



Islamic Banking Sharia Compliance on Currency Transactions

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Abstract

The implementation of sharia banking must follow legal compliance based on sharia principles (sharia compliance) as a form of accountability and credibility of Islamic banks in accordance with Islamic law. Currency trading transactions (sharf) which are one of the Islamic banking products are allowed according to Islamic law based on the Fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) No. 28/DSN-MUI/III/2002 concerning the Sale and Purchase of Currency (Al-Sharf). However, in practice, many currency trading transactions violate sharia compliance so that the transaction law becomes haram. This study aims to assess the implementation of transactions related to foreign exchange whether it is in accordance with sharia principles (sharia compliance) as the basis for implementing Islamic banking in accordance with Islamic law. The method used in this research is normative juridical with a statutory approach. The results of the study indicate that in the sharif transaction there are four provisions so that the transaction does not become unlawful: (1) no speculation; (2) there is a need for transactions/just in case; (3) If the transaction is made in the same currency, the value must be the same and in cash (taqabudh); (4) If there is a difference in type, it must be done at the exchange rate prevailing at the time the transaction is made and in cash. In addition, the role of DPS in supervising Islamic banks in the practice of Sharf is very much needed so that sharia compliance can be enforced, although there are still shortcomings in DPS itself.

Keywords: *Islamic Banking, Sharia Compliance, Currency Transactions.*

A. PENDAHULUAN

Banking in the financial world is one of the institutions that has broad functions. The history of the financial system in world civilization has made banking an advanced and modern system today. Islamic banking is also an alternative in the development of the financial world to develop a financial pattern based on Islamic law. This is a hot topic of conversation among regulators, academics and businessmen, where the sharia-based financial sector is in the circle of the majority of the population who adhere to Islam in Indonesia. Historically-sociologically, Islamic law is an inseparable part of the teachings of the Islamic religion that permeates the subconscious has become part of the norms of Indonesian society since the entry of Islam to the archipelago (Ka'bah, 1999).

Quoting Munir Fuady, the birth of banking with sharia principles in the Indonesian banking system adds to the liveliness of the legal treasury. Moreover, it reinforces the vision of Indonesian banking life. These facts rest on two reasons: First, because most Indonesians are Muslim, the presence of a bank based on sharia principles is like a tit for tat. Second, the conventional banking system whose business activities only rely on deposits or credit based on interest, where interest (riba) is prohibited in Islamic law, or at least its halal is in doubt. (Fuady, 1999).

In carrying out its activities, Islamic banking must follow legal compliance with the principles of sharia or sharia compliance, because Islamic banks are financial institutions that operate in accordance with Islamic sharia principles, meaning that Islamic banks in their operations follow the provisions of Islamic sharia, especially those concerning the procedures for human interactions in Islam (Antonio, 1999). Sharia compliance is a form of Islamic bank

accountability in disclosing compliance with sharia principles, which is a manifestation of the fulfillment of all sharia principles in institutions in the form of characteristics, integrity and credibility of Islamic banks (Peraturan Bank Indonesia Nomor 13/2/PBI/2011 Tentang Pelaksanaan Fungsi Kepatuhan Bank Umum (Indonesia Central Bank Rule Regarding Commercial Bank Compliance), 2011).

The trade in currency transactions (buying and selling) or *sharf* in Arabic is one of the products of Islamic banking services, in which the National Sharia Council of the Indonesian Ulama Council (DSN-MUI) has issued fatwa DSN-MUI No. 28 / DSN-MUI / III / 2002 concerning Currency Buying and Selling (Al-Sharf) which provides a basis for sharia that is in accordance with Indonesian positive law, so that Islamic banks can buy and sell currencies by following the provisions set by the DSN. -MUI as well as in sharia and *fiqh*. The basic law of buying and selling currency in Islamic law is permissible or permissible in sharia. If viewed from the point of view of the nature of the sharia it can be equated with the law of buying and selling transactions in general, plus a number of conditions, the acquisition of *sharf* transactions is contained in many hadiths and *ijma* 'of the scholars (Al-Bugha, 2010). However, in practice many of them violate the terms of *sharf* transactions, so that they violate the sharia and the transaction law becomes prohibited or haram (Al-Bugha, 2010). In addition, these violations also lead to violation of sharia compliance which is required to be carried out under positive Indonesian law.

