



2005 RESOLUTION OF SHARIA ECONOMIC DISPUTES IN INDONESIA: A CASE STUDY IN RELIGIOUS COURT OF CILACAP AND PURBALINGGA

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Abstract

With the enactment of Law Number 3 of 2006 concerning Amendment to Law Number 7 of 1989 concerning Religious Courts which subsequently occurs the second change to Law Number 50 of 2009, the Religious Court has the authority to adjudicate Sharia economic disputes covering the economic activities of Moslems or the community who submit themselves to the Islamic economy in dispute with Islamic banking or Islamic financial institutions. This study aimed to analyze the implementation of sharia economic dispute resolution in the Cilacap Religious Court and the Purbalingga Religious Court. The study used qualitative methods with an empirical juridical approach. The results showed that the Cilacap and Purbalingga religious courts had expanded their competence and authority to resolve cases of Islamic economic disputes in the Purbalingga and Cilacap regions. The Cilacap Religious Court has resolved 13 Islamic economic disputes while the Purbalingga Religious Court has resolved 58 Islamic economic disputes since the enactment of Law Number 3 of 2006. Resolving Islamic economic disputes in the Religious Courts can be done in two ways, namely: by mediation, or by the litigation process if resolution cannot succeed. Whereas the procedure for litigation can be done in a court in either simple procedure or in regular procedures.

Keywords: *Islamic Economy; Religious courts; Dispute.*

1. INTRODUCTION

The development of the business in sharia economy field using sharia contracts is increasingly rapid. However, in the implementation of sharia economy, there found some problems between the parties. These problems among Islamic economic actors can sometimes end in disputes. Disputes that cause clashes between two parties of Islamic economics, both in terms of interpretation and in the implementation of the agreement contents, then both parties will try to resolve them by deliberation according to Islamic law. However, there are some disputes that may not be resolved by deliberation. Disputes must be immediately anticipated carefully in order to find solutions for litigants. The disputes in Islamic Financial Institutions, Islamic Banking and the community of Islamic economic services users must be resolved based on sharia principles to anticipate sharia economic disputes.



Business activities carried out based on sharia principles should be followed by dispute resolution institutions with credibility and competency of sharia economy. The dispute resolution agency can be a litigation or non-litigation institution. Non-litigation institutions outside the court are commonly known as the Alternative Dispute Resolution (ADR) concept. Out-of-court settlement is widely used, because it appears more efficient, effective, quite satisfying to the parties in disputes than official litigation and it provides many conveniences that are not obtained in official litigation. The concept of Alternative Dispute Resolution (ADR) is also known as Alternative Dispute Resolution (APS), the concept has been crystallized in Indonesian law with the issuance of Law Number 30 of 1999 Concerning Arbitration and Alternative Dispute Resolution (Sudiarto, 2015).

Law No. 21 of 2008 concerning Sharia Banking, in article 55 explains that the settlement of disputes related to sharia banking can be done by choosing a settlement path, namely: first, conducted by a court within the scope of a religious court; second, outside the religious court in the event that the parties have agreed through a dispute resolution agreement other than the religious court, provided that the dispute resolution must not be in conflict with the sharia principles. Settlement of disputes outside the court can be pursued by efforts such as: deliberation; banking mediation; or resolution by an arbitration institution, in this case the National Sharia Arbitration Board (*Basyarnas*); and by justice within the general court.

Resolution of litigation disputes is resolved through the judiciary. The amendments to Law Number 3 of 2006 as amendments to Law Number 7 of 1989 Concerning Religious Courts has given new authority to religious justice institutions, namely accepting, examining and adjudicating Islamic economic disputes. It is more clearly stated in article 49 that the Religious Court has the duty and authority to examine, decide upon, and settle cases in the first instance among Muslim in the fields of: a. Marriage; b. Inheritance; c. Will; d. Grant; e. Waqf; f. Alms; g. *Infaq*; h. Alms, and i. It is further explained in article 49 letter (i), that the sharia economic sector includes: Sharia Banks, Sharia Micro Financial Institutions, Sharia Insurance, Sharia Reinsurance, Sharia Mutual Funds, Sharia Bonds and Sharia Intermediate Securities, Sharia Securities, Sharia Financing, Sharia Pawnshops Syariah, Pension Funds of Islamic Financial Institutions, and Sharia Business.

