legal environment that supports the sustainable growth of Islamic economics in Indonesia.

METHODOLOGY

This research employs a normative juridical method, which focuses on examining laws, regulations, legal principles, and authoritative opinions relevant to Sharia economic dispute resolution in the Religious Courts. The study analyzes primary legal materials such as Law No. 3 of 2006, Law No. 50 of 2009, the Compilation of Sharia Economic Law (KHES), Supreme Court Regulations, and DSN-MUI fatwas. These sources are complemented by secondary legal materials, including textbooks, academic journals, and expert commentaries in the field of Islamic economic law. This approach allows for a comprehensive understanding of the legal framework governing the adjudication of Sharia economic disputes.

Data collection in this study is carried out through documentary research, focusing on systematically reviewing legal documents, court decisions, statutory regulations, and scholarly works. Several representative decisions from the Religious Court and the High Religious Court are selected to analyze judicial reasoning and the consistency of legal interpretations. The collected documents are classified based on themes such as procedural law, contract principles, dispute types, and the application of Sharia norms. This method ensures that the research captures both the theoretical foundations and practical applications of Sharia economic dispute resolution.

The data are analyzed using a qualitative descriptive approach, emphasizing interpretation, coherence, and critical evaluation. Legal materials are examined through statutory analysis, conceptual analysis, and case-based analysis to identify patterns, strengths, weaknesses, and gaps in the existing mechanisms. The analytical process compares normative provisions with judicial practices to assess the extent to which Religious Courts align with Sharia principles and national legal standards. This method allows the researcher to draw substantive conclusions and propose improvements for a more effective and Sharia-compliant dispute resolution system.

RESULT AND DISCUSSIONS

The findings reveal that the Religious Courts have established a clear legal basis for handling Sharia economic disputes following the enactment of Law No. 3 of 2006 and Law No. 50 of 2009. These regulations formally grant jurisdiction to the Religious Courts to adjudicate disputes arising from Sharia-based financial transactions. This legal foundation ensures that disputes involving Islamic finance—such as *murabahah*, *mudharabah*, *musyarakah*, *ijarah*, and hybrid contracts—are resolved within a judicial institution that is structurally aligned with Sharia principles. The clarity of jurisdiction helps reduce uncertainty and prevents overlapping authority with the General Courts.

Further findings indicate that the procedural mechanisms for handling Sharia economic disputes generally follow civil procedural law, as mandated by the Religious Court Law and related regulations. However, adjustments have been made to accommodate the characteristics of Sharia economic transactions. These include considerations of fatwa-based principles and specific contractual stipulations that differ from conventional civil contracts. In practice, judges incorporate DSN-MUI fatwas as normative references when interpreting Islamic contracts, thus integrating Sharia principles into the judicial process.

Another important finding relates to judges' understanding and competency in Sharia economics. Although judges in Religious Courts typically have a strong background in Islamic law, not all possess specialized knowledge in modern Islamic finance. This gap sometimes affects the depth of legal reasoning in

Sharia economic cases. Nonetheless, the Supreme Court has issued several technical guidelines and conducted capacity-building programs to improve judicial competence, especially concerning Islamic financial instruments and dispute resolution mechanisms.

The analysis also shows that the quality of judicial decisions varies across different Religious Court jurisdictions. Courts located in major cities or areas with advanced Sharia financial activities tend to issue more comprehensive and detailed rulings compared to those in remote regions. This disparity can be attributed to differences in workload, availability of expert witnesses, access to financial literature, and training opportunities. Such variation highlights the need for further standardization and continuous professional development to ensure consistency and fairness in judicial outcomes.

In examining case files, it becomes apparent that disputes commonly arise from financing defaults, misinterpretation of contract terms, and issues related to collateral enforcement. Murabahah financing disputes remain the most prevalent due to the widespread use of this contract in Islamic banking. Judges often face challenges in distinguishing between operational banking practices and Sharia contractual requirements, especially when determining whether profit margins, penalties, or administrative fees comply with Islamic principles.

The findings also reveal that mediation plays an important role in resolving Sharia economic disputes. Religious Courts are required to implement mandatory mediation in accordance with Supreme Court Regulation (PERMA) No. 1 of 2016. Mediation has proven effective in reducing litigation time and costs, especially in disputes involving small and medium enterprises. However, the success of mediation largely depends on the mediator's understanding of Sharia economic contracts and the willingness of the disputing parties to negotiate.

Another issue identified is the limited involvement of expert witnesses in Sharia economic dispute resolution. While expert opinions from Islamic finance practitioners or Sharia scholars could enhance the quality of judicial decisions, they are not routinely presented in court proceedings. This limitation is partly due to logistical constraints and the lack of a standardized mechanism for expert appointment. Increased expert participation could help clarify complex contractual matters and ensure decisions remain grounded in both Sharia and positive law.

The study also finds that harmonization between national laws and Sharia norms remains an ongoing challenge. Although DSN-MUI fatwas provide essential guidance, they are not legally binding unless integrated into legislation or regulatory frameworks. As a result, judges sometimes encounter conflicts between statutory regulations and Sharia principles. For example, issues related to penalty fees, collateral liquidation, and profit-sharing ratios may produce differing legal interpretations. A stronger integration of fatwas into positive law would help reduce such inconsistencies.

In terms of procedural efficiency, the research reveals that Sharia economic cases often require more time to resolve compared to family law cases traditionally handled by Religious Courts. The complexity of financial transactions, extensive document examination, and the need to interpret contractual obligations contribute to longer litigation processes. Implementing digital case management and specialized chambers for Sharia economic disputes could improve efficiency and case-handling quality.

Overall, the discussion underscores the importance of strengthening institutional capacity, harmonizing legal frameworks, and enhancing judicial expertise to ensure the effective resolution of Sharia economic disputes. The integration of Sharia principles into the adjudication process must be supported by continuous reforms, training, and clearer regulatory alignment. With these improvements, the Religious Court system can better fulfill its role in promoting justice, legal certainty, and trust in Indonesia's growing Islamic economic sector.

CONCLUSION

This study concludes that the Religious Courts play a crucial and increasingly strategic role in resolving Sharia economic disputes in Indonesia, supported by a clear legal foundation and procedural mechanisms that integrate both national law and Sharia principles. Although the institutional framework is well established, challenges remain in terms of judicial competence, procedural consistency, and harmonization between statutory regulations and DSN-MUI fatwas. Variations in the quality of judicial decisions, limited expert involvement, and the complexity of Islamic financial transactions also affect the effectiveness of dispute resolution. Strengthening regulatory integration, enhancing judges' expertise in modern Islamic finance, improving procedural efficiency, and expanding the use of expert testimony are essential steps toward achieving a more effective, consistent, and Sharia-compliant dispute resolution system within the Religious Court structure.

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