In discussing this paper, there are theories that are used to become the analysis tool for the subject matter are Sharia Compliance Theory and Transactions in Islam Theory. Sharia compliance is defined as "the ability to fulfill with Islamic law and operate under the principles of Islamic banking and economy" by Othman

and Owen, this opinion views that compliance (in this case sharia) is the ability to fulfill Islamic law and operate under the principles -principles of economics and Islamic banking. Some of the indicators include run on Islamic law (implementing Islamic law), provision on Islamic products (in accordance with Islamic products, no interest and provision on free interest loans (free of usury and interest) (Othman & Owen, 2012).

Based on Bank Indonesia Regulation No. 13/2 / PBI / 2011 concerning Implementation of Compliance Function for Commercial Banks, what is meant by compliance is the values, behaviors, and actions that support the creation of compliance with Bank Indonesia regulations and the prevailing laws and regulations, in this case including the principles sharia for Islamic banks. Sharia compliance is the adherence of sharia banks to sharia principles. Islamic bank is a financial institution that operates in accordance with the principles of sharia, meaning that in its operation it follows the provisions of Islamic sharia, especially regarding the procedures for praying according to Islam. The demand for sharia compliance, when referred to in the history of the development of Islamic banks, the main reason for the existence of Islamic banks is the emergence of awareness of the Muslim community who want to carry out all their financial activities based on the Al-Quran and Sunnah. For this reason, guarantees regarding sharia that are fulfilled in the Islamic banking industry in all of its activities are very important in Islamic banking business activities (Junusi, 2011).

Islamic banks have fulfilled compliance with sharia principles or have met sharia compliance if all transactions and business activities do not contain elements of *riba* (usury), *gharar* (uncertainty) and *maisir* (gamble), run a business based on

halal profits, carry out the mandate entrusted by customers to the bank and manage zakat, infaq and shadaqah with trust (Wardanti, 2011). Sharia compliance is consistently used as a framework for the syariah banking system and finance in resource allocation, management, production, capital market activities and wealth distribution. Compliance with sharia principles has an impact on all matters in the Islamic banking industry, especially with its products and transactions, but not limited to systems, techniques, and corporate identity.

According to Adrian Sutedi, the operational meaning of sharia compliance is compliance with the DSN-MUI Fatwa, because the DSN Fatwa is the embodiment of sharia principles and rules that must be adhered to in Islamic banking (Sutedi, 2009). Indonesia does not implement a pure sharia system in the banking system in Indonesia. This fact can be understood through the role of Bank Indonesia as the central bank which is not only in charge of Islamic banks, but also conventional ones. Bank Indonesia has made the DSN-MUI Fatwa as positive law for Islamic banking, meaning that the DSN-MUI Fatwa is part of Bank Indonesia regulations governing the sharia aspects of Islamic banking. The formalization of the DSN-MUI as an inseparable part of the Bank Indonesia regulations for Islamic banks is to create aspects of sharia compliance in the uniformity of norms in the aspect of sharia for all Islamic bank products (Sutedi, 2009).

Transactions in Islam Theory in the book of Kifayatul Akhyar by Imam Taqiyuddin Abubakar, it is stated that buying and selling according to language is giving something because there is a certain gift or reward (Al-Hisni, 2010). Sayyid Sabiq in the book Fiqh Sunnah explains by etymologically, buying and selling that according to the understanding of language is exchanging (exchange). The words

Al-ba'I (sell) and Al-syira '(buy) are used in the same sense, and these words each have two meanings, one with the other is contradictory (Sabiq, 2010). Furthermore, in terms of fiqh buying and selling in Islam is the exchange of property for assets on the basis of mutual consent, or transferring property in exchange which can be justified by syara' (Sabiq, 2010).

This means that in buying and selling there are at least two parties in it, where one party hands over money as payment for something received from the seller, and the other party hands over something in exchange for the money received from the buyer. In Surah Al-Baqarah verse 275 provides a basis for the permissibility of buying and selling "And Allah has made buying and selling legal and forbid usury." (Departemen Agama Republik Indonesia, 1984). Then in another verse it also states "And testify when you buy and sell" (Al-Baqarah verse 282), and in Surat An-Nisa verse 29 (Departemen Agama Republik Indonesia, 1984):

"O you who believe, do not eat the wealth of your neighbor by way of canceling, but by trading (buying and selling) who are willing to give up among your neighbors."