Sharia economic activities that can cause disputes are those that lead to defaults. Broadly speaking, sharia economic disputes can be classified into three parts, namely:

- a. Disputes in the field of Islamic economics among financial institutions and Islamic financial institutions with their customers
- b. Disputes in the field of Islamic economics between financial institution and Islamic financial institution
- c. Disputes in the field of sharia economics between Moslems whose contract agreement clearly and evidently states that the business activities carried out are based on sharia principles (Manan, 2007).

According to J. Satrio quoted by Ummi Azma, default is a situation where the debtor does not fulfill his promises or does not fulfill as he should do and all of that can be questioned to him. While performance itself means doing something, not doing something, and giving up something. In general, the forms of default include: a). Not carrying out the performance at all; b). Implementing the previously agreed but not on



time or late; c). Implementing the previously agreed but not as promised; d). The debtor executes what according to the agreement may not be done. (Azma, 2018)

According to Amran Suadi (2017), based on laws and regulations, those who can submit Islamic economic disputes include: 1) People including individuals or individual businesses; 2) Legal entities including limited liability companies, cooperatives, foundations, State or Regionally Owned Enterprises, political parties, mass organizations, and others. When the person submitting the case is representing the legal entity, then what must be considered is the position of the person, as well as the articles of association of the legal entity; 3) Not a legal entity such as Firm, Commanditare, Vennootschapp (CV). In this category, the provisions and mechanisms should be individual or private business. Therefore what needs to be considered is the documents and the composition of the management.

Studies related to the resolution of Islamic economic disputes through the court or outside the court have been mostly done by academics and practitioners. Based on the research by Rifa Delfa Yuna (2014) about Sharia Banking Dispute Settlement in Indonesia, it showed that banking dispute resolution in practice can be through two paths, namely litigation and non-litigation. Religious justice is a judicial environment that has the authority to settle Islamic banking disputes in the litigation path. Deliberations, banking mediation, sharia arbitration, and courts within the scope of general justice can be held through non-litigation path. Resolution through Sharia Arbitration can further maintain the confidentiality of each party. However, the lack socialization of Authority of National Sharia Arbitration (*Basyarnas*) to the public and the limited office network of *Basyarnas* in big cities makes it less well known as an arbiter in the resolution of Islamic banking disputes.

Based on the research by Ummi Azma (Azma, 2018) about the Sharia Economic Dispute Resolution in the Bekasi Religious Court, it showed that the legal procedure for religious justice is known for the principles of Islamic personality. However, in the implementation of Islamic economic matters, these principles differ from divorce, joint assets, inheritance, will and grants, waqf, zakat, *infaq* and *Sadaqah*. In the implementation of Islamic economic cases, the principles of Islamic personality cannot be applied, but rather the principle of self-submission. This means that if the litigant has entered into a sharia agreement or has participated in business activities, even the person concerned is non-Moslems, then the dispute resolution will still be submitted to the Religious Court. Whereas in matters other than Islamic economic matters as mentioned above, the parties must be equally Muslim.

Muhazri Anwar (Anwar, 2019), in his research, examined the Resolution of Sharia Economic Disputes in the *Murabahah* Financing Contract at the Sahabat Mitra Sejati Cooperative. The results showed that the resolution of *murabahah* financing dispute process in Mitra Sejati Cooperative still refers to Law Number 21 Year 2008 concerning Sharia Banking. While the National Sharia Council *Fatwa* Number 07 / DSN-MUI / IV / 2000 explains that the settlement of murabaha financing disputes is in the Sharia Arbitration Board. However, in reality murabaha financing contracts done by this cooperative did not explicitly appoint a judicial institution to complete them.

Imam Yahya (Yahya, 2017) had completed a research about Sharia Economic Disputes in Indonesia Post Constitutional Court Ruling Number 93 / PUU-X / 2012. Prior



to the issuance of the Constitutional Court Decision Number 93 / PUU-X / 2012, there is still dualism between the religious court and general court in Sharia economic disputes. With the issuance of the Constitutional Court's decision, the authority to adjudicate Islamic economic cases is absolutely in the religious court in accordance with Law Number 3 of 2006 concerning Religious Courts. The implication of the Constitutional Court's decision is that the court should improve its service more by preparing an effective legal system in terms of its structure, substance and legal culture.

