

OPTIMIZING THE INTERMEDIATION FUNCTION OF ISLAMIC BANKS FROM A LEGAL PERSPECTIVE

¹MAULANA PUTRA PAMUNGKAS, I000220146@STUDENT.UMS.AC.ID

²TRİYONO ADI SAPUTRO, ADI.HES@UMS.AC.ID

¹DEPARTMENT OF SHARIA ECONOMIC LAW, FACULTY OF ISLAMIC STUDIES, UNIVERSITAS MUHAMMADIYAH SURAKARTA, SURAKARTA, CENTRAL JAVA, INDONESIA

²DEPARTMENT OF SHARIA ECONOMIC LAW, FACULTY OF ISLAMIC STUDIES, UNIVERSITAS MUHAMMADIYAH SURAKARTA, SURAKARTA, CENTRAL JAVA, INDONESIA

(whatsapp number: 082188617807)

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ABSTRACT

Intermediary functions are a key element in the operations of Islamic banks, which are tasked with collecting and distributing public funds based on Islamic principles. This study aims to analyze and examine the efficiency of Islamic banking intermediation functions through a juridical approach based on Law No. 21 of 2008. Through normative legal research using a legislative and conceptual approach, this study examines the extent to which applicable regulations can guarantee the efficiency of intermediation functions in law and practice. The findings show that although Law No. 21 of 2008 has provided a legal framework that supports intermediation efficiency, its implementation still faces obstacles, such as overlapping regulations, weak coordination between authorities, and the suboptimal role of the DSN-MUI in supervision. In addition, the role of human resources and low public literacy are also factors that hinder effectiveness. This article concludes that the efficiency of Islamic banking intermediation has not been fully achieved due to the gap between ideal legal norms (*das sollen*) and practical realities (*das sein*). Therefore, technical regulatory reforms, strengthening of Islamic institutions, and capacity building for industry players are needed in order to harmonize Islamic legal principles and the effectiveness of the national banking system.

Keywords: Islamic Banking, Intermediation Function, Efficiency

BACKGROUND

Law No. 21 of 2008 serves as a legal instrument to provide a legitimate and independent operational basis for Islamic banks in Indonesia. As a legal norm (*das sollen*), this law stipulates that all Islamic banking activities must be free from usury, gharar, and maisir, and be based on sharia principles through contracts such as mudharabah and musyarakah (Syarifudin & Nurcahyani, 2022). One of the important norms regulated is the intermediary function, namely the role of Islamic banks as intermediaries between parties that have funds and parties that need financing (Kristianti, 2020).

However, in practice (*das sein*), this intermediary function has not been running efficiently. Several studies note that the financing to deposit ratio (FDR) in several Islamic banks is still low, and the distribution of funds does not fully reflect the principles of partnership and Sharia justice. In addition, the lack of synergy between the OJK, BI, and DSN-MUI has resulted in weak coordination in the implementation of fatwas into binding technical regulations (Marlina, 2024).

There is also an overlap between positive law norms and sharia principles. For example, the practice of collateral (*rahn*) in financing contracts often still uses the basis of the Civil Code, rather than Islamic legal constructs. This raises doubts about the consistency of the comprehensive application of sharia principles in the operations of Islamic banks. This inconsistency shows that the applicable legal norms

are not yet fully capable of ensuring the effectiveness of the principle of intermediation in the perspective of Islamic law (Ikhwan & Rusydiana, 2022).

This problem is also exacerbated by the weak literacy of the community and the limited number of human resources who have a deep understanding of the principles of muamalah. As a result, many Islamic banks still imitate conventional business models in financing and profit calculation, making it difficult to achieve the ideal function of Islamic intermediation (Hamda & Sudarmawan, n.d.).

Based on these conditions, this paper seeks to answer the following question: Are the legal norms governing intermediary functions in Law No. 21 of 2008 consistent with sharia principles in their application? This study aims to analyze the discrepancy between ideal norms and actual practices (*das sollen* vs. *das sein*), as well as to examine possible improvements from a regulatory and institutional perspective (Ananda & Inayati, 2024).