From these three verses, it can be concluded that buying and selling in Islam is prohibited (haram) using usury, there must be witnesses in the sale and purchase, and must be willing among the parties (willingness). Buying and selling in Islam is a contract, and is considered valid if it meets certain pillars and conditions, including (Mulyo & Shobahussurur, 1992):

- a. Sighaat (statement), namely Ijaab and Qabul (handover) between the seller and the buyer with clear sentence and not satire that must require interpretation so that it creates differences.

- b. Aqdayn (who made the agreement), namely the seller and the buyer, on the condition that both of them must be mature and sensible so that they really understand the nature of the goods being sold.
- c. Maq'ud 'alaih, namely goods that are traded. The conditions must be clear and not fake goods. Goods must have benefits, because Allah SWT forbids buying and selling liquor, pork, and others that are included in the law.
- d. There is a replacement exchange rate for goods (price of goods). The exchange rate of goods is one of the most important elements

The discussion on sharia compliance in the Islamic finance industry has previously been discussed by Luqman Nurhisam, who in his research discusses the concept and implementation of regulations in the form of the DSN-MUI Fatwa by the Sharia Supervisory Board (DPS) as a form of sharia compliance to the Islamic finance industry, both banking institutions. and non-banking institutions (non-banks). From the results of his research, it can be concluded that, DPS as the holder of the supervisory authority on sharia compliance (sharia compliance) has responsibilities that have been regulated through strict legal provisions (Nurhisam, 2016). The position of the DPS greatly determines the realization of sharia compliance (sharia compliance) which is the main element of the existence and sustainability of business for the Islamic finance industry.

Another study was also conducted by Ja'far Baehaqi, who in his writings discusses the juridical framework of sharia compliance in sharia banking operations in Indonesia in terms of several aspects which include institutions, business activities and liquidity management, as well as financial instruments (Baehaqi,

2017). The results of this study indicate that, institutionally, the regulation is directed at strengthening the structure and appearance of Islamic identity. Institutionally there is a tension between the goals of institutional development and the reduction in the level of sharia compliance to a certain degree. In the aspect of business activities, sharia compliance has comprehensively reflected Islamic law as a reference or basis as well as providing a position for Islamic law as part of legislation and elaborating supervisory institutions. Meanwhile, from the aspect of liquidity management and financial instruments, there has been an elaboration of instruments related to the character of sharia (sharia compliance) which is the basis for sharia banking compliance.

Similar research was also conducted by Miti Yarmunida, who discussed the dimensions of sharia compliance in Islamic bank operations (Yarmunida. Miti, 2019). The results of the study state that the sharia label is not only limited to the name but has consequences that affect all aspects of its operations. All operational aspects of Islamic Banks must/must be subject to and comply with sharia principles (Syariah Compliance). Broadly speaking, the sharia principles include: (1) does not contain usury; (2) avoid ba'i al-inah; (3) not inviting gharar; (4) does not contain maisir; (5) the business is run based on halal profit; (6) carry out the trust entrusted by the customer to the bank; (7) manage zakat, infaq, and shadaqah, in accordance with sharia.

The difference between this study and the three similar studies that have been described is that this study emphasizes sharia compliance in Islamic banking institutions in foreign exchange transactions. The analysis in this study is in the implementation of transactions related to foreign exchange whether it has complied

with sharia principles (sharia compliance) as the basis for the implementation of Islamic banking in accordance with Islamic law. In discussing this research, the legal basis used, among others, comes from the Al-Quran and Hadith, as well as laws and regulations in Indonesia which are binding as positive law for Islamic banks in Indonesia, namely Law Number 21 of 2008 concerning Islamic Banking, Bank Regulations. Indonesia Number 13/2 / PBI / 2011 concerning the Implementation of Commercial Bank Compliance Functions, as well as the National Sharia Council Fatwa of the Indonesian Ulama Council Number 28 / DSN-MUI / III / 2002 concerning Currency Trading (Al-Sharf). The mains issues from the research are about how does Islamic law govern currency trading and how is Sharia Compliance of Sharia Banks with Sharia Principles in Currency Trading.