Islamic economic disputes are very closely related to the discipline of economics both conventional and Islamic economics. This has become a challenge for the ranks of the religious courts to fulfill the assigned tasks. These challenges include the preparation of human resources with Islamic economics competence, both Islamic banks and Islamic financial institutions. Thus the religious court officers are expected to be able to resolve every Islamic economic case submitted to the Religious Court. Therefore this study would analyze the resolution of Islamic economic disputes in the Cilacap Religious Court and the Purbalingga Religious Court and the extent of competence held by the Religious Courts in the resolution of Islamic economic disputes.

2. RESEARCH METHOD

This study used several methods of research design, data collection and data analysis.

2.1 Research Subjects and Objects

This is a field research obtained through informants and documentation data relating to the research subject (Sutrisno, 2001). This research is directed to reveal the resolution of Islamic economic disputes in the Cilacap and Purbalingga Religious Courts. The research subject in this case is the process of resolving cases handled by the Cilacap Religious Court and the Purbalingga Religious Court, while the object of research is the Cilacap Religious Court and the Purbalingga Religious Court.

2.2. Research Design

The research design used in this research is empirical juridical method. An empirical juridical approach is a procedure used to solve research problems by researching secondary data first and then proceeding with conducting research on primary data in the field (Soekanto, 1985). The empirical juridical approach in this study means that analyzing the problem was done by combining legal materials (which are secondary data) with primary data obtained in the field, namely the resolution of Islamic economic disputes in the Religious Courts of Cilacap and Purbalingga.

2.3. Data source

Data sources used in this study are primary and secondary data sources. Primary data were directly obtained from the first data source at the study site (Burhan, 2004). Primary data in this study were obtained through direct research in the field in the form of data related to the process of resolving sharia economic disputes in the Cilacap and Purbalingga Religious Courts. While secondary data were data obtained from a second source or secondary sources of data needed. In this study, secondary sources of data needed were: books, articles, magazines, and other writings that support research about the resolution of Islamic economic disputes.

2.4. Method of collecting data



This research was conducted with the process of collecting data through observation, interviews, and documentation. Observation is an activity carried out through systematic observation and recording of indications studied and carried out directly in the field. To gain direct access to the object under study, direct observations were made at the Cilacap and Purbalingga Religious Courts, such as by observing the courtroom, mediation room, library and several supporting facilities in the trial process. The interview method is a method of gathering news, data, or facts in the field. The process can be done by structured questions according to the research objectives. The interview was intended to obtain data about the legal basis used as a guide for judges in resolving Islamic economic disputes. While documentation is a technique of collecting data obtained from documents relating to the issues discussed. In this study, the documents collected were in the form of: journals, books, magazines, and so on related to Islamic economic disputes.

2.5. Data analysis technique

The collected data were analyzed qualitatively using descriptive methods. The data obtained were analyzed by qualitative analysis used for normative (juridical) aspects through descriptive analytical methods. This described the data obtained and then connected to each other to get a general conclusion. From the results of this analysis, inductive conclusions, namely ways of thinking in general conclusions based on specific facts, can be observed and found (Soekanto, 1986).

3. DISCUSSION

Religious Courts as one of the executors of judicial power in Indonesia has full autonomy as a special court that is in line with other judicial environments under the Supreme Court. The Religious Courts are tasked with resolving legal disputes and violations of laws or laws for Moslems regarding certain civil cases whose resolution must be settled based on the provisions of Islamic law. The juridical decree was based on Law No. 7 of 1989 concerning Religious Courts. Then it was updated with Law Number 3 of 2006 concerning Amendments to amendments to Law Number 7 of 1989 concerning Religious Courts which includes an additional expansion of the authority of the Religious Courts in resolving Islamic economic matters (Zaidah, 2015).

Judicial power in relation to civil procedural theory, there are two types of competence, namely Absolute Competence and Relative Competence. Absolute power is defined as the authority of a court in examining certain types of cases which absolutely cannot be examined by other courts, both within the same court and in different courts. Whereas relative competence is defined as the division of powers to adjudicate between similar courts based on the defendant's residence. In other words, relative competence is closely related to the jurisdiction of a court (Rasyid, 2003).

