

## ***ABSTRACT***

Asep Sutarmin, Student ID 240211040125, Reconstruction of the Position and Authority of the Sharia Supervisory Board in Strengthening the Independence of Supervision in Islamic Financial Institutions in Indonesia. Thesis, Sharia Economic Law Study Program, Graduate School of UIN Antasari Banjarmasin, under the supervision of I: Prof. Dr. H. Abdul Hafiz Anshari, AZ, MA and II: Dr. Mahmud Yusuf, M.Si.

*Keywords: Institutional Reconstruction, Authority of the Sharia Supervisory Board (DPS), Independence of Sharia Supervision, Integrated Semi-Independent Model.*

This research is motivated by the strengthening of the legal framework of the Sharia Supervisory Board (DPS) in various regulations that normatively position the DPS as the supervisor of sharia compliance in Islamic Financial Institutions (LKS). However, in practice, the independence of the DPS still faces various structural obstacles that indicate the existence of interest-based relationships that are not entirely neutral, potentially affecting the objectivity and effectiveness of supervision. This condition indicates a discrepancy between the normative construction and the practical implementation of the sharia supervisory system in Indonesia.

This study is a normative legal research employing a statutory approach and a conceptual approach. The legal materials, consisting of primary, secondary, and tertiary legal sources, were analyzed qualitatively through deductive reasoning methods to produce prescriptive legal arguments.

The results of the study show that: first, the position and authority of the DPS normatively possess strong legal legitimacy and a strategic function in ensuring sharia compliance; however, conceptually, its authority remains delegated in nature and has not yet fully taken the form of attributed authority with binding legal force. Second, the independence of the DPS has not been optimally realized due to structural dependence in appointment mechanisms and remuneration systems funded by Islamic Financial Institutions, reflecting interest-based relationships that are not entirely neutral and encouraging tendencies toward symbolic compliance practices. Third, it is necessary to reconstruct the position and authority of the DPS through the implementation of an integrated semi-independent model, namely by maintaining the DPS at the operational level of Islamic Financial Institutions while integrating it vertically with regulatory authorities and national sharia authorities, accompanied by the affirmation of attributed authority, the strengthening of binding sharia audit functions, and the development of an integrated supervisory system.

Therefore, this study emphasizes that strengthening the independence of the DPS cannot be achieved merely through normative reform but requires a comprehensive reconstruction of institutional design. The integrated semi-

independent model proposed in this research constitutes the primary conceptual contribution to the development of a sharia supervisory system that is more independent, objective, accountable, and equipped with effective legal enforceability within the framework of Indonesia's Islamic financial system.