B. RESEARCH METHODOLOGY

This research is a juridical-normative research (Soekanto, 2007) which refers to legal norms in various laws and regulations. The research method used in research is library research which is carried out with the aim of obtaining secondary data, to be used as a theoretical basis for the problem to be studied in order to support the data obtained during the research, by studying books, literature and other sources relevant to the problems discussed in the study. According to its nature, the research to be carried out has a descriptive-analytical type of qualitative data. Descriptive research means research that describes a symptom and analyzes the symptom to obtain answers or problem solving from these symptoms and is described systematically (Soekanto, 2007). The types of data that will be used in the research include secondary data. The secondary data is data obtained from library research (Mamudji, 2005) in the form of primary legal materials, secondary

legal materials, and tertiary legal materials. The legal materials that will be used by the author in this study include Primary Legal Materials that needed to find a legal basis related to the problem to be studied. Primary legal materials consist of laws and regulations and their derivatives applicable in Indonesia that are related to the problem (Mamudji, 2005). In this writing, the laws and regulations that will be used include Bank Indonesia Regulation Number 13/2/PBI/2011 concerning the Implementation of Compliance Functions of Commercial Banks, as well as the Fatwa of the National Sharia Council of the Indonesian Ulama Council Number 28 / DSN-MUI / III / 2002 concerning Currency Buying and Selling (Al-Sharf). Also as primary legal material in this research, including Al-Quran and Hadith. Secondary legal materials are materials that provide information or matters relating to the content of primary legal materials and their implementation. Secondary legal materials in writing this thesis consist of books, journal articles, papers, and other literature which are considered to support the writing of this research (Mamudji, 2005). Tertiary legal materials are materials that provide guidance or explanation for primary or secondary legal materials. Tertiary legal materials consist of dictionaries such as the Big Indonesian Dictionary (KBBI), legal dictionaries, and others related to research topics (Mamudji, 2005).

C. RESULT AND DISCUSSION

1. Currency Transaction in Islamic Law

In Islamic law, buying and selling currency is called in Arabic as a sharf. The meaning of sharf literally means addition, exchange, avoidance, milling, or buying and selling transactions. Sharf is an agreement to buy and sell one currency with another currency. Buying and selling foreign currency transactions, can be carried

out either with similar currencies (for example, rupiah and rupiah) and other currencies (for example, rupiah and dollar) (Sjahdeini, 2005). Fiqh scholar defines a sharf as buying and selling money with the same or non-like money. In classical fiqh literature, this discussion is found in the form of buying and selling dinars for dinars, dirhams with dirhams, or dinars for dirhams. At present, this form of buying and selling is often found to be carried out by foreign exchange banks or money changers, for example buying and selling of rupiah with dollars or other foreign currencies (Sjahdeini, 2005). Fiqh scholar underlying the ability in sharf transactions on the words of the Prophet Muhammad peace be upon him (PBUH):

“... (Buying and selling) gold for gold, silver for silver, wheat for wheat, dates for dates, grapes with grapes, (if) one kind (must be) the same (quality and quantity, and done) in cash. If the type is different, then sell it according to your wishes on cash terms.” (narrated by the majority of hadith experts, except Al-Bukhari).

This hadith emphasizes that the conditions for exchanging currencies of the same type are of the same quality and quantity and made in cash (what is meant by "in cash" is that the payment must be made immediately and cannot be owed). In another narration from Abu Sa'id Al-Khudri, it is also emphasized that if the exchange rates being traded are in the same type, then there should be no additions to one of its types (narrated by Al-Bukhari, Muslim, and Ahmad) (Sjahdeini, 2005). The sharf transaction has the potential to become a ribawi transaction, the goods exchanged in this transaction have *'illat* (legal reason) usury, which is a scale according to the Hanafiah ulama and value goods according to the Syafi'iah scholar. Gold and silver in this case include valuables and are weighed. Therefore, there are special requirements for a sharf transaction to be valid, including (Al-Bugha, 2010):

- a. The existence of equivalence (*tamasul*) if it is of the same type, if gold is exchanged for gold or silver for silver, the two items exchanged must

be equal in weight, other things outside these factors are not taken into account (physical condition, shape, etc.). If the two are of different types, there may be advantages (not comparable). It is also permissible to transact freely, for example the seller says to the buyer "I am selling this gold for this silver."