In addition to normative problems, the issue of low intermediary functions of Islamic banks is also rooted in empirical social factors. Research conducted by hartini (2020) on Sharia Economic Law students at Muhammadiyah University Surakarta shows that although Islamic financial institutions are viewed as workplaces based on Islamic principles, their level of interest in actually working at these institutions still varies. Internal factors such as self-motivation, educational background, personal preferences, and future career plans compete with external factors such as family support, labor market conditions, and perceptions of the reputation of Islamic financial institutions.

This study also shows that some students consider Islamic financial institutions to lack competitive recruitment and remuneration systems, making them more interested in working in other sectors. In other words, although sharia banks are normatively expected to be the driving force behind the sharia-based economy, empirically, their image and attractiveness as a place of work still need to be strengthened.

These findings are reinforced by the results of research by Fira Aulia Syahira (2021) on the factors causing low interest among students in saving at Bank Syariah Indonesia. This study found that unconvincing promotions, limited product variety, less-than-strategic bank locations, and doubts about the real differences between Islamic and conventional banks are the main obstacles to increasing interest in saving. This condition indicates that although Islamic banks operate in accordance with sharia principles, in practice there is still a significant gap in understanding and trust between the institution and its potential customers, especially the younger generation.

The low literacy and interest of the younger generation in Islamic financial institutions is not only a marketing issue, but is also closely related to the effectiveness of the intermediary function of Islamic banks. If the public does not understand or trust the uniqueness of the sharia system, then the collection and distribution of funds (intermediation) cannot run optimally in accordance with the principles of *maqāṣid sharia*. This fact reinforces the urgency of legal and institutional analysis to see the extent to which positive legal norms can guarantee the efficiency of the intermediary function of Islamic banks in Indonesia.

Legal norms are rules derived from legislation and designed to regulate behavior in society. In Islamic economic law, norms are not only formal legal in nature, but must also be in harmony with Islamic principles such as justice, partnership, and the prohibition of usury, *gharar*, and *maisir* (Adi Saputro, Triyono Amalia et al., 2022). The concept of norms in the Indonesian positive legal system related to Islamic banking is specifically regulated in Law No. 21 of 2008.

This law makes Sharia principles the basis for the operation of Sharia banks, emphasizing that business activities must be based on Sharia contracts such as *mudharabah* and *musyarakah*. This legal norm obliges Sharia banks to carry out an intermediary function, namely collecting funds from the public

and channeling them back through fair and productive Sharia financing schemes (Satria et al., 2022).

In the context of Islamic banking, the effectiveness of intermediation norms will be optimal if there is synchronization between formal norms in the law, technical implementation by supervisory institutions, and public understanding of Islamic contracts.

Meanwhile, Gustav Radbruch emphasized that good legal norms must fulfill three main values: justice, legal certainty, and usefulness. Intermediation norms in Islamic banks can be examined in terms of legal certainty, whether Islamic banking regulations are consistent, not overlapping, and easily applicable.

Several previous studies have shown that the efficiency of Islamic bank intermediation depends on institutional, regulatory, and literacy factors (Najib & Iskandar, 2022). Comparing efficiency measurement methods such as DEA and SFA to show the level of intermediation function optimization (Syifa Sakina Ahdanissa & Hilendri, 2024). Emphasizing the influence of ownership structure and risk management on intermediation efficiency. Umilia Audina & Novien Rialdy (2024) found that the BOPO and ROA ratios are directly proportional to the operational efficiency of Islamic banks.

Widyakto et al. (2022) noted that Islamic banks in Indonesia have achieved an average efficiency of 99.94%, but differences between banks and structural challenges still hinder uniform efficiency. Therefore, a legal review is still needed to examine whether the norms governing this intermediary function truly support efficiency or instead create legal ambiguity (Hamda & Sudarmawan, 2023).

Thus, this literature review shows a close relationship between the existence of legal norms, supervisory structures, and the actual performance of Islamic banks in carrying out their intermediary functions (Ikhsan et al., 2023). This study aims to answer whether the norms in Law No. 21 of 2008 are theoretically adequate and have been consistently applied in practice. (Muyasaroh, n.d.).