Absolute competence in the Religious Court underwent a strategic change in response to the development of law and the legal needs of the community, especially in Islamic economics. These provisions are contained in Law Number 3 of 2006 concerning Amendments to Law Number 7 of 1989 concerning Religious Courts. Based on the article 49, it explained that the Religious Court has an absolute competency expansion, namely the resolution of cases in Islamic economics. Sharia economic activities which become the authority of the Religious Courts in the resolution include: Sharia Banks, Sharia



Micro Finance Institutions, Sharia Insurance, Sharia Reinsurance, Sharia Mutual Funds, Sharia Bonds and Sharia Intermediate Securities, Sharia Securities, Sharia Financing, Sharia Pawnshops, Pension Funds Sharia Finance, and Sharia Business.

Based on the provisions of Article 49 along with the explanation above, it can be assumed that legal subjects in Islamic economic disputes include: 1). Moslems; 2). Non-Moslems submitting to Islamic law; 3). Legal entities conducting business activities based on Islamic law. Thus the principle of Islamic personality contained in the principle of the Religious Court has a more extended understanding than previous principles (Hasan, 2010).

Sharia economic dispute cases are part of civil cases, so the resolution also applies the civil procedural law in force in the Religious Courts. In the case of the resolution of civil cases submitted to the Religious Court, the court has no choice but to settle them. The court in this case may not refuse hearing a case submitted to it due to absent or unclear law. With regard to cases submitted to the court, in accordance with the laws and regulations, there are only two possibilities for resolution, namely: first, resolved in peace or second, resolved through the trial process as usual in accordance with the provisions of the procedural law applicable civil law if the peaceful effort is unsuccessful. Both of these methods must be taken by the Religious Courts in resolving cases in Islamic economics in general and Islamic banking in particular being submitted to the Religious Courts (Basir, 2009).

One of the principles of civil procedural law is that a court judge in handling a civil case submitted to him must first try to reconcile the two parties to the case. Supreme Court Regulation (PERMA) No. 01 of 2008 concerning the Mediation Procedure in the Agma Court regulates the peaceful efforts that must be undertaken by judges in order to settle matters in the field of sharia economy in general and in the field of sharia banking in particular. The judge in consideration of his decision must also mention the existence of mediation efforts, so that if a case which is attended by both parties is not mediated, then the decision is null and void by law.

Mediation according to PERMA No. 01 of 2008 is defined as a way to resolve disputes through a negotiation process to obtain the agreement of the parties with the assistance of a mediator. The position and function of the mediator in the negotiation process is as a neutral party in order to assist the parties in the negotiation process to seek various possibility of resolving disputes without making them to decide a certain solution. The examination process by the panel of judges in mediation, namely: first, the judge must explain the necessity of carrying out mediation assisted by the mediator at a hearing attended by both litigants. Second, the judge proposes the parties to choose a mediator from the list of mediators provided. Third, after both parties select a name of the mediator, the hearing is adjourned within the stipulated time. Fourth, if the mediation process has been carried out, the trial will continue regarding to the results of the mediation.

The mediation process is determined by the mediating judge concerned until the maximum time limit of 40 days. Based on the agreement of the parties, the mediation period can be extended for a maximum of 14 working days. If the mediation fails to reach an agreement, the mediating judge submits written notice to the panel of judges who examine the case and then the parties face the judge on the appointed day, and the trials



proceed as usual. However, if the mediation reaches an agreement, then the parties must face the judge on the determined day of the trial by bringing the results of the agreement signed by both parties.

At the Purbalingga Religious Court and the Cilacap Court, the resolution of sharia economic cases had also gone through the process as regulated in the laws and regulations. Some cases were successfully resolved through peaceful means. In the Purbalingga Religious Court there were 13 cases of Islamic economics that were settled peacefully. 5 cases were settled through a mediation process, while 8 other cases ended in a peaceful decision due to the efforts of the panel of judges at the court. While in the Cilacap Religious Court there were 3 cases that were successfully resolved peacefully.