- b. It has to be cash at the time of the transaction, there should be no delay in the delivery of the two transacted items or one of them, for example someone (the first party) says "I want to exchange my dinar for ten dirhams, but I will give the dinar to you after one hour, "Transactions like this are not legal according to sharia.
- c. The handover of goods must be at the time of the transaction (taqabudh), the handover in this context is the handover in an essential meaning, every party making a transaction must hand over the goods in his hand until the other party actually receives it, and vice versa. If he hands it over but the other party hasn't really accepted it himself, the transaction becomes invalid. This is because the desired condition here is perfect acceptance, meanwhile, surrender that has not really been received is not a perfect form of acceptance, so that if the parties have separated physically while one party has not handed over the goods to the other party, the transaction is invalid.

DSN-MUI through Fatwa No. 28 / DSN-MUI / III / 2002 concerning Currency Buying and Selling (Al-Sharf) determines that currency buying and selling transactions are deemed necessary for various purposes, so that with various considerations based on Al-Quran, Hadith and Ijma ulama, it is agreed that currency

buying and selling is allowed to be carried out. In general terms, currency buying and selling transactions are in principle permitted under the following conditions (Fatwa Dewan Syari'ah Nasional Nomor: 28/DSN-MUI/III/2002 Tentang Jual Beli Mata Uang (Al-Sharf), 2002):

- a. Not for speculation (chancy);
- b. There is a need for a transaction or just in case (savings);
- c. If the transaction is made against similar currencies, the value must be the same and in cash; and
- d. If different types, it must be done at the exchange rate prevailing at the time of the transaction and made in cash.

Then, further explained about the types of transactions against foreign currencies, namely (Fatwa Dewan Syari'ah Nasional Nomor: 28/DSN-MUI/III/2002 Tentang Jual Beli Mata Uang (Al-Sharf), 2002):

- a. Spot transactions, namely buying and selling foreign currency transactions (foreign currency) for delivery at that time (over the counter) or for settlement at the latest within two days. The law is permissible because it is considered cash, while the two days are an inevitable settlement process and an international transaction.
- b. Forward Transactions, namely foreign currency buying and selling transactions whose value is determined at present and is applied for the future, between 2 x 24 hours up to one year. The law is haram because the price used is the agreed price (muwa'adah) and the delivery is made at a later date even though the price at the time of delivery is not

necessarily the same as the agreed value, unless it is done in the form of a forward agreement for unavoidable needs (*lil hajah*).

- c. Swap transaction is a contract to buy or sell foreign currency at a spot price combined with a purchase between the actual foreign exchange sale and the forward price. The law is prohibited (*haram*) because it contains elements of *maisir* (speculation).
- d. Option transaction, which is a contract to obtain the right to buy or sell, does not have to be made on several units of foreign currency at a specific price and period or end date. The law is prohibited (*haram*).

Regarding the sale and purchase of the same money (*rupiah and rupiah*), it is not explained further because it is clear that there should be no added value in the sale and purchase of similar money.

2. Sharia Compliance with Sharia Principles in Currency Buying and Selling

The provisions of sharia compliance require that Islamic banking institutions adhere to the principles of sharia in their operational activities. In general, there are seven dimensions of sharia compliance in the activities of Islamic banks, namely (Yarmunida. Miti, 2019):

- a. There is no usury in the transaction. The meaning of usury here is the excess or additional payment without any compensation or compensation required for one of the two parties making the contract or transaction.
- b. Avoiding *bai 'al-'inah*. According to Oni Sahroni *bai 'al-'inah*, it can be seen from the buyer and seller aspects. From the buyer perspective, *Bai 'al-'inah* is to buy goods in cash with an agreement to sell them back to

the first seller for a smaller price, equivalent to cash. Meanwhile, from the seller's aspect, bai al-'inah is selling goods in cash with an agreement to buy them back from the same buyer for a smaller price in cash.

- c. Must avoid gharar (uncertainty) or obscurity. According to the expert of fiqh gharar, it is the nature of muamalah that causes some of the pillars to be uncertain, where the parties in the transaction do not have certainty about the goods that are the object of the transaction, both in terms of quality, quantity, price and time of delivery of goods so that the parties are disadvantaged.
- d. There is no maisir (gambling) in the transaction. In language, maisir can be interpreted as gambling, in simple terms maisir is a transaction that depends on an uncertain and lucrative situation, which results in one party bearing the burden of the other due to the gambling.
- e. In running its business, banks must be based on lawful profit, which is in accordance with the halal stipulated in the sharia.
- f. Banks must carry out the mandate that is defied by the customer because trust is something that is guarded because of an agreement transaction or no agreement transaction.
- g. Supervision of Islamic bank compliance which will be discussed further beyond these points.