Kajian Komparatif: Regulasi dan Maqāṣid Syariah Malaysia vs Indonesia

In recent years, Malaysia has become an example of a country with rapid development in Islamic banking regulations and the integration of maqāṣid syariah principles in its governance. Through the *Shariah Governance Policy Document* published by Bank Negara Malaysia, every Islamic financial institution is required to have an internal shariah supervisory committee, periodic shariah audits and reviews, and a transparent reporting mechanism to the public. This approach ensures that Shariah principles are not merely a formality, but are truly internalized into the operational practices of banks. Research by Wan shows that the quality of regulations and Shariah maqasid parameters have a positive and significant effect on the efficiency of Islamic banks in Malaysia. In other words, comprehensive regulations narrow the gap between *das sollen* (what should be according to legal norms) and *das sein* (what happens in practice) in the intermediary function of Islamic banking.

Although Malaysia's regulatory framework is well established, a number of studies also note that the internalization of sharia maqasid is not yet fully uniform in all operational aspects. The IFHUB (2022) reveals that embedding maqāṣid syariah in law and regulation requires education, training, and strengthening of a culture of compliance so that it does not stop at the level of policy documents alone. This means that even with strong regulations, institutional and cultural efforts are still needed to ensure that maqāṣid syariah truly lives on in bank operations (Mat Nan & Hassan, 2024).

The situation in Indonesia is similar, but with more complex implementation challenges. Indonesia already has a Sharia Banking Law and DSN-MUI fatwas that serve as references for sharia products and services. However, the transition from fatwas to formal regulations and consistent supervisory mechanisms still faces obstacles such as the capacity of supervisory institutions, transparency, and inconsistencies in sharia supervisory practices at banks. The gap between *the ideal* and *the reality* in intermediation functions is still evident in the low Financing to Deposit Ratio (FDR) and the limited

innovation of financing products that are truly different from conventional ones.

From Malaysia's practices, several lessons can be adapted by Indonesia. First, more formal standardization of sharia governance through internal committee requirements, sharia audits/reviews, and strengthening the role of independent supervisory institutions. Second, incorporating sharia maqāṣid indicators such as fairness, customer protection, transparency, and financial inclusion into sharia bank regulations and supervision so that performance reporting is not only financial but also value-based. Third, strengthening the culture of sharia compliance through education and training at all levels of bank management so that the principles of maqāṣid become part of daily practice, not just a formality.

Regulations and sharia maqāṣid that are truly actualized have the potential to increase public trust, increase Third Party Funds (DPK), and strengthen the intermediary capabilities of Islamic banks. In addition, the implementation of periodic Sharia maqāṣid audit and evaluation mechanisms can reduce non-compliance risks, balance prudence and product innovation, and narrow the gap between ideal and reality. Thus, Malaysia's experience shows that strengthening regulations and maqāṣid syariah is not only a normative framework but also a strategic instrument to improve the efficiency of Islamic banks' intermediation functions in Indonesia.

RESEARCH METHOD

This study uses a doctrinal (normative) approach that focuses on analyzing applicable positive legal norms, particularly in Law No. 21 of 2008 concerning Islamic Banking. Doctrinal research places law as a coherent and logical system of norms. Therefore, this approach is carried out by examining legal concepts, legal principles, and Sharia principles that apply in the context of the efficiency of Islamic banking intermediation functions (Alamudi, 2023).

Data collection techniques were carried out through library research, by reviewing primary legal materials (laws, DSN-MUI fatwas, POJK), secondary legal materials (scientific journals, law books), and tertiary legal materials (law dictionaries, encyclopedias). The data analysis technique used a descriptive-qualitative method, which interpreted legal norms based on legal theory, sharia principles, and previous research results to reveal the extent to which these legal norms have been implemented effectively, efficiently, and consistently in practice (Hakimi et al., 2024).