When the disputes cannot be resolved through mediation or peace efforts, the judge continues the process of examining the case at the trial in accordance with the provisions of the civil procedural law. The procedural law or procedure for handling sharia economic disputes submitted to the Religious Courts is a form of civil procedural law that is commonly carried out in the General Courts. This is regulated in Law No. 3/2006 concerning Amendment to RI Law No. 7/1989 concerning Religious Courts. Article 54 stating "The procedural law applicable to the Religious Courts is the civil procedural law that applies to courts in the general court environment, except those which have been specifically regulated in this law". The civil procedural law include HIR (Het Herzeine Inlandsche Reglement) and R.Bg (Rechts Regulation Buitengewesten), including the provisions stipulated in Rv (Reglement of de Rechtsvordering), Civil Code, Indonesian Law No. 5 of 2004 concerning the Supreme Court and RI Law No. 8 of 2004 concerning General Courts as well as several other regulations (Soeroso: 2010).

In Islamic economic disputes, a lawsuit can be filed in the form of a simple lawsuit or a lawsuit with an ordinary event. Handling disputes in a simple way refers to PERMA No. 2 of 2015 concerning the procedures for settling a simple lawsuit or commonly known as the small claims court. Meanwhile, for handling Islamic economic disputes in the normal way, it still refers to various applicable laws and regulations (accessed from the Cilacap Religious Court website).

MA Regulation No. 2 of 2015 contains provisions in the handling of Islamic economic disputes in a simple way, namely:

a. Registration Stage

At the time of the case registration, the plaintiff used the claim form. The value of a material claim in a simple trial case is at most two hundred million Rupiah. The parties submitting must reside in the same jurisdiction. The plaintiff and the defendant do not exceed one party except in the case of having the same legal interests.

Simple Complaint Examination Completion; The court clerk checks the criteria for a simple lawsuit, namely: a). Whether the contract is sharia or conventional; b). Whether the lawsuit value reach two hundred million or more; c). Whether there are two or more litigants d). Whether the parties reside in the same jurisdiction or not; e). Whether the defendant's address is known or not; f). Whether the case is a special case or not.

b. Case Distribution Stage



The head of the court appoints a single judge who will examine and decide the case. Determination of a single judge is done maximally two days after the case is accepted. It should be noted that the judge appointed to examine and to decide on a case is a judge who has been certified as sharia economics and has attended sharia economics training, or is really capable of adjudicating sharia economic cases. Furthermore the clerk will appoint a substitute clerk and a substitute bailiff.

c. Preliminary Examination Stage

In a simple trial, a preliminary hearing is conducted by a single judge without mediation process. The judge will re-examine whether the lawsuit value is simple or not. If the proof is considered simple, the judge determines the day of the trial. On the contrary, if it is not simple, the judge will determine the dismissal followed by a case crossing.

d. Trial Stages

At the first trial the judge must ensure that the parties present are the principal plaintiff and defendant. When the plaintiff is absent at the first hearing without a valid reason then the lawsuit is declared null and void. Conversely, when the defendant is absent, he will be summoned once again. When the plaintiff is absent while the defendant is present at the next hearing, then the lawsuit must be declared null and void. The judge gave an explanation of the process of simple trial examination to the plaintiff and the defendant related to the process of examining the case. There were only claims and answers, the time limit for the settlement of the case was carried out within 25 days from the first hearing, if the defendant acknowledged the arguments submitted by the plaintiff then indirectly it became a perfect proof.

Even though there is no mediation process, the judge is obliged to reconcile the parties and make peaceful efforts outside the trial. Submission of evidence must be included together with registration.

Submission of a decision is made no later than two days after the verdict is pronounced; there are only remedies for objections that must be submitted seven days after the verdict is pronounced or notified

Whereas for handling cases in the usual way the applicable provisions are the opposite of simple events, as are the provisions in civil proceedings in general. In the lawsuit submitted by the parties to the Religious Court, it is then processed through a civil litigation process, namely:

a. Pre-trial Stages

The hearing stage consists of case registration, the determination of the panel of judges, the determination of the appointment of a court clerk / substitute clerk, the determination of the day of trial (PHS) and the summons of the parties.