Regarding the points above, there must be supervision. Within the framework of Islamic banking supervision in Indonesia, the Sharia Supervisory Board (DPS) is present as the supervisory authority for sharia compliance. DPS is placed in a very strategic position, its position is very decisive in the creation of sharia

compliance which is the main element in the existence and continuity of business for the Islamic finance industry (Nurhisam, 2016).

DPS is a Muslim scholar appointed / recommended by the DSN-MUI to oversee the operations of the Islamic financial industry in order to comply with the principles of sharia. In the MUI Decree No. Kep-98 / MUI / 2001 regarding the composition of the DPS-MUI, DPS has the duties and authorities: (1) To conduct periodic supervision of Islamic financial institutions under its supervision; (2) is obliged to submit proposals for the development of Islamic financial institution products under its supervision to the head of the institution concerned to DSN; (3) reports on the development of products and operations of Islamic financial institutions that it supervises to DSN at least 2 times in 1 fiscal year; and (4) formulating problems requiring additions that require discussion of the DSN (Nurhisam, 2016). DPS supervises Islamic banks as a supervisory body, DPS that supervises certain Islamic banks is responsible for reporting sharia compliance issues to DSN-MUI, based on this report, forwarded to Bank Indonesia (BI) or the Financial Services Authority (OJK) for related investigations. with reported issues (Nurhisam, 2016).

Currency buying and selling has the potential to violate sharia compliance, often in practice someone buys money, but it is handed over sometime later or received a little later. Often a person also buys money from a second party, then sells it to a third party before he receives the money from the second party. All of these practices violate the legal requirements of the sharf because they cannot fulfill the requirements of taqabudh, so the transaction becomes haram (Al-Bugha, 2010). Coupled with the Forward, Swap, and Option transactions that have been banned

through the DSN-MUI Fatwa No. 28 / DSN / MUI / III / 2002, the role of DPS is increasingly central in safeguarding and supervising Islamic banks so as not to violate sharia compliance.

DPS still in practice has shortcomings, namely (Prabowo & Jamal, 2017): (1) Until now, there is no specific law used as a reference for special supervision of Islamic banking; (2) DPS is only used as a complementary object in an existing Islamic banking institution, the structure can be filled without specific criteria based on expertise; (3) Members of DPS are appointed as figures with charisma and popularity among the public, not because of their knowledge expertise in the fields of economics and Islamic banking; (4) Members of the DPS are appointed and given a salary by the sharia bank under their supervision, making them less independent and not objective in supervision; (5) DPS members are people who are busy with their primary profession, so they do not have enough time to carry out supervision. As a result, supervision of Islamic banking is only done as a part-time job; (6) DPS does not have the freedom to act decisively on the results of its supervision. DPS can only give warnings but may not close down problematic banking businesses, so supervision by DPS tends to be ignored; (7) Islamic banking is very susceptible to shared errors; (8) The weakness of the legal level for sharia compliance assessment by DPS is due to the ineffectiveness and inefficiency of the sharia supervisory mechanism in Islamic banking; (9) Limited expertise of DPS in terms of auditing, accounting, economics, and business law; (10) Absence of an effective working mechanism and structure for DPS in carrying out the function of sharia internal control in Islamic banks; and (11) There are still many cases of

violations of sharia principles committed by sharia banking institutions, especially banks that have converted to sharia or opened Sharia Business Units.

D. PENUTUP

In a sharf transaction, there are four provisions so that the transaction does not become haram, among others: (1) Not for speculation (chance); (2) There is a need for transactions or just in case (savings); (3) If the transaction is made against similar currencies, the value must be the same and in cash (*taqabudh*); (4) If there are different types, it must be done at the exchange rate (exchange rate) in effect at the time the transaction is made and in cash. Sharia compliance is the legal compliance of Islamic banks with sharia principles, which is also not limited to positive regulations in Indonesia, in practice, sharia compliance is supervised by DPS. Sharf transactions have a very high potential to become transactions that contain maisir, gharar, and usury, such as with foreign exchange speculation, buying and selling not in cash, and violating *taqabudh*. So that the role of DPS in supervising sharia banks in the practice of sharf is very much needed so that sharia compliance can be enforced, even though in DPS itself there are still shortcomings.

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