DISCUSSION

The Essence of the Intermediary Function of Sharia Banks from a Legal Perspective;

The intermediary function is the main role of banks as financial institutions that collect funds from the public in the form of deposits, then channel them back in the form of financing or credit to those who need it. In the context of Islamic banking, this function is carried out based on Sharia principles through contracts such as mudharabah, musyarakah, murabahah, ijarah, and other forms of contracts that are free from elements of riba, gharar, and maisir. Thus, intermediation is not merely a financial activity, but also contains moral and social values in accordance with Sharia objectives. The intermediary function is the main and fundamental role of every bank, including Islamic banks. Essentially, Islamic banks act as intermediaries that connect parties with excess funds (savers or investors) with parties in need of funds (entrepreneurs or debtors). However, unlike conventional banks, this intermediation process is not based on interest, but on sharia principles such as profit sharing (mudharabah, musyarakah), buying and selling (murabahah, salam, istishna), and leasing (ijarah). Thus, Islamic banks create a financial ecosystem that is fair, transparent, and free from usury, speculation, and practices that are not in accordance with Islamic teachings (Zulkifli, 2021).

The intermediation model in Islamic banks is based on the concept of partnership. When customers deposit funds, the funds are not only lent but also invested. Islamic banks and customers (fund owners)

share the risks and profits of the projects or businesses that are funded. For example, in the mudharabah scheme, fund owners entrust their funds to the bank for management, and the profits obtained are divided according to a predetermined ratio (proportion). If there is a loss (not due to negligence), it is borne by the fund owner. This model encourages both parties to be careful and work together, creating a stronger and fairer bond. More than just transferring funds, Islamic banks also perform a social intermediation function. Through various products and services, Islamic banks help promote more equitable real economic growth. The financing provided is generally targeted at productive sectors such as agriculture, trade, and small and medium industries (SMIs). This is in contrast to conventional banks, which tend to focus on the consumer sector. By channeling funds to these sectors, Islamic banks contribute directly to job creation, improved community welfare, and overall economic strengthening (Handra & Iska, 2024).

The role of Islamic banks' intermediary function can be seen from several main aspects. First, fund collection, where banks become a means for the public to save funds through savings products, deposits, and Islamic current accounts based on wadiah or mudharabah contracts. Second, fund distribution, which is carried out through productive and consumptive financing by prioritizing halal and beneficial business activities. Third, the resource allocation function, which is to ensure that public funds are channeled efficiently to the real sector that has added value for the economy. Fourth, financial system stability, where Islamic banks contribute to maintaining monetary balance and promoting Islamic financial inclusion. Fifth, social function, namely the management of zakat, infaq, sadaqah, and waqf (ZISWAF) funds, which is a significant difference compared to conventional banks (Khalil et al., 2023).

Another unique feature of Islamic banks' intermediary function is Sharia-based risk management. Due to the profit-sharing principle, Islamic banks have an incentive to be more selective and careful in choosing projects to finance (Yanuar Ali et al., 2021). Banks must ensure that projects are feasible and promising because their profits are directly linked to the success of these projects. This indirectly reduces the risk of default that often occurs in interest-based lending systems. The nature of this partnership encourages banks to become business consultants for their customers, not just lenders, thereby creating mutually beneficial synergies (Syahrizal, 2021).

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In summary, the essence of Islamic banking's intermediary function goes beyond simply collecting and distributing funds. It is a system based on the principles of fairness, partnership, and social benefit. Islamic banks strive to create a balance between financial profit and ethical values. By integrating Islamic principles into every aspect of their operations, Islamic banks are not only financial institutions but also agents of economic and social development with integrity. This is the main distinguishing factor that makes Islamic banks a relevant and sustainable alternative in the modern financial system (Fatihin et al., 2024).

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The urgency of the intermediary function of Islamic banks can be understood from several dimensions. First, this function is at the heart of banking operations, because without a mechanism for collecting and distributing funds, banks cannot function as effective intermediaries (Kristianingsih et al., 2021). Second, the intermediary function drives real economic growth, as public funds are channeled to productive sectors that create jobs and improve welfare. Third, this function ensures fairness and partnership, where the relationship between fund owners and fund users is built on a profit-sharing basis, not interest, thereby creating a more proportional distribution of risks and returns. Fourth, the intermediary function strengthens public trust, because the success of banks in distributing funds efficiently and fairly will increase customer loyalty to Islamic financial institutions. Fifth, this function is an instrument for implementing maqashid syariah, namely protecting property, avoiding harmful practices, and providing benefits to the wider community (Risidiana Himmati et al., 2024).