At the trial registration stage, the parties can file a lawsuit where he lives or where the other party lives. The court clerk then receives a lawsuit submitted by the litigant to subsequently be listed in the register book and given the case number after the plaintiff previously paid the down-payment fee. The appointment of a panel of judges examining a case is made by the chair of the Religious Court. As for the substitute registrar, the chairperson is appointed. The substitute registrar is in charge of assisting the judge,



recording the proceedings of the court, making minutes of the hearing, stipulation, decision, and carrying out all the judge's orders in terms of completing the case.

The time between the summon of the parties and the day of the trial shall not be less than three days. The summons of the parties is said to be appropriate and official when it meets the provisions.

b. Trial Stages

The trial in handling sharia economic disputes is conducted openly to the public, unless stipulated by law. The panel of judges examining, adjudicating and deciding Sharia economic disputes is carried out by a panel of judges consisting of one chief judge and two member judges. Before entering the proceedings, the Religious Courts are required to make peace efforts through mediation. In the mediation process the parties are given the freedom to choose mediators both from outside the court and from the court judge. If mediation reaches an agreement, a peace deed is signed by both parties. However, if the mediation process fails then it will continue with the ordinary event.

At the hearing stage, the main examination of the case is usually carried out, then the reading of the lawsuit, the offer for peace, the response to the lawsuit submitted and the opportunity of questions and answers between parties commonly referred to as the replica stage (the response from the plaintiff) and duplicate (the response returned by the defendant). The next step is to prove it. At this stage each party presents evidence before the panel of judges. The judge is obliged to assist the parties to present witnesses. Next is the stage of concluding the proposals submitted by each party, where the conclusions are in accordance with the views of each party regarding the subjects of the case that have been examined in the demands and requests submitted. Next, the panel of judges held a closed and confidential meeting to produce a decision.

Judges' decisions in Islamic economic dispute cases with ordinary events consist of two decisions, namely: a decision which states that the claim is granted in whole or in part, and the claim is rejected. The end of the trial stage is the reading of the verdict stated publicly. In the event that the parties are not satisfied with the judge's decision, then they can submit legal remedies. The remedies that can be taken by the parties in the examination of ordinary events are the legal remedies for appeal, legal remedies for cassation, and legal remedies for judicial reviews. An appeal can be filed with the following provisions: when the verdict is pronounced and both parties are present, then the appeal of the verdict is given a grace period of 14 days from the day the pronouncement is made; when the verdict is pronounced and only one party is present either the plaintiff or the defendant, then an appeal against the decision can be made within a period of 14 days from the day the contents of the decision are delivered to the absent party.

Based on the decision data gathered from the two Religious Courts as the objects of research, there were 71 Islamic economic matters since the enactment of Law No. 3 of 2006. This number consists of: 58 cases in the Purbalingga Religious Court and 13 cases in the Cilacap Religious Court. In the Purbalingga Religious Court, 13 cases were resolved with a peaceful means, 5 cases were settled by mediation while 8 cases were resolved by the judge at the court. While 7 cases were decided verstek, 6 cases were granted and 1 case was in NO (niet ontvankelijk verklaard), and the other was a simple lawsuit without mediation judged by a single judge who was very active in the effort to reconcile the two parties in the trial.



Meanwhile in the Cilacap Religious Court, of the 13 Islamic economic cases received, there were 4 cases of peaceful decisions, 3 cases of decisions were granted, 1 case was in NO (niet ontvankelijk verklaard), one case was revoked, one case was dismissal, and two others were still running. Judging from the trial examination process, 10 cases were type of the simple lawsuit and 3 others were a type of special lawsuit or in other words the value of the material lawsuit is over two hundred million rupiah.

The procedural law used by the Religious Courts is the civil procedural law that applies generally, but there is a slight difference in the resolution of Islamic economic disputes. The most striking difference between Islamic economic dispute court and general civil case is at the trial. In the trial of Islamic economic disputes are open to the public, while civil court cases such as marriage, divorce, divorce, reconciliation, and inheritance are closed to the public. Likewise in the mediation process, if in the case of marriage, divorce, reconciliation, the assembly will first look at the position of the case. While sharia economic disputes prioritize solutions using family-based principles because the principles of sharia economics was based on family principles. Therefore it is highly recommended for litigants to take the mediation path first (Yahya, 2017).

