

POLICY EVALUATION OF QANUN NO 11 OF 2018 CONCERNING SHARIA FINANCIAL INSTITUTIONS IN ACEH PROVINCE

nurul kamaly¹, Afrijal², Bustami Usman³, Soraya Agustina⁴, Raudhatul Khaira⁵

¹, Universitas Syiah Kuala, Indonesia ;

², Universitas Syiah Kuala, Indonesia ;

³, Universitas Syiah Kuala, Indonesia ;

⁴, Universitas Syiah Kuala, Indonesia ;

⁵, Universitas Syiah Kuala, Indonesia ;

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Abstract

Background - The implementation of Qanun No. 11/2018 on Sharia Financial Institutions (LKS) in Aceh has raised concerns regarding its effectiveness in transitions the financial system from conventional to sharia-based. This study aims to evaluate the impact of the Qanun on access to finance, adaptation of financial institutions, and overall community access. A qualitative approach was used, involving interviews with key informants including policy makers represented by DPR Commission III, Director of Bank Syariah Indonesia (BSI), Director of Bank BTN Syariah, Director of Bank Aceh Syariah, Director of Bank BCA Syariah, academics and community representatives in Banda Aceh. Informants were selected by purposive sampling based on involvement or impact of Qanun implementation. Findings highlighted significant challenges, such as limited community readiness, inadequate policy socialisation, and barriers faced by businesses in adapting to the new financial system. Lack of technical support further hampered smooth implementation and created dissatisfaction among affected parties. This study provides an in-depth understanding of the barriers and opportunities in the evaluation of the sharia-based financial system in Aceh.

Purpose - to assess how the Qanun affects financial access, adoption of sharia financial institutions in Aceh, access to society as a whole with their implementations.

methodology - A qualitative approach was used, involving interviews with key informants including policy makers represented by DPR Commission III, Director of Bank Syariah Indonesia (BSI), Director of Bank BTN Syariah, Director of Bank Aceh Syariah, Director of Bank BCA Syariah, academics and community representatives in Banda Aceh. Informants were selected by purposive sampling based on involvement or impact of Qanun implementation.

Findings - Findings highlighted significant challenges, such as limited community readiness, inadequate policy socialization, and barriers faced by businesses in adapting to the new financial system. Lack of technical support further hampered smooth implementation and created dissatisfaction among affected parties. This study provides an in-depth understanding of the barriers and opportunities in the evaluation of the sharia-based financial system in Aceh.

Originality - The originality and value of this study lie in its in-depth exploration of the practical challenges faced during the implementation of Qanun No. 11/2018 on Sharia Financial Institutions in Aceh. By focusing on key stakeholders, including policymakers and banking leaders, the research provides unique insights into how the transition from conventional to sharia-based finance affects community access and institutional adaptation. Additionally, the study highlights gaps in policy socialization and technical support, offering valuable recommendations for improving the effectiveness of sharia financial systems in similar contexts.

Keywords: Qanun No. 11/2018, Islamic Financial Institutions, Policy Evaluation.