Analysis of the Intermediary Function of Islamic Banks in the Perspective of Law No. 21 of 2008 concerning Banking.

Law No. 21 of 2008 on Islamic Banking stipulates that all Islamic banking activities must be based on Islamic principles that uphold justice, cooperation, and social responsibility. One of the main elements regulated is the intermediary function, namely the role of Islamic banks in collecting funds from the public and channeling them back through financing schemes based on contracts such as mudharabah and musyarakah. This function should run optimally so that Islamic banks are able to channel funds efficiently, fairly, and productively (Afifah et al., 2021). In ideal legal norms (das sollen), this function is the heart of operations that not only supports banking performance but also upholds the principles of maqashid sharia (Ely Eka Saputri et al., 2024).

However, in practice (das sein), there is a gap between legal norms and their implementation. The efficiency of the intermediation function is not yet optimal, as indicated by the low Financing to Deposit Ratio (FDR) in a number of Islamic banks. Research by Sari et al. (2020) shows that using the Data Envelopment Analysis (DEA) method, many Islamic banks in Indonesia have not been able to optimally convert the funds they collect into financing (Coelli et al., 2005a). This inefficiency has implications for the reduced contribution of Islamic banks to fair financial inclusion in accordance with sharia principles (Khalimah et al., 2022).

To clarify the gap between the legal norms stipulated in the Law (das sollen) and their implementation in Islamic banking practices (das sein), see the following table:

Table 1.

Aspect	Das Sollen (Legal Norm in Law No. 21 of 2008)	Das Sein (Practice in the Field)
Operational Principles	Business activities must be based on Sharia principles and contracts such as mudharabah and musyarakah (Articles 2 & 4).	Practice is dominated by murabahah and ijarah contracts; profit-sharing principles are not yet optimal.

Intermediation Function	Collecting and channeling public funds fairly and efficiently according to maqashid sharia.	Low FDR; many funds collected but not channeled productively.
Supervisory System	OJK, BI, and DSN-MUI play roles in regulation, supervision, and determination of Sharia principles (Articles 32–34).	Weak inter-agency coordination; DSN-MUI fatwas are not always implemented as technical regulations.
Legal Institutions	DSN-MUI fatwas serve as operational references for Sharia compliance (Articles 26 & 27).	Fatwas are only recommendatory and lack binding power in OJK or BI regulations.
Legal Basis of Products	Must not contain riba, gharar, maisir and must uphold principles of justice.	Many financing contracts still use the Civil Code as a basis for collateral and dispute resolution.

The phenomenon of the gap between positive legal norms and field practices occurs not only in regulatory aspects, but also in the behavior of the younger generation towards Islamic financial products and institutions. Empirical data obtained from hartini (2020) research shows that although Sharia Economic Law students understand the Islamic principles underlying Islamic financial institutions, their interest in pursuing a career in this sector is not uniform. Some prefer to work in the fields of Islamic law, education, or become entrepreneurs because they consider office work in Islamic financial institutions to be incompatible with their personal aspirations or not offering attractive career paths. Internal factors such as self-motivation, the desire to increase prestige at a young age, and external factors such as labor market conditions and family support influence their decisions. This indicates that, sociologically, Islamic financial institutions have not yet fully succeeded in building an attractive image for potential employees, even though they have a strong legal foundation.

The findings of Fira Aulia Syahira (2021) reinforce this conclusion from the perspective of consumer behavior. The low interest of students in saving at Bank Syariah Indonesia is not only due to the bank's less-than-strategic location, but also due to weak promotional strategies and a lack of product variety relevant to students' needs. Furthermore, some students still doubt the fundamental differences between Islamic and conventional banking systems due to similarities in operational procedures in the field, such as margin systems or administrative fees. This doubt reveals credibility and communication issues that directly impact the effectiveness of Islamic banks' intermediary functions.