Sharia economic dispute resolution in the Religious Courts is certainly not easy, both for the apparatus of the Religious Courts and in substance. That is because the resolution of Islamic economic disputes becomes a new authority for the Religious Courts themselves. So we need qualified human resources and developments in the regulations. Because in the judicial process a judge has a very important role in determining a decision. It lies on the hands of the judge that a case can be settled fairly for the parties.

With the addition of the authority to examine, try and resolve Islamic economic disputes as stated in Law Number 3 of 2006 concerning Religious Courts, it becomes a challenge for Religious Court judges and their apparatus. The ability of Religious Court judges is tested to handle Islamic economic cases in accordance with the principles of the Religious Courts procedural law, namely judicial proceedings that are carried out simply, quickly and at low cost (Mukarromah, 2016). In this case the Supreme Court has taken steps to prepare the judges of the Religious Courts, among others by providing socialization, upgrading, training, guidance. and encouraging them to continue their studies to a higher level.

The readiness that the Supreme Court has made in preparing the Human Resources proves that Religious Court judges continue to explore the law in preparing quality in order to deal with sharia economic cases submitted there. As regulated in article 28 paragraph (1) of RI Law No. 4 years on Judicial Power, reads: "Judges must explore, follow, and understand the legal values and a sense of justice that lives in society". By continuing to explore the existing law and to equip themselves with as much insight and knowledge as possible, it will further strengthen and convince the community of Islamic economic practitioners that the Religious Court judges are truly ready to handle sharia economic cases.

The laws and regulations used as a source of law for judges in adjudicating Islamic economic disputes are formal legal sources and material legal sources. Formal law is used as a rule regarding procedural procedures in the Religious Courts if a material legal provision is violated. Meanwhile, the formal legal sources are legal sources that apply in general justice, including: HIR (Het Herziene Inlandsche Reglement), Civil Code (BW), Law No. 4 of 2004 concerning Judicial Power, Law No. 5 of 2004 challenges the Supreme Court and Law No. 8



of 1989 concerning General Justice, Law No.7 of 1989 which was amended by Law No. 3 of 2006 concerning Religious Courts, as well as several other regulations relating to Islamic economic matters.

Various laws and regulations that are related to sharia economics include no specific rules governing formal law (procedural law) and material law on sharia economics. So far, what has been used as the basis for judges in prosecuting is the provisions contained in the Jurisprudence books and some in the fatwas of the DSN (National Sharia Council) and Bank Indonesia Regulations and the Compilation of Sharia Economic Laws (KHES). Meanwhile, for material law, the most important source of law used as a basis for judging Islamic economic matters is the Qur'an and Sunnah as the main source and legislative regulations, fatwas of the National Sharia Council, books of fiqh, traditions, and jurisprudence as the other sources.

The Compilation of Sharia Economic Procedures (KHAES) has not yet been ratified, although it has been highly expected. It is very important as the guidance for judges in Indonesia to handle Islamic economic dispute cases which are currently being submitted to the Religious Courts. The arranged KHAES can contain all the rules of law in resolving Islamic economic disputes so that it will greatly assist the judges in examining and deciding cases by upholding the value of justice.

Thus, the efforts that must be carried out continuously by the Religious Courts in Indonesia are establishing public or community trust as economic actors in the Religious Courts as a breaker of Islamic economic matters. Thus the public will be increasingly convinced and ready to settle Sharia economic disputes there since the court is very competent.

4. CONCLUSION

Settlement of Islamic economic disputes in Indonesia with case studies in the Cilacap Religious Court and the Purbalingga Religious Court are carried out through a process as stipulated in the legislation. In Islamic economic disputes, lawsuits can be filed in the form of simple or ordinary claims. Handling disputes in a simple way refers to the Supreme Court Regulation No. 2 of 2015 concerning the procedure for settling simple claims. While the handling of Islamic economic cases in the normal way still refers to various applicable laws and regulations. The judge has an obligation to direct the parties to the dispute to take the path of peace first.

The addition of authority in the field of sharia economics in the Religious Courts certainly becomes a challenge for its apparatus, so it requires readiness in all aspects. In this case, the Supreme Court has taken steps to prepare human resources by providing opportunities for Judges of the Religious Courts to take part in socialization, upgrading, training, training, and encourage judges to continue their studies to a higher level.

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