From the perspective of Islamic economic law, these two studies can be interpreted as indicators of the low level of translation of legal norms (DSN-MUI fatwa and Law No. 21 of 2008) into technical regulations that are clear and easily understood by the public. The DSN-MUI fatwa, which is not yet legally binding, and the weak coordination between supervisory agencies increase the possibility of inconsistent implementation of sharia in the field. As a result, the public does not have a noticeably different experience when interacting with Islamic banks, so their interest and loyalty do not grow.

Therefore, strengthening regulations and institutions is not only necessary to reinforce sharia standards at the product and procedural levels, but also to improve public perception. Improving literacy, product transparency, and formulating promotional policies in line with sharia values can be an integral part of reforming the intermediary function of Islamic banks. If these steps are taken, the legal norms contained in Law No. 21 of 2008 will not only become a normative framework but also a real instrument for improving the efficiency and competitiveness of Islamic banks in society.

Inefficient intermediation functions are also caused by weak institutional structures that support the implementation of legal norms. The Financial Services Authority (OJK), Bank Indonesia (BI), and the National Sharia Council (DSN-MUI) as norm operators have their respective roles in regulation and

supervision, but collaboration between these institutions is still not fully effective. According to research by Hidayati & Hidayatullah (2021), delays in converting DSN fatwas into technical regulations have caused sharia products and practices to lose their strong legal legitimacy. This hinders the operationalization of the principle of intermediation at the practical level (Riswanti et al., 2025).

The inconsistency in implementation is also evident in the use of sharia contracts in financing. Although the principles of rahn and kafalah are well known in sharia financing, collateral practices still largely refer to Western legal provisions in the Civil Code. This shows a conflict between sharia norms and positive law, which still dominates the financing system. Alamudi et al. (2024) state that the dominance of conventional law in the guarantee structure is a source of inconsistency between the normative intent of the law and the reality of sharia financial institutions (Minatul Anggreni & Iza Hanifuddin, 2021).

Another factor that also influences this is human resources (HR) in the Islamic banking sector. Many workers come from a conventional banking background and do not fully understand fiqh muamalah in depth. This causes bias in the implementation of contracts and a tendency to imitate the interest system in practice, even though the names of the contracts used have been Arabized. According to Kristianti (2020), this has a direct impact on public trust because the public does not feel a significant difference between Islamic and conventional banks. Research by Afandi et al. (2023) confirms that the operational efficiency of Islamic banks is greatly influenced by the BOPO (operating expenses to operating income) ratio and ROA (return on assets). This means that efficiency is not only a technical management issue, but also reflects the effectiveness of the intermediary function mandated by law. When BOPO is high, it means that the funds collected are not being used efficiently for productive financing (Putri Aprilya Rahmawati & Fauzatul Laily Nisa, 2024).

Mukti & Penulis (2024) in their research show that the average efficiency of national Islamic banks is indeed high, reaching 99.94%. However, this figure does not reflect the overall quality of intermediation functions, as there are still significant variations between banks. Larger and more established banks have better efficiency than small business unit (SBU) Islamic banks, which are more vulnerable to fluctuations in operating costs and limited market access. The dualism of the banking legal system also creates confusion in the implementation of Islamic principles. Rosidah & Mahfiana (2020) mention that even though Islamic banks do not use an interest system, they are still influenced by reference interest rates as a pricing reference in determining margins. This causes the intermediary function of Islamic banks to lose its distinctiveness, which should be an added value compared to the conventional system (Ely Eka Saputri et al., 2024).

In addition, public literacy regarding sharia contracts remains low. Many customers do not understand the structure, risks, and rights/obligations in sharia-based financing contracts. As a result, sharia banks often adjust their products to resemble conventional credit for the sake of efficiency and operational convenience. This phenomenon has been criticized by Hidayati & Hidayatullah (2021) who argue that the low level of innovation in sharia products is due to the reactive nature of DSN-MUI fatwas towards developments in financial technology.

The norms in Law No. 21 of 2008 have provided a clear role for DSN-MUI in supervising sharia compliance, but its implementation does not yet have legally binding force. Fatwas are only recommendations and are not automatically integrated into the regulatory system. This reduces the effectiveness of supervision and opens the door to practices that deviate from sharia values (Putri Aprilya Rahmawati & Fauzatul Laily Nisa, 2024).

Article 69 of Law No. 21 of 2008 states that the provisions in the previous banking law remain in force as long as they do not conflict with Islamic banking. However, this clause actually creates a confusing loophole for interpretation, as it opens up the possibility of the conventional legal system dominating dispute resolution and product management (Ely Eka Saputri et al., 2024).

The consequences of this inconsistency in legal norms not only impact the efficiency of Islamic banks, but also create broader legal uncertainty. When norms in the law are not supported by harmonious technical regulations and the implementation of binding fatwas, legal interpretation becomes relative and has the potential to cause multiple interpretations in dispute resolution. This contradicts the principle of legal certainty as emphasized in Gustav Radbruch's theory, which states that the law must be enforceable with certainty in order to guarantee justice and order. If this uncertainty is allowed to continue, Islamic banks will find it difficult to establish a stable, credible legal system that is in line with maqashid (Riswanti et al., 2025).

Therefore, there is a significant difference between the ideal norms (*das sollen*) contained in the Law and the practical reality (*das sein*) faced by Islamic banks. The inefficiency of the intermediary function stems not only from technical and managerial aspects, but also from regulatory and institutional issues, as well as a lack of comprehensive awareness of Sharia. This gap can only be overcome through regulatory reform, strengthening the authority of the DSN-MUI, improving the quality of human resources, and comprehensive public education on the principles of Islamic economics (Hidayati & Hidayatullah, 2021).

The gap between positive legal norms and practical application is also reflected in the interests and behavior of the younger generation toward Islamic financial products and institutions. Empirical data obtained from Hartini (2020) research shows that although Sharia Economic Law students understand the Islamic principles underlying Islamic financial institutions, their interest in pursuing a career in this sector is not uniform. Some choose to work in the field of Islamic law or become entrepreneurs because they consider office work in Islamic financial institutions to be less in line with their personal aspirations. Internal factors such as self-motivation, the desire to increase prestige at a young age, and external factors such as labor market conditions and family support influence their decisions. This indicates that, sociologically speaking, Islamic financial institutions have not yet fully succeeded in building an attractive image for potential employees, even though they have a strong legal foundation in normative terms.

From a sharia economic law perspective, this research can be interpreted as an indicator of the low level of translation of legal norms (DSN-MUI fatwa and Law No. 21 of 2008) into technical regulations that are clear and easily understood by the public. The DSN-MUI fatwa, which is not legally binding, and the weak coordination between supervisory agencies increase the possibility of inconsistent implementation of sharia in the field. As a result, the public does not have a noticeably different experience when interacting with Islamic banks, so their interest and loyalty do not grow.

Therefore, strengthening regulations and institutions is not only necessary to reinforce sharia standards at the product and procedural levels, but also to improve public perception. Improving literacy, product transparency, and formulating promotional policies in line with sharia values can be an integral part of reforming the intermediary function of Islamic banks. If these steps are taken, the legal norms contained in Law No. 21 of 2008 will not only become a normative framework but also a real instrument for improving the efficiency and competitiveness of Islamic banks in society.

CONCLUSION

Legal norms in Law No. 21 of 2008 have explicitly stipulated that Islamic banks must carry out intermediary functions based on sharia principles through appropriate contractual mechanisms. However, in practice, these norms have not been fully implemented effectively and consistently. The discrepancy between the ideal norm (*das sollen*) and the reality of implementation (*das sein*) is reflected in the low efficiency of intermediation, weak harmonization between supervisory authorities, and the dominance of the conventional legal system in the regulation of collateral and the determination of

financing prices. Theoretically, this creates legal uncertainty and challenges the principles of certainty and justice in the Islamic legal system. In practical terms, the inefficiency of these norms can hamper the competitiveness of Islamic banks, undermine public confidence, and widen the gap between the objectives of Islamic law and the reality of the national financial system. Therefore, improving technical regulations, strengthening Sharia authorities, and integrating fatwas into the positive legal system are urgent strategic steps.

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